


## Book reviews

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Marjorie Harper, *Douglas Copland: Scholar, Economist, Diplomat*. The Miegunyah Press (an imprint of Melbourne University Publishing Limited): Carlton, Victoria, 2013; viii + 548 pp.: 9780522862843 (hbk), 9780522864281 (eBook)<sup>1</sup>

**Reviewed by:** GC Harcourt, *University of New South Wales, Australia*

Marjorie Harper's long-awaited biography of Sir Douglas Copland far more than justifies the wait. *Douglas Copland: Scholar, Economist, Diplomat* is a masterpiece of detailed, thorough scholarship characterised by deep understanding of economic theory and of economic, political and social history. It is a wonderfully perceptive but sensitively unobtrusive portrait of a man and his family, colleagues and friends. The volume is exactly what an intellectual biography should be, but so rarely is: it places the subject of the biography in perspective and analyses events within that perspective with sound and sympathetic judgement. When Lady Copland donated the bulk of his papers (160 boxes!) to the National Library, she 'expressed the wish that an overall account of Copland's public life should be written – ... a framework for the more detailed analyses of particular facets of his career' (p. 5). Marjorie Harper comments, unduly modestly, that this was the purpose of her book. It is in fact much more; a definitive, multi-dimensional, narrative of a great man and his times.

Copland was born in 1894 at Otaio in the South Island of New Zealand. He was the 13th child of Alexander and Annie Copland. By then, Alexander, a Scot, had been an experienced, intelligent farmer for almost 30 years, 'varying his output between wool, meat (sheep and cattle), wheat, dairy products, poultry and bee products, according to market signals. He also established a very successful Clydesdale stud, exporting horses to Victoria ... particularly to the Carlton Brewery' (p. 10). The Copland children, a lively argumentative bunch, were brought up on strict Christian principles (Presbyterian, of course), a set of ideals and values which stayed with Copland all his life. As with Austin Robinson, Copland was a Christian who thought that faith without works and not using talents to the full, denied the central essence of Christianity. In notes written, when he was still a student, for a talk to the Bible Class at St Andrew's Presbyterian Church in Christchurch, Copland wrote, '... The call to be a Christian is a call to live among your associates, in whatever sphere you move, in your church or out of it, for the very same end that Christ lived' (p. 23).

Marjorie Harper sensibly refers to Copland as Douglas in his family setting and as Copland in his professional setting. Douglas could never become a farmer as he had a severe allergy to horse hair. Nevertheless, as a school boy, he excelled at many sports and

was an exceptionally strong swimmer. As farming was not possible, he decided to become a teacher and by forming the habit (which remained with him until his old age) of studying between 5:00 a.m. and 8:00 a.m. in the morning and late into the night, he still found time for tennis, cricket and golf (p. 22). He was early on directed towards economics, and came under the influence of James Hight, Professor of Economics at Canterbury College. Hight became 'a mentor, a role model and a lifelong friend' (p. 21). The texts through which Copland was introduced to economics were Francis Walker's *Political Economy* and Arthur Hadley's *Economics*. Copland

found the study of economics so presented ... completely congenial. Systematisation and deductive reasoning satisfied his mathematical mind, the discussion of live issues ... his sense of practicality, and the controversial content gave vent to the argumentative side of his nature, which had been developed within the family circle. (p. 20)

Copland's honours thesis on the problems of supply in the New Zealand wheat industry received high praise from the external examiner, combined with a perceptive assessment of what became the characteristics of Copland's later contributions.

In World War I, Copland tried to enlist for war service, but 'to his amazement and discomfiture, he was rejected on medical grounds. ... a lesion of his heart valve [making] him permanently unsuitable for active service' (p. 29). He therefore worked as a compiler of agricultural statistics in the Census and Statistics Office in Wellington, 'a useful experience [but] lonely work' (p. 30). He then became Hight's graduate assistant and enrolled in the relatively new Bachelor of Commerce degree, adding modern history (instead of accounting) to his already completed core economics and economic history subjects. Copland also taught WEA classes in both Christchurch and Wellington. So when a joint position of university extension tutor to WEA classes and lecturer in history and economics at the University of Tasmania became available in early 1917, with Hight's urging, Copland applied and was appointed. He soon became the first Professor of Economics at the University of Tasmania. It was in Tasmania that he began his lifelong friendship with another giant of Australian economics, L.F. Giblin.

