America's Goal — Is It Still Growth?

Arthur M. Johnson made the following remarks at the annual meeting of the Economic Education Council of Massachusetts, May 23. Dr. Johnson, who serves as vice chairman of the Maine Council on Economic Education, is director of the Project on Balanced Growth for Maine, at the University of Maine, Orono.

"It seems to me that we are in an open-ended situation of transition, comparable to that which existed at the turn of this century when we were trying to decide whether we liked big enterprise and, if so, how we could retain individual identity and opportunity in a corporate age... Much of our maneuvering room has been used up, there is a leadership vacuum, and — above all — a lack of understanding of the options and their relative costs and benefits...."

"[We should] recognize that economics is a social science. After all, how an economic system functions is itself a function of the social goals and values of a society... In the past, our obvious goal was growth and our set of values permitted it to be measured quantitatively. For several generations we have measured our national progress in terms of GNP and per capita income, and compared our economy with others in this fashion. There is nothing wrong with this, of course, but it does not — and does not pretend to — measure the quality of growth... In an underdeveloped continent, 'more' was a natural goal and measure. But as we polluted our streams, denuded our countryside, jammed our highways, and made city living ever more difficult, we began to recognize that, in economic terms, there was a point of diminishing returns to pursuing 'more'...."

"Enthusiasts for Maine's natural beauty are deadly serious when they say, 'Lock the gates at Kittery; don't let anyone else in.' And these recent converts have some support among natives, who would rather have the freedom to go hunting or fishing than a 9-5 job that would increase their incomes by several thousand dollars...."

"I see a significant role for economic education in examining dispassionately how the American enterprise system has actually operated. With all its warts and blemishes, it has performed magnificently in the context of the goals and values acceptable to the American people. The point is that I believe it can stand, and will benefit from, critical examination...."

"Economic education can... make students aware that where there are benefits, there are also costs; that a decision to move in a given direction carries with it measurable and unmeasurable costs for not taking the opposite course. There are, for example, costs in consuming more than we produce; in consuming more energy than we can supply; in choosing to take a vacation with money that would otherwise be used to paint the house, further our education, or buy new clothes...."

"In an affluent society we have tended to forget these things; we have been reckless with our natural resources and our use of personal and national credit. In economics, as in other areas of life, the piper has to be paid sooner or later...."

"Of course, there are many things that a society wants and needs that should not be measured solely in economic terms. But how they are met — the needs of the aged, defense, urban redevelopment, education — have an economic dimension. I suspect that most students are far more aware of social problems and more anxious to cope with them than they are with the economic choices they embody. I know politicians — who, after all, are seeking public support — are. Economic education can help the public understand the real nature of the choices that they will be asked to make, implicitly if not explicitly...."
Imagine Yourself President —

There you are — the head of a modern corporation with a decision to make on a new product. What do you need to consider? What do you do? Or there you are — a town council member in New England in the 1800s wrestling with a decision about a textile mill coming to town. What will be the consequences of your decision? Using case studies, you and your class can find yourselves in similar situations where your decisions are real ones and you have to defend the judgments you make.

Case studies can be used to fill in background details about a decision-making situation and bring you up to a critical turning point (or points) in events.

From these turning points, your class can “take off” onto discussions of alternative decisions — and their implications. Students must make and defend their own decisions, and, through interactions with their classmates, they will come to realize that there is no “one right answer” to these realistic cases.

Through the use of case studies, each alternative decision will be seen to have its costs as well as its benefits, as students tackle problems and come up with more multiple choice answers than they ever thought possible. Case studies and case discussion can stimulate students to think about a problem, its possible solutions and what the solutions imply for the future.

To start your class in using cases, Paul Tedesco has written a helpful handbook, *Teaching With Case Studies*, recently published by the Federal Reserve Bank of Boston.* Tedesco coordinates BHelp, Inc. (Business, History and Economic Life Program), a non-profit educational organization which enthusiastically backs the case study method. BHelp publishes a newsletter four times a year, chock full of case materials and resources for teachers to use.

