The Green and Gold Revolution:
The story behind the Australian Adaption of Paul Samuelson’s classic textbook

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Abstract

On a March evening in 1973 the ABC television compere of the Monday Conference programme, Robert Moore introduced his guest, Paul Samuelson, by holding aloft a copy of his economics textbook. Moore joked that Samuelson had taught more people economics than anyone else. He was also, of course, an eminent economist with major contributions in public finance, international economics and the dissemination of Keynesian economics. This paper will discuss how the Australian adaption of Paul Samuelson’s Economics came about. Extensively adapted to fit Australian conditions, the two Australian authors, Keith Hancock and Bob Wallace, both at Flinders University, came up with a publishing success that was to take Australian university economics instruction by storm. They were not, however, Samuelson’s first choice as adaptors. A whole generation of Australian students were brought up on Samuelson. It was also the first attempt at adapting an overseas text to suit Australian institutions and conventions. The paper assesses how well it was received and how it spawned imitators.

Introduction

It is well known that localised adaptions of American economics textbooks dominate the first year economics market in Australia (Maxwell, 1999). One text that no longer sells alongside Bernanke, Mankiw or Hubbard in the Australian marketplace is the classic Samuelson text. When it as first published it transformed economic teaching and its record breaking sales, multiple editions, adaptations and translations ready proof of its import. Older Australian economists will recall, perhaps favourably, being introduced to the subject by reading the first Australian edition of Samuelson. It came in a resplendently-patriotic green and gold cover; inside, the pages were smooth with a monochrome print, replete with diagrams and emboldened capsules. Before the Australian adaption of Samuelson there had been no adaption of foreign texts for economics education here. This paper discusses the making of the Australianised version of Samuelson’s Economics. The first part of the paper discusses how the project came about while the second part of the paper looks at how the local version differed, in some places significantly from the master copy. The last part of the paper discusses the legacy of the Samuelson project especially in how it shaped the Australian economics textbook market.

Genesis

The inspiration to launch an Australian adaption of a major overseas text appears to have been the brainchild of Ken Pearson, an editorial director of McGraw-Hill who had helped orchestrate the production of a Canadian adaption of Samuelson. It seems that from as far back as 1965 staff at McGraw-Hill’s head office in New York were considering launching an Australian adaption. McGraw-Hill had already had great success with the Canadian (Scott) edition of Samuelson.1

1 Tony Scott, a professor of economics at the University of British Colombia, was Samuelson’s offsider for the Canadian edition. In May 1969 Scott wrote to Samuelson to ask about the revisions to the next edition of his book. Samuelson’s reply was very interesting. He promised to take ‘the complacency’ out of the text that essentially Hancock and Wallace would be working from. Samuelson went on: ‘I sense the students are restless. They are radical. Many of them are anti-establishment. This means lots of economics on the problems of poverty. Of the race problem. Of economics of the cold war. If I can make it seem more like Galbraith, without sacrificing correctness I shall be happy’. (P. Samuelson to A.D.
Market research undertaken by the publishers estimated that before a Canadian adaptation was prepared, the American edition of Samuelson had secured 43% of the market. After a Canadian edition was complete, it took 75% of the market. In 1967 two executives from McGraw-Hill, New York head office re-examined the likely sales potential of an Australian adaptation. Denis Hinton reported to his American manager, Bruce Kezer that if McGraw-Hill continued to rely on the International Student Edition of Samuelson it would not match ‘Australian authored economic texts which are being planned’.2 Hinton wanted the management to study the market appraisal including the flow of likely royalties going to Samuelson. McGraw-Hill staff, using the experience of the Canadian case, made a market projection about how much an Australian adaptation would sell and the royalties that would flow to Samuelson who had the ultimate sanction on whether the project would go ahead or not. McGraw-Hill reckoned that sales of the 1967 International Student Edition (ISE), which by 1969 had reached 10,000 copies was projected to plateau as local competitors hit the market.