In 1924, he became the first Professor of Commerce and the founding Dean of the Faculty of Commerce at the University of Melbourne. Not only did he preside over the development of the Melbourne Commerce course, including its Honours program and provision for part-time students, working hard and successfully to have economics recognised as a professional discipline, he also played an active role in public life. The Brigden Report on the Australian Tariff, the Premiers' Plan during the Great Depression where 'his influence was both direct and controversial' (p. 2) were examples. He was also acting Vice-Chancellor for part of the 1930s. One of the few disappointments of his career was not to be appointed permanently to the post. During World War II, he was a very effective Commonwealth prices commissioner and economic consultant to the Prime Minister, 'with a rank equivalent to that of a senior cabinet minister' (p. 2). For 2 years, 1946–1948, he was Australian Minister to China, leaving partly because 'he foresaw the slow defeat of the Nationalist Government' (p. 2) but also for personal family reasons and because he was appointed the founding Vice-Chancellor of the Australian National University (ANU), Melbourne's self-inflicted loss becoming Canberra's

considerable gain. When Robert Menzies became Prime Minister in 1949 (the Coplands and the Menzies were close friends), Copland was made a Knight of the British Empire (KBE), an honour he thoroughly deserved but could receive only because Menzies restored the British Honours System for Australians. Around this time, Copland also seriously considered going into the Federal Parliament. Influential Liberals wanted him to replace Menzies as Leader/Prime Minister, but Copland himself only went as far as Treasurer or a combination of 'External Affairs and Customs' (p. 302).

In 1953, he returned to diplomacy as High Commissioner to Canada, also serving at times as Australian representative at the UN Assembly and President of the Economic and Social Council in Geneva. Just before turning 65 years, he left Canada to become the founding principal of the Australian Administrative Staff College in Melbourne. The author tells us that the contributors to the 1960 issue of the *Economic Record* devoted entirely to essays in honour of Copland urged him 'to write his autobiography which would surely be colourful and candid' (p. 3). Alas, he was too busy with his last major contribution, establishing the Committee for Economic Development of Australia (CEDA), of which he was named 'Founder of CEDA' when he retired in 1967. He began to put his papers in order so as to write a series of semi-auto biographical essays. Too late, because in 1971, he developed pneumonia and died at the age of 77.

When I went to the University of Melbourne in 1950, Copland's aura still permeated the Faculty of Commerce. His example of down-to-earth, sensible economic analysis combined with a search for practical and humane policies set within current political and historical constraints, was the backdrop to how we were taught economics. Copland himself was regarded as a giant among mere mortals, someone who not only moulded the teaching of economics and commerce, but who also insisted on close contacts of academics with governments and the business sector, including wage-earners. As the author notes, in his case, this was allied with the protestant ethic, the need to work long and immensely hard, the approach he absorbed as a youngster on the family farm. As a result, Copland's economics always contained Physiocratic and Smithian elements, an emphasis on the agricultural sector as the essential core of the economy and the need to make sure investment went into the sector in order to raise its productivity as the necessary foundation for the development of the industrial and services sectors. Copland was a liberal democrat, a very modern one who, like Keynes in the British Liberal Party, believed that government intervention and institutions were necessary backups to risk-taking entrepreneurial activities in the private sector. With his very detailed knowledge of firms and industries, he designed policies at both the microeconomic and, increasingly, at the systemic level. His approach was viewed sympathetically by Keynes, not least because Copland's analysis of the economy gave as much importance to monetary and financial matters as to real ones, and stressed their integration and relatedness. In the 1920s, Copland and Keynes became friends, one outcome of which was that in 1933, Copland was the first person to give the prestigious Alfred Marshall Memorial Lectures at Cambridge. Appropriately his lectures were on *Australia in the World Crisis, 1929-33*, subsequently published by Cambridge University Press after being 'delivered ... to much acclaim' (p. 198).

