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The Campaign to Arrest Ed Shann's Influence in Western Australia: Economics in WA 1913-1934

Gregory C. G. Moore*

Abstract: Edward Shann used his status as a foundation professor at the University of Western Australia (1913-34) both to articulate *laissez-faire* ideas in public forums and to mould a generation of bright undergraduates within a singular economics program that was free-market, policy-oriented and historical in flavour. A number of powerful identities in Western Australia resented the free-market commentaries that Shann dispensed in the public domain and before his students, and hence orchestrated a public campaign to arrest his influence. In this paper I provide an account of Shann's influence in Western Australia from 1913 to 1934, trace the campaign waged against him (and economics), and contend that this campaign, in some small part, contributed to his decision to leave that state.¹

1 Introduction

Shann towered over the discipline of economics in the state of Western Australia in the first third of the twentieth century. He was the foundation professor in history and economics from 1913 to 1931 and inaugural professor of economics from 1931 to 1934 at the University of Western Australia (UWA); he set the curriculum for the subjects that constituted the economics major that was offered at UWA over this period and ensured that it had a market-driven, policy-oriented and historical flavour; he trained a generation of bright young men and women—such as John La Nauze, Nugget Coombs, Merab Harris, Paul Hasluck, Arthur Tange and Alexander Reid—who drew upon his teachings (even when they disagreed with certain elements of it) to guide their actions as servants of the public; he exploited his contacts in the commercial and professional world of Perth to draw men of intellect, but not formal economic training, into the newly established local branch of the Economic Society of Australia and New Zealand in 1925; and he established close contacts with local men of finance, including Alfred Davidson of the Bank of New South Wales, in a way that eventually allowed him (and his students!) to provide policy advice at a national level. Shann, in short, created the discipline of economics in Western Australia in his own image. Unfortunately, however, a number of powerful Perth identities resented the free-market commentaries that Shann dispensed in the public domain and before his students, and hence orchestrated a campaign to arrest his influence. This campaign was ultimately successful and Shann was induced to take a position at the University of Adelaide in 1935, where he is suspected of committing suicide in the same year.

In this paper I provide an account of Shann's influence on economic matters in Western Australia from 1913 to 1934 and trace the course of the campaign waged against him (and economics). The associated historical narrative is driven by contextual historiography and a range of archival materials are drawn upon to support my claims, including an unofficial history of UWA, written by one of Shann's chief protagonists, William Somerville, which was, at the time, presumed to be too slanderous to publish. The narrative is broken into four main

sections and a conclusion. In section two I describe the career trajectory that led Shann to take up the foundation chair in economics and history at UWA in 1913. In section three I provide an account of the way in which Shann built the economics discipline on the campus of UWA and focus, in particular, on his influence on a group of students who later played prominent roles in overseeing Australia's economic expansion in the 1950s and 1960s. In section four I trace the way in which Shann promoted the economics discipline in the wider commercial and professional community of Perth and emphasise how the associations he formed in this world were used by his opponents to portray him as a lackey of finance-cum-capitalist interests. In section five I describe the manner in which a number of prominent Western Australians who disapproved of Shann's *laissez-faire* views, including John Curtin, exploited the growing hostility to rational economic thought during the 1930s downturn, as well as Shann's absences from campus to give policy advice in the eastern states, to induce him to resign his position at UWA in 1934. Section six acts as a conclusion and, in the context of summing up my arguments, I offer some reasons why Shann's marginalisation at UWA has not figured in intellectual histories.

2 The Giant Shadow of Ed Shann: Arrival in Perth

The brute facts of Shann's youth have been marshalled admirably in an archival form by Shann's daughter, Marjorie Tange, née Shann (Tange Papers NLA, MS 9847), and in a polished form by Graham Snooks (1988) in his biographical sketch of Shann for the *Australian Dictionary of Biography*, and hence they may be dispensed within a tight frame. Shann was born in Hobart in 1884 into a tight-knit family that was overseen by Frank Shann, a respected and much-liked country newspaper man and occasional teacher. The family moved to country Victoria, where Shann's father edited such august organs as the *Nhill Free Press* and the *Wimmera Star* in the 1890s. Shann was something of a child prodigy and is still arguably the finest product of the Nhill state primary school. Short in stature and with a large square head, he was nicknamed the 'professor' by his schoolmates. Shann excelled academically even when his family, like most Victorian families, suffered materially and emotionally during Australia's first great depression following the 1888-93 financial crises. The father subsequently moved to Melbourne in 1899 to pursue his newspaper career and, no doubt, to allow his son to continue with his secondary education at Wesley College, from which he matriculated with flying colours. Shann read for a bachelor of arts with first class honours over the years 1901-04 within the School of History and Political Economy at the University of Melbourne, and then acted as resident tutor and later as evening lecturer at Queens College, University of Melbourne. He also accepted temporary and locum posts, such as acting professor of philosophy at the University of Adelaide in 1906, before undertaking further studies at the London School of Economics (LSE) in 1908-09, where he embarked upon a thesis on French syndicalism under the supervision of Edwin Cannan and Graham Wallas.

Shann was something of a Fabian during his London years, interacting with the likes of Sidney and Beatrice Webb and attending the Fabian summer school in North Wales. He also visited on occasion Lowes Dickinson and George Macaulay Trevelyan at Cambridge, where he was introduced to J.M.E. McTaggart and Alfred Marshall. His youthful Fabian colours were perhaps the reason why he was unimpressed with Marshall, whom he dismissed as 'a fiery old man, and

bitterly doctrinaire free trader in spite of his restrained tone in his book. Like many Englishmen, he seems to imagine verbal recognition of the superiority of political constitution to the economic tendencies of individual interest, quite sufficient' (Shann to F. Shann, 16/02/09, Shann Papers, NLA, MS 643/05). The Fabian phase of Shann's life did not, however, last beyond his youth and, ironically, his description of Marshall in 1909 could very well be used to describe his own views in the years following the Great War, especially after he had witnessed the way in which the Western Australian government had misallocated London loanable funds to pursue state-directed growth via Group Settlement and other ill-considered 'nation building' schemes in the 1920s. The brevity of Shann's commitment to Fabianism seems to have been lost on those who have recruited him to the Fabian hall of fame (Mathews 1993, Matthews 2007). Shann never lost his humanity and his mission to raise the lot of his common fellows, but, having witnessed some of the worst state planning in Australian history, he put his trust in private property, individual initiative and the allocative efficiency of the price mechanism.

These early formative years could in no way be considered a happy period in Shann's life. Although he came from a close-knit family, his father and elder brother (who was also called Frank Shann) struggled to put him through his secondary schooling and his first degree, while Shann himself was forever fretting about money in his London years. It is speculated that these and other worries of daily existence induced occasional bouts of depression throughout his life and contributed to his suspected suicide in 1935. Even though Shann's immediate family have contested both of these conclusions (and the evidence is admittedly insufficient to draw certain conclusions), he does seem to have had 'black dog' days in London in 1908/9.² His correspondence with his brother Frank reveals his 'nervous funk' over this period arising from his loneliness, poor digs and money troubles (see the letters in the Shann Papers, NLA, MS 643/31). His meetings with the likes of the Webbs, Dickinson and Trevelyan were too few and far between and, apart from an occasional trip to the continent, he felt alone and isolated. His qualities were readily recognised and respected at the LSE, but his reserve had also been noticed. Shann was also uncertain as to whether his academic future would lie in history, sociology or economics. He was lost and, above all else, homesick. His final letter to his brother before boarding a boat to Australia states that he is sick to death with Europe and, as a patriot, longs for the smells, sights and sounds of Melbourne (Shann to F. Shann, 24/11/09, Shann Papers, NLA, MS 643/05). He rejected the offer of a chair in economics at the University of Peking that was arranged for him by his LSE overseers, returned to his Melbourne posts in 1910 and then, in 1911, took a position as lecturer in history and economics at the University of Queensland. He applied for and gained the chair in history of economics and history at UWA in 1912 and began teaching there in 1913.

The first couple of years of Shann's tenure at UWA could only be described as a struggle for both Shann and the university. Shann was still crippled with worry by the dead-weight of personal debt that had plagued him since his London years. He wrote to his brother Frank of the sustained summer heat of Perth, which was always something of shock for 't'othersiders', and his determination to pay off every penny of his obligations by 1914 (Shann to F. Shann, 7/5/13, Shann Papers, NLA, 643/31). Shann must also have been somewhat surprised with the physical condition of the university, which was temporarily housed in unsuitable weatherboard and galvanised iron buildings in a gravel lane, a few blocks to the East of the Town Hall, that connected St George's Terrace and Hay Street and

which ran parallel to Irwin Street. This corridor-cum-street was known as Tin Pot Alley and the students, staff and administrators lived on top of each other in overcrowded and effectively slum-like conditions.³ This sorry state of affairs, which must have been suffocating in the summer months, continued until the vacation of 1930-31, when the university moved from the Irwin Street campus to the more salubrious surroundings on the Crawley campus (yet bringing with them the sheds, which were still in use as academic quarters as late as the 1970s and one of which is now the cricket pavilion on Riley oval). These appalling conditions were further exacerbated by the squabbles amongst the foundation professors, senators and politicians over the appropriate course that the university should take. These feline disputes, which were excessive even by the low bar set in the world of academia, have been recorded in whimsical and under-stated fashion by the first official historian of the university, Fred Alexander, and hence little more needs to be stated except that Shann entered the fray with the rest of them. He was, in particular, concerned by the active hostility of the founding 'Hackett faction', which included the main donor, John Winthrop Hackett (1848-1916), and which did not wish to relinquish decision-making to the academics. Shann described how even the lowest appointments were 'hampered by infinite intrigues' (Shann to F. Shann, 30/7/13, Shann Papers, NLA, 643/31). These fractious machinations continued into the 1920s and would have ramifications for the discipline of economics in the West.