McGraw-Hill listed their competitors and their respective market shares of the Australian market as Bach 10%, Reynolds 15%, Ferguson 15% and the third edition of Richard Lipsey’s An Introduction to Positive Economics which was described by the appraisal as a ‘promising’ English import. It held just 5% of the Australian university economics market. Lipsey was perhaps the successor to Benham’s textbook.

The annual enrolment in economics at tertiary and secondary level in Australia was then estimated at 25,000 students. Economics, then, was surely in its heyday, a popular subject at Victorian and NSW secondary schools.3 In a memo prepared by McGraw-Hill the Australian economics textbook market was estimated to be growing at 12% and McGraw-Hill noted that the ISE of Samuelson still commanded an astonishing 40% of the local market but projected that an Australian adaptation would increase this to 50% and build up to 75%.4 The memo also disclosed that two University of Queensland economists, Ronald Gates and Ted Kolsen had been approached as the possible adaptors in 1965 but McGraw-Hill were ‘surprised at Samuelson’s summation’ of their ability to write an Australian adaptation. Apparently Gates and Kolsen had written a memo on the proposal as early as September 1965, described as ‘very preliminary and not hard and fast’.5 The relaunched McGraw-Hill market appraisal, completed by Ken Pearson and from a template prepared by Bruce Kezar from the New York office, noted that Heinz Arndt at the ANU’s Research School of Pacific Studies and Peter Karmel, the Vice Chancellor of the recently established Flinders University were ‘the most prestigious figures in Australian economics’. Pearson added that they had not yet been approached but suggested that they ‘would seriously consider allying themselves with Prof. Samuelson’.

Pearson’s report closed with summaries of Karmel and Arndt’s resumes. Interestingly, the brief summation of Karmel’s output mentioned his book on Applied Statistics for Economists (1962) and

Scott, 12/5/1969, Samuelson Papers, Duke University). Samuelson’s marketing input was valued by McGraw-Hill but on one occasion it led to a disaster heavy in bathos. McGraw-Hill asked Samuelson whether there should be an American edition of Robinson and Eatwell’s An Introduction to Modern Economics. Samuelson encouraged them saying Robinson had a great reputation and name recognition and that there was a ‘latent demand for books that are not ultra-conservative’. (P. Samuelson to G. C. Harcourt 2/11/1995, Samuelson Papers, Duke University). The text, however, bombed in the US market, with more copies given away than sold, and Samuelson’s name became mud. The irony was that Robinson had squarely written her text to supplant Samuelson (See King and Millmow, 2003). Bob Wallace had told the two Cambridge authors their text then in development was too difficult for their intended audience.

3 Some might recall that there were two journals for economics students and their school teachers in both states. In Victoria there was Journal of Economics for Schools and in NSW there was Economics put out by the economics and commercial teachers association. Both journals featured academic writing for secondary school students.
4 Australia’s two oldest universities had differing views on its suitability for first year economics. The University of Sydney used Samuelson from 1962 but there were objections to its use at the University of Melbourne.
5 Ted Kolsen cannot recollect this. Email communication with the author.
his co-authored work with Maureen Brunt *The Structure of the Australian Economy* (1962) but did not list his Macroeconomics primer *Economic Activity* which he wrote with Geoff Harcourt and Bob Wallace. Karmel might have lightly dismissed the latter as ‘a week-end project’ because it was partly based from his first year lectures given at the University of Adelaide but the text did take some time in preparation and did, after that win a substantial share of the tertiary market (Harcourt, 1995, 239).  

When Roy Webb (1967, 119) reviewed the book in the *Economic Record* he prefaced his critical commentary with the remark that the book signified ‘the growing movement towards import replacement in the Australian economics textbook market’ and that the book ‘draws upon Australian experience for illustration of argument’.

In his memoirs Arndt recalls that when visiting Boston in the 1960s Paul Samuelson asked him to produce an Australian version of his textbook. Arndt (1985, 35) demurred, saying he had neither the time nor ‘the confidence’ to do the job.