Copland's economics was characterised by, first, understanding the details of processes at work, second, setting out relevant policies to tackle malfunctions revealed and

third, designing in detail the administrative and institutional set ups needed to implement policies successfully. People with this range of skills are very rare persons indeed. It would not be out of place to add *Administrator* to the trio of the subtitle. In his varied posts, the author makes clear that he not only brought dominant ideas and ideals but also consideration for people with whom he worked, accompanied always by encouragement and help to others, especially young people. Many well-known economists and others acknowledged the great help and inspiration they received from him. They include Dick Downing, Alf Hagger and Russell Mathews, all of whom worked with him at the beginning of their own distinguished careers. Copland was always willing to go out of his way and draw on his large and ever growing networks of people in many spheres and countries to advance the careers of promising youngsters. Copland had soon acquired an international reputation as an economist and became a welcome and honoured visitor to Ivy League, Oxbridge, London and international institutions.

His punishing regime meant he always pushed himself too hard so that he had a number of serious physical illnesses over his life when even his powerful farmer's frame could no longer stand the strain and stress he put upon it. He died relatively young, partly because of this, partly from fretting about the sad personal life of one of his daughters, for he exhibited the old-fashioned verity of devotion to and support of his family.

This last was more than returned by his devoted wife, Ruth, a naturally shy person who left to herself would never have left New Zealand, but who nevertheless always followed and supported her husband in his rather restless life time pilgrimage. He was never one to pass up attractive and/or challenging openings, nor, on occasion, to lobby for them. Those who took him up were inevitably well recompensed. While he had some disappointments, he mostly had great success in every post he took on. He was flexible, though a strong and persuasive arguer for what he thought was right in particular circumstances. Like Keynes, when persuaded that he was wrong, he changed his mind. For example, in the Premiers Plan, of which he was a principal architect, he proposed real wage cuts; but later on in the 1930s, he accepted the Keynes/Kalecki type argument that the impact on aggregate demand should rule them out as policy. Because of his overall good relationship with leading people in different spheres of society he could usually rely on their good will when proposing policies or sketching ways forward for new or old institutions.

Some of Copland's contemporaries, though they had a high opinion of his intellectual capacity, nevertheless thought him vain and arrogant. Judging from the biography I think that, while there may be some truth in this evaluation, I also gained the impression that, for tactical reasons, he created a public image which could lead to these opinions, even though, in essence, he was a kindly helpful person who exhibited amusing but basically harmless vanities.

Before summing up, I want to refer to two wickedly funny anecdotes that Marjorie Harper unearthed. The first relates to Sir Marcus Oliphant's opinion of economics and economists, opinions which reveal him as an elitist natural scientist and a poor judge of ability:

Economists don't understand sciences – physics is exact, economics just woolly – economists never agree, physicists do. Copland could therefore never have any comprehension of what was

needed ... Economists just aren't academics. Hancock had the economic approach – why have some play-around economist like Trevor Swan (just a public servant) with his odd maths? (n.12, p. 475)

The second relates to Sir Essington Lewis, known to be the opinionated and authoritarian. He admired what Copland achieved as prices commissioner during the war and he later strongly supported the appointment of Copland as the founding principal of the Australian Administrative Staff College (AASC):

I do not throw bouquets in this world ... I have told Sir Douglas to his face that as an economist he is non-existent. I have no respect for economists anyway. ... people who make mistakes and are well covered because someone else gets the blame. But as an administrator he is one of the finest I have ever met. (p. 405)

Marjorie Harper includes a bibliography of Copland's academic and other publications (like Keynes, he often wrote for broadsheets).<sup>2</sup> His output was extraordinary, his arguments were always evidence-based (as we say now), and he never lost the ability to provide an analytical structure for his arguments, rather in the manner of Austin Robinson, Keynes' close and trusted colleague and friend of many years. Austin built on his thorough understanding of Marshall and Keynes to produce clear and down-to-earth analysis. Once in conversation with me, Heinz Arndt chided my generation of Australian economists for not being as hard working or as important an influence on public affairs, or even wanting to be, as Arndt and his generation had been. If he had Copland in mind, he was surely correct and Marjorie Harper's biography shows why.