This initial shock to Shann's system, exacerbated as it was by homesickness for the civilised environment of 'Marvellous Melbourne', was resolutely borne and overcome.⁴ For a good decade thereafter, Shann's life at UWA, in spite of a heavy teaching burden and onerous administrative duties, appeared to be idyllic in contrast to his student years. He settled in the quiet suburb of South Perth with his wife, Alice, and three daughters, Jane, Marjorie and Betty. The narrows of the Swan River that separated South Perth from Perth City had yet to be bridged and, unless one wanted to make a major detour to the causeway to the East, it was largely cut off from the increasing traffic of the now ubiquitous automobile (Pascoe 1988). South Perth was a sleepy suburb of large houses, tree-lined streets, gardens, a zoo, a golf course and soft sea breezes that made the summer months bearable. It was also just a stone's throw away from the over-crowded Irwin Street huts that then constituted UWA. Shann would catch the ferry across the Swan, stride up from the foreshore, walk through the supreme court gardens, stroll parallel to the river along St George's Terrace—which, prior to its reconstruction, was considered an Australian boulevard second only to the Paris end of Collins Street—and amble left into the Tin Pot Alley of the Irwin Street campus, invariably arriving at 9.20 am sharp. He would take the same route home in the evening and, along with his friend and colleague Professor Walter Murdoch, who also lived in South Perth (as the 'Sage of South Perth'!), he was a recognised figure along his daily line of march. Indeed, unlike today, where the status of the university man has gone the way of the status of the schoolmaster, the position of professor was still something of note and the good citizens of Perth would point him out. Future students of the university, such as John La Nauze (1974), recalled that they knew these university identities by sight on the ferry jetties from their school-days. This being Perth, a city of a few hundred thousand souls, interested parties would also politely bail up Shann on his daily walk to ask him about his latest monograph. It was during one such exchange that Shann, after famously criticising Australia's indebtedness and warning of a looming crisis in *The Boom of 1890s—and Now* (1927), scanned the vista of the Swan River, one of the

most stunning views in the world, and stated that it would be a 'fine country to starve in'.⁵

3 The Giant Shadow of Shann: Building an Economics Discipline at UWA

The University of Western Australia was founded as a free university. The offspring of poor parents matriculated to Shann's precinct from the state's selective school, Perth Modern, while the children of the professional classes came up from one of the private schools to free ride on the misguided policy of providing the service at a zero-price. As one could imagine, Shann was opposed to this pricing policy and embarked upon an unsuccessful campaign, taken up with greater gusto at strategic moments of opportunity, to change it. The matriculating students could choose between three foundation faculties, Arts, Science and Engineering, with a fourth choice, Law, being added in 1927 largely due to another of Shann's pet campaigns. The BA was three years in length and was broad and liberal arts in nature. Students were required to take a unit devoted to a foreign language, another science-related unit, a selection of units that captured their interest and three units in the same discipline, such as economics, to complete a major. Shann taught the economics classes with almost no assistance until the late 1920s and the history classes until a lecturer in history, Keith Hancock, was appointed in the early 1920s. The three year-long units in economics that constituted the economic major were entitled Economics A, B and C. The content of these courses reflected Shann's belief in the allocative effectiveness of the price mechanism, his preoccupation with policy and his interest in providing an historical context to economic development. Specifically, the first-year class was devoted to economic theory, with the works of Adam Smith, Alfred Marshall and Maynard Keynes (of the *Monetary Tract*) amongst the prescribed reading; the second-year class was largely given over to public finance; while the third-year class was effectively constituted by economic history, with the lecture notes eventually being published as *Economic History of Australia* (1930). Shann also delivered an honours-year unit devoted to any economic policy that preoccupied Shann at that time. Thus, in 1927 and 1928 the honours students considered tariff policy, and in 1929 and 1930 they considered industrial fluctuations and monetary policy (Rowse 2002, p. 34).

Student numbers were never large in the economics stream, with about 20 or 30 in the first-year classes and sometimes no more than 3 or 4 in the second- and third-year classes. The intimate nature of these classes was made even more student friendly when Shann engineered a shift in the convention of teaching three lectures per subject to two lectures and a tutorial. Shann's charismatic nature allowed him to use these small classes to exercise immense influence over a number of outstanding students. The calibre of these students reached a peak in years either side of 1930, when Shann taught the likes of Merab Harris (subsequently a long-time lecturer at UWA), Nugget Coombs (subsequently the Governor of the Commonwealth Bank and then the Reserve Bank of Australia), John La Nauze (subsequently a professor of economics at the University of Melbourne), Sir Alexander James Reid (subsequently a long-serving Under-Treasurer for WA), Sir Paul Hasluck (subsequently a minister under Menzies and a Governor General), 'Pike' Curtin (a noted cricketer and subsequently a Papua New Guinean administrator) and Sir Arthur Tange (subsequently one of Australia's greatest public servants).⁶ Indeed, even though Shann's students went their separate ideological ways, all were left

with a respect for rational economic thought, many retained a desire to apply this way of thinking to solve concrete economic problems and each inherited an understanding that any competent economist needed to have a sense of history. Given the common influence of Shann, it is also not surprising that the majority of them either sought to serve the public (from Coombs to Tange) or became leading academics who sought to teach their subject matter from an historical perspective (from Harris to La Nauze). Shann's hold on some students was further consolidated when he oversaw their MA theses, which were invariably undertaken by students who had received Hackett travelling scholarships in their honours year and were preparing to embark on a PhD in England. These included theses submitted by Coombs (1931) on monetary economics (which provided a good foundation for his PhD at the LSE) and Harris (1931) on the engineer, C.Y. O'Connor (which was eventually worked up, with the indolent delay that typified post-war UWA academics, into a biography in 1978!).

These future nation-builders dwelt on Shann's enthusiasm and abilities as a teacher and left colourful portraits of him in their reminiscences and historical research. Prior to the move to Crawley campus in the summer of 1930-31 (although some departments, like geology, moved earlier than this), these students would gather in the ugly dun-coloured buildings that lay either side of the gravel lane that was Tin Pot Alley, but which the students nicknamed the 'Shop' (see Alexandra Hasluck 1981 and Paul Hasluck 1995 for vivid descriptions of this lane). There was a heightened sense of intimacy as, with only 300-odd students in the late 1920s and a precinct amounting to no more than a lane, even the most reticent academics could not help but intermix with their charges. The academics were allocated tiny offices that were scattered over the campus and students would crowd into these cubbyholes, no more than six at a time, for tutorials (Hasluck 1995, p. 32). Shann readily embraced the persona of charismatic don in this environment. The last classes started at 8.00 pm and ended at 9.00 pm, after which Shann would carry on conversations with his students in their favorite haunt, the chemist shop on the Hay Street entrance of the lane called Elphinstone's Pharmacy, which served sandwiches and coffee and did not mind if students occupied the tables into the night (Hasluck 1981, p. 88). The students, in turn, appreciated his efforts, especially as it was clear to most of them that he was throwing immense energy into overcoming a nervous and inward-looking disposition to engage with the world. The reminiscences of the students from this period are therefore heavy with references to Shann. Coombs stated bluntly that Shann's ideology differed from his own world view, but that he was a good teacher who 'enjoyed the give and take of argument'. He fondly recalled that Shann lent him copies of G.B. Shaw's plays, replete with Shann's approving marginalia from his Socialist Fabian days, which induced him to rib Shann. Shann simply predicted (incorrectly as it happened) that Coombs would, like himself, throw off his youthful idealism as he grew older (Coombs 1981, pp. 144, 190; Rowse 2002, p. 35).⁷ Paul Hasluck, who eventually specialised in history and did not carry through with all of the economics units, likened Shann to a revivalist preacher and recalled how Shann would carry on the 'animated' conversations in Elphinstone's Pharmacy. He added that 'animated talk' and 'lively discussion' are 'key phrases in my recollection of doing the dismal science with Professor Shann' (1977; 1995, p. 33; de Garis 1988, p. 8). La Nauze, who left for Oxford in 1931 as a Rhodes Scholar, was particularly appreciative of Shann and was keen to defend him in the 1950s, when the younger historians then on the up no longer

respected Shann's ideological slant. La Nauze captured Shann's pedagogical manner with some elegance and hence his description deserves to be quoted at length:

He was a smallish, neatly dressed man, who wore round, gold rimmed spectacles. Quick in movement and in temperamental reaction, often with a certain tenseness about him, he was (I should guess) what Alfred Deakin would have called a 'nervous sensitive', introspective and self-questioning. He lectured seriously and formally, in the finished manner that came from a prepared manuscript, written out in his unmistakable clear round hand, with quotations and references inserted in a neat printing script. His lecturing voice was fairly deep and deliberate; in conversation it rose a note or two and could break almost into a giggle as he pounced to twist a quotation against the quoter, or divert a solemn argument into a ridiculous by-path. He was not patient with pomposity, nor perhaps even with worthy but inarticulate earnestness. His mind darted all over the place. He appreciated lightness of touch in a student, but could grow suddenly and impressively serious if verbal brightness sought to divert attention from scamped work. (1959, p. 2)

The female students—who were mostly the eager, fresh-faced and unsophisticated girls from a large country town (that is, Perth)—were particularly fond of Shann, even if they did balk at proceeding beyond one or two units in economics. They particularly dwelt upon his physical appearance, eccentricity, charisma, humility and humanity. Vera Summers, a Hackett winner in 1928, took two year-long classes with Shann. She described him in her autobiography, *Personalities and Places* (1978, pp. 21-2), as the youngest of the professors who struck the student as someone who was 'intensely alive'. She added that, on closer 'acquaintance', they came to realise how essentially 'human' he was both in his treatment of his academic subjects and his personal relationships with his students. Connie Miller, who took a class with Shann in 1927, did not carry on with economics, but similarly recalled Shann with fondness in her autobiography, *Season of Learning* (1983, p. 92), where she stated that he was down to earth, predictable in habits, and medium height; 'but wiry, bird like in his movements; and his brown hair was tempered with grey'. She added: 'A practical, witty and excellent speaker, he almost invariably rushed into the lecture room at the last moment, a disarming grin on his face, his black, green-with-age gown already torn or worn off the shoulders. But the moment he stood facing us the room was quiet, and we waited in respectful anticipation for his cheerful voice to add interest to the economic facts and figures he must feed us with'. Alexandra Hasluck, who married Paul Hasluck and read for economics in her third year, recalled in *Portrait in a Mirror* (1981, pp. 90-1, 108) how Shann (to whom she refers as 'Teddie Shann') was a dynamic lecturer who was liked by the student body. Merab Harris (later Tauman) was, however, the female student who was closest to Shann. As mentioned above, she completed an MA on C.Y. O'Connor under Shann (with Alexander as a co-supervisor) and in the preface to her 1978 book on O'Connor she thanked Shann for the way in which he opened doors for her at the public works department.

What is also striking about the early reminiscences about Shann was the students' appreciation, especially by the females, of Shann's self-deprecation and sense of mischief. Vera Alexandra relates how one of her class mates was sent to deliver some papers to Shann, met the fresh-faced Shann in the corridor, assumed that he was the office boy, chatted with him in a familiar manner in his room and then left, none the wiser until her friends, to her consternation, corrected her misapprehension (1978, p. 22). Alexandra Hasluck similarly recalls first meeting Shann on a wet afternoon while waiting for a plumber to unblock a drain in the women's common-room. She mistook the young Shann for the plumber and directed him to the task. Shann, beaming with pleasure at the chance of some tomfoolery, went along with it until stating: 'I don't think I could really, you know. I am the Professor of Economics. It doesn't really come within my sphere'. He then took great delight in causing the pretty young student to blush before putting her at ease (1981, p. 91). Lady Hasluck also recalled one of the university songs with which the entire student body used to tease Shann, knowing that he had long since shed his radical skin:

Bolshie Teddy, with the red flag in his tile,
Bolshie Teddy, with his Simple Simon smile
...and so on...

