

# Economics at Duke in the 1950s and 1960s

by

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*Note:* In the Spring, 1982 issue of *Æconophile* (predecessor of *Economics at Duke*), Joseph J. Spengler recounted the history of the Duke Department of Economics from its beginnings until the early 1950s. In this installment, Professor Yohe extends the chronicle to 1969, which was shortly before most of the present members of the department arrived.<sup>1</sup> He retired in 1998, after 40 years at Duke; what follows is a personal account of his early years here, rather than a detailed history. Further, colleagues in business administration are, with regret, excluded.

When Allan M. Cartter went on leave with the Ford Foundation in 1958, I was hired fresh out of graduate school primarily to teach his graduate course in business cycles, which I promptly turned into a macroeconomic theory course. As the junior man in money and banking, I was only allowed to teach good old Economics 153 when Edward C. Simmons, the senior money man, and Ben Ratchford, whose primary responsibilities were in public finance and the honors seminar, did not wish to cover all of the sections (everyone in those days taught twelve class hours a week, a reduction from the earlier load of fifteen hours—my first year I had 8:00 A.M. classes six days a week; nearly everyone also taught principles).

Along with Ratchford and Simmons, most of the faculty had been here throughout the decade of the 1950s. Many of them went back to the original hiring from 1925–35 of promising young scholars: Calvin B. Hoover, Joseph J. Spengler, Robert S. Smith, Frank T. de Vyver, Charles E. Landon, Benjamin U. Ratchford, and Benjamin F. Lemert. The next wave of hiring was in the 1946–52 period, and most were still here in 1958: Simmons, Cartter, Donald J. Dewey, Don Humphrey, Frank A. Hanna, and Lloyd B. Saville (a notable defection was Lionel McKenzie, who had left in 1957; also, Herbert von Beckerath had retired).

After serving for a number of years as Hoover's understudy for the department chairmanship (the director of undergraduate studies used to be the understudy's official job), de

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<sup>1</sup>David G. Davies and Craufurd Goodwin provided valuable comments on an early draft.

Vyver assumed command in 1957 and began to implement his plans for a new wave of hiring. Charles E. Ferguson, fresh out of UNC-Chapel Hill, was added in 1957. Juanita Kreps, who had started teaching at Duke part-time in 1955, became a full-time staff member in 1958, when her youngest child was old enough to enter school. I came in 1958, and John O. Blackburn, J. Mack Folsom, and Hans W. Gerhard, in 1959. Subsequent hirings will be covered in the discussion of the 1960s.

In the late 1950s, besides business cycles, Cartter taught in the labor field, which was the primary field of de Vyver and Kreps. Dewey covered industrial organization and price theory. Spengler's primary responsibilities were in the history of economic thought and economic development and demography. Hoover, who had served as American Economic Association President in 1953, taught advanced theory and comparative economic systems. Smith's fields were both the history of thought and economic history. Humphrey taught international trade; Hanna, statistics; Landon, transportation and geography; Ferguson, price theory, mathematical economics, and econometrics; Lemert, geography (he retired in 1959); and Saville, statistics and utility infield. The department's pace at the time was, perhaps, captured in Don Dewey's advice to me on how to get ahead at Duke: "just keep your nose clean."

The decade of the 1960s was a tumultuous one for the department. Dewey and Humphrey left in 1960, as did Ratchford, after a bitter squabble over the successor to Hollis Edens as Duke's president.<sup>2</sup> Dewey was replaced in 1962 by John S. McGee, who stayed for six years and fanned the flames of dissension. Stephen Enke came in 1961 largely as Humphrey's replacement and remained for six years, although most of the time he commuted from a succession of jobs in Washington, so J. Michael Finger was added in 1965 to teach trade (he stayed until 1969). David G. Davies arrived in 1961 to replace Ratchford. Simmons took

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<sup>2</sup>Paul Gross, then Duke academic vice president, preferred Allan Cartter, over Ratchford's objection.

early retirement in 1961, so I assumed responsibility for his courses, with the assistance (1962–64) of Edward C. Ettin, who also taught corporation finance for business administration.

