

PARTICIPANT

The Pitzer College Magazine Spring 1975





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The *Participant* is mailed without charge to friends of Pitzer College in the United States and abroad. The magazine is planned around themes of current and broad interest, and features articles by the Pitzer College faculty, staff, and alumni, with occasional contributions by outside writers.

The magazine also brings to its readers accounts of the faculty's research, writing and other professional involvement in their respective fields.

Contributions to further this area of the College's effort toward visibility and communication are appreciated and may be sent to *President's Office, Pitzer College, 1050 No. Mills Ave., Claremont, California 91711.*

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2 Letter from the President

Robert H. Atwell

3 Conflicting Prescriptions for Economic Recovery

Walter W. Heller
Milton Friedman
Glenn E. Burrell

12 Pitzer Courses

13 Merlin on Wall Street: Or, Magic Meets Money (A Fable)

Barry Sanders

14 The Contemporary Collegian and the Search for a Future: A Venture in Career Planning

Bylle Whedbee

18 Participating

Robert F. Duvall

22 Community Notes

OUR CONTRIBUTORS



Barry Sanders



Glenn Burress



Walter Heller



Bylle Whedbee

... **Bylle Whedbee**, Assistant Dean of Students, and Director of Career Planning, is meeting with a Career/Life Planning program for Pitzer students. Conducted with Julie Monson, her colleague from Pomona College, the program offers an individualized approach to decision-making for job hunters, career seekers, and others who want to define their future goals and accomplish them. They have been invited to present an evaluation of their experiences to the Western College Placement Association. Bylle received her M. A. from New York University and came to Pitzer in 1969.

... Economist **Walter W. Heller**, economic advisor to three U. S. Presidents, entertained and enlightened 500 guests of Pitzer College at a recent National Issues Forum. His off-the-record address, "Inflationary Recession: Where Do We Go From Here?" was enlivened by anecdotes, personal observations, and puns. For readers of *The Participant*, he offers excerpts from his testimony before the Joint Economic Committee of the U. S. Senate in March.

... Once forbidden from teaching his economic theories to graduate and undergraduate students because they were unorthodox, even unprofessional — discouraged by one prestigious university so that he took his doctoral studies at another, **Glenn E. Burress** is now nationally recognized as an economist with a history of making uncannily accurate economic forecasts. In March, he was invited to testify before the Joint Economic Committee of the U. S. Congress, after which Rep. George Mahon, Chairman of the Appropriations Committee of the House, hosted a luncheon in his honor. Burress' students at Pitzer will have an opportunity to ponder several questions which Sen. Hubert Humphrey (D. Minn.) asked Burress to answer and which will become a supplement to his Committee testimony. His column appears twice weekly in the *Journal of Commerce*. His articles also appear in metropolitan newspapers of the Knight-Ridder chain.

... **Barry Sanders'** courses at Pitzer range from "The Modern Novel" to "The Medieval Spirit" to "A New Europe? Culture, History, and Politics of Post-War Europe," the latter offered with Lucian Marquis. His other professional activities reflect some weight toward the early period. In February, he delivered a paper titled, "Aberrant Behavior in the Romances of the Late Middle Ages." He has just completed a translation of a medieval romance from Middle English, *Guy of Warwick*, presently under consideration by a publisher. His fable in this issue of *The Participant* unmercifully plants Merlin, magician and friend of King Arthur, on Wall Street - with interesting results.

from the President



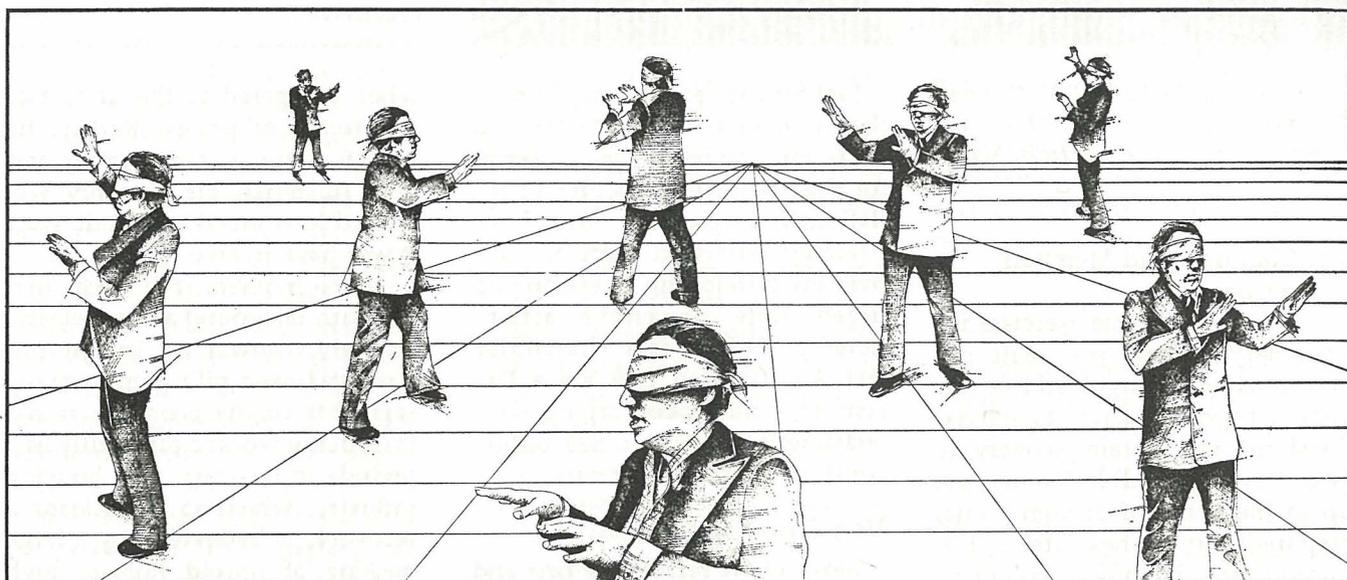
The economic emphasis of this issue prompts me to note that many of our disagreements about how to get the American economy moving do not address basic issues. Most economists accept the premises and values of the present economic structure. Some are concerned with improving the purchasing power of disadvantaged groups and thus favor economic prescriptions with a heavy redistribution dosage. The Democrats in Congress want to use the present tax cut opportunity more to redistribute income than to expand short-term consumption. The Ford Administration tax proposals would give more relief to the middle class which presumably would result in the purchase of more automobiles and other durable goods on which short-term economic recovery would seem to rest. These differences are important but they all go to the question of how to make the present economic system work.

It would seem to me that we have given a fair trial to an economic system which is dependent upon large defense expenditures; the production of more automobiles than our air and our urban space will tolerate; more stereotyped suburban tracts; and more mindless television programming. Some of us are interested in redefining "profit" so that cleaner air and water, mass transportation, education, and the arts — to name a few human needs not well-served by the present economic structure — would become as economically worthwhile as more destructive but presently profitable activities.

This would require some redefinition of "work" or "job", which is now derived from the profit-centered market economy. Work should arise from and be addressed to human needs. The discipline of the market is an important and valuable attribute of our economy, but the market and its components badly need revision if the quality of life is to improve.

Robert H. Atwell

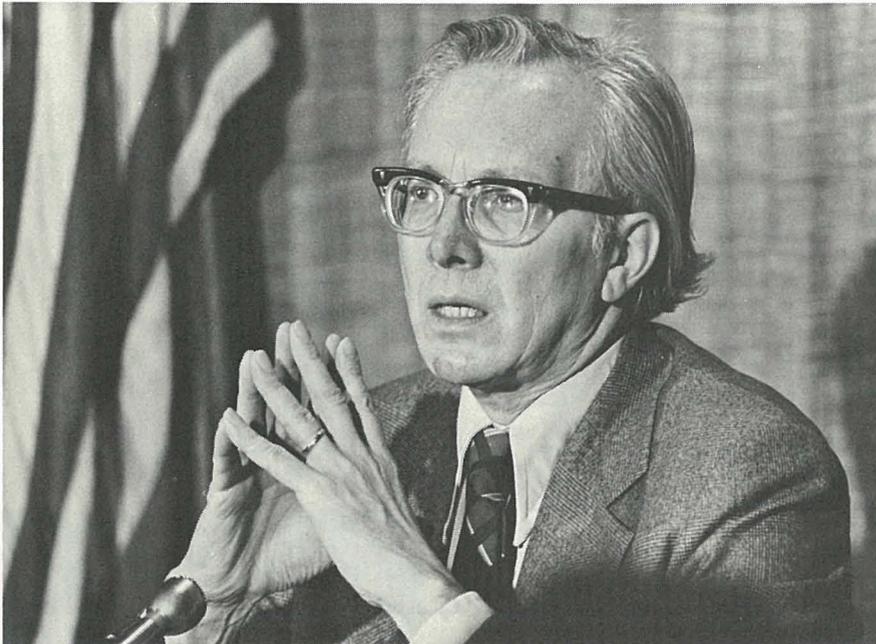
CONFLICTING PRESCRIPTIONS FOR ECONOMIC RECOVERY



IN THE LAND OF THE BLIND, THE ONE-EYED MAN IS KING

The single most important economic issue in the winter and spring of 1975 is what steps can be taken by government to bring an end to the most serious recession since the 1930s without rekindling inflation. The leader of liberal economists, Walter W. Heller, Regents' Professor of Economics at the University of Minnesota, recently told the Pitzer College community that to fight recession, "I have been urging swift enactment of a \$20 to \$25 billion continuing income tax cut." A few days later, the leader of conservative economists, Milton Friedman, Professor of Economics at the University of Chicago, told students, faculty and others at Claremont, "I believe there is no theoretical or empirical evidence that this (Heller's) is a correct proposition."

A Pitzer economist, Glenn E. Burrell, offered criticism of the approach of both Heller and Friedman, in testimony before the Joint Economic Committee March 12 in Washington, at which Heller also appeared. Views of all three economists follow:



(Excerpted from Walter Heller's Opening Statement before the Joint Economic Committee of the U.S. Congress, March 12.)

Mr. Chairman and Members of the Committee:

As your Committee exercises its customary leadership — with renewed vigor, I might add — on behalf of decisive action to reverse the slump and sustain recovery, it faces several roadblocks thrown up in the name of prudence and responsibility. These take the form of the following assertions:

- First, that the economy will soon bottom out and that self-corrective forces will generate a satisfactory recovery without massive stimulus.
- Second, that bold attempts to speed the turnaround and accelerate recovery will sow the seeds of a new round of inflation . . .

It is on these grounds that the battle for an adequate — and that means aggressive — program of tax cuts and monetary stimulus has to be fought. So I shall concentrate my remarks on these issues rather than boring the Committee by spelling out yet one more program.

Just for the record, I might note that for over a year I have favored a tax and budget relief program for the low-income victims of inflation and recession; that I repeatedly expressed alarm in 1974 over the developing recession and urged early preventive action, notably, before this Committee last August; and that since December, I have been urging swift enactment of a \$20 to \$25 billion continuing income tax cut.