Connie Miller similarly recalled Shann's kindly disposition when, embarrassed and alone at her first university ball, he kindly asked her to dance, causing her to wake up the next day with an immense joy for life. She recalled that 'light was streaming in through the open window in shades of gold and crimson' (1983, p. 103). Shann further cemented his friendships with these students by placing his library at their disposal at a time when the fledgling university library was still recovering from the severing of the sea routes during the 1914-18 war (Summers 1978, p. 20). He also invited them to his family home, with the young men in particular eager to attend just as much as to make the acquaintances of his three beautiful daughters as to talk economics into the night. It was on such a visit that Tange began courting Shann's middle daughter, Marjorie, who also studied economics at UWA and, after a circuitous courtship while both of them worked for Alfred Davidson's economics division of the Bank of New South Wales in Sydney, accepted Tange's hand in marriage (Edwards 2006, p. 16).

From the mid-1920s onwards, however, Shann needed relief from both his teaching duties and the students. He wished to devote more time to research, the chief results of which were the *laissez-faire* histories entitled *Cattle Chosen: The Story of the First Group Settlement in Western Australia: 1829-1841* (1926) and *Economic History of Australia* (1930), and he also increasingly sought to contribute to the policy debate of the time, most famously in *The Boom of 1890—and Now* (1927). He then requested leaves of absence in the early 1930s to travel to Sydney to provide counsel to Alfred Davidson of the Bank of New South Wales and to contribute to Douglas Copland's team that was striving to push through the Premier's Plan of 1931 and attendant policies designed to mitigate the effects of the Depression (all of which is described in the next section). The university authorities kindly made arrangements for teaching assistants and locums to allow Shann to achieve these ends. They recognised that Shann had, by this stage in his construction of the discipline in the West, developed a sufficient number of mature honours students, as well as contacts in the business community, who could fill these positions. Thus, when Shann took leave in the first two terms of 1926 to attend the 'Conference of the Universities of the British Empire', Frank Earnest Allum, the deputy master of

the mint, took over his lecturing duties and Reid, a mature-age student who gained a BA in 1924, ran additional tutorial classes, with Shann paying 200 pounds from his own salary to cover the associated expenses (de Garis 1988, p. 5).⁸ From this time onwards Shann was also allowed to employ honours students or recent graduates to act as Correspondence Tutors (in both economics and other subjects) for the external students (who were mainly schoolteachers in the wheat belt and group settlement districts), and Harris (1926-31, 1934), Reid (1926-30) and Coombs (1930-31) were among those hired to fill this role (Coombs 1981, p. 144, 190; Rowse 2002, p. 37). It must be admitted, however, that the teaching of economics deteriorated during Shann's absence from campus in 1931-32 to give economic counsel in the East and (as discussed at greater length in subsequent sections of this article) this posed a threat to the growth of the economics discipline in the West, especially as there was a loss in confidence in economic theory generally during these depression years. Shann was, in short, taking a course of action that threatened his creation. Those individuals on campus who disapproved of his *laissez-faire* views certainly used his leaves of absence against him.

In contrast to his workload in the domain of economics, Shann was very early on relieved entirely from delivering the history classes following the recruitment of an assistant lecturer in history. This lecturer was invariably an Oxford-trained Australian and included the much respected Keith Hancock (1920-21), the forgotten L.O.G. Whitford (1922-24) and the underestimated Fred Alexander (from 1924 onwards).⁹ Hancock (1961, p. 3) later in life recalled working in a tiny workroom in one of the wooden huts on Irwin Street and stated that first among his colleagues was Shann, 'that ardent, creative Australian whose apprentice I was, whose admirer I remain'. Indeed, Hancock (1954, p. 76) 'used to wager' that if he could choose, from academic and public life, an Australian eleven to meet an equal terms the best team England could produce, 'Shann would have gone in early to bat'. Whitford, by contrast, seems not to have got along with Shann at all, leaving after a few years at least as much due to the breakdown in his relationship with Shann as due to the need to further his career (Alexander 1987, p. 3). Alexander's fondness and respect for Shann, by contrast, is apparent in the kind assessments he provided in his many institutional histories and commentaries devoted to UWA (of which the right to inflict more than one on the reading public is earned by length of tenure). Alexander's affection for Shann was no doubt driven, in part, by the respect we show to the individual who appoints us to our first job, but it is also patently the result of his recognition that Shann was above the common ruck of scholars. He nonetheless always carefully pointed out Shann's character flaws (claiming amongst other asides that Shann was highly strung and that the technical aspects of economic theory was not one of his strengths) and was frank about the malaise into which economic teaching fell during Shann's absences from campus in 1931-32. Alexander also used Shann's visits to the East in 1931 to his own advantage by engineering the split of economics and history into two departments within the Faculty of Arts, with Shann taking the endowed chair to a department of economics and Alexander thereafter overseeing the department of history for nearly four decades, initially at a lecturer level, and later as a professor and dean. Shann acquiesced to this split (after all, it was a natural division and Shann could hardly be expected to run both domains from Sydney) and he remained on good terms with Alexander. It was, however, yet another sign of the weakening of Shann's influence and it did not auger well for economics in a climate increasingly hostile to economics.

Alexander also had the capacity to draw the better students away from Shann's domain of economics and economic history. Murdoch was charismatic, witty and learned when forced to give a tutorial on literature, but he was bone idle when it came to serving the needs of the students and was rarely on campus. He posed no threat to Shann when casting his rod over the pool of students. Alexander, by contrast, wished to create the staff-student relationships that he had experienced at Oxford. His self-confessed goal was to re-create Balliol at UWA (1987, p. 17). He ostentatiously paraded down the main streets of Perth in his academic gown; he took his students on reading parties in the Darling Range to the east of Perth during 'vac'; and to mark occasions, he arranged formal dinners for his students at Perth hotels, such as the Savoy, in which dinner suits were required and the printed menus were in French. Antipodean students, who invariably mock such grandstanding and faux traditionalism, surprisingly state in their reminiscences that they were grateful for Alexander's efforts to create a richer academic atmosphere (Hasluck 1981, p. 93; Hasluck 1995, p. 37). Being considerably younger than most of the UWA staff, Alexander was also in a position to bond with the students in a way that, by the early 1930s, perhaps Shann could not. He would invite students to his home for dinner parties and weekend dances, after which many would stay overnight as guests. He also recruited male students to help in the garden and members of both sexes to act as nursemaids to his first-born (1987, p. 18). The best example of the way Alexander's intra-mural activities possibly drew students away from economics was his encouragement of Paul Hasluck, the son of poverty-stricken Salvation Army missionaries, to extend his Diploma of Journalism to a BA with a major in history (Hasluck 1977, p. 225). Hasluck got his dose of Shann like the rest of them, but he did not go on with economics, even though he had written a prize-winning essay on the Australian tariff at the time the Brigden report was tabled (Hasluck 1977, p. 322). For every La Nauze, Coombs or Tange who excelled in economics, there were now outstanding individuals such as Hasluck who chose to pursue history proper rather than economic history, let alone economic theory.

Still, Shann exerted influence even from Sydney in 1931 and 1932. Harris and Coombs sent their MA theses in manuscript form to him for comment by post, and it was his curriculum that the locums were teaching in his absence. He also returned to teaching duties, now at Crawley Campus, for most of 1933 and 1934 (but admittedly was bewildered by the degree of hostility now shown on campus toward economics due to the deepening of the depression). There were also now a number of forums on campus in which economics could be discussed with or without Shann being present. Shann had, for example, established a History and Economics Society for his university undergraduate and postgraduate students and junior academic colleagues. This society seems to have been an entirely separate entity to the WA branch of the Economic Society of Australia and New Zealand, which was mainly composed of senior figures in the professions and government. Alexander took over the running of the society in 1931 during Shann's absence in the East and by 1934 the President was Alexander, the Vice-president was Coombs (having returned from London), the Honorary Secretary was Constance Lewis and the Honorary Treasurer was Tange.¹⁰ Alexander and Shann also created a mouthpiece for this society entitled the *University Studies in History and Economics*. There were two issues in the 1930s, one in 1934 and another in 1938. The 1934 issue contained a mixture of economics and history articles and included a piece by Harris on C.Y. O'Connor (the subject of her MA thesis under Shann) and an article by Shann himself in which he compared O'Connor with John

Macarthur. The editor of this issue was Clifford Amandus Burmester, and both Coombs and Pike Curtin were student members of the editorial committee.¹¹ Five hundred copies were produced and it was subsidised by the student guild (Alexander 1988b; de Garis 1988, p. 14). The 1938 issue, which came out well after Shann had left, was devoted entirely to economics matters, and included an article by Colin Clark, who was briefly a lecturer in economics and statistics at UWA (and therefore another lost opportunity for the UWA economics department). The journal thereafter dropped from view, but was resurrected as *Studies in Western Australian History* in 1977.

The University Debating Society also became a forum for economic matters, especially as the country slid into depression. Banking issues were particularly prominent as subjects put forward for debate in this period and they dominated the topics set during Shann's absence in 1931. In April of that year the topic was 'That the fiduciary note issue proposed by Mr. Theodore is sound finance'. T. Hartrey, Paul Hasluck and a Miss M. Batty spoke against, while Coombs, T.G. Wilsmore and D. Tangney spoke for Theodore.¹² In September of the same year a debate was held between the university and the supporters of Douglas Credit. Coombs was on the team denying 'That the Douglas Credit Plan is a Sound Monetary System', while Murdoch (who was a notorious Douglas supporter) acted as the chair (see Rowse 2002, p. 37). Coombs subsequently followed through with his anti-Douglas message in a co-authored review of C. Marshall Hattersley's *The Age of Plenty*, which was a Douglas tract. His co-author (TW) was most likely Wilsmore, while the general theme of the piece was that people accepted either Douglas or orthodox economics in a mindless fashion, but that 'any scheme which involves placing our monetary affairs more in the hands of vote-seeking politicians is, from all experiences of government finance, damned at its inception' (*West Australian* 12 June 1931; see Rowse 2002, p. 64). It must be emphasised, however, that at the end of the day the University Debating Society was not a forum for regular debates on economics. The monetary controversies of this time simply made them topical on campus. Still, it is telling that it was Shann's students who debated these economic issues in his absence and it was his students who considered the heretical economic policies in a rational manner in a fashion after Shann (especially with regard to the Douglas framework), even if at times this rational thought induced them to draw slightly different conclusions.

