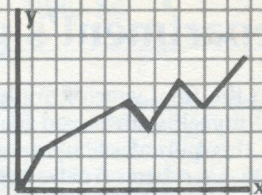


Indiana University—Bloomington

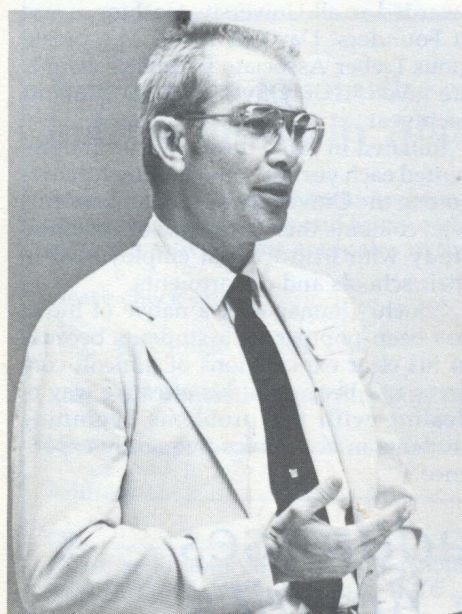
THE TREND LINE

Department of Economics Alumni Newsletter

Vol. 5, No. 1 College of Arts and Sciences-Graduate School Alumni Association Fall 1984



Phillip Saunders: teacher of economics



PHILLIP SAUNDERS

In an earlier edition of *The Trend Line* (Winter 1981), we reported that Professor Phillip Saunders received a University Amoco Foundation Award for distinguished teaching. While this was in honor of his own performance as a teacher, Saunders has been working to improve the quality of economics teaching in general almost since he himself first taught economics, part-time, at Massachusetts Institute of Technology in 1958. Saunders received his PhD in economics from MIT in 1964 and taught at Bowdoin College and Carnegie-Mellon University before coming to IU in 1970 as professor of economics.

At IU Saunders has been responsible for reorganizing and administering the introductory economics courses and has established a graduate-level course to help our own graduate students learn to be better teachers of introductory economics. The latter course, E502, has proved to be a model for other departments that wish to assist their graduate students with

teaching—an idea that is relatively new and quite different from the days of sending new PhDs into the classroom with no training and sometimes no experience at all.

Not content with promoting economic education at only the college level, Saunders has been involved in numerous projects to determine the content, as well as the methodology, of teaching economics to students as young as kindergarten age. He was chairperson of a committee responsible for preparing the recently released second edition of *A Framework for Teaching Economics: Basic Concepts*, the major volume of a series called "Master Curriculum Guide in Economics," published by the Joint Council on Economic Education. The *Framework* volume defines the economics concepts appropriate for learning by students from kindergarten through high school and is widely used by writers and publishers in planning textbooks and curriculum materials.

Saunders has also been interested in developing TV programs that can be used as aids in teaching economics to children. He was chief consultant for a series called "Trade-Offs," which won the Ohio State Award in 1980 and an award from the U.S. Office of Education in 1983. He was also chief consultant for a series called "Give & Take," which won the Achievement in Children's Television award in 1983. Most recently, Saunders was chief consultant for a series called "Tax Whys," which is being released in 1984 for use in schools nationwide.

With colleagues at IU and at other colleges and universities, Saunders conducts numerous workshops for high school and college teachers of economics, working to improve knowledge of economics concepts as well as the latest views on how to teach them to students. In October, Saunders, together with visiting professor Arthur L. Welsh and lecturer Bruce Fletcher, conducted a workshop for high

(Continued on next page)

Federal Reserve heavily Hoosier

At the Bloomington campus commencement in May 1984, the honorary degree of doctor of laws was presented to four economists from Indiana who are serving on the seven-member Board of Governors of the Federal Reserve System. **Lyle E. Gramley**, PhD '56, and **Preston Martin**, PhD '52, received their graduate training in the economics department at IU. **John Charles Partee** earned business degrees from IU in 1948 and 1949. **Nancy Hays Teeters** was born in Indiana but studied economics at Oberlin College and the University of Michigan.

