

Economics

Department Alumni Newsletter

Editor: Jack D. Julian, Jr.

Arthur H. Martel: The Interview

plication of the salary cap, which fell right into what Dr. Karatjas and I were doing in class. For instance, he discussed a player who was offered a contract by the Carolina Panthers and the contract was back loaded and he wouldn't get his money. That was an interesting moment. It was interesting for us, but what I thought was most interesting is when he took his suit coat off and acted like he was teaching English in high school.

JJ: How do you occupy your time during retirement?

AM: My wife and I have been doing a lot of traveling. In the first 24 months of retirement we took 18 trips. Most of the trips were a week to ten days. A long trip we took was to Hawaii, San Francisco, and Las Vegas. We have been to Spring Training in 2003, 2004, and will be again this March.

more could not get players and so they sued the National League. In the lower courts they won \$80,000 which was tripled to \$240,000. As an aside, the federal district court judge who heard the case was Kenesaw Mountain Landis who was later commissioner of baseball (1921 - 1944). The case was initiated in 1913. It was appealed - the appellate court said interstate commerce did not exist because the traveling between cities was incidental to the main event (game). The Supreme Court agreed, saying traveling between states was incidental to the game and so the antitrust laws did not apply. Interstate commerce is products going between states; however, a baseball game is a service. That kind of view no longer exists. Because the majority decision was written by Justice (Oliver Wendell) Holmes of the U.S. Supreme Court and because Holmes was a big baseball fan, he (and hence the court's decision) did not want to jeopardize the national pastime.

In another case, *Gardella vs. Chandler* (1949), Danny Gardella went to play in the Mexican League for twice the salary. However, the Mexican League folded and Gardella came back to play with



the New York Giants but was barred from playing for life. Gardella sued. This time the lower courts said baseball was part of interstate commerce because the games were broadcast on radio and radio waves go across state lines. Before the case was to be decided, the Commissioner's Office reinstated Gardella and gave him a financial settlement of \$65,000 and he agreed to drop the suit. The Commissioner's Office knew that if they went to the U.S. Supreme Court they would lose. In *Toolson vs. the New York Yankees* (1953), the Supreme Court said there was interstate commerce - baseball was covered by the antitrust laws. The Su-

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preme Court said that if there is going to be any change this change must come to Congress not the courts. It would take an act of Congress to change this. Senator John McCain has indicated that he would sponsor legislation to remove the exemption.

JJ: There are many financial and economic issues in MLB. Like the other leading sports, salaries for marquee players keep increasing in the millions. Some teams in so-called smaller markets can't seem to afford the players that (a) help win games and (b) put fans in their seats. Can you comment on this or give me your view of the "state of the game"?

AM: The problem between the large market teams and the small market teams is cable TV revenues. There is a national TV contract with FOX and ESPN. The national contract is divided among the 30 teams. So the national TV money is split evenly. For local media rights, the revenues stay with the team. In baseball, with local radio and cable TV, the Yankees get \$50 million in revenue, the Red Sox get \$35 million, and the Pirates get \$6 million. Right there you have a \$44 million difference. This applies to radio as well. The bigger market teams can charge more for their tickets and they usually succeed in getting more. Even though there is a luxury tax, the Yankees exceeded the salary base by \$50 million.

JJ: Is this good for the game?

AM:

Two Economics Department alumni were among ten outstanding alumni honored with Indiana University of Pennsylvania's 2005 Distinguished Alumni Award. This award is presented by the IUP Alumni Association to alumni who have achieved distinction in their chosen fields or have demonstrated loyal and active service to their alma mater. The Distinguished Alumni Award is the highest award given by the Alumni Association to its alumni.

Myron Hay Tomb '69, has been named a 2005 distinguished alumnus in appreciation of his career practicing law, his involvement in IUP programs, and his long history of civic involvement in the arts.

He earned a Bachelor of Arts degree from IUP in 1969, followed by a law degree from the University of Pittsburgh.

As a partner with the firm of Tomb, Mack & Kauffman, LLP, Mr. Tomb has served his clients and his profession with skill and dedication. He also has served as president of the Indiana County Bar Association and as a member of the Pennsylvania Bar Association, the Pennsylvania Association of Trial Lawyers, and the NSBA of School Attorneys. He has acted as solicitor for numerous public bodies, including the Indiana County Commissioners, the Indiana County Industrial Development Authority, the High Ridge Water Authority, and, since 1982, the Indiana Area School District.