Shann, then, built an economics discipline on the UWA campus with the force of his personality and in his own image. His success was demonstrated with his recruitment of a set of brilliant students who went on to be nation-builders in the postwar era. The reminiscences from students between the wars who comment on Shann's charisma as a teacher, as cited in this section, signal that Shann left his mark on them. Shann, however, placed all of this good work at risk by taking extended leaves of absence in 1931 and 1932 to provide economic counsel at a time when the nation was in an economic crisis. Although the university authorities correctly presumed that the students would benefit on Shann's return—when he could pass on the knowledge that he gained from providing policy advice—they also quickly realised that the teaching of economics suffered in his absence. As will be shown in section five of this paper, this malaise in the teaching within the economics program, which coincided with a decline in respect shown to the discipline of economics during the depression years, was used by those who disapproved of his *laissez-faire* views to bring Shann to heel.

4 The Giant Shadow of Shann: Extending the Discipline to the Community

Shann did not confine his discipline-building activities to within the boundaries of the UWA campus and it was his extra-mural activities that were to have such a bearing on his marginalisation at UWA. Shann's quest to promote economics in the wider community was partly the product of the founding Hackett-driven brief for the staff of the university to reach out to the public (La Nauze 1974). Hackett did not want an 'ivory tower' university that was populated with imperious professors who were contemptuous of the community. Shann embraced Hackett's vision of the academic as public intellectual, and, unlike many of his UWA colleagues, gained pleasure by throwing himself into the myriad of over-lapping social circles of Perth. He had matured sufficiently to deploy the artificial mannerisms and devices that the innately shy and reserved use to overcome their nature, and he now exuded immense energy, entrepreneurial flair and presence. Shann became a Perth identity. Four extra-mural social circles to which Shann belonged are considered in this section—the business community, the finance community, the colonial gentry and the fourth estate—and attention is focused in particular on how his involvement in these social circles made his enemies suspicious of the type of economics that he was expounding on campus.

The first social circle to which Shann put out his hand was the business community. When not at his South Perth home, he divided his leisure time between the golf course (becoming the golfing correspondent for the *Sunday Times*) and his club (the Perth Club), and through these two institutions made contact with the business leaders of Perth.¹³ The Irwin Street campus was conveniently cheek by jowl with the business and law precincts, so he could cement these friendships with friendly chats in the street or a quiet drink at the end of the day. He also impressed business leaders with his capacity to explain theoretical economics in a nuanced way that highlighted its practical importance for policy. This was to have immense implications for the discipline of economics in Western Australia over this period (and other disciplines that Shann pushed, such as law), since Shann was able to rope in the best and brightest from business and the professions to support his university activities, pet projects and scholarly societies. The most important economic society that Shann established was the WA branch of the Economic Society, which was established in 1925 and defined by the business rather than academic background of its early members. They were self-made business men and administrators who overcame their mean upbringing by drawing upon their self-belief and natural talent. Frank Ernest Allum, the first president of the society (in 1925 and 1926), was the Deputy Master of the Perth Mint. An accountant by training and an artist by disposition, his major claim to fame as an economist was his contribution of over one hundred entries to Palgrave's *Dictionary of Political Economy* on various media, from the 'English Angel to the Japanese Yen' (Milgate 1987, pp. 791-2). Horace Benson Jackson, the next president of the society (in 1927 and 1928), was a South Australian who gained his law degree by attending night school, before joining the rush to the Coolgardie gold fields in 1896, becoming a leading member of the legal profession and directing a series of well-known Perth companies. Another early president (in 1930), George Lowe Sutton, was Western Australia's agricultural commissioner who, in this position, carried on the work of his colleague, William Farrer, on drought- and disease-resistant wheat and established wheat pooling in the 1930s.¹⁴

Shann, faced with the fact that there were no professional economists in the state, was effectively drawing upon the best and brightest from the community to set the WA branch in train. The early members may have lacked formal training in theoretical economics, but unlike the modern pool of trained economists in Australia, the standard of which has been driven down by decades of low pay and the active pursuit of dull technicians bereft of an understanding of the nuances of price theory, their mean intelligence and wisdom was high. As mentioned in the last section, Shann thought sufficiently highly of Allum, an individual with apparently no formal economic qualifications, to oversee his economic classes in 1928 during one of his ventures beyond the state's borders. It is arguable that the WA branch of the Economic Society reached its peak in the late 1920s, with a series of influential policy-oriented papers. Shann himself led the way by delivering papers with free-market themes, including 'The Boom of 1890—and Now' (April 1927) and 'Restriction or Free Enterprise' (May 1928). He was also happy to step across to the Perth Chamber of Commerce to deliver a paper on 'Economic Control' (November 1929). The central themes of these papers were that: (a) the State had embarked upon a massive program of expenditure on public capital, as they had done in the 1880s, and that that this had induced a levelling off in production per head; (b) these capital outlays were financed by London loanable funds and, as in the 1880s, the associated annual debt issues could not be serviced if the prices of staples declined and the London market lost confidence in Australia's future; and (c) the State had imposed price controls and subsidised unproductive enterprises to the extent that the free market mechanism had effectively been replaced with an inefficient 'command mechanism', thereby inducing a further retardation in production per head.

Shann, in short, was in revolt against the consensus of the day, in which faith was placed in the capacity of State commissioners to direct resources to the infinite number of competing ends within a world of rigid prices and wages. As a child he had witnessed the Great Depression of the 1890s that grew out of the unrealistic expectations in the 1880s about Australia's future economic capacity. He now feared that a similar cessation of external funds could expose the fact that Australia's income-cum-expenditure per head was growing faster than its production per head, and, due to the rigidity in prices and the State direction of resources, that there was no way to raise productivity per head in time to avoid the dislocation that would inevitably arise when the external funds that covered this difference were withdrawn. The vehemence of his critiques of the Australian command mechanism was in many ways Hayekian in nature: 'the higgling of the market is a sanction more prompt, delicate and potent in its operation than any rewards or penalties that are within the slow reach of an over-burdened judge or commission' (1929, p. 36). Refreshingly for an Australian reader, he also deployed local colloquialisms to heighten his rhetorical flourishes. There is, he wrote, 'no need to beat about the mulga'. After all, what is a price?: 'We postwar folk seem determined that it should mean what we wish—a figure offering secure profit to all of our own nation who happen to have chosen a given calling. For it is typical of these kindly law-made prices that they temper the wind to the shorn lamb, and ignore the competitive weakness of the dud producer?' (1928, p. 23). And what Australian narrative is not complete without a cricketing analogy, in this case deployed to explain the unrealistic expectations about what the State could achieve: 'In my working hours as a boy, I was a bad slow bowler, but in my dreams Richardson, Jones and Cotter had nothing like the cannon-ball speed with which

I skittled whole sides and maimed every wicketkeeper. Is it not time we woke up from our dreams of economic control?' (1929, p. 40). The only consolation was that Australia would be 'a fine country to starve in' (Bolton 1972, source uncited).¹⁵

One could well imagine how the prominent members of the Perth community who were hostile to the market mechanism, such as Somerville and John Curtin, recoiled from both Shann's close association with Perth business interests and the vehement pro-market addresses he delivered in their forums. This ill-feeling, however, was to become openly hostile when Shann extended the domain of the economics discipline to certain segments of Perth's (and eventually Australia's) finance community. Specifically, the most important person to be roped into Shann's economics world was Alfred Davidson, the Perth inspector of the Bank of New South Wales.¹⁶ Davidson and Shann developed a mutual respect for one another and were close friends. They both lived in South Perth, they both caught the same ferry every working day and they were regular golf partners at weekends. Davidson, a scholar by nature, also had a deep respect for economic theory and was coached on the subject by Shann in the huts on the Irwin Street campus. Shann eventually recruited Davidson to present a paper before the WA branch of the Economic Society. This paper, entitled 'Central Reserve Banking' (August 1929) constituted an explicit assault on the prevailing state of affairs, in which, since 1912, the Commonwealth Bank of Australia acted as both a trading bank and the government's bank. Davidson believed that the government should have no role in directing the nation's scarce resources to the myriad of competing ends, especially through the powerful tool of the provision of credit by a government bank, whether it was the Commonwealth Bank or any of the State-based agricultural banks. A central bank, he believed, should on no account advance funds directly to those entrepreneurs who are harnessing resources to achieve their competing day-to-day industrial goals. He nonetheless saw the need for an independent reserve bank of the Bagehotian form (although he made no reference to Walter Bagehot); namely, one that would hold the nation's reserves and advance funds on the presentation of sound instruments to maintain liquidity in times of financial distress. Shann, of course, heartily approved of these sentiments, and added his own pro-market message in the introduction to the published version of Davidson's speech: 'Is it not time that we eschewed the cult of centralizing everything in government hands, deeply rooted though it be in our history? These authoritative plans of development share to some extent the folly of communism. Instead of trusting to the net result of a million minds' free efforts to meet the vacillations of seasons and markets they seek to rely on the conceited judgement of a few, the autocrats of the hour' (Shann in Davidson 1929, p. 10).