Martin is vice chairman and a governor of the Board of Governors; Gramley, Partee, and Teeters are governors. An earlier edition of *The Trend Line* (Fall 1982) carried an article about this Indiana "connection" and mentioned several other IU economics graduates involved in the Federal Reserve System or other large financial agencies. The department is proud that we have helped train and encourage so many economists who are concerned with serving the public interest and have been recognized for their distinguished service.

At the May commencement, IU professor of economics **Elmus Wicker** served as escort for Gramley and read the citation that accompanied the presentation of the degree.

IU Economics Department Alumni Party

at the AEA meetings
in Dallas

Friday, December 28, 1984
5:00 - 7:00 p.m.

Hyatt Regency Hotel
Latimer A Room

EVERYONE INVITED

See former classmates and
faculty

Chair pleased with department's growth

In the final year of my term as chair, I find myself with mixed feelings concerning this period of my career. The three years have been frustrating and discouraging at times; but they have also been joyful and satisfying. It has been a period of significant change within the department: almost one-third of the current faculty were hired during this time. In addition, significant changes have been implemented in both the undergraduate and graduate programs. I view with gratitude the opportunity afforded me by the chairmanship to participate in this change.

We have significantly expanded our contacts with alumni and friends—many of you have been extraordinarily generous in your contributions to the Department of Economics. As a result, we have been able to expand the scope of some activities as well as initiate others that we had been previously unable to fund at any level. For this I would like to thank all of you who have read *The Trend Line* and responded to our requests for help. To sustain the department's improvement in quality will require your continuing concern and support.

—Michael A. Klein

Schweitzer studies political charisma

Although Arthur Schweitzer retired from the Department of Economics in 1976, he has altered his working habits very little. He continues his daily reading and research, continues to attend and give papers for conferences both in this country and abroad, and recently had a book published by Nelson-Hall of Chicago. The book, *The Age of Charisma*, is the culmination of years of study by Schweitzer, who came to this country in 1938 and joined the IU faculty in 1947.

Schweitzer's book deals with charisma or "personalistic influence," which is an important element in political leadership. Interest in the problem of devising a theory which would explain the similarities and differences of mass-supported leaders and regimes grew out of Schweitzer's involvement with the ideas of Max Weber, the sociologist, who developed the earliest theory of charisma.

Schweitzer has written an analysis of dictatorial charisma, with Adolf Hitler as an example, and democratic charisma, with Franklin Roosevelt as an example. His detailed studies of leadership led Schweitzer to conclude that theoretical charisma is modified in reality by many combinations, mixtures, adaptations, and modifications of the "pure" type.

Saunders teaches economics to all

(Continued from preceding page)

school honors students, brought to the IU campus for a one-day consideration of economic issues of the presidential election. For a number of years Saunders also has presented workshops to groups of clergy and journalists who hope to increase their own knowledge of economic issues and how to analyze them.

On the Bloomington campus, Saunders has performed a number of administrative tasks. He has been the director of the Center for Economic Education since 1973. He served as associate dean of the College of Arts and Sciences from 1974-78, and in

1983-84 he directed IU's Teaching Resources Center. He has been the recipient of several research grants and is the author of many articles, books, and monographs concerning economic education.

Even though he is highly visible in the field of economic education, Saunders is first and foremost a *practicing* teacher. He is known to several hundred students at IU each year as a teacher with an appealing sense of humor, a strong interest in students, high standards of learning, and, above all, a vibrant classroom style that reflects a genuine love of teaching.

A I wins award

Krishnamurthy "Buchi" Ramagopal, graduate student in the PhD program, was awarded an all-University teaching award at Founders' Day last April. The prestigious Lieber Associate Instructor awards are given to only five graduate students each year.