In September 1967 Ken Pearson visited Arndt to broach again the idea of an Australian adaption. He told Arndt that McGraw-Hill was ‘expanding their indigenous publishing program’ with an Australian adaption of Samuelson’s Economics. Quickly ruling himself out of the undertaking, Arndt briefed Pearson about finding the most suitable person to take on the task. In his memoirs Arndt notes that he ‘persuaded’ Keith Hancock to undertake the task. Arndt told Pearson that he wanted to keep in touch with the project and, as we shall see, was to play a small part in the writing of it.

Arndt heard nothing from Pearson for almost a year but then received a letter informing him that Pearson informing him that he had found a writing team to undertake the task. It is apparent though, that, before all this, McGraw-Hill approached Geoff Harcourt to take on the task after he returned to Adelaide from Cambridge in 1967. However Harcourt, recalling the toils of writing *Economic Activity*, resisted. He told Samuelson that it would have been a case anyway of ‘odd bedfellows’ given his later embrace of a Post Keynesian orientation though he joked ‘Ex post, I find it was rather a costly decision in terms of income forgone as the Australian edition has sold like hot cakes’. Harcourt attributed this to the excellent work of Hancock and Wallace. On Arndt’s recommendation Keith Hancock had been invited to take up the challenge. He, in turn, invited his colleague, Bob Wallace, as an equal partner in the venture. As mentioned, Wallace had already helped co-write an economics text with Karmel and Harcourt. Wallace received a warm, welcoming letter from Samuelson. Wallace was regarded an excellent, meticulous instructor by Geoff Harcourt. According to Peter Gronewegen he was equally meticulous as a review editor (Dollery, 2002, 137). McGraw-Hill wanted both to complete the task in 1969, in little less than a year. Pearson stressed the importance of the task in terms of educating young students. Samuelson wrote to Hancock and Wallace emphasizing that they had ‘a free hand’ where they wished but it was to be made clear to the reader that Samuelson was still the foundation and that all variations were the responsibility of Hancock and Wallace. Drafts were sent to Samuelson in Boston but no response ever came back. There was no direct contact between the Australian writing team and Samuelson till 1973 when, on a visit here McGraw-Hill flew the two up to Sydney to meet him. Hancock and Walker had the great fortune that the copy editor who had worked on the Canadian

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6 S. Cockburn ‘Uni has brilliant mind’, *The Adelaide Advertiser* 12/2/1966. *Economic Activity* was hardly ‘a week-end book’. It was based upon the lectures which first Karmel and then Harcourt and Wallace had given at Adelaide. The book was put together by the latter two while Karmel was pre-occupied running a new university. This authentically Australian text did very well, selling in Australia and even being used at Cambridge. It was also translated into Italian.

7 K. Pearson to H. Arndt 28/9/1967, Arndt Papers, NLA.


9 Personal communication from Bob Wallace, June 2011.

10 Personal communication with Bob Wallace.
adaptation of Samuelson, Jenny Walker had returned to live in Adelaide and assisted in the Australian adaptation. Pearson, too, was based in Sydney while the project was undertaken. While he had no reservations about Hancock’s and Wallace ability, Pearson asked Arndt to become a consultant to the project; to proof-read and, more importantly, ‘to ensure the book is technically correct, readable and at the appropriate level’. Ahead of the two authors lay some 40 chapters with some, more than others, needing alteration given their descriptive setting or the level of exposition. They also had a deadline of July 1969 so that the text would be ready for the 1970 academic year.

Arndt accepted the brief to overview the revision but warned Pearson that occasionally he would be out of the country involved with work on Indonesia. He told Pearson that with the team of Hancock and Wallace McGraw-Hill could not have done any better. During the writing of the text Wallace was for several months in Port Moresby teaching at the University of Papua New Guinea.