“The Plight of the Golden Eagles,” a fictional case concerning a decision on where a new football stadium should be built, will be published in this fall’s BHelp Newsletter. (If all this about a football stadium sounds familiar to neighbors of the New England Patriots’ recently constructed stadium in Foxboro, MA, it is meant to!) The case includes three maps of sites which the class can consider and was developed by Robert Coviello at Walpole High School.

A case which Coviello and his students developed about the McDonald’s Corporation allowed the students to explore the origins of the McDonald’s restaurant chain, its systemization and its careful franchise decisions which are based on extensive research into the proposed site for a new McDonald’s. The class researched the company through magazine and newspaper articles and had a two-hour interview with the local McDonald’s manager. Their research into something real and immediate in their community allowed many insights into the considerations and decisions required for a large and ongoing business. (This case was published in the Winter, 1974 BHelp Newsletter.)

Already published case material may be used as effectively as cases which the class develops. Instead of doing the research themselves and getting involved through fieldwork, students can read a case and become involved in lively discussions of case decisions and values.

At Dana Hall School, a private girls school in Wellesley, the students who enrolled in a one-semester economics course pursued their case study of the STP Corporation with a conference telephone conversation with Andy Granatelli, long-time STP promoter, whose personality and answers to questions added to the students enthusiasm for the case.

*The Racer’s Edge: Andy Granatelli and the STP Corporation is a particularly well done case study of a company which any follower of the Indy 500 knows about. (If you’re not an Indy 500 follower, the STP Company makes oil and gasoline additives, and for years has sponsored a car in this famous Indianapolis race.) The case can provide almost endless opportunities for discussions on a whole range of economic concepts.*

The class taught by John Schuler also read cases from *Up Against the Corporate Wall* by S. Prakash Sethi. The students became so involved with following a Coca Cola Company case to its conclusion that they wrote and finally called the company’s main office in Atlanta for up-to-the-minute information. The case involved a franchise of the Coca Cola Company. After the course one student pursued the franchising mechanism further with an independent study of a local Coca Cola franchise.

The case study, with its wide range of topics, concepts and levels of teaching, stimulates student interest, participation and thought.

*For information about this publication and others in this article, see “Multi-Media,” page 3.*
A one-day teacher workshop, discussing techniques for bringing economics into the classroom, will be sponsored by the Federal Reserve Bank of Boston. Secondary school teachers are invited to participate, share their ideas and learn about:

-The Federal Reserve System – why it was founded and how it affects the economy

-Mr. Banker – a game about banking which allows students to take the roles of community bankers and make crucial loan decisions. (Play the game and learn to teach it.)

-Case studies in the classroom

-Educational materials available free from the Federal Reserve Bank of Boston – publications, films and games, including a new publication, Introducing Economics

When: Tuesday, November 12, 1974, 9 a.m. to 3 p.m.
Where: Federal Reserve Bank of Boston, 30 Pearl St., Boston (near Post Office Square)
How to apply: Fill out the form below and return to Susan Funderburg, Public Information Center, Federal Reserve Bank of Boston, 30 Pearl St., Boston 02106. Additional information and a map will be furnished. Because space is limited, please apply today.
Cost: None

FEDERAL RESERVE BANK OF BOSTON
ONE-DAY TEACHER WORKSHOP
NOVEMBER 12, 1974

Name ____________________________
Address ___________________________________________ zip ______
School ____________________________ phone _______
School Address _______________________________________
Grade level and subject ____________________________
Have you ever taken an economics course? _______ yes _______ no
Have you taken an economic education workshop given by one of the Councils on Economic Education? _______ yes _______ no
Have you introduced economics into your class? If so, how? ____________________________
New England Update
Councils and Centers for Economic Education

CONNECTICUT
A twenty-fifth anniversary celebration will be held in honor of the long service of the Greater Hartford Council on Economic Education on October 21 at the Tobacco Valley Inn in Windsor. One of the featured speakers will be Dr. Glenn Ferguson, president of the University of Connecticut.