For more than thirty years, he has given of his time and energy to IUP to promote projects, committees and endeavors. He has held such prestigious positions as president of the IUP Museum Board, chairman of the Investment Committee for the Foundation for IUP, and cochairman of the IUP Gateway to Opportunity capital campaign. In 2002, Mr. Tomb was presented with the Eberly Award for philanthropy and volunteerism by the Pennsylvania State System of Higher Education.

Mr. Tomb's passion for art again found an expression, this time within the IUP framework. The university has benefited greatly from his efforts and input. Mr. Tomb is a key figure in the recognizable revitalization of the IUP campus over the past quarter-century, helping to establish a clear and distinct culture that distinguishes IUP from its peer institutions.

Mr. Tomb is a lifelong resident of Indiana and the father of two children, Devin and Jordan.

George A. Chressanthis '77, has earned recognition as a 2005 distinguished alumnus due to his long record of academic excellence that has translated into success in the business world, primarily in the pharmaceutical industry.

Dr. Chressanthis earned a Bachelor of Arts degree in Economics from IUP in 1977, as well as Master and Doctoral degrees in Economics from Purdue University in 1979 and 1983 respectively.

He has extensive experience in building and leading analytical cross-functional teams, processes and projects, as well as in presenting analyses and policy recommendations to senior corporate management and brand leaders. His abilities to apply innovative thinking to theoretical models and decision science

Twin deficits: a double whammy?

these payments are said to “balance” in that every dollar that flows out to pay for an import returns to purchase an export. But rather than purchasing our goods and services, people (and governments) in other countries purchase our assets in large numbers. And as the trade deficit expands, so does the export of this capital.

What happens when we sell our assets? By giving up some of our wealth we can enjoy consumption be-



Name

Address

Phone Email Address

Graduation year, degree earned

Current Employer

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Student Notes

The following students were recognized on Honors Day, Sunday, April 3, 2005.

Neil Meredith was inducted into **Mortar Board**. Mortar Board is a national honor society which recognizes college seniors for distinguished ability and achievement in scholarship, leadership, and service.

Vanessa Wayne and **Chris Krahe** were inducted into **Phi Kappa Phi**. Phi Kappa Phi is an honor society that draws its members from all academic disciplines within colleges and universities. Election to membership is by invitation only. The Society's mission is "To recognize and promote academic excellence in all fields of higher education and to engage the community of scholars in service to others."

As mentioned in the Fall 2004 newsletter (Issue 36), two Economics majors, seniors **Carrie Jenkins** and **Justin Ulrich**, presented papers at the annual meeting of the Southern Economic Association in November 2004. You can read more about their presentations at <http://www.iup.edu/news/releases/2005/2-11-students-economics.htm>.

The following students were initiated into the Alpha Gamma chapter of **Omicron Delta Epsilon**, the national honors society for undergraduate study in economics.

Seniors: **Mirtha Escobar**, **Carrie Jenkins**, **Neil Meredith**, **Stephen Morfenski**, **Marissa Silkroski**, **Rebecca Uecker**, and **Cameron Wilkins**.

Juniors: **Eric Gavazzi**, **Christine Gillock**, **Stephanie Halliday** and **Sara Thorell**.

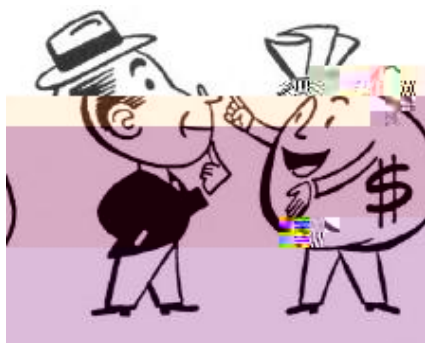
Initiates into Omicron Delta Epsilon must have completed 12 credit hours of study in economics, have earned a 3.0 GPA in these courses as well as possess an overall GPA of 3.0. These students are recognized for their scholastic attainment and outstanding achievements in economics.

Senior **Thomas Bogacz** presented a paper entitled "Investment Enigma: Determinants of U.S. Foreign Direct Investment in

Alumni News

Department of Economics

Indiana University of Pennsylvania



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Up close interview with a former faculty member!

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Student Activities and Scholarship

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