Reconstruction

Hancock and Wallace’s refit of the Samuelson text would amount to a major overhaul, one of the boldest and imaginative ever undertaken with an overseas textbook. It would be more, then, than just changing settings and institutional details. In some parts of the macroeconomics text the two authors spliced some of Samuelson’s chapters to give it better flow to Australian readers. They rearranged sections, adding details where it was relevant to Australian students and highlighted the contributions of Max Corden (Effective protection) L.F. Giblin (the export multiplier) and T.W. Swan (External and internal balance). The three chapters on banking and monetary system had to be totally recast by Wallace. There were entirely new sections of chapters written by Hancock on the Australian tariff system (chapter 35, Part B), the Australian external account (chapter 36, Part B) and a long applied chapter on the growth and inflation experience in the Australian economy (chapter 39). Some of these chapters Arndt did not have time to scrutinize fully. Hancock and Wallace also localised some of the opening quotes that decorated the Samuelson text and the some of end of chapter questions. There was no senior partner in the enterprise; each would review and edit each other’s work resulting in a seamless product. However they did allocate chapters roughly according to their expertise and specialization. Attachment One (p.11-14 of this document) shows this and was constructed in consultation with the two authors.

The first chapter rolled out of the Hancock-Wallace assembly line in August 1968 and was forwarded to Pearson who would act as an intermediary between the adaptors and the consultant, Arndt. He, however, would comment on each chapter especially on stylistic features if he felt it was warranted. Pearson duly forwarded the chapter to Arndt. The introductory chapter was not a mere overlay job. Hancock and Wallace basically rewrote it from scratch, telling Arndt, that after seven editions, Samuelson’s text had ‘drifted into a rather bad condition’. Arndt expressed his delight at Hancock’s revamping of Chapter 1 both in what he had added and what he had deleted. Arndt continued:

To my unAmerican mind, the new version is much more economical in words and more elegant. I have gone through it fairly carefully comparing successive paragraphs of the old and the new versions and have found myself applauding your changes in practically every case.  

11 Personal communication with Bob Wallace.  
12 K. Pearson to H Arndt 14/8/1968, Arndt Papers NLA.  
13 H. Arndt to K. Pearson 16/81968, Arndt Papers NLA.  
14 Arndt was given an honorarium of $150 by McGraw-Hill for reviewing the manuscript. K. Pearson to H. Arndt 14/8/1969, Arndt Papers NLA.  
16 H. Arndt to K. Hancock 27/8/1968, Arndt Papers NLA.
Arndt went on to recommend a few grammatical and literary changes.

Hancock told Arndt that he could not afford the time he had spent to revising and recasting chapter 1 to the other 39 chapters given time constraints. Consequently, Chapter 2, as Pearson informed Arndt, was the same as the original but an added piece on Australian population growth. Chapter 3 and 4 also ran close to the original Samuelson narrative but the appendix to Chapter 4 on the stock exchange had been Australianised. Apart from minor quibbles on population and immigration, Arndt had a minor quarrel with the Samuelson text over his rendition of the law of diminishing returns and how it was conveyed to the student.

Chapter 4 was revised by Hancock because Arndt sent him some comments on the ‘new version,’ mostly queries. Arndt also enclosed some comments on Chapter 3 which was initially entitled ‘Price Functioning of a ‘Mixed’ Capitalistic Enterprise System’. Arndt called the title ‘ghastly’, preferring instead ‘The Price Mechanism in a mixed economy’.

The new year saw Arndt congratulating the authors on the revised version of Chapter 6 on ‘Affluence and Poverty’. He continued to praise the effort and in composing ‘an entirely new piece which brings out all the issues discussed by Samuelson in relation to Australian conditions and data and, once again, does so with much more economy and elegance of style’.

Appreciative of Arndt’s input behind the scenes, Pearson suggested to Hancock the idea of getting Arndt to write a foreword for the text. Pearson was looking to have half the manuscript by the end of March, 1969. The delivery of chapters resumed with Chapter 7 arriving on Arndt’s crowded desk. He had been overseas for nearly two months. Hancock and Wallace, realizing that a tight deadline was looming had begun to mark up chapters from the International Student Edition of Samuelson which were to be sent direct to Arndt, with Pearson kept in the picture.