Initiated in 1961, these awards are presented each year to "outstanding teachers among the University's graduate students who combine their programs of advanced study with instructional employment in their schools and departments."

"Buchi" Ramagopal, a native of India, has been popular with students because of his clear explanations of difficult concepts and because of his effective way of dealing with the problems beginning students in economics frequently experience.

THE TREND LINE	
is published annually by the Indiana University Alumni Association, in cooperation with the Department of Economics and the College of Arts and Sciences-Graduate School Alumni Association, to encourage alumni interest in and support for Indiana University.	
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von Furstenberg addresses issues of growing America



GEORGE VON FURSTENBERG

George M. von Furstenberg, Rudy Professor of Economics at IU, delivered an address last spring at a conference in Washington, D.C., on the economic issues of a growing America. The conference, sponsored by the Center for Policy

Research, was held in the Senate Caucus Room. Conference leaders included Senator Richard G. Lugar of Indiana, Senator William Proxmire of Wisconsin, and Nobel laureate Lawrence R. Klein, Benjamin Franklin Professor of Economics at the University of Pennsylvania.

The four major issues of the conference were (1) how the U.S. can promote a higher rate of economic growth without increasing inflation; (2) how the restoration of basic industry and publicly-provided facilities (such as highways, bridges, water and sewage systems, and schools) can be achieved without direct government intervention; (3) the economic relationship of high-tech industry to basic industry; and (4) what role improvement of publicly-provided facilities should play in a high growth economy.

Furstenberg's address concerned the use of tax and credit incentives in the restoration of basic industry and publicly-provided facilities.

Anderson named IU's first Truman Scholar



TRUMAN SCHOLAR SCOTT A. ANDERSON with **Harriet Pfister**, counselor in economics department and *Trend Line* editor.

In May 1984 economics major **Scott Allen Anderson** from Chesterton, Indiana, became the first Indiana University—Bloomington undergraduate to be named a Harry S. Truman Scholar since the awards were initiated in 1977. Scholars are appointed from each state after a rigorous screening process. The award provides up to \$5,000 a year for the last two years of undergraduate work and for two years of graduate work. A major stipulation for the award is that the scholar must maintain an interest in and commitment to government service.

Anderson has maintained a grade point average of over 3.95 and participates in a number of campus activities. He is a member of the dean's advisory committee

in the College of Arts and Sciences and is an officer for the Collins Living/Learning Center, where he also has taught courses. Anderson has not yet decided how he will carry out his commitment to government service, but he is considering becoming an economist and a consultant to the government.

While Anderson begins his term as a Truman Scholar, one of our graduate students, **Catherine Balliet**, is a 1980 Truman Scholar, having been appointed from the state of West Virginia. Balliet, who is in the PhD program at IU, is currently doing research for the Indiana Econometric Model. For one year she taught economic principles.

Undergraduate requirements revised

The faculty of the economics department has voted to institute changes in requirements for the economics major and for the honors program. The changes should improve the quality of the undergraduate program by emphasizing coursework that will give students adequate background to enter graduate school or the job market after graduation. The program changes are now being studied by a committee in the College of Arts and Sciences and should be in effect in fall 1985.

Specific changes in the major include requirement of statistics and intermediate theory for all majors, with division of coursework into two "tracks." The tracks

contain suggested courses in economics, statistics, mathematics, and computer science that will help prepare students for a variety of careers. The newly-designed honors program will require one honors seminar and completion of either an honors thesis or some other type of project, to be approved by the honors director.

This edition of *The Trend Line* is dedicated with gratitude to all our alumni and friends who, with their generous gifts of money and interest, have made possible a "new look" for this publication.

Five faculty join department

Because of the concerted efforts of chairman Michael A. Klein and the faculty of the economics department last year, we are happy to welcome five new faculty members whose various scholarly interests and achievements will help us with our departmental responsibilities in teaching and research.

