

which takes on insights from neuroscience into individual decision-making, provides a scientific check on the improvements made by behavioural economics.

Despite this, the old but trust-worthy models of mainstream economics, rational man and all, still work 'extremely well,' according to Coyle, who concludes that the contributions of behavioural economics are 'just a bit of seasoning from the psychologists,' when used to predict the future. Indeed, Coyle shows her true devotion to the concept of economics as a positive science through her stress on predictive power as a key element to good economics.

The chapters on evolutionary economics and information economics are the strongest parts of the book. The latter highlights Coyle's admiration of Hayek's essay on the use of knowledge in society, an essay that continues to grow in prominence amongst economists, and of Schumpeter's discussions on the role of the entrepreneur in a capitalist society. The idea of incorporating the dynamism of economic behaviour into mainstream models is another growing field that is perhaps more sympathetic to free-market ideals. Diverging from the Austrian approach, though, Coyle sees mathematics and science as having an integral role in improving economic thinking, which emphasises the importance of empirical testing.

As a crash course in the latest developments of academic economics, Coyle's book must be highly recommended. As a defence of the conventional, neoclassical approach to economic thinking, it must also be considered a thoughtful contribution to a debate that will continue with great passion for years to come.

Reviewed by Andrew Kemp

Giblin's Platoon: The Trials and Triumph of the Economist in Australian Public Life

by **William Coleman, Selwyn Cornish, and Alf Hagger**

ANU E Press, Canberra, 2006
\$24.95, 263pp
ISBN 1920942491
http://epress.anu.edu.au/gp/pdf/gp_whole.pdf

The importance of economics and economic ideas is these days often underestimated by professional historians deficient in any sort of economic training. In the case of Australian history, this is a major deficiency, as much of what has occurred in Australia, normally classified by historians as a 'settler society,' has been about economic development.

Giblin's Platoon helps to explain one important part of Australia's economic story: how economics became a professional academic discipline in the country, and how it came to be the central discipline for the creation of public policy by the Commonwealth government. From the perspective of the early twenty-first century, the important role played by economists seems to be part of the natural order of things, but it was a major development of the twentieth century, and one not foreseen at federation in 1901.

In nineteenth-century Australia, there were no academic economists advising government. Writings on economics were produced by politicians such as B. R. Wise, newspapermen like David Syme and Andrew Garran, and even by amateurs including Walter Scott, the professor of Greek at the University of Sydney. Writing in 1930, W. K. Hancock claimed

that Australians did not like professional economists because they put forward ideas that limited what it was appropriate to do through 'politics.'

Certainly, as the three authors of this book, William Coleman, Selwyn Cornish, and Alf Hagger, demonstrate through some nice quotations, Labor politicians of the 1920s and 1930s did not like economists. They feared that economists might oppose unrestrained protectionism, something that, for them, expressed the democratic will of the Australian people. Equally, between the two world wars the Commonwealth had a public service that actively discouraged the recruitment of university graduates, giving preference to ex-servicemen. It was hardly an environment likely to encourage the best and the brightest to use their intellectual capabilities for the public good. It was the heyday of educated Australians seeking their fortunes in more congenial climes.

Giblin's Platoon opens with an Australia in the early twentieth century where economics had not made much headway in either academia or public life. The book's central organising principle is the fact that a number of economists who would later be extremely influential in Australian public life, L. F. Giblin, J. B. Brigden, D. B. Copland, and Roland Wilson were all present at the University of Tasmania from 1919 to 1924. They continued their association at various stages over the next few decades, although it does not appear that they could be called a school.

What really strikes one about the situation in the 1920s is how scarce economists were in Australia. The opportunities for

the few were good if they had the ambition and capacity to grasp them. Copland, for example, was a professor of economics at the University of Melbourne by the age of thirty. Moreover, Copland sought to professionalise economics by establishing a professional body and a journal for the profession.

The move towards a more professional economics went hand in hand with a Commonwealth government under Stanley Bruce in the 1920s that wanted to make use of this economic expertise. But what kind of economic expertise was it? Coleman, Cornish, and Hagger sum it up in these terms:

Refusing liberalism, they did not embrace socialism. The vision of Brigden, Copland, and Giblin was of a publicly regulated but privately owned economy.

As they point out, in 1930 the two greatest adversaries of protection in Australia were a historian, Keith Hancock, and an Englishman, F. C. Benham. Giblin's Platoon was essentially a group of 'practical men' who sought to use their knowledge to make more effective public policy. They did not want to abolish protection, but to make it more effective, and to make the Commonwealth itself fairer and more efficient.

What becomes apparent, on closer inspection, is that the moral and intellectual universe of these men was quite different to the one that we inhabit today. Giblin, for example, was a sort of George-Bernard-Shaw-style progressive who had been a Labor politician in Tasmania. As the heirs of the progressivists who had helped to construct the Australian Settlement, they

were imbued with notions of 'fairness' that might strike the reader today (as it did Hancock in *Australia*) as being quite unfair and counterproductive. Fiscal equalisation amongst the states was their creation, but as a non-economist, it seems to me based more on moral than economic grounds. The obsession of that period with full employment, even to the extent of Australian policymakers working to make it part of the United Nations Charter, also indicates how moral ideals informed their economics.

One can say that, for all their faults, this first generation of professional economists did at least



protect Australia from some of the more crazy ideas then circulating on economics and society, especially those emanating from within sections of the ALP. It is difficult to realise today just how much potency the idea of protection had for much of the twentieth century, as a sort of panacea that would solve the ills of society.

The book also deals with some of the technical economic theories these men developed. Its combination of general intellectual history and technical exposition of economic matters does not work well for general readers such as myself. I would have liked a better contextual framework within which to place the 'platoon,' and especially to have heard more on the other Australian economists of that period. There is also a tendency for the available evidence to dictate the flow of the narrative, leaving the reader unsure about what connections there are or may be between various parts of the story.

That said, this book does make

a considerable contribution to the story of economics' place within Australian cultural and political development. It takes the reader back to a time when individual figures could, through application and exertion, make a significant contribution to national life. It also demonstrates just how important economics and economists have been to the Australian national story, and how crucial appropriate economic policies still are to its continuation.

**Reviewed by
Greg Melleuish**