Shann's association with Davidson became a serious issue when Davidson returned to Sydney in 1928-29 and the economy slid into the second Great Depression. Davidson was soon after appointed as head of the Bank of New South Wales and, in this capacity, invited Shann to Sydney to provide policy advice within a newly established economics policy division of the Sydney office of this bank. As already mentioned, Shann responded to Davidson's invitation by seeking leave from UWA in the August vacation of 1930, the long summer vacation of 1930-31 and, most importantly, the academic years of 1931 and 1932. He also represented the Bank of New South Wales at the World Economic Conference in June of 1933. Shann wished to trade in his craft at a policy level and, possessing a strong patriotic streak, he revelled in making a contribution to the policy debate in a

way that could mitigate the prevailing economic crisis, a crisis that he had repeatedly stated was looming since at least 1927 (Alexander 1963, p. 149). The most important piece of policy advice that Shann (along with L.G. Melville and Copland) pushed upon Davidson was the need to devalue the Australian pound. Davidson, in turn, successfully pushed this devaluation through in banking circles (in the face of heavy opposition from representatives from the Commonwealth Bank and others), an act that is now thought to have considerably lessened the impact of the depression in Australia. Shann's temporary location in the East also allowed him to emerge from his isolation in Perth (the most isolated regional capital outside Mongolia) to join the leading economists of the day, such as D.B. Copland, L.F. Giblin and L.G. Melville, to provide the counsel that led to the Premiers' Plan of 1931. The intricacies of this plan and attendant policies of the day have been considered at length in numerous sound publications and unpublished theses (see Cornish 1999, Coleman *et.al.* 2006, Millmow 2010 and Sean Turnell's unpublished PhD) and I do not wish to walk down well-worn paths here. Shann's role in the formation of this plan was, however, to have immense implications for economics in the West and elements of this episode therefore need to be emphasised. The supporters of the Premiers' Plan proposed that Australian governments balance their budgets and that the fall in the real income per head associated with the decline in the terms of trade should be spread equally by requiring both labour and capital to accept reduction in their rates of return, with nominal wage and interest payments being cut in roughly equal measure. Labor supporters were particularly furious with this course of action as it led to the implosion of the Labor government under James Scullin (PM) and E.G. Theodore (Treasurer). The Theodore Plan of credit expansion was rejected, the Labor party split over whether or not to accept the Premiers' Plan, and Labor was soundly beaten by the United Australia Party under Joseph Lyons in the 1931 election. The Labor member for Fremantle, John Curtin, was particularly furious with Shann and his economics colleagues. Although he had been excluded from the Scullin Cabinet due to his alcoholism, he played a prominent role in the fight against the Premiers' Plan and had lost his seat in the 1931 election. If we may judge from his subsequent actions (see section five of this paper), Curtin never forgave Shann for his role in these events.

The links that Shann established with the business community of Perth naturally tangled with the links that he established with the local cultural élite and colonial gentry. These associations are best revealed by considering Shann's involvement in the establishment of the Historical Society in 1926, which, because of Shann's belief that economics and history were interwoven, also had implications for economics in Western Australia. It was here that Shann met the old colonialists who believed that only those who resided in the West before the gold rushes of the 1890s could rightfully be called 'sandgroppers'. It was also here that he first met the young journalist, Paul Hasluck, who used the society as a means to hone his skills as an historian even before he enrolled in the BA at UWA. Early meetings of this society, which were held in Irwin Street with Shann in the chair speaking with 'shiny-eyed enthusiasm', gave rise to the question of what sort of historical exercise should be undertaken first to define the society's activities (Hasluck 1977, p. 141; Pascoe 1988). It was suggested that Shann should examine the letters of the Bussell family, members of whom were pioneers of the South West. This gave rise to Shann's first publication: *Cattle Chosen: The Story of the First Group Settlement in Western Australia: 1829-1841* (1926). The sub-title of

this book, 'The Story of the First Group Settlement in Western Australia', has immense implications. Shann was hostile to the misdirection of resources of successive State governments to establish group settlements in the 1920s in the south-west of Western Australia and farmers in the wheat belt. These were either heavily wooded or marginal lands that were overseen by unskilled settlers and which imposed huge infrastructure costs on the State. With regard to the latter, the State had to build railways and stations (and therefore hire the associated stationmasters, such as Coombs's father) and build schools and other public amenities (and hire the associated personnel such as Coombs himself, who was a schoolmaster in these districts in the mid 1920s). It was undoubtedly these policies that first pushed Shann towards his *laissez-faire* position and drove much of the themes contained in the papers he read before the WA Branch of the Economic Society. The levelling off of the production per head in Western Australia was naked to the eye, especially to an enquiring eye like Shann's. The human suffering of the group settlers were certainly apparent by the mid-1920s, with the participants voting with their feet and 30% to 40% leaving the land by 1924.¹⁷ Many groups were effectively gangs paid (indirectly via endless subsidies, public outlays and cheap loans) with state wages.

The Bussell group settlement was, by contrast to the activities of the 1920s, the product of individual initiative and private cost; it was the product of rugged individualism and would stand or fall on the productivity of the exercise. The individual, unlike the collective, could select the most appropriate land and the best way to use it. This was Shann's point in *Cattle Chosen* and, for Australia in general, in *Economic History of Australia*. Shann, indeed, never doubted that the South West of Western Australia would be the food bowl for the State. In the summer of 1914-15 Shann visited Albany to escape the summer heat of Perth during the vacation and, no doubt, to view the fleet that was harboured there to take the first AIF to the Middle East. He wrote: 'The more I see of this place the more absurd and wasteful seems the determination of Perth to concentrate trade and settlement in the area served by it. Some day there will be another Gippsland and Mallee country along this south coast; enjoying a splendid climate, and the advantage of nearness to England, with fast shipment on the boat for its fruit and other produce. I wish I had the money to go in for an orchard myself' (Shann to F. Shann, 26/12/14, NLA, MS 643/40). Shann simply believed that the free market dictated that the South West should not be developed at the pace dictated by the State at this stage in history. A Royal Commission was held into this grim state of affairs in 1924, but State-assisted programs continued unabated in the years that followed. Shann contributed his own assessment of this State planning in a 1925 issue of the *Economic Record*, concluding that it was an 'attempt to do by mass action on the initiative of the State what has previously been done by individuals', and that 'the force of such collective prudence has turned out to be far weaker than the motives of self interest that impels a man when working simply for himself and his family' (1925, pp. 90, 85). In August 1926 he was also the Vice-president and co-organiser of the eighteenth Meeting of the Australasian Association for the Advancement of Science, which in that year was held in Perth. Shann, whose anti-Group Settlement views were by now widely known, organised a trip for the conference attendees to Busselton to inspect the settlements.¹⁸ With leaders like General Monash, and future leaders like Nugget Coombs, in attendance it was a conference of some importance. Shann's position naturally drew the wrath of the state functionaries and a series of post-1945 historians who subscribed to the pro-

State consensus that defined a lot of historiography of this era. Pascoe (1988), in particular, dislikes Shann's image in the *Cattle Chosen* of the plucky gentry overcoming obstacles, and charges Shann with being selective with letters to project the prejudices of the Victorian gentry. It seems that Shann was not only a lackey of business interests but a toady to the gentry and an enemy of the small selector to boot. It is therefore not surprising that he did not get much help from the local 'colonial socialist' politicians when forces mustered against him at UWA.

Another means by which Shann pushed economics beyond the traditional undergraduate degree was through the fourth estate, with his participation in the establishment of a Diploma of Journalism. It was through this venture that Shann first met John Curtin and, by all accounts, the two were on convivial terms in these early years, even if they did choose to agree to disagree on ideological grounds. Curtin, as President of the WA Branch of the Australian Journalists' Association (1921-23), arranged extension lectures for young journalists at the Irwin Street Campus from 1921. Curtin was a keen believer in self-improvement through education and sought to raise the young journalists to a higher plane of existence. As the editor of the *Westralian Worker* (the mouthpiece of the West Australian Labor movement) over these years, he had also shown himself to be an outstanding and much respected journalist. He ensured that the *Worker* punched above its weight, and indeed this paper was read by numerous leaders of the community and hence was more influential than suggested by its circulation numbers and traditional readership amongst the socialist faithful. Curtin was therefore in a position to recruit Shann (for lectures on economics and history) and Murdoch (for lectures on literature), as well as Roy Curthroy, who was the Australian correspondent for *The Times*, in this education venture. In the 1922 syllabus for lectures, Curtin wrote that this 'district has pioneered the establishment of a definite association between working journalists and the culture and stimulus of University life' and in the 1924 syllabus he stated that 'a love of knowledge represents the urge without which no man or woman can succeed in journalism' (Ross 1977, p. 77). The university formalised this as a Diploma in Journalism, consisting of one subject per year over four years plus occasional lectures on subjects related to newspapering.

It was by enrolling in such a course that the young Hasluck slowly overcame his erroneous belief that he was not good enough to attend university. ('I picnicked on the lower steps below the pedestal of learning and was sometimes noticed by people like Shann, Murdoch and Whitford'). He received distinctions from both Shann (in economics) and Murdoch (in literature), and, as mentioned in section two of this paper, he would eventually use two of these units to articulate to a BA degree (Hasluck 1977, pp. 152-3). Hasluck recalled that the associated meetings were regularly attended and the discussion lively. Curtin himself often attended these classes prior to his election as the Labor member for Fremantle in 1928 (Hasluck 1995, p. 35; Ross, 1977, 77). Curtin and Shann certainly clashed over economic theory during these sessions, although it has been reported that these exchanges were undertaken in a good-hearted fashion. In notes taken by Peter Ryan in an interview with Hasluck, and then relayed to Tom Fitzgerald by phone conversation (a very circuitous route!), it is recorded that Curtin and Shann on one occasion argued strenuously about the gold standard, with Shann placing great store in the intrinsic value of gold and Curtin rejecting this out of hand. Shann got the final laugh when he said repeatedly to Curtin: 'You can't see what's in front of your nose'. Curtin joined in the laughter when he realised that Shann was referring

to Curtin's gold-rimmed spectacles (see the Fitzgerald site devoted to John Curtin.) Still, it is probable that Curtin took Shann's ideological measure during these early meetings and, as discussed in the next section, enabled him quickly to understand the foundations of Shann's policies in the 1930s.

5 The Circling of the Wolves and Departure

Since writing that letter I have felt nothing but relief at the decision. It may be that a physically heftier man would feel obliged to stay here and fight for monetary reform within the camp of the Trojans. But not I. I must be back in academic work, free to yammer as I like... When may I resume... (Shann to Whitford, the VC of UWA, 23 November 1932, University File 2395)

Alexander, an eyewitness, reports in his history of UWA that the relationship between Shann and many of his colleagues began to break down in the early 1930s and, further, that there was a growing hostility on campus towards economics as a discipline (1963, p. 156). The galvanising issue that tipped Shann's colleagues against him in particular, and orthodox economic theory in general, was the orthodox policy response to the deteriorating economic position of the nation from 1928 onwards. The collapse of the terms of trade and the sudden cessation of loans from London to finance public expenditure induced a deterioration in the external balance, which, in turn, prompted economists to call for the public and private sectors to retrench spending to bring it into alignment with the lower real income. The suddenness with which this problem manifested itself largely hid the longer term and primary cause of this dire economic predicament, which was the ambitious and, in the end inherently misguided, development programs by the States throughout the 1920s. This was, in particular, the case in Western Australia, where the State-led development of the South West had misdirected unskilled migrant labour and capital to unproductive ends that caused a collapse in the production per head relative to expenditure per head. The cessation of inflow of London funds that financed these ventures and the realisation that the terms of trade would not be in favour of these production ends merely exposed this divergence, thereby inducing a fall in real expenditure and, worse, causing resources to be thrown out of employment when the banks foreclosed on the long-suffering settlers and when the State ceased building the schools and railheads that serviced their communities. The economists were consequently limited in the advice they could give: the standard of living associated with the full-employment level of national output was lower, and a fall in disposable income was required even if the economists had anticipated the demand-management policies of the Keynesian or Swedish frameworks and directed idle resources to the production of goods for which Australia now did not have a comparative advantage or the international community simply did not want. One does not have to be a real-business-cycle theorist, with rather over-ripe metaphors about fluctuating fish stocks off a desert island, to understand that the real capacity to deliver goods to each West Australian had been curtailed in the wake of the misguided 'nation building' programs of the 1920s, and that this was made manifest with the shifting of international currents in the late 1920s and 1930s.