How Deep the Slump?

Now let me turn to the first and most basic of the issues, namely, the further course of our sickening slump, the slack it will leave in its wake, and the prospects for recovery. No one any longer denies that we are in a severe slump calling for remedial action. But the same forces of "prudence and responsibility" that glibly dismissed the slide into recession as a "short-ages blip," or "side-ways waffling" now profess to see an early bottoming out and upturn just around the bend. Therefore, they add, let's not overdo stimulus.

Even if the upturn occurs in the next six to nine months, it will be the economic non-event of 1975 (much as the end of the oil embargo was the non-event of 1974

WALTER HELLER

While I do not view this plunge as a depression — indeed, scare-talk about depression, like scare-talk about deficits, makes for good copy, but not necessarily for good policy — neither is it an ordinary recession.

when compared to the impact of quintupled oil prices). Rather, the critical issue is how strong and how sustained the recovery will be and how much economic slack it will have to take up.

At the moment, the forces that will turn us around are not clearly in sight. Unwanted inventories have still been piling up in many segments of the economy rather than being worked off swiftly as a prelude to recovery. The housing industry, which so often leads a recovery, is bedeviled by a large backlog of unsold homes, high construction costs, and a shriveling of the real incomes of consumers. Consumption? The intangible, "consumer confidence," follows the lead of the tangible, "consumer real income." Unless and until that income is bulwarked by tax cuts and carefully targeted budget programs — backed by aggressive rather than grudging monetary ease — consumer income won't lead, and consumer confidence won't follow.

So far, then, there is little to arrest and reverse the economy's sickening slide. I see no sign of the "bottoming out" that President Ford thought he detected during his recent trip to Florida. The figures I look at suggest that

real GNP is still sliding at about a 10% annual rate this quarter and will continue to slide at a declining rate into the spring and summer. Whether and how strongly the economy then turns up depends on (a) how soon and how clearly the Federal Reserve gets the message that war on recession can now be waged without losing the war on inflation and (b) how quickly the Congress enacts tax cuts and budget relief.

It is quite true that the Congress and especially your Committee, long before the White House bestirred itself, were alert to the problems of our sixteen-month-old recession and the plight of the lower income groups. And it is fair to say that, by traditional standards, Congress has been moving with commendable speed. But traditional standards won't do in the face of the current economic emergency. The Joint Economic Committee is to be applauded for its continuous monitoring of the current economic crisis and for pressing its colleagues in Congress for swift action.

One hopes that the grim numbers will jar into action even those implacable inflation foes who have regarded the unemployed more or less as statistical cannon fodder in the war on inflation.

Specifically, the Senate ought not go home for Easter until, as a bare minimum, a hefty tax rebate for individuals — preferably on the House pattern, though somewhat larger in total amount — has been passed. If a continuing tax cut can be passed at the same time, so much the better. But if not, splitting off the one-shot tax

cut and then coming back to the continuing tax cut — and percentage depletion — after Easter would make both economic and political sense.

The depths to which the economy is now plunging underscore this judgment. While I do not view this plunge as a depression — indeed, scare-talk about depression, like scare-talk about deficits, makes for good copy but not necessarily for good policy — neither is it an ordinary recession. From peak to trough — that is, from the end of 1973, when unemployment averaged 4.8%, to sometime in the second half of 1975, when it will roughly be twice as high — real GNP will have dropped by some 7% (at annual rates), nearly double the drop in any previous post-war recession (though hardly in the same league with the one-third drop in the Great Depression).

With the economy's potential growing about 6 to 7% during those six or seven quarters, a huge GNP gap is opening up. U.S. output is falling 13% below potential, even if we define "potential" conservatively in terms of 5% unemployment. By a substantial margin, this is the economy's worst performance since World War II. The shortfall, or GNP gap, will reach an unbelievable \$200 billion at annual rates during 1975.

The counterpart in unemployment will be a peak rate of 9½ to 10%. It is true that the February rate held steady at the January rate of 8.2% — but only at the grievous cost of 580,000 discouraged workers dropping out of the labor force. This is clearly an instance where the steadiness of the unemployment rate is cause, not for complacency or optimism, but

rather for dismay and alarm.

One hopes that the grim numbers will jar into action even those implacable inflation foes who have regarded the unemployed more or less as statistical cannon fodder in the war on inflation. We are hearing all too much about "unemployment will hit only 10% of the labor force, but inflation hits everyone." Not only is that statement wrong: When unemployment reaches 10%, it hits about 30% of the labor force sometime during the year. It is also misleading: We are already far beyond the point where a cutback in unemployment comes at the expense of a boost in inflation. At this stage of the game, economic recovery will bring (a) short-term relief in the battle against inflation by triggering a new surge in productivity and (b) help in the long-term battle against a resurgence of inflation by boosting the flow of savings and restoring the will to invest in plant and equipment that is vital to breaking the bottlenecks in our primary processing industries that plagued us in the 1973 inflationary outbreak. Another way of putting this point: We have already pushed recession and unemployment far beyond the point of diminishing returns — probably even beyond the point of no return — in the war against inflation.

In the light of the huge human losses, production losses, and capital losses that this worst of recessions is now inflicting on us, what's holding us back? Why isn't a huge anti-recession program roaring through Congress? That question brings us to inflation fears that are, if not intimidating, at least inhibiting Congress in its fiscal actions to reverse the recession and restore prosperity.

Inflation Fears

Two questions confront us on the inflation front: First, how rapidly is the current wave of inflation subsiding? Second, how likely is it that a major offensive against recession will touch off a new upsurge of inflation?

By and large, the portents are highly encouraging. All three forces that fastened this monstrous inflation on us in 1973-74 are abating in 1975:

- Excess demand has long since disappeared and will be years in reappearing.
- External-shock or commodity price pressures are easing rapidly.
- Cost-push pressures are weakening under the hammer blows of massive unemployment, declining interest rates, and business belt-tightening.

First, before the Congress allows fears of renewed demand-pull inflation to stay its hand on large tax cuts, it should recall that the 1964 tax cut of \$12 billion, which translates into a \$26 billion tax cut in terms of 1975 GNP, was enacted at a time when the economy was running only 7% below its potential calculated at 4% unemployment. In 1975, the projected shortfall is 13%, calculating potential at 5% unemployment. Yet, in 1964-65, as recovery accelerated and unemployment dropped steadily, inflation crept up to less than a 2% annual rate by August of 1965, when war in Vietnam was escalated. Today, with inflation ebbing rapidly, with the economy still sinking, and with nearly twice as much slack in the economy as in 1964, it would be both fallacious and foolish to deny

ourselves the tax cuts, budget relief, and monetary stimulus that can lift us out of the deepening morass in which we are mired.

In the light of the huge human losses, production losses, and capital losses that this worst of recessions is now inflicting on us, what's holding us back? Why isn't a hugh anti-recession program roaring through Congress?

It seems hard to believe that anyone could look at the distressing numbers that pinpoint the vast underutilization of the economy's human and material resources and still fear demand-pull inflation:

- Let's start with the optimistic assumption that the gap is only 12% of GNP at the beginning of 1976.
- Next, factor in a 4% annual growth in GNP potential (a conservative number in light of the new *Morgan Guaranty Survey* analysis that pegs the rate at 4.4%, consisting of a 2.0% annual growth in the effective labor force and a 2.4% annual increase in output per worker).
- Next, assume that stimulative policy measures boost the actual growth of the economy to an 8% rate starting in 1976. It would be the end of 1978 before the GNP gap was closed and the economy returned to 5% unemployment. If we manage only a 7% average rate of expansion, it would take four years — that is, until 1980 — to return to 5% unemployment.

Thinking small about fiscal-monetary policy in the face of

such enormous economic slack would unnecessarily condemn millions of workers to prolonged unemployment and boost the GNP loss incurred in the fight against inflation during the Seventies to well over \$1 trillion.

Turning, second, to the external-shock inflation arising in 1973-74 out of skyrocketing commodity prices and devaluation, one finds the skies rapidly clearing:

- Most of the food and fuel price explosions (subject only to new petroleum taxes) will have worked their way through the economy by mid-year.
- Further erosion of the dollar on international exchanges may give inflation a small push, but it will certainly be minor compared to the \$10 to \$12 billion boost in prices of imports attributable to devaluation in the past two years or so.
- Sensitive commodity prices have come down between 25% and 30% in the past three months.
- Food prices are destined to drop in the second half of 1975 if crops are normal.
- The Consumer Price Index has already eased from a record rise (at annual rates) of 14% last summer to about 7% in January.

All of this is not to suggest that commodity prices are about to fall below their pre-1973 levels. The world-wide commitment to full employment and a better life, the pressures of rising population and aspirations, and the dwindling of our low-cost resource inheritance will all put upward pressure on the prices of primary materials over the longer run. Thus, how-



ever strongly the ebbtide of prices is now running, we may find the ocean level gradually rising. But this calls for longer-term structural measures and a greater emphasis on advance planning rather than a curb on short-run expansionary monetary and fiscal measures.

The world-wide commitment to full employment and a better life, the pressures of rising populations and aspirations, and the dwindling of our low-cost resource inheritance will all put upward pressure on the prices of primary materials over the longer run.

But, third, won't the feared wage explosion upset the apple cart? Let me offer three quick and hopeful observations on this front:

- In spite of such spectacular settlements as those in coal and oil, the rate of increase in average hourly compensation in the economy as a whole has not risen into the double-digit range.

- With woefully weak labor markets inhibiting wage rate increases — especially for that part of the labor force that falls outside of the 25% or so that is strongly organized — a dropoff in the rate of increase to 7% or 8% by the third or fourth quarter of 1975 is a reasonable expectation.

These favorable developments led me and my associate, George Perry of Brookings, early in January to project a 5% or better inflation rate during the second half of 1975. Since then, we have had to yield our position at the end of the limb to economists of the First National City Bank, who assert that "it is not unrealistic to expect inflation to fall back into the 3%-4% range by the second half of this year."