Cartter served as graduate school dean from 1958–62, which was very much in the Glasson-Hoover tradition at Duke (later continued by Craufurd Goodwin). He left in 1963 to pursue academic administrative ambitions.

With the expansion of graduate student enrollments in the 1960s, the department was able to increase its size (for many years, large numbers of undergraduate students in business administration had effectively subsidized the small graduate program in economics). Louis de Alessi came in 1961 for a seven year stay as a member of the price theory cadre. William H. Wallace came in 1963 for five years to help with statistics, Craufurd Goodwin also came in 1963 with joint responsibilities in the department (the history of economic thought and principles) and for the then-provost, Taylor Cole. Thomas H. Naylor joined the staff in 1964 and helped expand the econometrics offerings. About this time, de Vyver's heavy Allen Building responsibilities (at one point, his hours in the department were confined to 7:15 - 7:45 A.M. and an evening seminar), led to his replacement by Bob Smith.

Simon Rottenberg came in 1965 for a six year stay in the fields of labor and price theory. With the future of economic geography in the department a subject of debate, Wallace E. Reed was hired in 1965 to strengthen its economic content; he was not replaced when he left in 1969 (the field was dropped when Richard L. Tuthill, who had been here since 1953, retired in 1980). After Folsom left in 1965, John Vernon became the second man in industrial organization in 1966 (McGee left in 1968). Peter B. Clark joined Finger in the trade field in 1967 (he stayed for four years). Apostolos Condos came in 1966 and served for two years, primarily in macro. S. Malcolm Gillis was added in 1967 to help Davies carry public finance (Gillis left in 1969<sup>3</sup>). Michael Hartley, with fields in macro and econometrics, arrived in 1968 (he left after two years),

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<sup>3</sup>He returned in 1984 with joint appointments in Policy Sciences and Economics. He left in 1993 to become president of Rice University.

as did David E. Black, who remained for six years working in public finance and urban economics.

With the loss of Ferguson in 1967 and de Alessi in 1968, the department's shortage of price theorists was alleviated by the hiring of Daniel A. Graham in 1969. After carrying the money field single-handedly since Etti's departure, I particularly was happy over the arrival in 1969 of Thomas M. Havrilesky, who doubled in macro.

In the early 1960s, Charlie Ferguson used to remark that the department's worst problem was that (nearly) everyone was under 40 or over 60. This, of course, reflected the hiring wave of 1925–35, which, except for the immediate postwar period (with a number of attritions), was not resumed until the late 1950s. The dreaded wave of retirements began in 1965, with Landon's followed in 1967 by Hoover's (Spengler and de Vyver were to retire in the early 1970s). Vladimir Treml was hired in 1967 to replace Hoover.

In the spring of 1969, after traumatic service to the university contending with student activism, Bob Smith, then department chairman and president-elect of the Southern Economic Association, died (he was only 64). The year before he had been a principal founder, with Spengler and Goodwin, of *History of Political Economy* and served as its first editor. Blackburn, who was soon headed for higher administrative responsibilities in the university, succeeded him as chairman.

The decade of the 1960s in the department was memorable for more than has been mentioned. In 1965 Spengler served as American Economic Association president. A number of visiting professors were here, chiefly under the aegis of the Commonwealth Studies Program (which then still had money)—e.g., Alfred Stonier and Douglas Hague from England and Owen Horwood and Sheila vander Horst from South Africa. John S. Chipman visited one semester about 1960 and somehow managed to drive back to Minneapolis every weekend (he was courting).

In 1967, after much politicking, economics and business administration split, although we continued to share the same building until early 1983, when they moved to their lavish new

quarters. Prior to the split, majors in economics, business administration, and accounting all had to take a common core of courses, including principles, basic accounting, money and banking, and corporation finance.

A few other memories: the de Vyvers' annual Christmas parties, the Ferguson & Kreps principles text enterprise, Naylor's simulation empire, hordes of graduate students (many with James B. Duke Commonwealth or NDEA fellowships and NIH population studies traineeships), the 1962–63 renovation of the Social Sciences Building (we were thrown in with Religion for its duration and had them with us while the Gray Building was renovated), and the burning of one of our graduate student's hands (he was an Earhart fellow) when he threw back a tear gas cannister during the student occupation of the Allen Building in 1969.