Shann, more than anyone, understood that Australia had been living beyond its means. As mentioned in the previous sections, he had been a long-time critic of the

Group Settlement Scheme, the increasing indebtedness of Australian State governments, and the belief that Australia could become another United States within a generation. He was also in the process of providing advice at a national level within Alfred Davidson's team during his visits to the East, where he joined Giblin, Melville and Copland in fine-tuning the Premiers' Plan of 1931 in which it was argued (successfully) that budgets should be balanced and the pain ought to be spread equally by requiring both labour and capital to cut their returns. It was also Shann and Davidson who sought to alleviate the extent of the associated dislocation by calling for the devaluation of the Australian pound, a policy decision that many economists now credit with reducing the impact of the downturn. Shann's colleagues, however, merely observed the distress of the ex-group settlers and ex-labourers from the now defunct public works programs wandering the streets of Perth and blamed the retrenchment programs engineered by economists such as Shann, as well as the wicked banks for foreclosing on doomed unproductive estates. They criticised Shann and economics freely. Shann, a patriot who took public service seriously and was under immense strain from formulating an appropriate policy for the nation, was increasingly sensitive even about banter on the issue, which in earlier years, according to Alexander, he would have returned in kind (1963, p. 156). Shann almost certainly knew that there was an undertone to such banter, no matter how jocular it was on the surface. The atmosphere was poisonous. His critics used his long breaks from teaching to provide advice to the Premiers' Plan as the justification for their attacks, but it was his role in supporting these policies and providing advice to a bank to boot, not the welfare of the students, that was the primary motive for the attack. This is apparent from the commentary on economic theory that accompanied any exchange on the matter of Shann's requests for leave. The prominent individuals who led this attack on orthodox economics were Shann's long-time sparring partner in the university senate, Somerville; Curtin, the ex-Labor member for Fremantle; and Shann's friend and fellow foundation professor, Murdoch. Each is considered in turn.

The leading anti-economist was the Labor man, William Somerville (1869-1955), who was a foundation member of the UWA senate and served as a senator for 42 years, as well as a short stint as acting Vice-chancellor (1931). His unpublished history of UWA, *A Blacksmith Looks at the University or The First Thirty Years of the University of Western Australia, Being Recollections and Impressions of W. Somerville, LL.D.*, consists of 755 typed foolscap pages, and contained material that Alexander describes as often highly emotive if not also libellous. A socialist, proud of his working-class roots and to some extent an anti-intellectual (although paradoxically proud of UWA as a people's university), he had repeatedly clashed with Shann on university policy. The most prominent of these clashes was over Shann's calls for the introduction of fees, especially while he was VC in the years 1921-23. Somerville had, by contrast, the romantic view of the university as a free institution open to all, especially the working classes, and did not realise that charging the offspring of the middle classes would have yielded the stipends for the poor to attend a superior educational facility. It was, however, Shann's role as an orthodox economic adviser to a bank that really turned Somerville against Shann. He tried to check Shann's requests for leave of absence on the grounds, as related in his unofficial history, that 'the Bank was a Corporation trading for profit and we had no right to allow it to use University talent to further its profit making and incidentally sacrifice the interests of the students by depriving them of one who has chosen as their tutor because of his outstanding qualifications' (Somerville vol 1, p. 203; Alexander 1963, p. 151). As the acting Vice-chancellor for a brief period in

1931, he was also in a position to challenge the request for a leave of absence, arguing that Shann was in a 'false position' by taking the bank's money and he bluntly asked why the economists were calling for wage cuts: 'Why not lift your nose from its persistent sniffing at wages and let us know what you think of the money root of our troubles?' (Somerville vol 1, pp. 225-42; Alexander 1963, p. 153). This last sentence is, of course, a reference to the cut in wages associated with the Premiers' Plan of 1931 and, together with the machinations of the private bankers for whom Shann worked, the way the plan had scotched Theodore's plan of credit expansion. It seems that Somerville's criticism of Shann was driven just as much by Shann's role in providing counsel off-campus for extended periods of time, as it was by whom he was giving counsel.

John Curtin (1885-1945), who had lost his Federal seat in 1931, was another identity who launched a virulent attack on Shann, in this case when Shann requested leave for the London trip in June of 1933. As already mentioned, Curtin and Shann had worked together to establish the Diploma of Journalism and hence were already known to each other. Curtin pressed the State Executive of the Labor Party to send a missive to the State Premier, Phil Collier (a close friend of Curtin's), calling upon him to intervene on this issue on the grounds that the State subsidised the university, yet one of its professors was taking leave from his duties to provide advice to a private body and, further, that this advice was counter to the State government's own policy position (*West Australian* 20 May 1933; Alexander 1963, p. 151). This, in my eyes at least, is an extraordinary act: Curtin was calling upon the State to muffle the views of a university man, in part, because these views diverged from those of the State. Curtin also wrote a personal submission to the *West Australian* in which he opened with the charge that Shann was taking leave when his duty was to teach students, but then quickly moved on to his real concern: the fact that Shann was giving advice (relating to the devaluation of the Australian pound) to a private corporation and that this advice was counter to the national interest, as reflected by the fact that the State bank, the Commonwealth, held a divergent view on the matter. In Curtin's words:

The relationship of Australia to sterling is undoubtedly involved. It is well known that the Bank not only opposes any movement towards parity for the Australian pound with sterling, but desires a greater depreciation than is now ruling. The question is essentially controversial and there is reason to believe that the Commonwealth Bank Board is strongly against the views held by the Bank of New South Wales and publicly stated by its general manager. It is obvious that the University has been placed in an invidious position in that it is difficult if not impossible for its economics professor to avoid being associated with views on a national question that are not supported by the national bank... (Alexander 1963, p. 152; *West Australian* 13 May 1933)

Curtin added that liberty of thought was of little relevance when the academic is a hired hand of a bank:

liberty of thought and expression as an individual even though the individual be the occupant of a university chair maintained at public expense is a vastly different thing from the practical identification of a university professor as the engaged advocate of the policy sought and desired by a practical business

enterprise. (Alexander 1963, p. 152; *West Australian* 13 May 1933)

Walter Murdoch (1874-1970) was the third prominent Perth identity to lead the backlash against the orthodox economists on campus, but with little apparent personal animosity toward Shann, whom he regarded as a friend.¹⁹ Murdoch embraced the heterodox views of Douglas Social Credit as the means to solve the economic malaise. Douglas Social Credit had a strong following in Australia at this time (with some 200 Douglas Credit branches), but support was particularly high in the agricultural districts of the South West, where the high rate of bank foreclosures induced farmers to believe that private banking interests were somehow responsible for their woes and hence that the solution was to revolutionise the monetary system. The congregational minister in Bunbury, R.J.C. Butler, was a leader of this movement in the West. Murdoch threw his support behind Butler, whom he greatly admired, and Douglas Social Credit in 'Fly Poker' in the *West Australian* on 18 April 1931 and thereafter wrote for the Douglas Social Credit journal, *New Era*. Even though the movement peaked in Western Australia in the winter of 1934 and then subsided as the country emerged from depression, Murdoch was reiterating his support for Douglas Credit as late as 1939 in *Spur of the Moment*.²⁰ Murdoch's economic views and the Douglas Social Credit movement were, however, not taken seriously by the more critically minded on campus. Alexander, for example, argued that the friendliest of critics should recognise that Murdoch's economic views at times hampered his essays and he upbraided La Nauze, Murdoch's biographer (1977), for not emphasising the professor of literature's failings on that score (see Alexander 1977; 1986). Hasluck similarly recounted that the only political apostle that he could recall amongst his professors was Murdoch after he became a convert to Douglas Social Credit, before adding that the 'more he talked of economics, the more we respected him for his appreciation of English literature' ([1977] 1994, p. 311). It also may be remembered from section one of this paper that Coombs and other students debated the Douglas Social Credit supporters (including Butler) on campus in 1931 and then dismissed the credibility of this framework in a submission to the *West Australian*. Still, Murdoch was a foundation professor of the university and could wield immense influence on campus and, indeed, attempted to block the appointment of an orthodox economist to the chair of economics after Shann's departure. In Alexander's words, Social Credit 'also affected his judgement on some aspects of university policy, such as the filling of a vacant chair of economics' (1986).

Shann's fragile mental disposition must have suffered terribly in this environment. At the end of the day, and as Alexander emphasises, Shann also did not really have a sound case to defend because his primary duty was to the economics students of UWA. As overseers of a public institution, it was of course incumbent upon the UWA authorities to release Shann to provide sound counsel in the nation's moment of crisis and, as these authorities (with the exception of Somerville) repeatedly stated, students would eventually gain from the knowledge acquired by Shann as a consultant. The university decision-makers also recognised that, during a period of financial constraint, part of Shann's salary could be saved by hiring junior relief staff and, further, perhaps financial gains could be derived in yet other ways; it is, for example, now known that Davidson and the Bank of New South Wales, with which UWA had a substantial overdraft, lobbied members of the university for Shann's release (Alexander 1963, p. 150). Shann, however, had to

return for a prolonged period of time at some point to fulfil his teaching obligations, and absences in 1931, 1932 and part of 1933 was stretching it to say the least. This was recognised by Whitford, who was Vice-chancellor from 1927 to 1939, and held very different views from Somerville. He was level-headed, not caught up in the ideological stoush and recognised the benefits of Shann's consultancy in the East for both UWA's reputation and students. But enough was enough, especially once questions were raised about the teaching standards set by the replacement staff (and Alexander 1963, p. 155, states categorically that economics suffered in Shann's absence in 1931-32). Whitford therefore called upon Shann to serve a full year on campus in 1934 before departing for his new position at the University of Adelaide in 1935, where he (possibly?) committed suicide shortly after. But, for all this, the fact remains that even if Shann's critics were right to call for his return to Campus, the manner in which they dwelt on Shann's economic views in their attacks revealed the real reasons for their assaults.