Francisco L. "Pancho" Rivera-Batiz rejoins us as associate professor. His primary field is international economics, with additional interests in economic development, labor economics, and economic systems. He received his AB with "distinction in all subjects" from Cornell University in 1974 and his PhD in economics from Massachusetts Institute of Technology in 1979.

Rivera-Batiz, a native of Puerto Rico, was on our faculty from 1979-82 and also has taught at the University of Puerto Rico and the University of Massachusetts. He spent the academic year 1982-83 at the University of Chicago as a post-doctoral fellow (fellowship awarded by the National Research Council of the National Academy of Sciences), conducting research on the economic impact of immigration and immigration restrictions. In the summer of 1980 he was a visiting research associate at the Institute for Research on Poverty at the University of Wisconsin—Madison, carrying out research on the labor force participation and labor supply effects of the food stamp program in Puerto Rico. He is the coauthor of a forthcoming book entitled *International Finance and Open Economy Macroeconomics*.

Rivera-Batiz is teaching only graduate courses this year, but many undergraduates look forward to his resuming instruction of some of the undergraduate courses in international economics. His reputation as a good teacher lingers from his earlier association with our faculty, and we are anticipating his role as a mentor for undergraduates, too.

James M. Walker, who received his PhD at Texas A & M University in 1978, is an assistant professor at IU after serving a year as visiting assistant professor here in 1982-83. Walker's major fields of interest include experimental economics and applied microeconomics, with emphasis in individual consumer behavior and regulated industries. He has taught at Auburn University, Tuskegee Institute, Texas A & M University, and the University of Arizona. Walker, who has published a number of articles dealing with experimental economics, received a National Science Foundation grant in 1983 for "Experimental Studies of Private Market and Non-Market Resource Allocation Mechanism" (with R. Mark Issac).

(Continued on next page)

Five faculty join department

(Continued from preceding page)

He will teach economic principles for the department in both semesters this year and, with Arlington Williams, will give a graduate course in experimental economics in the spring. In addition to his professional qualifications and achievements, Walker is a cheerful, friendly faculty member who should appeal to both the beginning student in economics and the graduate student looking for first-hand experience with the relatively new field of experimental economics.

Catherine A. Melfi is an assistant professor. She completed her PhD in August at the University of North Carolina. Her major fields include econometrics, microeconomic theory, and international trade. She received a BS degree in economics from John Carroll University in Cleveland, Ohio, and began her doctoral studies in economics at the University of Rochester. Her PhD thesis is entitled "Estimation and Decomposition of Productive Efficiency in a Panel Data Model: An Application to Electric Utilities."

Melfi will be teaching introductory statistics in both the fall and spring this year and will also teach introductory econometrics in the spring. Initial reaction from our students to her teaching has been favorable, with the only reservation apparently being that Melfi looks "just like a student." Most of the rest of the faculty would consider this a compliment and are perhaps a bit envious!

Alan J. Rogers completed requirements for the PhD at Princeton University in the summer of 1984 and joins us as assistant professor. A native of New Zealand, he received BA and MA degrees in econom-

ics at the University of Auckland in 1977 and 1979, respectively. His major fields are econometrics and statistics. Rogers was a junior lecturer at the University of Auckland in 1979 and 1980 and was the holder of a Princeton University Fellowship from September 1980 to June 1984.

Rogers will be teaching introductory and advanced statistics for the department in the fall and graduate-level econometrics in the spring. Students enjoy his distinctive accent and are appreciating his gentle humor and his enthusiasm for a subject that is gaining favor with our majors but still terrorizes many of them.

Whether he realizes it or not, **David VanHoose**, assistant professor, is a center of intense interest for many of our undergraduate majors. VanHoose, who was awarded his PhD at the University of North Carolina in May 1984, received a BA in economics at IU in 1979, and his return as a faculty member is being scrutinized by those students who are considering an academic career in economics. His major field is monetary economics, and his dissertation title is "Bank Market Structure and Monetary Policy." While an undergraduate at Indiana, he won an award for his honors thesis, which was entitled "Electronic Funds Transfer: The Demand for Money and Monetary Policy." VanHoose received scholarship support at IU as an undergraduate and was a Pogue Fellowship winner at the University of North Carolina in 1980-81 and 1981-82. In September 1983 VanHoose published an article in the *Journal of Banking and Finance*.