Conclusion

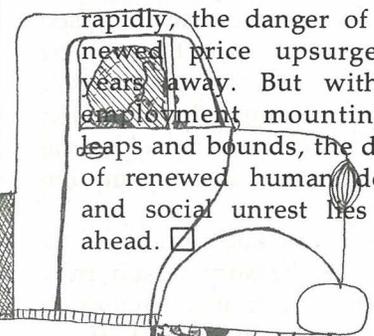
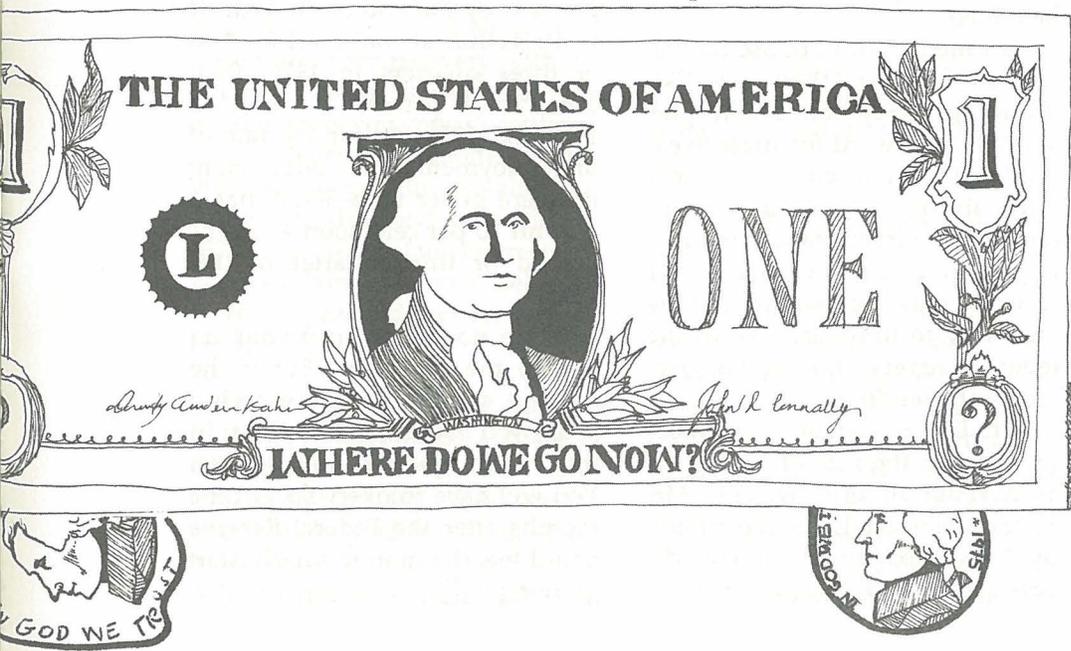
For the anti-recessionary program, three points arising out of the foregoing statement should be underscored in closing:

- Speed pays: The sooner the tax cuts and budget reliefs are put on the books, the faster

recovery will take hold and pay off not only in more jobs and higher GNP, but in rising revenues and falling deficits. If any convincing on this score is needed, one should recall that under the stimulus of the big 1964 tax cut, tax revenues exceeded their former levels by 1965 and resulted in a significant budget surplus just before Vietnam escalation struck.

- Size pays: To reverse the recession, reduce unconscionably high unemployment, and narrow and eventually close the staggering gap between actual and potential GNP, the Congress and the White House not only have to act fast but think big. In an economy with a \$1.6 trillion potential, and with inflation waning, this is no time for members of Congress, or the Federal Reserve system, or the White House to be "men of little faith" in the U.S. economy.

- Humaneness pays: In the debate on tax cuts and easier money, it is high time to stop the scare-mongering about the inflationary tinder we might create and start focussing on the human tinder we have already thrown into the streets. With inflation ebbing rapidly, the danger of a renewed price upsurge lies years away. But with unemployment mounting by leaps and bounds, the danger of renewed human despair and social unrest lies dead ahead.



MILTON FRIEDMAN

Since they (the Fed) have been doing a lousy job for 60 years, it's very hard to lay the blame on the man who's been in charge for the past four years.

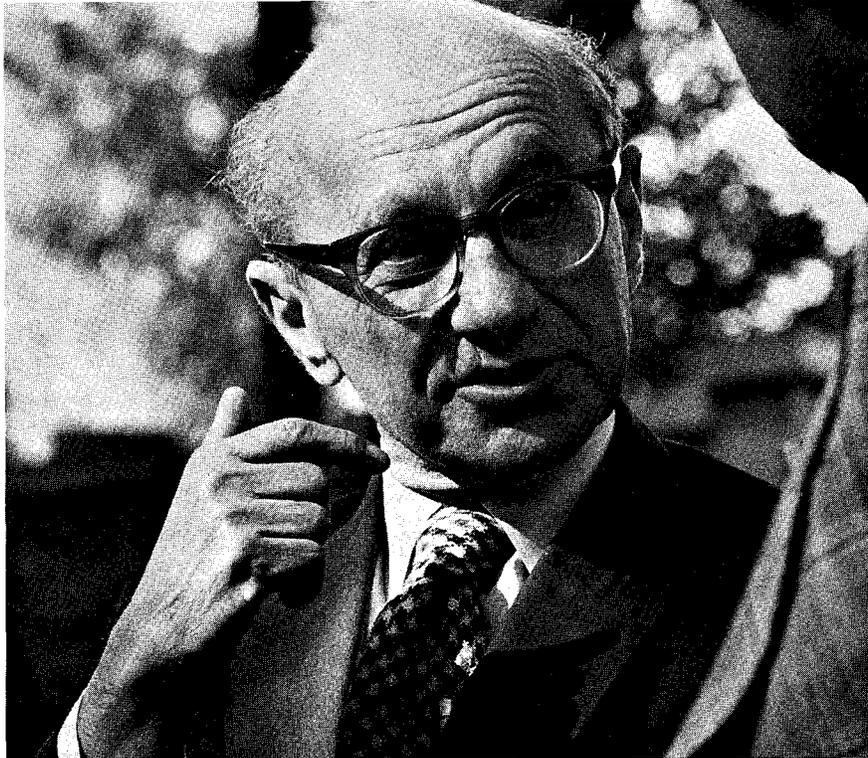
(Friedman's comments before a small group of Claremont economists were reported in the Journal of Commerce in New York. Excerpts from that report follow.)

"Today it is taken as an article of faith, as sure as two and two equal four, that deficits and tax reductions are a way to fight recession. I believe there is no theoretical or empirical evidence that this is a correct proposition. I do not believe that tax reductions are a way to fight recessions, given monetary policy. The proposed tax cuts cannot stimulate the economy. And the proposed rebates are even worse."

That's a small part of what Dr. Milton Friedman, the articulate University of Chicago economist, told a group of economists of the Claremont Colleges February 21. Friedman was the guest of Claremont Men's College as part of the Great Issues Lecture Series.

"The only way," Dr. Friedman continued, "a tax reduction can fight recession is if it causes the Fed to print money — that is, if the Fed monetizes the increased deficit. Sure, with a tax cut, the tax payer has more money. We know that because the consumer will have more money and he will increase spending. Consumption will go up.

"But we also know that after the tax cut, the Treasury must borrow that same additional amount to finance the higher deficit. If the Treasury borrows from the public, then it takes out of the hands of



the public the same amount the tax cut put into the hands of the public; that's a complete washout. There is no stimulus. Only insofar as the deficit is financed by printing money is there any stimulus. But you don't need a tax cut and a higher deficit to print money. You can provide the monetary growth without the tax cut. You just don't need it. The tax cut doesn't make any difference.

"I know I overstate this case just a bit because the borrowing will tend to increase interest rates and therefore increase the velocity or rate of turnover of money and this provides some stimulant. But that's a small second order effect," he added.

"Let me go on. I oppose the tax rebates because they are like dropping money from a helicopter and are no reward for incentives. But I still favor tax cuts. For years I have always favored a tax cut, under any circumstance, for any reason, and for any excuse. And I favor tax cuts because they are the only way to limit the size of the federal budget or the level of government spending."

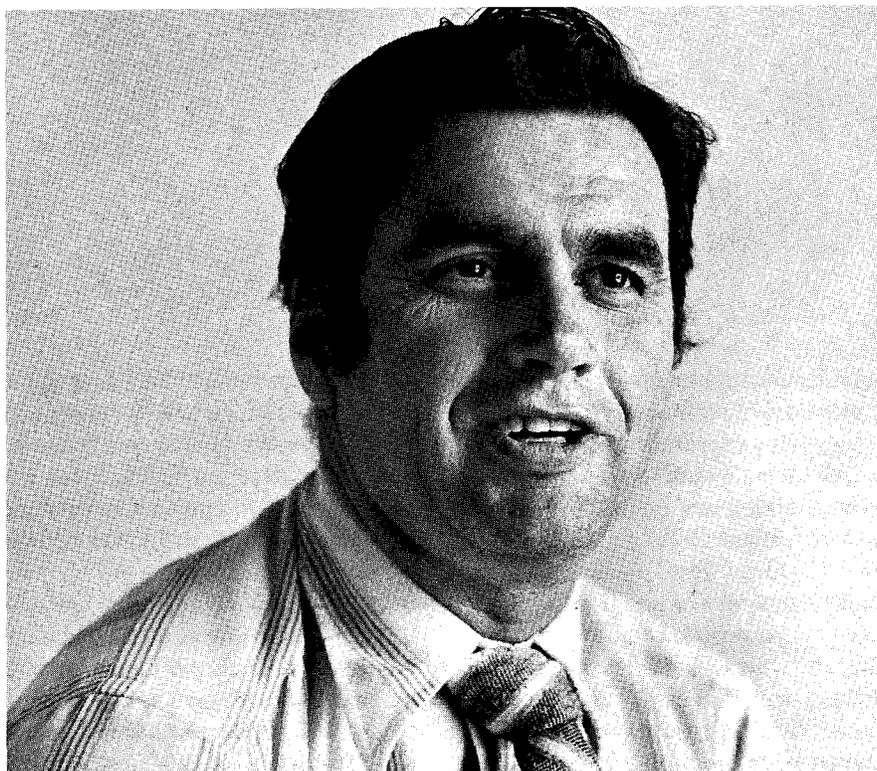
But, Dr. Friedman was asked, what about the size of the deficit as a result of this tax cut? Mr. Simon, he was told, is "horrified" by the size of the deficit and Mr. Greenspan and Dr. Burns have

expressed similar concerns.

Dr. Friedman responded to the Claremont economists, "I would rather have a federal budget of \$200-billion with a \$100-billion deficit than a \$300-billion budget that is balanced. Our real concern should be, not the size of the deficit, but the size of government spending. If a tax cut and the resulting larger deficit is a way to limit government spending, then I am for them."

With respect to the outlook for inflation and when the recession will end, Friedman told the economists, "The rate of inflation is coming down sharply to 5 or 6 per cent by the end of the year. It will stabilize at that level for two or three quarters in 1976, then climb to 15 per cent or more in 1977 and 1978. As for the rate of unemployment, the odds right now are better than 50-50 that it will hit 10 per cent soon — in the second or third quarter of this year.

"I see no reason to predict an end to the recession. But if the money supply starts growing soon, you could have recovery in the fourth quarter, not sooner. You will have recovery six to nine months after the Federal Reserve Board lets the money supply start growing." □



(At the invitation of Sen. Hubert Humphrey (D. Minn.) Glenn Burress testified before the Joint Committee of the U.S. Congress March 12. His testimony follows.)

Mr. Chairman, I have long enjoyed and found useful your analogy between the practice of medicine and the practice of economic policy. You have properly emphasized that the patient, the U.S. economy, is critically ill. You have also properly emphasized that recovery of the patient depends on proper diagnosis. But proper diagnosis is not enough.

Even with proper diagnosis, this Congress will never write a prescription for recovery with reduced inflation so long as the good doctors you consult continue to use theories and models which were developed to explain consumer spending and saving in the 1930's, but which fail systematically to explain consumer behavior in recessions and recoveries over the last 20 years.