As originally written, Chapter 7 was an account of the Australian arbitration system. Arndt wondered whether students ‘at this stage’ needed quite so much institutional background while they would be able to understand some of the points made. Arndt however was for retaining it and forwarded some minor grammatical points. He closed, noting there was an awfully long way to go and that he was bound for another overseas trip in May until July. Unhappy with his first effort, Hancock sent Arndt a revised version of Chapter 7 but did not expect to Arndt comment on it. In the meantime Arndt had sent back to the authors Chapters 27, 28 and 29 with only a few comments on each of them.

The assiduous Arndt quickly returned more Chapters including 20, 22, 23, 24, and 25 on microeconomics which had been adapted by Wallace. Arndt was finding it rather a ‘mammoth job’ and he indicated that he could not pretend to have read every line of Samuelson.

Arndt was soon sending back more draft chapters to Hancock including Chapters 5, 13, 30, 31 and 32. Arndt also made known he preferred Samuelson’s original motto in Chapter 30 and not a reference to Keynes’s capitalist stagnation prophecy. He also took issues with Samuelson’s text over blurring the difference between capital goods and capital. Pearson was content that the project was still on time and that the authors had begun to copy-edit the remaining chapters. Pearson continued to emphasize the original objective of the task namely to ‘make the book as

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17 K. Hancock to H. Arndt 2/9/1968, Arndt Papers NLA.
18 H. Arndt to K. Hancock 31/10/1968, Arndt Papers NLA.
19 H. Arndt to K. Hancock 2/1/1969, Arndt Papers NLA.
20 H. Arndt to K. Hancock 13/2 1969, Arndt Papers NLA.
21 K. Hancock to H. Arndt 26/2/1969, Arndt Papers NLA.
relevant as possible to the Australian situation without altering the scope and direction’ of the original book.\textsuperscript{22} By this time Arndt confidently replied that the textbook would better fit Australian conditions ‘and in some respects be better – period’. He noted that the adaption could not be entirely the same but it was the same in approach, tenor and quality.\textsuperscript{23} In closing, Arndt felt that the chapters requiring the most revision especially Chapters 8 to 12, inclusive, on income determination theory, and 16 to 19 inclusive, were still to come. Hancock acknowledged the work ahead but noted that 65\% of the project was done.\textsuperscript{24}

There was a minor hiccup. When Arndt received a further three chapters (10, 11 and 12, namely, the chapters on the theory of income determination undertaken by Wallace) he objected that they were at odds with Hancock’s standard of editing. In particular, Arndt was concerned that Wallace had not ‘picked up some of Samuelson’s more dubious formulations’. Arndt complained that Wallace had retained Samuelson’s ‘horrible folksy verbosity, almost baby language which is the very least attractive feature of Samuelson style’ and attributed it to careless editing. In short, Arndt was worried that the adaption would come across as ‘two clearly distinguishable parts’ and that Hancock needed to re-edit some of Wallace’s work.\textsuperscript{25} This proved unnecessary as Wallace rewrote them. In the same letter, Arndt informed Hancock that time and logistics meant this was his last substantial editing work as he was bound to go overseas and would not be back till July 20. He regretted it because he had a ‘strong avuncular (if not paternal)’ interest in the enterprise. It meant that Arndt would not be exposed to Chapters 14-19 inclusive (Macroeconomics, forecasting and the business cycle, banking and fiscal policy) and also Chapters 33-40 inclusive (Trade and protection, International accounts, growth and development, macro-performance of the Australian economy and alternate economic systems). These were areas he admitted suitable to his own expertise. He did, however, get a chance to forensically go through Chapter 33 on trade and the international economy and list some 23 changes. Arndt was happy with the rewrite telling Hancock:

‘Gone is not only all of Samuelson’s playfulness but even most of his patient spelling out of every point. The subject matter is so difficult in parts that it is probably impossible in a reasonable compass to be both reasonably rigorous and reasonably simple’.\textsuperscript{26}