VanHoose is teaching economic principles, intermediate macroeconomic theory, and money and banking during the current school year.

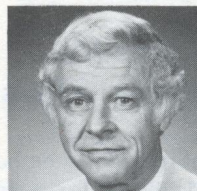
Alumni trends

Editor's Note: Perhaps the best part of putting together the departmental newsletter is passing on the latest news about our graduates! There is an amazing variety of accomplishments to report and we hope you will enjoy reading about them—and that you will give us your news, too.

Before 1970

Glenn B. Curry, AB '24, is retired from Curry Buick Cadillac, Inc., in Bloomington, Ind. He has traveled more than 131,000 miles, visiting such diverse places as the South Pacific and the North Cape.

Hannumantha Rao Machiraju, PhD '61, is chief of the economic division of the Association of Chambers of Commerce and Industry of India in New Delhi.



Warren R. Harden, PhD '65, has been appointed vice-president for business and finance at Illinois State University in Normal. He was interim vice-president in 1983-84.



Wayland R. Hicks, BA '65, has been appointed a group vice-president and president of the Reprographic Business Group by Xerox Corporation in Rochester, N.Y.

Rosann L. Spiro, BA '67, is associate professor of marketing at IU's School of Business.

Shumpei Kumon, PhD '68, holds an administrative post at Tokyo Imperial University.

Award-winning economists



AT THE SPRING AWARD PARTY FOR THE ECONOMICS DEPARTMENT, from left, Corinne Krupp received the Christensen award; John Callahan, the Walls scholarship; and Jane A. Body, the Moffat award.

1970-79

Ralph C. Walter, MA '72, assistant professor of finance at Northeastern Illinois University, is the chairperson of the Department of Accounting, Business Law and Finance in the newly formed College of Business and Management of Northeastern.

James J. Holloway, BA '73, MA '79, is a medical doctor and has recently joined the Veterans Administration Hospital in Ann Arbor as a faculty member-researcher.

Belated congratulations to **Jerome K. Laurent**, PhD '73, for winning a competition sponsored by *The Journal of Transport History*, published by Manchester University in England. Laurent, a professor at University of Wisconsin at Whitewater, received an award for the best North American contribution to the journal for his essay, "Trade, Transport and Technology: The American Great Lakes, 1866-1910." Laurent kindly sent a copy of his article to *The Trend Line* editor, who enjoyed circulating it among others in the department.

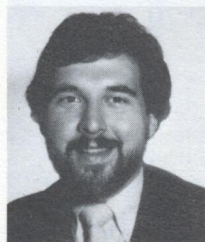
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Peter Gould, BA '74, has opened an office in Bloomington as a consultant on employee benefit plan design and administration.

Teresa M. Ash, BA '74, is a translator with Babcock and Wilcox Company in Lynchburg, Va.

Jeffrey L. Davidson, MA '75, is vice-president of Bloomington National Bank. On occasion Jeff has talked to the undergraduate Economics Club at IU about careers in banking.

Jawn J. Bauer, BA '77, is an attorney in Bloomington with the firm of Taylor, Towell and Bauer.



James M. Bennett, BA '79, was ordained a rabbi by Hebrew Union College-Jewish Institute of Religion at ceremonies held in Cincinnati last June. Bennett now serves Temple Shaare Emeth, St. Louis.

Hearst G. "Carey" Carrington, BA '77, is senior vice-president of the corporate finance division for EGT, an investment banking firm in Dallas.

Byron L. Harris, BA '77, MA '81, is financial analyst with the consumer advocate division of the West Virginia Public Service Commission. He is also an instructor, part-time, at the West Virginia Institute of Technology.