For example, consider the two leading private models — those of Chase Econometrics, Inc. and Data Resources, Inc. These are the two models used by the CEA recently to compare the effects of the Administration's program with

the alternative offered by this Committee. Both of these models tell us that as a result of the tax cut, personal saving will rise sharply. They see the personal saving rate climbing to 11.3 or 11.8% — nearly a third higher than the all-time high, 9.5%. Both tell us that the tax cut will affect spending significantly only after long delay.

In the 1930's that is indeed how consumers did react to increased income in recoveries. But in not one case in the last 20 years has the consumer reacted to increased income in recovery by increasing the proportion of income saved. Indeed in 1955, 1959, 1968, and 1972 recoveries when income rose, spending increased even more than income. As a result even the *absolute* level of saving fell.

In every recovery period for 20 years the consumer has proved the economists' forecast wrong. Only time will tell how the consumers will react to the tax cut during the recovery that will get under way later this year. But if consumers follow the path of the last 20 years, they will again prove the economists wrong. In short, if consumers follow the path of the last 20 years, it will mean that most economists are underesti-

GLENN BURRESS

Both the Friedman and Heller schools use a theory of consumer spending and saving which did indeed explain the 1930's but which fails systematically to explain the last 20 years. So long as this continues, the economics profession will neither explain the past nor forecast the future.

imating the impact of the tax cut on consumer spending. This means these economists are also underestimating the strength of the recovery ahead as well as the increase in interest rates.

In my own work one finds an approach to consumer spending and saving that carries a highly successful forecasting record. These forecasts were sometimes published in advance by *Business Week* and the *Wall Street Journal* and have often appeared in my column in the *Journal of Commerce*. Many of my forecasts have been most successful in recent years precisely when forecasts based on the depression model of the consumer most seriously led this government astray in the formulation of economic policy.

But today I want to do more than emphasize the high probability that others are underestimating the impact of the tax cut on consumer spending. I want to emphasize here today that other economists, and therefore this Committee and others in government, are neglecting an otherwise unnoticed \$15.2-billion stimulant that will flow into the hands of consumers during the year beginning July 1. This neglected stimulant, which I will describe shortly, will flow to consumers in high spending middle-upper income groups. What I am reporting to you, then, is that other economists are not only probably un-

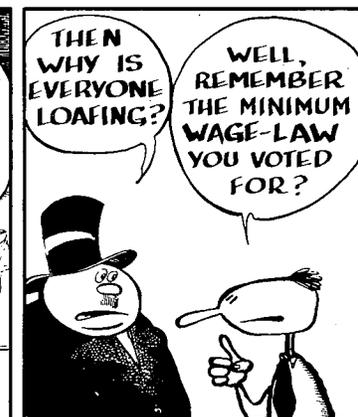
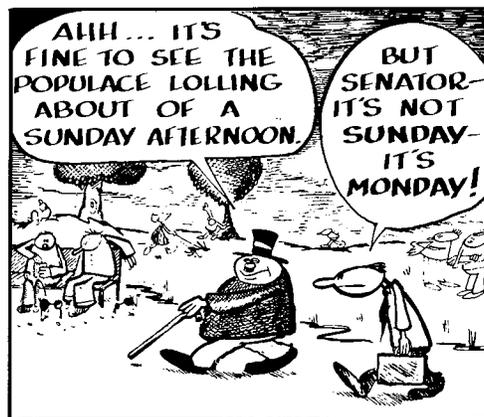
derestimating the impact of the \$16.2-billion tax cut on spending, but that they are also generally unaware that the total stimulant for the consumer sector during the year beginning July 1 is more like twice the fiscal stimulant that is now making its way through Congress.

Before elaborating and spelling out the implications for the economic outlook and sound policy, let me interject a couple points. Widespread dissatisfaction with recent work of economists, especially their forecasts, is no secret. That doesn't mean this Committee should quit consulting economists, any more than you quit consulting physicians after they fail to cure a serious illness. But I would like to see this Committee play a major role opening the windows to new thinking. The economics profession is now more in need of major innovation in thinking than in any time since the 1930's. You can play a key role.

In my own judgment, economists will continue making serious errors, leading this Congress far astray in the formulation of economic policy, until they at least adjust their models of the consumer to account for changes in how consumers spend and save since the 1930's. One very important change since then in how consumers spend and save is represented in the growth of consumer installment debt. This is the focal point of my research. And it is in the behavior of installment debt that I find the \$15.2-billion stimulant I am reporting to you. Before explaining this in more detail, let me also report that although this work is not well known, several able economists, including persons who have testified here, have

examined how I make this computation and totally agree with my logic. The research was also well received at a staff seminar of The National Bureau of Economic Research in late 1973.

To relate this \$15.2-billion stimulant to something with which you are familiar, we all know consumers cannot spend all they earn. There are two major legal claims against the income consumers can earn. One is talked about a lot. It is taxes. The other receives little attention. It is the legal requirement that consumers repay what they have borrowed in the past. Consumers are free to spend only that income left after paying their taxes and meeting required repayments on past borrowing.



One way I approach this problem is to note that for any period, such as the year beginning July 1, part of the repayments on debt within that year is totally predetermined by borrowing before the year starts. Because of the particular pattern of borrowing between mid-1971 and mid-1975 — assuming my forecast for borrowing for the four remaining months of these four years — my model shows there will be a deceleration of repayments on past borrowing the year beginning July 1.

This will put \$15.2-billion into the hands of consumers next year that was used the previous year for debt repayments. This will be income freed to spend — like a tax cut — that had been committed in the past.

Mr. Chairman, in the more detailed statement you kindly invited me to submit here for the record, I document several forecasts in recent years that will be of special interest to this Committee. In March, 1964, I predicted that consumers would react to the 1964 tax cut precisely as suggested by textbook theory, and the consumer did. In August, 1967 I predicted that consumers would react to the 1968 surtax by contradicting textbook theory and, therefore, the standard forecast. Consumers

did contradict standard theory and forecasts and, as a result, produced unexpected inflationary pressure. In late 1972 and early 1973 I predicted that consumers would spend, rather than save, large tax refunds in early 1973 swollen by unusual overwithholding in 1972. Consumers, I said, would contradict textbook theory as well as the standard forecast and therefore again create unexpected inflationary pressure. Consumers did.

Also in late 1972 and early 1973 I

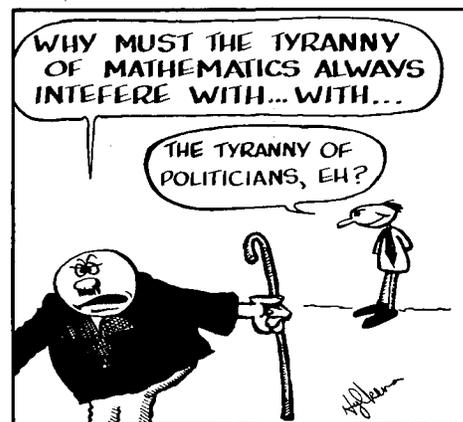
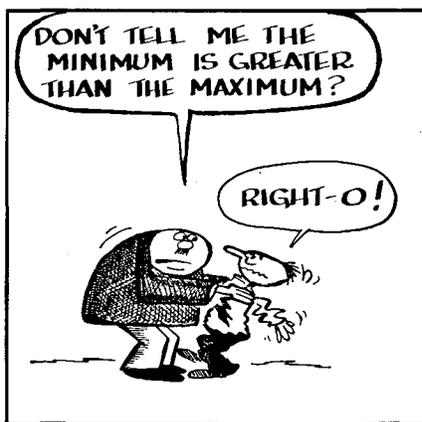
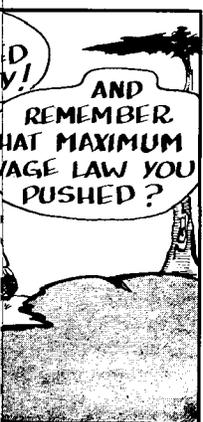
suggested that as income slowed in late 1973, standard theory was in error suggesting that consumers would "dip into their saving and cushion any tendency towards recession." This was the view of the profession reported by *Business Week*. *Business Week* reported my views that (1) this theory was "born of depression" and dead wrong, and (2) that as income slowed in late 1973, saving would rise, not fall, contributing to, rather than helping prevent, a recession. As income slowed in late 1973, the saving rate rose to new highs. The consumer clearly played a major role initiating the current recession in that quarter. Finally, in April 1973, 23 months ago, I first forecast the stimulant from installment debt variables

immediate response of consumer spending may not be as great as in the past. But the saving rate will not go to 11.8%. Nor will it be even close to 9.5% — its all-time previous high — throughout 1976 as suggested by both Chase Econometrics and Data Resources, Inc. This means the recovery will be stronger than most expect, especially in early 1976. I expect the sharp increase in output to bring an equally sharp increase in productivity and reduction in unit labor cost. This will push the rate of inflation down to 5% by mid-1976, maybe lower.

Perhaps the most important remaining question is whether this strong recovery in 1976 will set the stage for a return to double digit rates of inflation and double digit

the like, we may not have increased our stock of plant and equipment since 1973. The inflationary bottlenecks hit recently when unemployment was above 5% supports this thesis. This raises a very important question, namely whether equations for potential GNP may be overstating our potential output as much as \$50-billion. This, in turn, raises the possibility that a strong 1976 recovery may soon again slam against inflationary bottlenecks in 1977 — unless more is done now to expand the capacity of this economy to produce.

But there is another ray of hope that is brighter. The installment debt forces I have cited as providing stimulant the year beginning July 1 will reverse themselves and



we are about to see for 1975. Most of these forecasts were published well in advance.

The economics profession is now more in need of major innovation in thinking than in any time since the 1930s.

What does all of this mean for the economic outlook? Consumer confidence is much lower now than in earlier recessions. The

interest rates in 1977.

One possible ray of hope is found in current estimates of potential GNP. If these are right, this economy at mid-year will be producing nearly \$180-billion below what it would be producing if unemployment were 5%. In 1974 dollars, the figure should increase \$15-billion per quarter.

But as Mr. Evans said before this Committee, there is evidence that with so much capital spending going to pollution abatement plus the influence of controls and

provide modest restraint — acting like a tax increase — beginning in mid-1976. The restraint will become even stronger the year beginning in mid-1977. This pattern is suggested by the equations in my model and the pattern has been followed after every postwar recession.

Also half the \$16.2-billion stimulant passed the House in a rebate on 1974 taxes will not be a source of further stimulant in 1976. This will leave only the \$8.1-billion permanent reduction

in taxes in 1976 and part of this will be offset by restraint from installment debt variables. I am sure that in this setting this Congress will need to look to ways to stimulate the economy even more. I can only hope you will take the position of the statesman and design fiscal stimulus that will increase the productivity of workers and expand our capacity to produce.

What I am suggesting is that resumption of strong growth with substantially less inflation is a possibility. But these rays of hope, I am afraid, are dimmed, if not totally darkened, by two other considerations.

