

## **MEMORIAL RESOLUTION**

### **George Leland Bach**

**(1915-1994)**

George Leland Bach died on September 29, 1994. He was the Frank E. Buck Professor of Economics and Public Policy in the Graduate School of Business and Professor of Economics in the Department of Economics until he retired formally in 1983. As an emeritus professor he continued to play an active role both in the University and in professional and public circles. His death came after more than fifty years of service and contributions to economics, to economic and business education, and to improving the link between economic thinking and public policy. He was a giant. His influence on business education was (and seems likely to remain) without equal.

Bach was born in Victor, Iowa, on April 28, 1915. He graduated from Grinnell College in 1936 with an A.B. in economics and was elected Phi Beta Kappa. After a brief sojourn at the University of Texas Law School, he turned to graduate study in economics at the University of Chicago and received his Ph.D. in 1940. He received honorary doctorates from Grinnell (1956) and from Carnegie Institute of technology (1967).

Although he taught briefly at Iowa State while completing his doctorate, Bach's early career took him to Washington as an economist, first at the Board of Governors of the Federal Reserve System and then (after service in the United States Navy) the Department of Commerce. In 1946 he accepted an academic appointment in economics at Carnegie Institute of Technology, an appointment that subsequently led him to become the first dean of the Graduate School of Industrial Administration at Carnegie, a position held from 1949 to 1962. He came to Stanford as a visiting professor in 1963-64 and joined the faculty on a permanent basis in 1966.

From the start of his professional career to the end, Bach worked to make economics relevant to every day life through his research, his creative academic entrepreneurship, his public policy advising, and his teaching.

His research emphasized the relations among economic analysis, ethics, and public policy and is typified by his books on inflation and monetary and fiscal policy, published in the 1970s. Although he was an uncompromising spokesman for basing public policy on rigorous economic analysis, he never forgot that public actions affected people's lives and had to be attentive to human reality as well as aesthetically-pleasing theory.

Bach was in many ways an austere man with few sympathies for sloppy thinking, but he believed deeply in the capabilities of ordinary people and ordinary policy makers to understand problems in economics and contribute intelligently to public debate about

economic policy if properly instructed. For twenty years he organized seminars for the Federal Reserve System that brought academic economists and the Federal Reserve Board closer to understanding each other.

He was also a master classroom teacher and a conspicuous advocate for improving economics education. His introductory textbook (Economics: An Introduction to Analysis and Policy) was first published in 1954 and went through eleven editions in four languages during his life. He taught introductory economics in large classes at Stanford and, in 1979, received Stanford's highest award for teaching excellence, the Walter J. Gores Award.

Bach was not only a teacher but a teaching advocate. He campaigned for greater attention to economics education on the part of the elite of the economics profession. He was a long-time (1966-79) chairman of the American Economics Association Committee on Economic Education, championing efforts to improve the economic intelligence of the society. He was awarded both the Bower Medal for Distinguished Service to Economic Education from the Joint Council on Economic Education and the AACSB-Dow Jones Award for Distinguished Contributions to Management Education.

All of these major contributions pale, however, in comparison with Bach's extraordinary role in transforming business education in the United States and the world. As dean of the Graduate School of Industrial Administration at Carnegie Institute of technology, he created a new vision of business education. That vision emphasized rigor, research, and academic respectability. It led to a dramatic increase in the disciplinary basis and analytical demands of American business education during the 1950s and 1960s.

Bach recruited to the small faculty at Carnegie a group of individuals of considerable distinction, including three (Herbert A. Simon, Franco Modigliani, and Merton Miller) who have subsequently received the Nobel Prize in Economics for their research. The Bach model became the basis for a genuine revolution in business education, one that was supported by a Ford Foundation Report on management education co-authored by Aaron Gordon and James E. Howell and adopted throughout the community of business schools.

The Graduate School of Business at Stanford, under the leadership of Ernest Arbuckle and Arjay Miller (with whom Bach worked closely after he came to Stanford), was affected substantially by this model, and has built much of its present reputation around the Bach axioms that business education must be based on fundamental knowledge, that business school faculties must be dedicated to producing such knowledge, and that business school graduates must be prepared to understand basic research and learn from it.

In spite of the demands that national leadership imposed on him, Bach was a profound contributor to Stanford. He worked constantly to improve the quality, responsibility, and scholarly effectiveness of the faculty and his influences on the field is reflected in a host of contributions by others. That work was primarily informal, but it led to an exceptional record of involvement in faculty governance. From 1967 to 1983

(except for the years when he was on leave), he was continuously elected to the Academic Senate and served on numerous standing and ad hoc committees during that time. In addition, he was elected to the Advisory Board from 1967 until 1972 and again from 1976 to 1979. He also served two years on the Board of Trustees Committee on Finance and four years on the Trustee Committee on Investments.

Bach was a man of great integrity, little nonsense, and precise words. Recalling an undergraduate class in economics, Bach said, “The professor explaining that theoretically there couldn’t be a lasting depression in a competitive capitalist-type economy. I looked out the window at a long line of unemployed men waiting to apply for one of the two WPA jobs the town government had managed to get. There must be a better way for either the economists or the ‘practical’ men who ran the system, I thought.” And when the struggles of the late 1960s and early 1970s made communication between student leaders and faculty problematic, one student radical at Stanford said, “Bach is conservative, but he listens and says what he thinks. You can trust him.”

Lee Bach’s colleagues have profited shamelessly from his steady wisdom and brilliant leadership for many years and will miss him both as a mentor and as a friend. He is survived by Ruth Jacqueline Bartoo Bach, his wife of 55 years; by four children: Christopher Leland Bach of Springfield Virginia, Barbara Kathleen McCardle of Pebble Beach, Susan Louise Nolan of Palo Alto, and Timothy Lee Bach of San Francisco; and by eight grandchildren.

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