Arndt was back in September and was now sent galley proofs of Chapters 8 with Chapters 9, 14, 16, 17, 18, 19, 21, 26, 35, 36, 37, 38, 39 and 40 to follow.\textsuperscript{27} These proofs would only allow him to make minor changes. His last act in the venture was to write the foreword which he was cajoled into writing by Pearson not because he found disfavour with the finished product but rather because he felt it unnecessary. Though Arndt relented, he asked Pearson for some points that might be expanded upon.\textsuperscript{28} Arndt would only write the two-page foreword in September 1969. He recorded that the Samuelson text had a number of rivals but three outstanding merits lay behind its popularity. First, the Samuelson mastery of every aspect of the theory, secondly his intense concern with social and economic problems and lastly his ability to express to his readers his excitement and enjoyment of the subject. He then listed the attraction of having an Australian adaption with local data and institutional detail. Arndt joked that this was the first time he had been ‘personally involved in the establishment of an Australian subsidiary by an American industry’. In the early draft of the foreword Arndt made a crack about how the project would yield pecuniary benefits to its makers. He told Hancock that it was intended at Samuelson who had mentioned it in his own preface, not the adapters.\textsuperscript{29}

\textsuperscript{22} K. Pearson to H. Arndt 6/3/1969, Arndt Papers NLA.
\textsuperscript{23} H. Arndt to K. Pearson 9/3/1969, Arndt Papers NLA.
\textsuperscript{24} K. Hancock to H. Arndt 11/3/1969, Arndt Papers NLA.
\textsuperscript{25} H. Arndt to K. Hancock 19/4/1969, Arndt Papers NLA.
\textsuperscript{26} H. Arndt to K. Hancock 21/4/1969, Arndt Papers NLA.
\textsuperscript{27} W. Stephen (Pearson’s secretary) to H. Arndt 4/9/1969, Arndt Papers NLA.
\textsuperscript{29} K. Arndt to K. Hancock 24/9/1969, Arndt Papers, NLA.
The finished product looked almost identical to the ISE of Samuelson in terms of Parts, Chapters and subheadings. And some chapters like those in Part 3 on microeconomic issues were almost identical. There were, however, some subtle differences between Samuelson and the Flinders adaptors on the nature of the trade cycle, the efficacy of fiscal policy and the application of the neoclassical synthesis. Wallace and Hancock were less confident that the business cycle was tamed than Samuelson was. Moreover in the important early chapter on income determination (Chapter 13) the two adaptors extended it by stressing how international trade could affect Australian economic activity and brought in an earlier treatment of the multiplier than did Samuelson. Broadly speaking Hancock and Wallace took a more critical line about always espousing the market as the solution to every economic problem. For instance in the chapter on microeconomic applications to agriculture, a chapter where Wallace had done a ‘root and branch’ effort he ended with the salutary warning:

> It is unfortunate that some economists pontificate on matters of economic policy, and particularly on matters of agricultural policy. Frequently professional economists make pronouncements on these issues which are rooted in their value judgements that the competitive market solution is the best.

There is no such admonition in the Samuelson master text.

**Aftermath**

The Australian version of textbook made its introduction in January 1970. Fittingly, it was produced in Adelaide by the Griffin Press. It conquered the Australian textbook market and easily met the expectations of its publishers. Indeed the publishers had not anticipated how much effort Hancock and Wallace invested into the project. The fact that Paul Samuelson would win the first Nobel Prize in economic science that same year gave pedigree to the text and impetus to sales. Samuelson became the market leader and its predominance was to last through the 1970s (Maxwell, 1999, 119-120). As in America, economics courses in Australia became Samuelson courses. Flinders University, not more than five years old, could lay claim to be at the forefront of Australian economics education in terms of setting the definitive university economics textbook. Owen Covick, a young lecturer from England who arrived at Flinders University in 1973 was told that he would be using what sounded to him like a Japanese-authored text by the name of Sahawa. It was, of course, the coda for the text adapted by Hancock and Wallace and Covick, having read it cover to cover in five days, found it an excellent text. Like the Canadian version of Samuelson, a study guide to the volume was commissioned and undertaken by Barry Hughes and John Hayles. This was supplemented in 1972 when Hancock, Wallace and Hughes produced *Applied Economics: Readings for Australian Students*. Each of the readings had cross-references to the Sahawa chapters but the volume was intended for general use. It also reflected the Flinders approach to economics education. As Bob Wallace put it ‘We treated the students as serious inquirers, not just passive vessels to be stuffed with enough narrowly defined economics to jump through exam hoops.’ The selected readings including extracts from Keynes, Gregory, Marshall, Malthus, Robbins, Brigden, Giblin and Wicksteed and ‘reflected the role the history of economic thought played in the course we developed at Flinders’.