I would like to see this Committee play a major role opening the windows to new thinking.

First, the faster-than-expected recovery in 1976 will push short-term interest rates up much faster than even the Federal Reserve expects on the basis of their textbook depression models. I expect short-term rates to start rising rapidly even while the unemployment rate is still rising. If this were fully anticipated with a more realistic model, we might be able to cope with this development. But because it will be, in part, unexpected, there will be pressure both from within the Fed and outside the Fed to moderate the increase in short-term rates, such as the prime rate. The only way the Fed can moderate the increase in short-term rates is through an excessive expansion in the money supply. This, in turn, would almost assure close to double digit inflation in 1977. And I would expect long term interest rates, which did not fully adjust to recent inflation, to increase even more.

The second and most fundamental reason all rays of hope are almost entirely dimmed is that it will be years before the economics profession reformulates its thinking and methods. The problem is not just a matter of use of a theory which explains the 1930's, but fails to explain the last 20 years. But econometric models — we have seen here by citing Chase and DRI — still tell the economists that, just as in the 1930's, saving still falls in recessions and rises in recoveries. You yourselves can check the official data and see that the pattern is just the opposite. I suggest this Committee start asking some tough questions of the economists using these theories and econometric models.

I am convinced that we do have an opportunity to resume a strong increase in output with lower rates of inflation. The total \$31.4-billion stimulus from the tax cut and the deceleration of debt repayments is not, by itself, too much because it is cut back by three-fourths starting in 1976. But there is little reason for optimism.

We will need statesmen at the Federal Reserve to get the money supply moving much faster now, then provide necessary restraint in 1976 and later. We will need statesmen in the economics profession who will reexamine their theories and methods. And we will need statesmen in Congress who will no longer stimulate consumer spending on goods which pushes us beyond our capacity to produce and create more inflation. We will need a Congress that will do all in its power to increase the productivity of workers and the capacity of industry so that all may enjoy a higher standard of living with less inflation.

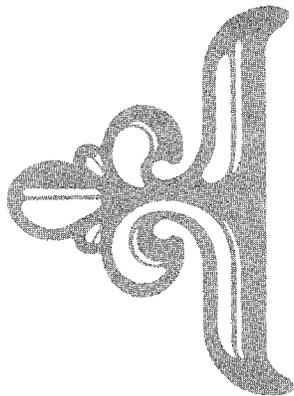
Pitzer Courses

Forecasting Business Conditions. A review of accepted macro-economic theory and major forecasts built on accepted theory, and evaluation of both the theory and forecasts in light of data. Where possible, revisions will be made in both standard theory and forecasting techniques as dictated by the evaluation. A review of the recent interplay between (1) economic policy [controls, monetary and fiscal policy, developing incomes policy] and (2) the recent and probable future performance of target economic variables.

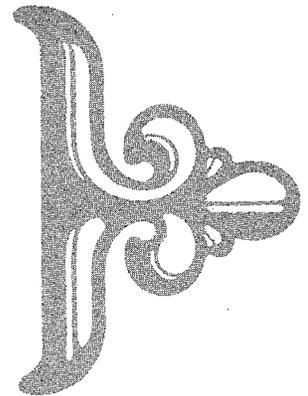
Contemporary Economic Issues. The focal point will be the attempt of the Ford administration to reduce the rate of inflation without inducing unacceptable interest rates and unemployment. First, a small kit of analytical tools will be developed. Then a sketch of economic problems and policies will be made, spanning the late Eisenhower years through the present, with emphasis on the Johnson-Nixon years. The final half to two-thirds of the course will be devoted to current problems (inflation, unemployment, interest rates, and apparent effects on stock and bond markets) and the policy dilemmas to deal with these problems.

The International Economy. An examination of the political and economic benefits and costs which accrue to societies engaging in specialization and trade. The course includes an examination of international trade, the international monetary system, foreign aid, and multinational corporations, as well as the various forms of economic and political integration, such as the Common Market.

The Economic Role of Government. The role of government in regulating the economy to "promote the public interest." This course will include examinations of the impact of governmental decisions on business activity, the supply of public goods and services, and the distribution of income and wealth.



Merlin on Wall Street: Magic Meets Money (A Fable)



Wall Street's days are numbered. The Dow-Jones numbers; the Gross National Product numbers; the interest rate numbers. Numbers. Numbers. All these numbers work together, sometimes happily, competing with each other day after day. And everybody likes the numbers, and takes them out to lunch, and writes about them, and talks to them – everybody, that is, except one old man, who wears those funny long clothes, who came to work on Wall Street the day that some people call the Great Denumbering, or the Big Bang, or the Crash.

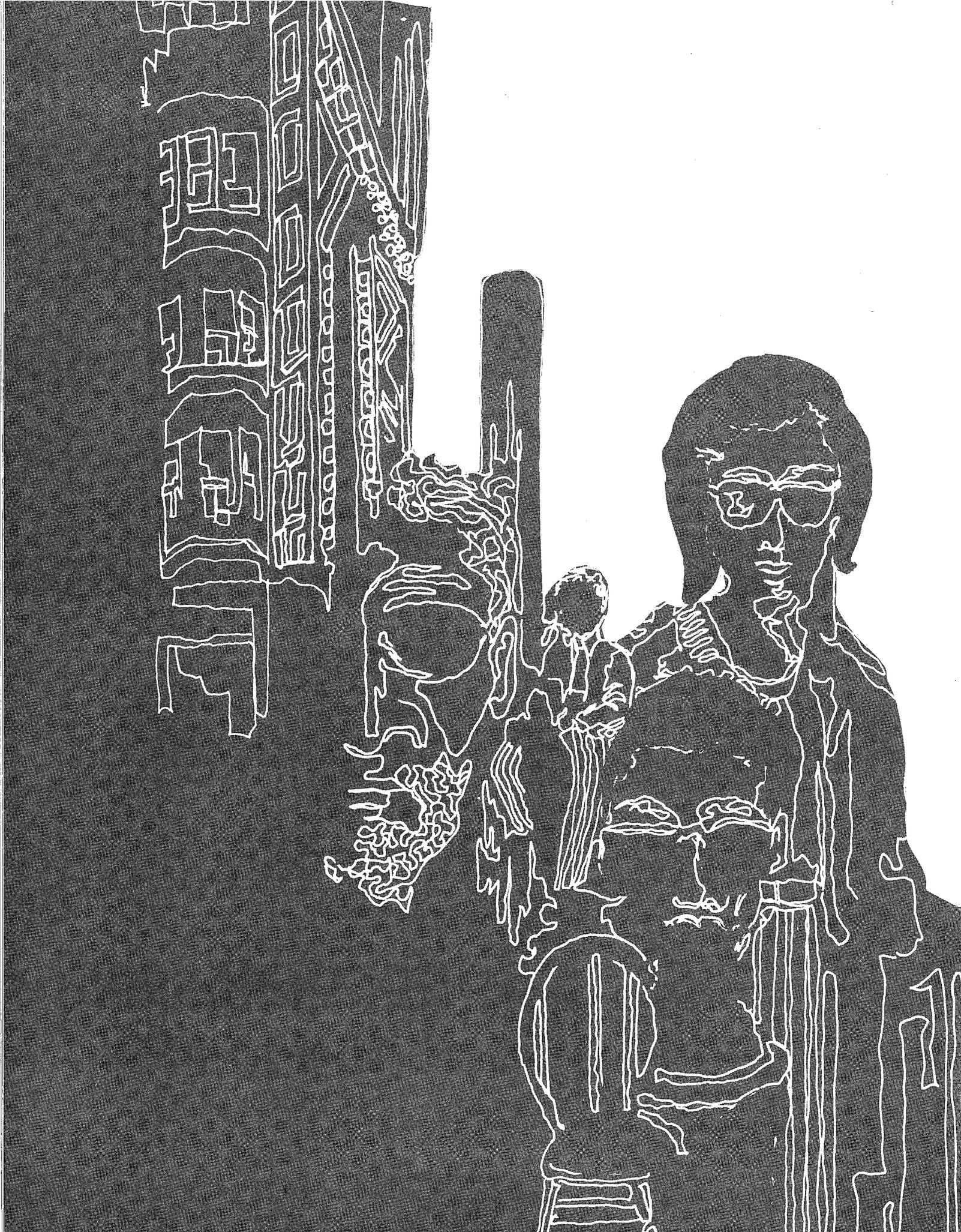
It happened one day, late at night, that all the numbers grouped together, led by their big bosses, the ones they called Cardinal and Ordinal, and planned to ambush the old man with the funny clothes and the beard that hung around his face like grey smoke. Nine attacked first: he climbed on the old man's back like a hunch. Seven, with the sharp elbow and foot, started kicking the old man. Eight laid across the old man's nose like spectacles. The old man responded. Standing erect, he took a bright, gold star out of his pocket, and intoned: "Pythagoras, arithmetic, cosign, tangent; chi square, chi square, numbers intransigent; all numbers vanish, you're not beatific; the world will be better, and more simplistic!"

And suddenly, in a stinky snuff of smoke, the numbers vanished around him. But not just the gang who had ambushed him. The Dow-Jones ticker tape came through blank; the ones fell off dollar bills; slide rules became sticks of wood; interest rates disappeared; there were blank cans of beans and

peas in the supermarkets. A senator about to address Congress began his speech: "Gentlemen, you all know we are the ___th largest nation in the world. Our army numbers ___ men. Our country produces ___ bushels of wheat a year to feed ___ people in ___ nations." The evening paper, free of course, carried this headline: EVERY NUMBER, OUR WAY OF COUNTING, OUR WAY OF MEASURING OURSELVES WITH OTHER PEOPLE AND NATIONS, HAS SUDDENLY DISAPPEARED! Television broadcast a human interest story about a young married couple who had three cars, but found that since they couldn't count them, they provided no status.

There was another side to all this. An accountant who had counted and added numbers in the same office for I've forgotten how many years now was out of a job and stayed home to play with his baby. The president of Congenial Motors became a fisherman – every day. You see no one could count the days, so there was no weekend, no weekdays. Is was only. But how to survive, how to eat? One small boy, and his small friend – I'm not sure how many years they had – decided to trade some of their possessions, since metal money was now only metal. The idea caught on – people bartered with each other: weaving for food, services for food, jokes for clothing. One man discovered his smile, another found his foot, lost under his desk some years before.

And the old man? Well, he was seen applying for a job with the Health Department, and someone heard him mumbling: "Pellagra, pneumonia, head colds, and warts; Leave mankind or I'll take you to court!"



The harsh realities of today's increasingly constrictive and competitive job market have had a dramatic impact on vocational planning on the college campus. Like many universities and colleges, Pitzer sensed the need to alter traditional modes of career planning. Pitzer's initial response was to establish a Career Planning Office in the Fall of 1973 and assigned to me the task of developing a program which would be alert to the external realities of today's vocational scene, and sensitive to the lack of direction and purpose as to vocational goals discernible among many of our students.