MASSACHUSETTS
The Center for Economic Education at American International College in Springfield will be working with teachers and administrators in several school systems to write economics into the curriculum. The areas participating in the program have agreed to two to three year commitments and the involvement of administrators, as well as teachers, in the implementation of economics into the curriculum K-12, according to Gordon Morrill, assistant director of the Center.

MAINE
Participants in the summer economic education workshop sponsored by the Maine Council on Economic Education will meet Council members informally when the Council meets October 19 at the University of Maine, Orono.

NEW HAMPSHIRE
The New Hampshire Council on Economic Education sponsored a panel discussion on “Economics of the Environment” August 2 at the University of New Hampshire in Durham. Panel members included Henry J. Ellis, supervisor of engineering, Public Service Company of New Hampshire and Herbert Sostek, general manager of the Gibbs Oil Company, Saugus, MA.

Multi-Media
Grade level code: Capital letters (E—J—H —C) after each item indicate grade levels for which the materials are most appropriate: E—elementary school, J—junior high school, H—high school, C—college.


The Racer’s Edge: Andy Granatelli and the STP Corporation, (J—H—C) Edward F. Bruinke, 28 pages, a well-done economic case study which car freaks (and others!) will love and which spotlights a host of economic concepts for discussion, 1971. Write: General Learning Press, 250 James St., Morristown, NJ 07960, 60 cents.

The following two publications are available free of charge from the Public Information Center, Federal Reserve Bank of Boston, 30 Pearl St., Boston 02106:

Teaching With Case Studies, (J—H), by Paul Tedesco, 67 pages, a handbook which comprehensively describes how to use and discuss case studies in the classroom, 1974.

Introducing Economics, (E—J—H), breaks down economic concepts into a statement of a basic understanding, accompanied by three examples and a restatement of the understanding. Understandings deal with subject areas such as the scarcity problem, natural resources, government, and money and credit. The book is based on a draft prepared for teachers by the Economic Education Council of Massachusetts, 1974.

The Ledger compiles information from various sources and is published eight times during the school year as a public service by the Federal Reserve Bank of Boston. Inclusion of news about economic education should not necessarily be construed as an endorsement of specific programs by the Bank. Material contained herein does not necessarily reflect the views of the Federal Reserve Bank of Boston or the Board of Governors. Copies of this newsletter and a catalogue of other educational publications, films and published research information may be obtained free of charge by writing Public Information Center, Federal Reserve Bank of Boston, 30 Pearl Street, Boston 02106 or by calling (617) 426-7100 X657.
Boil Before Drinking

The following fictional situation and questions were designed to suggest discussion possibilities in examining the issue of pollution and its control.

To talk about pollution only in terms of "clean versus dirty" air or water is to miss many of the economic and social choices included in the issue of pollution.

The questions below explore some of the implications of a new pollution regulation for a community. The answers to these questions—and more—are up to you.

The president of the Ballard Metal Company, recycler of used metals into reusable materials, was furious. He gazed at the front page story and picture of the Indian River polluted with sewage from his company. "Local Factory Told to Clean Up," was the story headline. He began to read:

RIVERTON — The main source of industrial pollution for the Indian River was identified as the Ballard Metal Company, the State Pollution Authority announced today.

"The level of pollutants in the river has reached a danger point, with fish and plant life threatened," the Pollution Authority report said. "Unless the pollution is abated, River- ton residents will no longer be able to swim in or fish in the river," it said.

The new anti-pollution act passed last month will make court action and fines against polluters readily available to the Pollution Authority.

Frank Ballard, president of Ballard Metal Company, was unavailable for comment...

You bet I am, Ballard thought. Pollution control equipment would cost $2 million and would mean skipping a dividend for stockholders and taking out a loan for the equipment. That was a loan we were planning to take out for expanding the company. Now what?

Ballard arranged a Board of Directors meeting for the next morning. Now, he said to himself, if I only knew what to say to them...