In so far as Copland is known of today, it is probably primarily for his contributions as an economist. Robert Dixon has pointed out to me that Marjorie Harper's careful documentation of what Copland did after he left Melbourne – his thinking about and activities in relation to China, the development of the Colombo Plan, his activities at the UN and his flirtations with politics in the Menzies era – which brings these to our attention, is a major contribution of her book.

Marjorie Harper just overlapped with the Copland era at the Faculty of Commerce of the University of Melbourne when she was an undergraduate. Subsequently, after a Rockefeller Fellowship where she spent time at the London School of Economics, the International Monetary Fund, Massachusetts Institute of Technology and Harvard, she was a tutor and then, for many years, a Senior Lecturer in Economic History, including History of Economic Thought in the Melbourne Faculty. She was renowned as a wonderful teacher, as an extremely supportive teacher and colleague, utterly selfless in her relationships (both at work and at home) and the source of wise, honest advice when it was asked for.<sup>3</sup> University teachers with these characteristics are rarely to be found, especially now, for they do mean that research and scholarship often have to be put on the back burner even when comparative advantage may suggest it should be otherwise.

As I wrote above, Marjorie Harper is one of the most selfless persons I have ever known. This is an important reason why the biography was a long time in the making. It is splendid, therefore, that her sustained research has resulted in an outstanding outcome: the book and the man stand side by side as completely worthy of each other. It is

therefore most fitting that the book was launched in October 2013 in the newly named Copland Theatre of the University of Melbourne before an appreciative audience which included many of Marjorie's former students and academic colleagues.<sup>4</sup>

## Notes

1. I am most grateful to Robert Dixon, Joe Isaac and Bob Wallace for helpful comments on a draft of the review. Marjorie Harper also kindly looked through the draft for factual errors.
2. Placed strategically throughout the volume is an absorbing collection of photos relating to various episodes of Copland's life.
3. I am one of many, many people who, as an undergraduate, was gently guided onto the right path through conversations with her.
4. I am much indebted to Bob Wallace who was there for providing this evaluative description.

Daron Acemoglu and James A Robinson, *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. Crown Publishers: New York, 2012; 529 pp.: 9780307719218

Ian W McLean, *Why Australia Prospered: The Shifting Sources of Economic Growth*. Princeton University Press: Princeton, NJ, 2012; 312 pp.: 9780691154671

**Reviewed by:** Tim Harcourt, *The University of New South Wales, Australia*

Having traveled to about 58 countries in the last 5 years as a professional economist, I am always amazed at how well the Australian economy stacks up despite lots of noisy pessimism in the media. Thanks to two new books, one by two Harvard/MIT scholars, Daron Acemoglu and James A. Robinson, and another by Ian McLean of the University of Adelaide, there now exists some solid backing for my observations.

In *Why Nations Fail*, Acemoglu and Robinson take a journey through the history of the world to see why some nations have succeeded economically and others have been a disaster even if they had similar endowments of natural resources, climate, or historical culture. Their central thesis is that nations which build inclusive and democratic political and economic *institutions* will do better economically than nations that do not. And this does not matter if a nation has an abundance of mineral wealth and natural resources, because if they do not get the institutions right, with democratic inclusivity, fairness, and the protection of property rights so citizens have the incentive to invest, save, and innovate, the nation can squander its inheritance.

And here is the good news. In the *Why Nations Fail* analysis, Acemoglu and Robinson point to Australia as a nation that got it right, a claim backed up in McLean's excellent volume *Why Australia Prospered*. First, in the 1700s, in the convict era, because of a shortage of labor, the penal colony of New South Wales granted convicts the right to be entrepreneurs and hire other convicts. As the colony developed, the ambitions of the squattocracy to deny others property and democratic rights failed as inclusive political institutions were developed. In fact, by the mid-19th century, the Australian colonies were the first place to introduce an effective secret ballot. The convict colony was very