"I don't know what I want to do." "What can I do with a liberal arts education?" "What can I do with a psychology major, but go on to graduate school?" These words echo a cliché-ridden chorus of an increasing number of contemporary students. For many students neither the promise of affluence nor the Protestant work ethic is perceived as providing a very satisfying purpose for working. Students generally believe in the rigidities of the job market structure and feel somewhat bewildered at knowing how to make effective vocational decisions. Since more and more students are convinced they should be "career

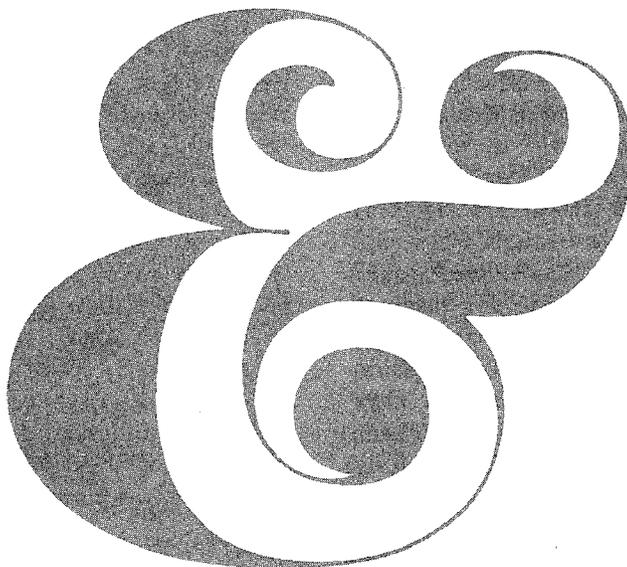
oriented" as freshmen in college, such questions as "Who am I?", "Where am I going?", and "How am I going to get there?" are typical of the times.

All I have just said implies that the matter of a decision about a career and adequate preparation for that career are of critical importance. Haphazard planning or "wait and see what turns up" attitudes may be both expensive and unrewarding, inasmuch as educational costs are rising and the job market is rapidly becoming tighter. Thus the need for effective methods in career planning is essential. Special programs for preparing young women and men to take full advantage of career opportunities can complement the more traditionally conceived educational process. After all, career development, like education, is a process that never ends; the process here envisioned is one with the potential to be used over and over again as people decide to change careers. Sound principles in career development are many and varied but they should at least include the following: emphasis on the unique worth of the individual; the concept that work can be rewarding and satisfying; and the necessity for each job-seeker to make a career choice based on personal skills and convictions.

There are several traditional approaches which have long been used to help choose future vocations:

1. **Individual vocational tests.** This well-known approach is beneficial to some students as it can provide valuable information about interests, levels of competence, and personality characteristics — all translated into vocational preferences. It

The Contemporary Collegian



The Search For A Future: A Venture In Career Planning

has been my experience, however, that many students often reject this method — not always for the best reasons. On the one hand it is true that one must view critically the results of such testing since they are often too dependent on the presuppositions built into the test; but on the other hand, many students simply reject such tests without considering the range of vocational guidelines they can provide.

2. **A Career Resource Library.**

Career libraries contain vocational information covering most fields, current material on graduate and professional schools, and information regarding financial assistance (fellowships, scholarships, internships). An up-to-date career and graduate school library can be very effective in aiding students to broaden their knowledge about various occupational interests. It is a useful resource in any stage of career exploration. Unfortunately, many students sidestep this approach feeling it takes too much time.

3. **The Academic Major as a Career Guide.**

It is a persistent belief of many students that the choice of an academic major will link them directly to a vocational choice. I'm not denying that in many cases this is indeed true; however, I feel it is the responsibility of educators, particularly in the liberal arts, to encourage students to understand and appreciate the freedom and flexibility acquired in their major and to know how it can relate to many vocations.

4. **On-Campus Recruiters.** A useful resource for acquiring information, but often very limiting for the liberal arts graduate since most recruiters are from private business and industry.

5. **Career Seminars by Alumni and Other Professionals.** Visits on campus by alumni and other professionals who represent a variety of careers and speak of their work and preparation for it. This is very helpful and stimulating.

Even though the above approaches are essential ingredients in a college career development program, it has been my experience that they are still inadequate for enabling students to make effective decisions as to their vocational goals. As a consequence of this inadequacy, the career counselors from Pitzer, Scripps and Pomona Colleges decided to initiate a new program of career planning which we hoped would be more effective in dealing with the current crisis in vocational planning for college students. Thus in the fall of 1974 we introduced and team-taught a systematic and realistic non-credit course in career planning for students from the three colleges. The course was based on a process developed by John Crystal, Crystal Management Services, McLean, Virginia.* The course includes the following four components:

1. A self-examination by each student as to his or her specific skills, personal qualities, and

interests. The discovery of uniqueness and individual skills can be blended together in the service of a wide range of values, interests, and concerns.

2. An examination of the realities of the world of work as they apply to each student.

3. An examination of what a student really wants to accomplish with his or her life. What matters will be of greatest significance. How can these matters be melded with a person's strongest skills and assets in order to discover the most optimal opportunities?

4. How can one actually go about discovering a career or getting a job that is both enjoyable and fulfilling?

In the first component, students are asked to write an autobiography. The reason for this form of self-investigation is to enable students to talk about themselves on paper. Here they are encouraged to write both about work-related experiences and the ways in which leisure time is spent. From such autobiographical reflections they can then extract a clearer realization of their strengths, abilities, skills, talents and desires. They can verify confidently all the skills they have ever used and can begin to understand the transferability of these skills and talents into various vocations.

In the second and third components, students are encouraged to make decisions on these key issues:

- Where they want to live
- The kinds of people they want to work with

*Where Do I Go From Here With My Life? John C. Crystal and Richard N. Bolles, Seabury Press, 1974.

- The working and living conditions they desire
- A definition of their ideal job
- The values they hold important and beyond compromise
- A clear statement on their major interests
- Their immediate and long-range financial needs and desires
- Their alternatives

In the fourth component, students learn how to survey those individuals and organizations which might share their major interest. Our students conducted their survey one Friday afternoon in Pasadena. They talked with professionals in numerous fields ranging from child education to commercial art. Much to their surprise, they found how easy it was to "get in" to visit persons in leadership positions without prior appointments. Thus they acquired beginning skills in career research and interviewing. They learned another way of seeking information about jobs and careers rather than relying on employment agencies or the classified ads. They discovered the importance of speaking with enthusiasm and conviction about their particular interests. On the way home one student commented, "I really never thought of bypassing want ads, employment agencies, etc. — it gives me more confidence in myself." Another said, "Both persons I saw this afternoon gave me at least three other names I should talk to. How's that for developing contacts?"

In summary, our students learned in the real job hunt how important it is to have done their homework. They discovered that one must do at least the following: decide what type of work they

most enjoy; identify the sorts of places they would like to work and the kinds of challenges they would find stimulating; and identify and meet the person who has the responsibility for hiring.

I was gratified with the results of the course as expressed by the students themselves in the course evaluations. Here is a representative sampling of the students' opinions:

"I feel more sure of what I want to do and how I want to do it."

"Going to a liberal arts college I feel I have certain capacities but felt at a loss as to how to use them. The course was the final pulling together of four years of scattered experience. It has helped put a greater value on other aspects of my education here."

Our first semester's course began to meet the needs liberal arts students face in today's competitive job market. But it was only a beginning! From our initial foray into the rapidly-changing area of career planning, we learned as much as we taught. During the current semester we are still learning, still experimenting in our search for the best methods to prepare our students to become strong competitors for "what's out there."

Bylle Whedbee

Some Evaluative Comments From the Career Planning Class

• • •

I felt the course helped a great deal in changing my attitude toward the job search. I feel more sure of what I want to do and how I want to do it. I don't think the job search will be as frightening or as threatening as I once thought it would be. I now have a better feeling about my skills and qualifications.

• • •

Extremely positive. It has helped me see need for and a method of organization in taking what seemed a logicless dilemma. I have become an evangelist about this process. Having learned a method of organization to greater understanding of my own particular uniqueness enables me to approach this problem with greater energy and direction. I have gained from the class a clearer specific picture of who I am.

• • •

Going to a liberal arts college, I feel I have certain capacities but felt at a loss as to how to use them. The course has been good for me both in organizing my own thoughts and especially in figuring out the practical ways of going about my goal. Field survey, skill analysis, resume writing, idea of contacts, economic survey, ideal philosophy were quite helpful. The course was the final pulling together of four years of scattered experience. It has helped put a greater value on other aspects of my education here.

• • •

I found it very helpful in getting me to view the job process differently than I had thought of it previously. I viewed the job market as a "numbers game." Now it's very clear to me that I don't have to be at the mercy of job recruiters and personnel offices. Just knowing this does wonders for ones self-confidence!

PARTICIPATING

FORUM PROGRAM

Pitzer's second National Issues Forum program was held with great success February 11. The featured speaker was Walter Heller, one of the nation's leading economists, who has served as advisor to three Presidents.

Five hundred friends, alumni, and parents heard Mr. Heller speak at the Beverly Wilshire Hotel on "Inflationary Recession: Where Do We Go From Here." Heller was then questioned in a meet-the-press format by William Blundell, Los Angeles Bureau Chief for the *Wall Street Journal*, Harvey Botwin, Associate Professor of Economics at Pitzer College, and John Lawrence, of the *Los Angeles Times* and co-author of *The 70s Crash and How to Survive It*.

The Forum was initiated by Eli Broad, Chairman of the Pitzer Board. The program is keyed to fit the Leadership Campaign launched in June 1974 to build the Pitzer endowment.

Earlier in the day, Heller also spoke to a luncheon meeting of Pitzer Trustees and specially invited business leaders from the Los Angeles area. This program continues to foster Pitzer's role in providing stimulating analyses of issues both on the campus and in the community.

As Eli Broad noted in his welcome to guests for the dinner and Forum, "The impact of Pitzer, as a comparatively small, independent college in time of mass public higher education, will not be felt in terms of numbers. Rather, the measure of the College is and will be its quality. Those who stand with and support this enterprise are helping to strengthen a leader in education, and helping to meet

a fundamental national need. That is why Pitzer College has launched a \$6,000,000 Leadership Campaign, to bolster its financial base."