Further evidence of this hostility towards orthodox economics on the UWA campus manifested itself after Shann's departure. Somerville and Murdoch stated categorically that the new candidate for the chair should not be an orthodox economist. Even Shann's allies, such as Whitford, were now tired of the difficulties in economics and balked at filling the chair at all. Whitford 'talked of the possible advantage of carrying on the Department of Economics with younger men for the time being' (Alexander 1963, p. 156; see also 1986). Shann's eventual replacement, who was appointed in the summer of 1934-5 and arrived in 1936, was the ex-Otago man, A.G.B. Fisher, and this was only possible when Somerville, a keen believer in the adult education extension movement, was told that Fisher had a long history of involvement in this movement. Fisher also no doubt got considerable support on campus from Alexander, who had known Fisher when they were undergraduates together at the University of Melbourne. The appointment was, however, not a success. Fisher recruited another New Zealander, John Ord Shearer (1894-1981), as his offsider, which seemed to signal that he had a re-building strategy. But Fisher did not suffer fools gladly and eventually left in 1937 for a Chair at the Royal Institute of International Affairs in London. Shearer similarly left in 1938. (See Blyth's history of Auckland economics department at the Auckland Business faculty web site for accounts of Fisher and Shearer). The chair was then in abeyance until 1941, with Merab Harris keeping economics alive through the late 1930s (Burton 1961), but not preventing the further slide in prestige of the discipline on campus. F.R.E. Mauldon was only appointed when the WA branch of the Economic Society sent missives of protest to the university and the press, and when the Under-treasurer (Shann's student, Alexander Reid) hinted that the annual grant to UWA might be reduced if the chair was not filled. Mauldon took his responsibilities to the discipline of economics seriously, and amongst other things, served as president and vice-president of the local branch of the Economics Society (Burton 1961, p. 211). It is a testament to the work of Mauldon that the UWA economics department recovered from these tumultuous years.

6 Conclusion

The many and complex reasons for Shann's departure from UWA in 1935 must, to some extent, remain a mystery. The hostility shown towards orthodox economics in the early 1930s was, however, definitely a contributing factor. Paradoxically, there seems to have been no deep-seated animosity harboured by Shann to this

institution. He congratulated Fisher on gaining the UWA chair, stating that the campus was located in a beautiful spot, that Whitford was an admirable VC and the younger staff members were sound (Shann to Fisher 26th December 1934 NLA. *Tange Paper*. MS 9847/1/15). Shann's suspected suicide in 1935 also induced those who had tried to undermine him or his discipline to state that Shann was on good terms with them when he left. Somerville stated in the Senate meeting following Shann's death that their views had become 'more divergent during the last three years of his occupancy of the Chair of Economics', and that it was therefore a matter of 'very great pleasure and satisfaction to me to have in my possession a long letter' which I received from Professor Shann that showed the warmest feelings and that it was a relief to him that his association with Shann ended in this fashion (UWA minutes of Senate meeting, 17th June 1935). Murdoch similarly wrote to La Nauze after Shann's death in 1935 to emphasise that he had lost a close friend: 'I seem rather old to be learning lessons, but Shann's death has taught me one: you don't realise how much affection you have for a man until he has gone where you have no chance of telling him' (La Nauze 1974). The important contribution Shann made both to teaching economics and economic policy—which was recognised by his contemporaries on his death (see, in particular, Melville's obituary for Shann)—has since strangely slid from public view. An even greater mystery is why the orchestrated campaign against Shann in 1931-34 has been (with the exception of Alexander 1963) overlooked in the secondary literature, especially since academics usually dwell upon tales in which academic independence is threatened. I can only assume that Shann's story has not been broadcast widely because he was championing *laissez-faire* rather than State-interventionist views.

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Notes

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2 Millmow (2005) provides a detailed account of Shann's suspected suicide. It should be noted that the immediate members of the Shann family vehemently dispute the claim, first advanced by Snooks in correspondence with the family, that Shann suffered from depression and, further, they question the likelihood that he actually committed suicide (see Tange Papers, NLA, MS 9847). The nature of Shann's mental state and the cause of his death must, to some extent, remain open questions.

3 In nearly all reminiscences the lane that defined Irwin Street campus is referred to as Tin Pot Alley or Tin Can Alley. Paul Hasluck, however, insisted that students in his day would say they were going to the 'Shop' and that Tin Can Alley was only used in literary pieces or speeches for amusement (1995, p. 32; see also Alexander 1963, p. 63). Needless to add, the reader should not impose the clean, suburban nature that now defines Perth on the Perth of the 1920s. It was still very much a small Victorian town in this decade. Hasluck describes it as 'gracefully and sordidly Victorian' (1977, p. 110). The young men and women (including the UWA students) would walk the block in the Victorian fashion, with Hay Street as the anchor, to collide with friends; while, across the railway line (and a short stroll from the university), Roe Street still had opium dens

for the Chinese senior citizens and James Street was devoted to brothels. The history of Perth in the 1920s has yet to be written.

4 Shann, like his colleague Walter Murdoch (who held the foundation chair in literature), was homesick for the rich cultural life of Melbourne. Shann actually applied, at the last moment, for the History Chair at Melbourne in late 1913, but his friend Ernest Scott was appointed. Shann—always modest, lacking in confidence and prone to mood swings—was not in the least disappointed at his friend’s win. He wrote ‘my biggest obstacles would be my low spirits and absurd modesty’ (Shann to F. Shann 6/11/13, Shann Papers, NLA, MS 643/36).

5 Pascoe (1988) provides an elegant account of Shann’s life in South Perth. Also note that Bolton (1972) uses Shann’s comment that ‘it’s a fine country to starve in’ in his book of the same title, but without a citation. The most detailed account of Shann’s activities on the UWA campus is contained in Alexander’s *Campus at Crawley* (1963), which I presume is not read only because scholars mistakenly presume it is the usual dull door-stop of an institutional history. In addition to Snooks (1988; see also 1993, 2007) and the Tange archives (NLA), other good sketches of Shann are contained in the reminiscences of his students and colleagues, such as Keith Hancock’s *Country and Calling* (1954); Paul Hasluck’s *Mucking About: An Autobiography* (1977) and *Light that Time has Made* (1995); Alexandra Hasluck’s *Portrait in a Mirror* (1981); Nugget Coombs’s *Trial Balance* (1981); Vera Summer’s *Personalities and Places* (1978); Connie Miller’s *Season of Learning* (1983); and various essays by John La Nauze (1935, 1959, 1974, 1977). Recent biographers of these students, such as Tim Rowse’s *Nugget Coombs* (2002) and P. Edward’s *Arthur Tange* (2006), also contain sketches of Shann.

6 Pascoe (1988, p. 70) inexplicably states that Shann had few students of note, and mentions only Harris. Most of the individuals listed above are well known to historians, but their early years with Shann are less well known. Harris (later Tauman) (1900-85) completed a BA and honours in economics and taught correspondence and extra-mural students at UWA (1926-31, 1934), teaching, amongst others, Coombs, who stated that he enjoyed her teaching (Rowse 2002, p. 34). She was a Hackett travelling scholar in 1930, but probably delayed taking it up to complete an MA thesis entitled *A Maker of Western Australia: Charles Yelverton O’Connor, Engineer and Economist* (1931). Harris went on to complete a PhD at the LSE entitled *British Migration to Western Australia, 1829-1850* (1933) and subsequently taught economic history to generations of UWA students (McLure 2008). Coombs (1906-97), then a schoolteacher, completed a BA (1927-29) and honours (1930), first as an external student, then as a night student in the sheds either side of Tin Pot Alley. His MA was entitled *The Development of the Commonwealth Bank as a Central Bank* (1931). He gained a Hackett travelling scholarship in 1931 and completed a PhD at the LSE on central bank responses to the Great Depression across the dominions entitled *Dominion Exchanges and Central Bank Problems*. He returned to UWA to teach in 1934 and eventually became a long-serving governor of the Commonwealth Bank and then the RBA (Rowse 2002). La Nauze (1911-89) was a Rhodes Scholar in 1931 and pursued research at Oxford. His first post was at the University of Adelaide in 1935 and he had an office next to the room from which Shann died from defenestration. He held chairs at Melbourne and ANU. Reid (1889-1968) completed a BA (1924) with a major in economics as a mature-age student and taught extra-mural students at UWA from 1926 to 1930. He gave up teaching in 1931 when he was appointed Assistant Under-treasurer. In this capacity he prepared the case for secession in 1933 and worked with John Curtin to submit the first of the many requests to the new Commonwealth Grants Commission. He became Under-treasurer in 1938, after which he dominated the State’s finances until his retirement in 1954. He also was a long-serving senator and eventually Chancellor of UWA (Layman 2002).

Hasluck (1905-93) completed a Diploma in Journalism (1927-28), a BA (1934-37) and an MA, while practising as a journalist for the *West Australian*. He pursued history rather than economics, in spite of forming a favourable opinion of Shann, and wrote monographs on local history, aboriginal affairs and the Australian war effort before embarking on a life in politics, eventually becoming Governor General. P.W.E or 'Pearce' or 'Pike' or 'Percy' Curtin was a noted cricketer in a society where sporting activities were, quite rightly, held at a premium. He opened the batting for WA against Jardine's bodyline team in 1932-33 and spoke in favour of Shann at the Senate meeting held after Shann's death, stating that the student body was grateful for the vigour with which Shann taught such a difficult subject. He was a Hackett winner in 1937, completed a LLB, and undertook a PhD at the LSE. He was Assistant Director in the Ministry of Post War Reconstruction 1942-46; Director of the Colombo Plan Bureau in the mid-1950s, and oversaw the PNG banking system thereafter. Finally, Tange (1914-2001), one of the finest public service mandarins Australia has produced, completed a BA (1933-36) and honours (1937) while working for the Bank of New South Wales. He was a protégé of Alfred Davidson, who was married to his half-sister, and Tange himself married Shann's daughter, Marjorie (Edward 2006; Turnell 2007).

7 In letters and talks cited by Rowse (2002), Coombs questioned Shann's theoretical ability, while always acknowledging that he was a good teacher. Coombs also stated that his and Shann's views diverged considerably at this point in time, but he did not mind this because Shann used debate as a pedagogical instrument. Rowse (2002, p. 35), however, states that Coombs probably exaggerated this ideological divergence. He suggests that Coombs's anti-orthodox views became more pronounced after the publication of the *General Theory* in 1936 and that Coombs probably projected these views backwards as time passed. Rowse's account of the young Coombs and his interaction with Shann is, like the book as whole, outstanding. It is, however, slightly marred by the author's failure to draw upon Alexander's *Campus at Crawley* (1963), which reveals the intellectual ferment on this campus in quite some detail. Cornish (2007a, p. 66) also states that Coombs probably exaggerated his differences with Shann, pointing out that Coombs supported Shann's policy at this time: the devaluation of the pound, a cut in interest and wages, and the rejection of the repudiation of debt.