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30 The Australian adaption also sold in New Zealand and Papua New Guinea.
31 Kevin Davis assisted Bob Wallace as a research assistant over one summer on the Samuelson project.
32 Personal communication with Owen Covick, April 2011.
33 Personal communication with Bob Wallace, March 2011.
A few years later Hancock and Wallace revised their text for the second edition using the ninth Samuelson edition as the text to work from. Stressing commitments elsewhere, Arndt had opted out of the reviewing work.34 The two Australian authors won a greater share of the royalties (from 3% to 5%) from the project which both Paul and Marion Samuelson consented to.35 It was done before May 1974 and before the re-elected Whitlam government passed legislation on trade practices and financial regulation. The second edition was launched in 1975.

Hancock and Wallace would have been unaware that one of their competitors, Weidenfeld and Nicolson, which published Lipsey’s textbook, had been exploring the possibilities of an Australian adaption. A representative of the publisher approached Richard Downing, Ritchie Research Professor of economics at the University of Melbourne about publishing a local adaption with applied material relating to Australia.36 While the British version of Lipsey had been growing in a ‘flourishing’ Australian market, Andrew Wheatcroft a representative of Weidenfeld and Nicholson, told Downing ‘…we feel we would attract a wider spectrum of buyers if we could produce an Australianised edition of the book. Despite its failings, Samuelson has been successful in this respect’. Wheatcroft asked Downing if he was interested in undertaking a revision even ‘if only slight alterations’ were envisaged. He closed ‘We do feel it would add considerably to the character and appeal of the book in its Australian edition if you were to be connected with the revisions’.37 Downing found the proposal ‘a most attractive proposition’ believing the text could stand ‘largely untouched except perhaps for some extensive re-writing’ and some Australian experience of some of the macroeconomics and international material. He went on to remark: ‘The Hancock-Wallace Australian edition of Samuelson did, I think, involve much more rewriting - but it was such a bad book to begin with that I did expect it to need much more’.38 Downing, however, was not interested in participating in the venture referring Wheatcroft on to Roy Webb who had taken first year economics classes at La Trobe and who had a captive market at his mercy.39 An Australian adaption of Lipsey did not, however, appear till 1981 when two La Trobe economists, Paul Langley and Dennis Mahoney, turned out Positive Economics for Australian Students. They had however been beaten by the appearance the year before of the Australian adaption of Jackson and McConnell which was aimed at students at Colleges of Advanced Education. The new book was also published by McGraw-Hill but that did not irritate Hancock and Wallace. This principles text would replace Samuelson as market leader in the 1980s partly because the third edition of the former was delayed (Maxwell, 1999, 120). While the original 1970 version only attracted one reviewer (Stonham, 1970) the text would spark a number of imitators but none arguably with the same verve of readability, enrichment and application to Australian economic problems. So successful was the venture that, as Maxwell (1999, 120) finds, there would be no comparable Australian economics principles text, written solely by Australian economists, that would achieve a successful degree of market penetration.