FORUM PATRONS

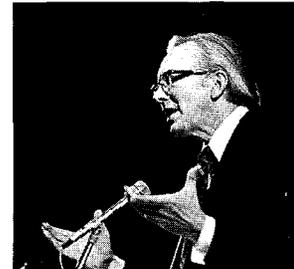
In addition, a number of generous individuals and companies contributed to underwriting the dinner-Forum:

Atlantic Richfield Co.
Harwood O. Benton, Jr.,
United California Bank
Bergen-Brunswick Corporation
Mr. and Mrs. Eli Broad
The Capital Group, Inc.
Continental Airlines Corp.
Stuart Davis,
Great Western Financial Corp.
Ebben & Brown
Dr. Donald E. Garrett,
Garrett Research &
Development Co., Inc.
William E. Guthner,
Nossaman, Waters, Krueger
Marsh & Riordan
Ernest W. Hahn, Inc.
Mr. & Mrs. Harold Melcher
Mr. & Mrs. Joel Newkirk
Mr. & Mrs. George Piness, Jr.
Mr. John P. Pollock
Mr. & Mrs. Harry Reasoner
Mr. Robert L. Spencer,
Seidman & Seidman

FORUM COUNCIL

Members of the National Issues Forum Council helping to suggest speakers and offer policy guidance for the on-going Forum program are:

Norman Barker
Thornton F. Bradshaw
Victor M. Carter
Earl Clark
Richard J. Flamson, III
Walter Gerken
Nelson Gibson
Roderick Hills
Felix Juda
Mrs. Felix Juda
Harvey Koizim
Odell McConnell
Mrs. Giles W. Mead
Henry T. Mudd
Harry Reasoner
Rocco C. Siciliano
Robert F. Six
H. Russell Smith
Harold Williams
Nick Williams



Walter Heller



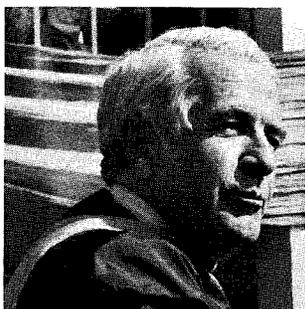
William Blundell, Harvey Botwin John Lawrence,

THE LEADERSHIP CAMPAIGN

With its theme of "looking toward 1984" and its educational goals well set, the Pitzer fund-raising campaign continues to build.

Two major gifts have recently advanced the Campaign, announced Mrs. Frank Nathan and Harry Reasoner, co-chairmen of the fund-raising drive:

Life-Trustee Dr. Kenneth Pitzer has established a Trust with Pitzer College which will become the basis eventually for an endowed Professorship. He has initiated this plan with a special gift of \$75,000. "This is a great and generous addition to the endow-



Harry Reasoner



Harold Melcher

ment, and to our hopes for the future," notes Mrs. Nathan.

Trustee John Pollock, prominent Los Angeles attorney, has presented the College with a gift of land near Sacramento, with a gift-value of \$72,000 — now added to the Campaign total. Mr. Pollock said he hoped that this gift might in turn "stimulate and encourage others in the capital funds Campaign." President Robert Atwell acknowledged thankfully this faith in private education.



Group at National Issues Forum

Pitzer has four important constituent groups and all are presently participating in the Annual Fund drive. Results are also added to the Campaign.

The Alumni Association is orchestrating a "tele-thon" in an effort to call personally every graduate of the College. The goal is full participation. Alumni volunteers are under the direction of Maggie Vizio '68, and Martha Flournoy '70, who have found free telephones in cooperating businesses.

The Parents Association is engaged in a letter-writing campaign, to be followed by telephone calls. Parents of seniors are particularly being asked to con-

sider scholarship help for new students, in honor of their graduating sons and daughters. "As long as Pitzer has a small and young alumni group," Mrs. Nota McGreevey states, "we parents will have to help insure the excellence of its offerings and name."

The Academy, which provides a lecture series on campus and in Los Angeles-Beverly Hills, is carrying on a membership drive both for new members and renewals. Membership is \$100 and up. Mrs. Phyllis Wayne, National Chairman, is in charge of this effort, reminding friends that "all memberships go directly and entirely into the instructional budget, sustaining good teaching at Pitzer."

The Alliance is also having a membership drive, led by Timm Crull, Vice President of Carnation Company. The Alliance is interrelated with the business community and provides dialogue opportunities, internships, and research. "At Pitzer, people study people," Crull observes, "and corporations are discovering how important expertise on people in organizations can be."

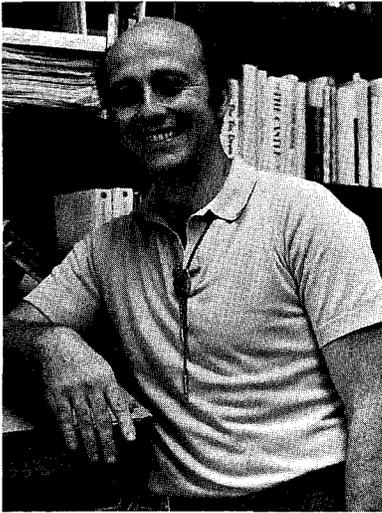
Pulling all of these efforts together, the Financial Resources Committee of the Board of Trustees has advanced a drive called "75 for '75." The goal is to raise \$75,000 in the 75 days between March 18 and June 1. Headed by Mrs. Felix Juda, 100 parents, friends, graduates, trustees, foundations, and corporations are being sought for gifts of \$750, now, to make 1975 the best year ever for Pitzer. "We believe we will succeed," Mrs. Juda announced, "because of the increasingly broad base of support Pitzer has. A lot of people want to be counted in, and that makes all the difference."

On Campus

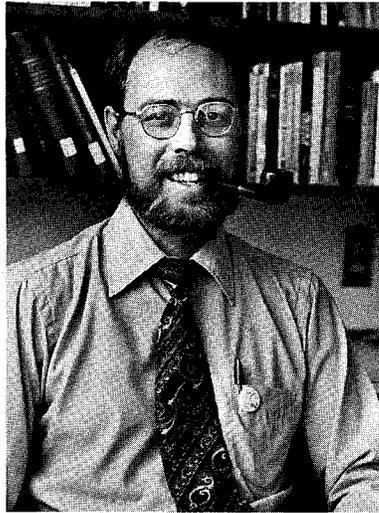


*Susan Seymour, Asst. Professor
of Anthropology*

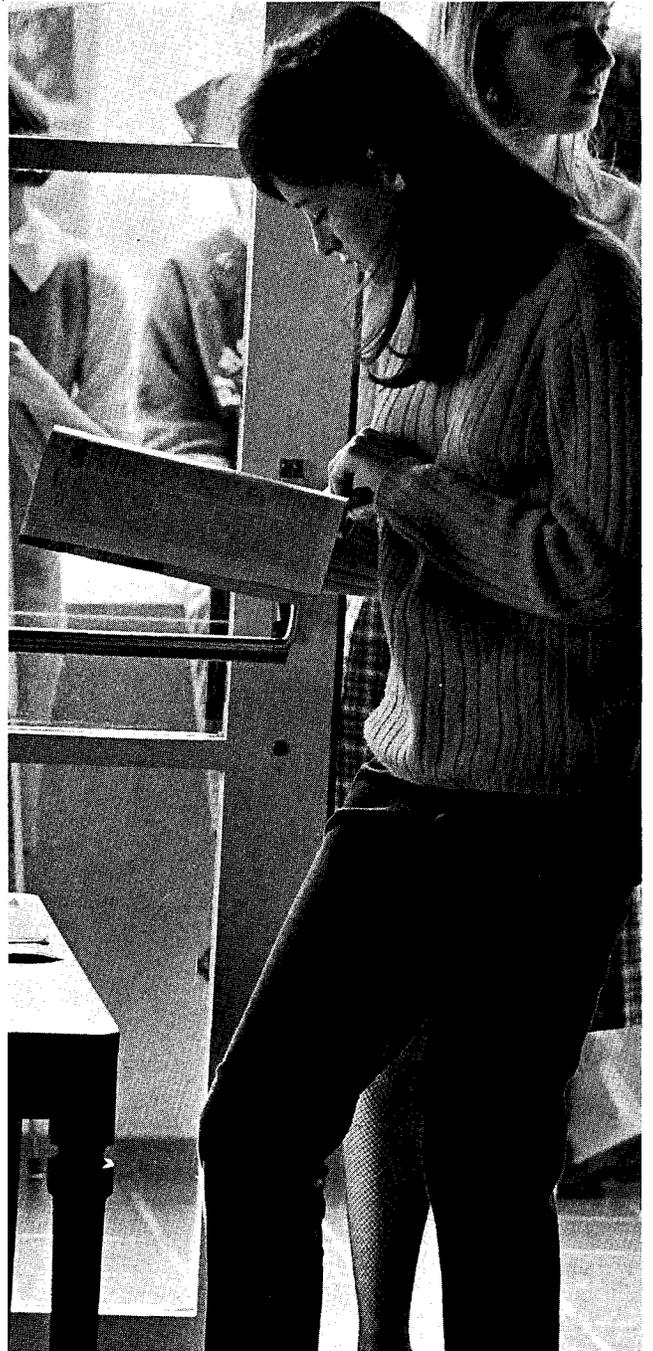




Albert Wachtel, Assoc. Professor of English



Harry A. Senn, Asst. Professor of French

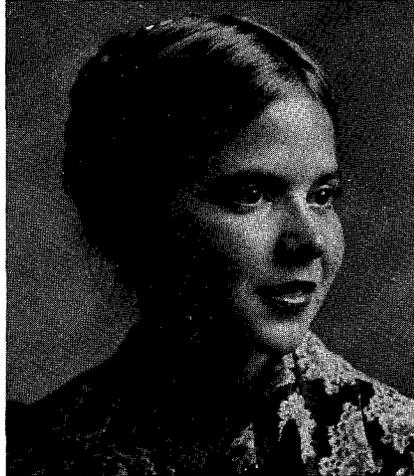


. . . Community Notes

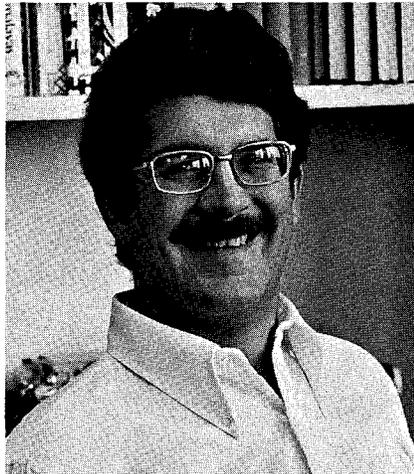
. . . At the invitation of Jane Goodall, noted anthropologist, **Joan Silk**, Pitzer senior, accompanied the Stanford-based research team to Gombe Stream Reserve in Africa last fall. Joan came to the attention of Dr. Goodall through her research with chimpanzees at Lion Country Safari. Joan's field work began in September and took her to the research center in Tanzania where she observed mother/infant relationships among chimpanzees. Invited to remain for further research, she is now employing identical research methods in observing mother/infant relationships among baboons. She will graduate from Pitzer in June. Her studies in Africa were arranged through the College's External Studies Program with academic advising from **Sheryl Miller**, Assistant Professor of Anthropology.

. . . **Donald Brenneis**, Assistant Professor of Anthropology, titles his article, "About Those Scoundrels I'll Let Everyone Know: Challenge Singing in a Fiji Indian Community." Co-authored with Ram Padarath, the article will appear this year in the *Journal of American Folklore*. He recently presented papers at both the American Folklore Society meeting in Portland and the American Anthropological Association meeting in Mexico.