8 Shann also used the summer breaks for these exercises. In the summer of 1928 he undertook research at the Mitchell Library in Sydney for his *Economic History of Australia* (1930).

9 Keith Hancock (1898-1988) was a graduate of the University of Melbourne and gained a Rhodes scholarship to attend Balliol, Oxford, when he was lecturing under Shann at UWA in 1920-21. He subsequently became a fellow of All Souls, Oxford, before taking a number of chairs in history both in Australia and England. He had an impact on economics in Australia when, as one of the few eminent Australian historians of the mid-twentieth century, he was called upon to oversee the first appointments to the ANU chairs, including Trevor Swan's appointment to the economics chair (Cornish 2007b). Fred Alexander (1899-1996) was educated at Trinity College, University of Melbourne and took to history under the influence of Ernest Scott. He won a scholarship to Balliol, Oxford, in 1920 but suffered ill health during his degree and was advised to take a cruise. Hancock, who had left UWA in 1921 and was now a contemporary of Alexander's at Balliol, suggested that he stop off at Fremantle to visit his early mentor, Shann. Alexander subsequently returned to Balliol to complete his degree where, in the middle of his final exams in 1923, Shann unexpectedly offered him the position of Assistant Lectureship in history, via telegram. He arrived in September 1923 and remained active on campus even after he retired in 1966. In addition to his 1963 history of UWA, Alexander wrote numerous articles and monographs on this institution. As someone who joined the university in the 1920s he

was a walking encyclopaedia of the campus and its history and would, in the letter pages and elsewhere, pounce on anyone who made an error. When, for example, someone suggested that the sunken gardens at UWA should really be called the Shann gardens, he wrote to the paper to point out that the monument to Shann was placed within this garden, but this did not mean that the garden itself was named after him (see Alexander 1963, 1987). The 'sunken gardens' monument is important as it displays a cryptic Polynesian poem that reflects Shann's *laissez-faire* beliefs (unknown to the generations of radical undergraduates who have danced around it in the regular drunken revelries that take place in this space). I have not been able to trace Whitford's subsequent career.

10 Constance Lewis (later Jones) (1914-2001) is perhaps the only person in this list who would not be known to historians of economic thought as she, like many of her generation and gender, had her career prospects interrupted by both war and marriage. Her path to Shann was typical: daughter of a Lancashire Minister, she migrated as a child to Western Australia in 1926, graduated from Perth Modern, took a BA with Honours in 1935 and a graduate diploma in education in 1938. A noted feminist, she delayed her marriage to Frank Jones rather than compromise her Hackett Scholarship. She put aside her PhD in economic history at the LSE partly due to the removal of the archives she was using during the war. She was in Paris when the Germans arrived in May 1940 and was forced to flee suddenly via a circuitous route. She served in the fire department on the docks during the blitz and, while her husband worked at Bletchley Park, worked as an interceptor of German Radio traffic. She became prominent as a representative of the International Federation of University Women (IFUW) at the ILO ECOSOC after the war when her husband was appointed to the ILO in Geneva. See the obituary in the *West Australian* (14/01/02) and reminiscences in the *2002 IFUW (WA) Report*.

11 C.A. Burmester (1910-91), a librarian and bibliographer, joined the National Library of Australia (when it was still the Commonwealth Parliamentary Library) shortly after in 1935 and retired as Assistant National Librarian in 1971. He also wrote some entries on book collectors and librarians for the ADB. (See the National Library catalogue).

12 Some of the names in this list are hard to trace. T.G. Wilsmore (1899-1993) was the son of the foundation professor of Chemistry at UWA, Norman Wilsmore, and, as a veteran of the First World War, was a mature-age student under Shann. He was president of the Guild in 1933, won a Hackett scholarship in 1933 (for research within Western Australia) and tutored in economics briefly in the mid-1930s. He re-joined the services in the Second World War (this time with the RAAF), subsequently had a career with Westralian Farmers, and was a champion chess and bridge player. He was, briefly, the state billiards champion in the early 1930s only because the unbeatable Walter Lindrum was away. Wilsmore was a devoted Shann supporter and, later in life, would not have a word said against him. I would like to thank Pat Wilsmore and Avon Wilsmore for providing this information via private correspondence. 'D. Tangney' is most probably Dorothy Tangney (c1907-1985), a prominent debater on UWA campus, and, later as an ALP member, the first woman to be elected to the Senate. I would like to thank a referee for making this identification.

13 The Perth Club, which was founded in 1840, was mainly made up of members of the professions and men of commerce. Its status then rivalled the Weld Club, which catered more for the colonial gentry and government officials.

14 Frank Ernest Allum (1863-1930) was the Mint Office Clerk in Melbourne, moved to the WA Mint in 1897, and was Deputy Master from 1925 to 1928. He was married to Enid Allum, an artist and music teacher. Horace Benson Jackson (1877-1952), was South Australian by birth and obtained a law degree by attending night school before

joining the rush to the Coolgardie gold fields in 1896. He contributed articles to the local press while working as a law clerk and was admitted to the bar in July 1912. He thereafter became a leading member of the legal profession, specialising in industrial law. He established, with his partners, Jackson Leake & Co in 1926 and was made a King's Council in 1930. In that same year he represented the State at the Empire Press conference in London. He was a Member of the UWA senate (1927-33), chairman of directors of the Western Australian Newspapers Ltd (1926-52), and director and chairman of many leading Western Australian Companies (*West Australian* 30/08/52, p. 3). He supported the dismantling of the industrial relations arbitration system (Morris 1991). An avid book collector with wide interests in literature and generous supporter of the arts, it is not surprising that, given his interest in industrial law, he took an interest in intellectual societies such as the Economics Society. One of his last business involvements was to help establish the Collie coal fields. George Lowe Sutton (1872-1964) migrated to Sydney as a child. He won a scholarship to Sydney Technical College and took to farming and agricultural science, becoming a friend and colleague of Australia's leading agronomist, Farrer. His voluminous research on wheat strands for low rainfall areas induced John Mitchell to appoint him as an agricultural commissioner in 1911 and later agricultural director. In this capacity he developed experimental state farms to deliver drought- and disease-resistant strands of wheat for the wheat belt.

15 Bolton's (1972, p. 31) claim that the State was not warned about its excesses is curious, especially given Shann's warnings about State borrowing and the fact that Bolton himself draws the title of his history of depression in the West (*A Fine Country to Starve In*) from a line articulated by Shann and dwells on Shann's omen in his introduction. Bolton's book is an invaluable resource for all this.

16 Sir Alfred Charles Davidson (1882-1952), a Queenslander by birth, entered the South Brisbane office of the Bank of New South Wales in 1901. A man of considerable acumen, he devoted his leisure time to the study of economics and literary matters. He thereby carried on the Australian tradition (now sadly in abeyance) that was established in the 1880s by Henry Gyles Turner—the great 'literary banker'—of charismatic and frighteningly intelligent financiers making a substantive contribution to Australian cultural life. Davidson was rewarded for his diligence and obvious intellect by being appointed manager of the Perth branch of the Bank of New South Wales in 1925, the same year in which the WA Branch of the Economic Society of Australian and New Zealand was founded by Shann. Davidson thought much of the economic prospects of Western Australia and was willing to back this belief with banking funds. In 1926 he became the general manager of The Western Australian Bank, only to discover that its financial condition was more precarious than he first expected. He thereupon arranged for its merger with the Bank of New South Wales in 1927 and became inspector for Perth for the latter institution. He was recalled to Sydney as chief inspector and became general manager for the Bank of New South Wales in January 1929. It was the leadership that he showed in this last position during the hard years of the 1930s, both on banking and more general economic policy, which made his reputation.

17 The debate over agricultural development in WA, in part, turns on the choice between balanced and unbalanced growth, with Snooks (1974; 1981, p. 240) claiming that growth was retarded by unbalanced direction of resources to the agricultural sector, and Glynn (1975) and Bolton (1972) arguing that the government had little choice, as other economic sectors were unattractive. I tend to side with Snooks with the rider that it is not an issue of balanced versus unbalanced growth, but rather resources being misdirected by State activity (towards inefficient small farms on marginal lands and overseen by unskilled labour) instead of being appropriately directed by private agents. The State obviously has a responsibility to provide the public goods once the private

agents have ventured into certain lines of production. For the Group Settlement see Shann (1925), Hunt (1958) and Rowse (2001, p. 35).

18 Pascoe (1988, p. 72) states that Shann was still not against group settlement at this stage, and supports this claim by citing an article in a September issue of the *West Australian*. This is, however, not the case, as shown by Shann's 1925 article in the *Economic Record*. The article is well worth reading for all this.

19 Sir Walter Murdoch (1874-1970) was the fourteenth child of a minister in a Scottish fishing village, raised in Melbourne from ten onwards, reached maturity in the shadow of the banking crash and Australia's first Great Depression, and educated at Ormond College, University of Melbourne, with the aid of scholarships in the mid-1890s. After a period of tutoring children on stations and as a master at a series of schools, he began writing for the *Argus* and, from 1904, lectured in English at the University of Melbourne. He was part of the rich Melbourne cultural life, but did not win the English chair when it became available in 1911. He was one of the founding professors of UWA, where lectures began in 1913, and sorely missed the culture of Melbourne without being unhappy in Perth (La Nauze 1974, 1977). Murdoch was known for his dark wit and capacity to puncture the inflated views held by colleagues of themselves. He wrote a column for the *West Australian* on every second Saturday entitled 'Life and Letters' and from 1933 spoke occasionally on the radio. His reputation was built on these essays, which were erudite, beguiling, but at the end, overrated, in spite of La Nauze's praise. They were published in book form, and now litter the second-hand bookshops of Australia. His lone book of substance *Alfred Deakin; A Sketch* (1923) showed only that he did not have the capacity to make a mark outside the essay form. Even La Nauze criticised it, only to write his own rather staid two-volume account in 1965. Murdoch served UWA well for its stage of development, but was not a great teacher, which he found boring, and he failed to use his classes to convey modern approaches to his subject. At the end of the day he was able to carry many with his genial, self-deprecating, pipe-smoking character, and he made an important contribution to Perth's cultural life. This is what is conveyed in the excessive eulogies written by his friends: he was a wit worth knowing. The State named Western Australia's second university after him. When told of this on his death bed, Murdoch stated, *sotto voce*, 'It had better be a good one!'. This was not to be the case. See Alexander (1977; 1986) and La Nauze (1974; 1977).

20 For Douglas Credit in WA see Love (1984); La Nauze (1977); Waterson (1979); Rowse (2002, 50); Macintyre (1998).

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