**Conclusion**

When Hancock and Wallace met Samuelson in Sydney in 1973 the Nobel laureate paid them a backhanded compliment by remarking that ‘Just as Hegel said that he had not fully understood Hegelian philosophy until he read the French translation so I am lead to believe that I will not understand Samuelson’s Economics until I read the Australian version’.40 While the comment left the audience in mirth, it left the two adaptors red-faced. Samuelson was directing a mild barb at

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36 A. Wheatcroft to R. Downing 9/8/1974, Downing Papers, University of Melbourne Archives.
37 A. Wheatcroft to R. Downing 27/9/1974, Downing Papers, UMA.
38 R. Downing to A. Wheatcroft 21/8/1974, Downing Papers, UMA.
39 R. Downing to A. Wheatcroft 21/10/1974, Downing Papers, UMA.
40 Personal communication with Keith Hancock and Bob Wallace, June 2011.
them for their considerable re-engineering of his text. That said, his Australian adaptors doubt Samuelson ever read their version of his canon. While Groenewegen and McFarlane (1990) would later conclude that American textbooks were a factor contributing to eroding the authenticity of Australian economics one could contend that Hancock and Wallace had done a fair effort in preserving a local voice in discussing economic principles but also presenting them in a historical doctrinal light and with caveats about identifying value judgements in economics advice.

References

Primary

Paul A. Samuelson papers, Duke University.

Heinz Arndt papers, National Library of Australia.

Richard Downing papers, University of Melbourne Archives.

Secondary


### Attachment 1

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Sahawa (1969)</th>
<th>Written and adapted by</th>
<th>Degree of Similarity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
<td>Introduction</td>
<td>Hancock</td>
<td>Low, almost completely rewritten</td>
</tr>
<tr>
<td>2</td>
<td>Central problems of every economic society</td>
<td>Central problems of every economic society</td>
<td>Hancock</td>
<td>Identical; bar detail on Aust. population</td>
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<td>3</td>
<td>Price functioning of a 'mixed' capitalist enterprise system</td>
<td>The Price Mechanism</td>
<td>Hancock</td>
<td>Identical</td>
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<td>4</td>
<td>Supply and demand: the basic elements</td>
<td>Supply and demand: the basic elements</td>
<td>Wallace</td>
<td>Identical</td>
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<td>Business organization and income</td>
<td>The Organization and control of business</td>
<td>Wallace</td>
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</tr>
<tr>
<td>6</td>
<td>Affluence and poverty: Individual and family income</td>
<td>Affluence and Poverty</td>
<td>Hancock</td>
<td>High: descriptive, institutional detail</td>
</tr>
<tr>
<td>7</td>
<td>Labor and Industrial relations</td>
<td>Labour and industrial relations</td>
<td>Hancock</td>
<td>Very Low: detail on Aust wage determination and IR structure</td>
</tr>
<tr>
<td>8</td>
<td>The economic role of Government: expenditure, regulation and finance</td>
<td>The economic role of Government</td>
<td>Wallace</td>
<td>Low: greater emphasis on role of govt in a mixed economy</td>
</tr>
<tr>
<td>9</td>
<td>The economic role of government: federal taxation and local finance</td>
<td>Spending and taxation by Australian Governments</td>
<td>Wallace</td>
<td>Low: altered order, institutional detail</td>
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<td>Saving, Consumption and Investment</td>
<td>Saving, Consumption and Investment</td>
<td>Wallace</td>
<td>High, almost identical except for Australian data</td>
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<td>Income determination: the simple theory</td>
<td>Income Determination: the basic theory</td>
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<td>Income determination: the multiplier and fiscal policy</td>
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<td>Business cycles and forecasting</td>
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<td>The banking system and deposit creation</td>
<td>Wallace</td>
<td>Low: more detail on central banking</td>
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<td>Federal Reserve and central bank monetary policy</td>
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<td>Synthesis of monetary analysis and income analysis</td>
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<td>Low” More Keynesian in the ambit of fiscal policy discussion on monetary policy</td>
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<td>The theory of demand and utility</td>
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<td>Low: extended treatment on B/P deficit and therapies, Swan model</td>
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<td>Low: different order, more on reasons for protection</td>
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