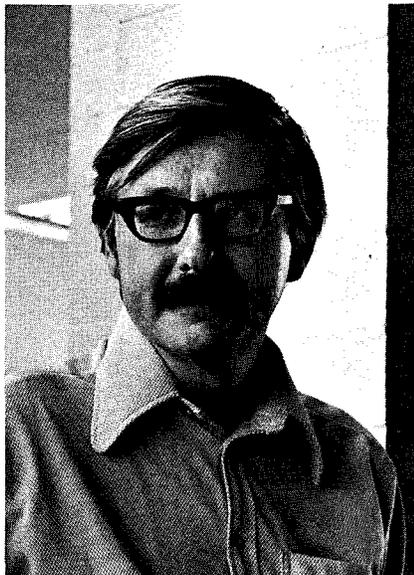
. . . **Peter Greenberg** of *Newsweek* has been appointed Visiting Lecturer in Journalism for the spring semester. He is teaching "The Print Media: Magazines and Newspapers," a workshop dealing with all facets of production, reporting, and ethics of newspapers and magazines in the United States today.



Joan Silk



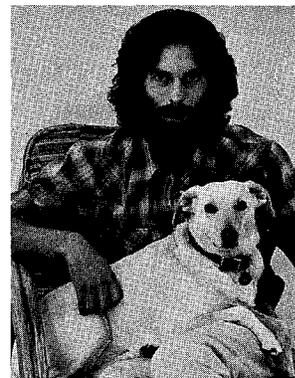
Donald Brenneis



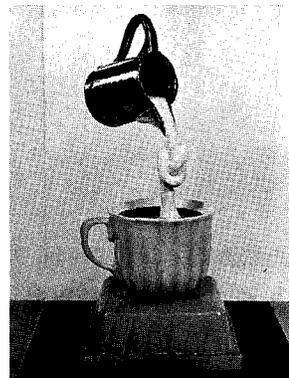
Ronald Macaulay

. . . "Development of a Glassworks" is offered at Pitzer for the first time this spring through a gift by **Hampden P. Swift** of Chicago. Swift's daughter, Jessica, graduated from Pitzer last year. Students enrolled in the course will learn planning, construction, and maintenance of a glass studio and its equipment, and will learn theories and attitudes of glass. **David Furman**, Assistant Professor of Art, will teach the course.

. . . **Furman's** work will be on exhibit May 7 - June 15 at the Chicago Art Institute in a show titled, "The Small Scale in Contemporary Art." His sculpture, "It's Knot for Me To Say," was chosen for the \$250 purchase award at the Brand V Ceramic Conjunction in Glendale. His other upcoming exhibits will be "Miniature Worlds and Delicate Objects" at the Fairtree Gallery, New York City, April 6 - May 31; and "Contemporary Crafts of the Americas," Colorado State University Museum of Art, May 1-30.



David Furman



"It's Knot for Me to Say"

. . . "Negative Prestige, Linguistic Insecurity, and Linguistic Self-Hatred" by **Ronald K. S. Macaulay**, Associate Professor of Linguistics, will appear in a forthcoming issue of *Lingua*.

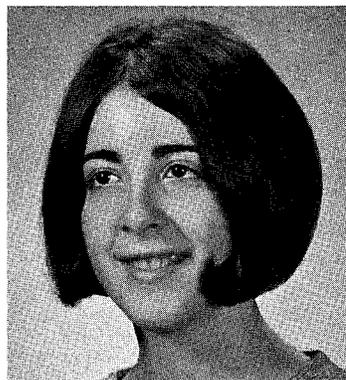
...Two Pitzer alumni, **Carol Michelson** and **Jeffrey Wilde**, were among four who received the coveted Stirling Award for the most original anthropological research in the field of psychological anthropology. The award was granted at the annual meeting of the American Anthropological Association in Mexico in November. **Ralph Bolton**, Professor of Anthropology at Pomona College, and senior investigator of the project, travelled to Peru with his wife and the two Pitzer alumni. The four investigated the influence of environmental factors, i.e. altitude on visual perception. The title of their paper, which was presented at the meeting was "The Heights of Illusion: On the Relationship Between Altitude and Perception." Of the experience, Bolton says, "I was certainly pleased to work with these two Pitzer graduates and feel that Pitzer should certainly get some credit for their achievement."

... A paper on poetry, entitled, "Metaphors as Theory Fragments" was given by **James Bogen**, Associate Professor of Philosophy at the invitation of the American Society for Aesthetics. He delivered his comments on philosopher Wittgenstein at a recent meeting of the Eastern Division of the American Philosophical Association.

... The Schools of Nursing and Medicine of the University of California in San Francisco have invited **Laud Humphreys**, Professor of Sociology, to speak at a special conference on issues of informed consent in research on human subjects. His topic will be "The Unseen Observer." In April he will present a paper comparing

two juvenile diversion projects at the Vancouver meetings of the Pacific Sociological Association.

... Publication of *The Tshitolian Industries of the Southern Congo Basin* this year concludes a six-year research and writing project by **Sheryl Miller**, Assistant Professor of Anthropology, for the Royal Central African Museum in Belgium. The 300-page book is a study of artifacts from Later Stone Age sites in Zaire, and the culture which produced them. Materials from some of these sites were studied at the Museum where they are housed, while others were excavated in Zaire in 1973 by the Pitzer Africa Project team. Travel costs to Belgium in 1970 and 1971 were funded by Pitzer College.



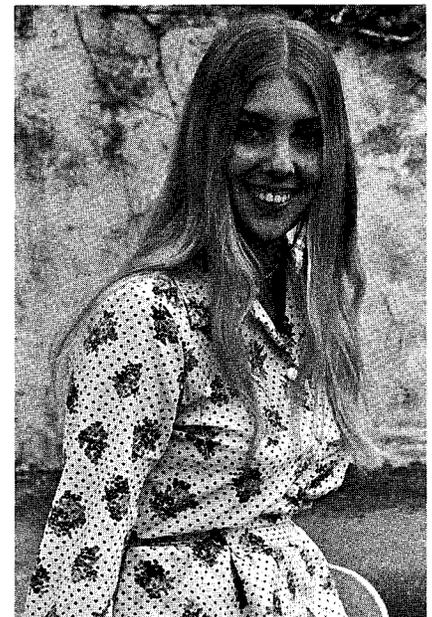
Joan Karlin

... The election of two new trustees and the re-election of three others has been announced by **Eli Broad**, Chairman of the Board. Joining the Board for the first time are **Nicholas R. Doman**, New York attorney, and **Joan Karlin** of San Francisco, a Pitzer graduate in 1972. Doman, a partner in Doman and Beggans, specializes in international law. His son Dan will graduate from Pitzer in June. Ms. Karlin is a research assistant for American Express Investment Company.

Re-elected to the Board are **Clarence Faust** of Claremont, a retired educator; **George Whitney** of Upland, an attorney, and **Nick B. Williams** of Laguna Beach, a retired newspaper editor.



Laud Humphreys

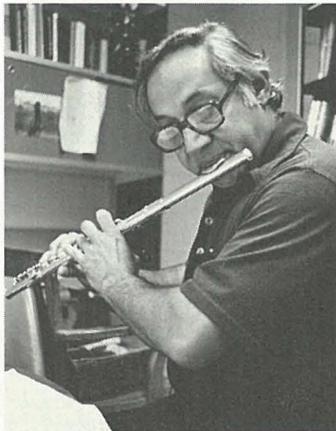


Glenda Raikes

... Reviewed in the *Los Angeles Times* as "imaginative, political, and funny," and the *Los Angeles Herald* as "imaginatively staged . . . sharply funny, pungent, and stylish," the one-act play *Everywoman* was another tribute to the skills of its playwright, Pitzer sophomore, **Glenda Raikes**. *Everywoman* was directed by Miss Raikes and presented by the Four College Players in the Strut and Fret Theater.



Ellin Ringler



Lewis Ellenhorn

... **Lewis J. Ellenhorn**, Professor of Psychology and consulting psychologist for the city of Riverside, California, took the entire city government staff and city council on a "trip to the moon" during a two-day retreat at Massacre Canyon Inn. According to Ellenhorn, the major problem for the group was not to figure how to get off the moon, but whether the councilmen and department heads "were calling on each other's resources constructively in the process."

The purpose of the retreat was to steer the government away from "bureaucratic ruts." "We were dealing with a group," said Ellenhorn, "who have the guts and foresight to say, 'Why allow the system to overtake us?' " Why not overcome the system and find ways to allow us to work more as human beings?"

... Pitzer College is offering external study programs in London, Boston, Ireland, and Mexico this summer. "Summer in London," focuses on a comparison of the economic and political situation in England and the United States. **Harvey Botwin**, Associate Professor of Economics will teach two courses at The London School of Economics: The International Economy and British and American Society. "Bicentennial in Boston: Sources of the American Spirit" will be conducted by **Ellin Ringler**, Associate Professor of English, and **Robert Buroker**, Assistant Professor of History. July will be spent in Boston with field trips in August to Concord, Salem, Amherst, and New Bedford.

"The Coastal Villages of Ireland" is a sailing trip to study the local culture and economy of Ireland. Director is Frederick Ellis, Ph. D. from Harvard University, who owns the *Via Maris*, a 51-foot Laurent Giles-designed ketch. The trip will begin at Falmouth, England, with the first stop at Crookhaven, Ireland. The *Via Maris* will sail slowly along the west coast of Ireland, stopping at sparsely populated villages with a rich historic value.

"Summer Field Course in Mexico" will be directed by **David Thomas**, Assistant Professor of Anthropology and **Melody Trott**, Assistant Professor of Anthropology at Indiana University. This intensive study of the anthropology of Mexico, will involve the archaeology of the major civilizations of Mesoamerica, the social anthropology of contemporary people of Mexico, and the modernization of traditional peoples. It will begin with a formal course in Mexico City followed by 14 days at archaeological sites start-

ing at Vera Cruz south to the Yucatan peninsula.

Pitzer College's new Thompson Ranch Wilderness Preserve in the San Gabriel Mountains will serve as the base for a four-week intensive workshop in art, alternate energy systems, and environments from June 16 to July 11.

According to Program Director **Carl Hertel**, Pitzer Professor of Art, students will live on the 55-acre ranch, working in paraprimitive ceramics using native materials, landscape drawing and painting, environmental sculpture and structures, and designing and fabricating alternate energy systems related to their various projects.

... **Guadalupe Maria Serna's** research on "Gestalt Psychology: from Max Wertheimer to Fritz Perls" drew an invitation from the Western Psychological Association to present her findings and chair a session at its annual meeting in April. Her study discusses Gestaltism from theory to practical application in the counseling situation. After graduation from Pitzer this spring, she will continue her psychology studies at Yale University.

... At the same conference to be held in Sacramento, **Robert S. Albert**, Professor of Psychology, will speak on "Self Esteem and Creative Productivity in Adolescents." His article, "Toward a Behavioral Definition of Genius" appears in the current issue of *The American Psychologist*.

... **W. Walton Butterworth**, former Ambassador to Canada and Sweden, will be a guest of The Claremont Colleges the first week in May. His visit is sponsored by a Woodrow Wilson Fellowship.