William B. Redpath, BA '78, has recently taken a position as senior financial analyst with NBC in New York City.

Cindy Gochenour Konich, BA '78, is cash management manager for the Federal Home Loan Bank of Indianapolis.

Henry Bartel, PhD '78, is associate professor of economics at Concordia University in Montreal.

Robert J. Highsmith, PhD '78, stopped in to visit the department this summer, while on his way to a new job in New York City as director of research for the Joint Council on Economic Education.

1980-84

Mark W. Weller, BA '80, has a law degree from Indiana University—Bloomington and is a legislative assistant to Senator Richard G. Lugar. He is responsible for issues of taxation, business, and transportation.

James A. Colombo, BA '82, is in the graphic arts industry, working as a sales-service representative for Wilson Engraving Company in Dallas.

Linda M. Smith, BA '82, is a department manager for Lazarus Department Store in Indianapolis.

Kathy Ormiston, BA '82, enjoys the excitement of her work as an assistant to the director of the Congressional Budget Office in Washington, D.C.

Brian C. Shaffer, BA '83, is in a two-year program as a financial management trainee for General Electric Aircraft in Cincinnati.

Hamka Bin Othman, BA '83, has returned to his home in Malaysia, to work in the national government's department of information services.

Christopher M. Carrington, BA '83, is a financial analyst at Bank One in Dayton, Ohio, working at the bank money desk.

Christina K. Binkley, BA '84, is working in the financial section of Proctor and Gamble in Cincinnati.

Two members of the class of 1984, who won important prizes in the economics department, are hard at work in graduate programs this fall. **Jane A. Body**, winner of the Moffat Award in 1984, is in the economics PhD program at MIT. **Corrine M. Krupp**, winner of the 1984 Christenson Award, is in the economics PhD program at the University of Pennsylvania. (See picture on page 4 of newsletter.)

Robert L. Sartain, BA '84, is in the PhD program in economics at Northwestern University.

Robert A. Buccieri, BA '84, has begun a trainee program in financial management with General Electric in Syracuse, N.Y.

Gonzalo C. Pastor, who defended his PhD thesis in August 1984, is working for the International Monetary Fund in Washington, D.C. He is an economist in the IMF's Economist Program.

Application to join the Indiana University Alumni Association

A single dues payment includes membership in both the IU Alumni Association and the College of Arts and Sciences-Graduate School Alumni Association, which supports activities for graduates of the Department of Economics.

Please check one:

_____ \$20 Single Annual _____ \$250 Single Life
_____ \$26 Family Annual (husband and wife) _____ \$350 Family Life

Name _____

Address _____

City _____ State _____ Zip _____

Please send your check made payable to the IU Alumni Association, IMU M-17, Bloomington, Ind. 47405

We need your input!

The IU Department of Economics and the IU Alumni Association are always interested to learn about the personal activities, professional advancements, awards, and publications of our graduates. Please complete this form and return to Alumni Records, M-17 Memorial Union, Indiana University, Bloomington, Indiana 47405. PLEASE USE THIS FORM FOR CHANGE OF ADDRESS.

Name _____ Degree/date _____

Address _____

City _____ State _____ Zip _____

Present position/employer _____

Professional and personal news _____

IN MEMORIAM

Timothy Dean Cox, assistant professor of marketing, University of Kansas—Lawrence, died September 2. Timothy, a PhD candidate in IU's department of economics, successfully presented his PhD proposal, *Consumer Decision Behavior and the Learning of Brand Information*, in January. While at IU, Tim served as an instructor in economics and business statistics and marketing. He was an outstanding teacher. His research demonstrated a tremendous desire to bridge the gap between economics and marketing. (Scholars interested in pursuing his line of inquiry may consult his PhD proposal, which will be bound and placed in the department's library on the ninth floor of Ballantine Hall.)

Tim will be missed by his wife, two children, colleagues, and students.

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