John Kareken Retires

Jack Kareken retired this spring after 39 years at Minnesota. Jack was born and raised in Buffalo, New York. He did his undergraduate work at the University of Buffalo where he majored in Philosophy and Economics. From Buffalo, Jack went to MIT where he received his Ph.D. in 1956. Jack joined the Department of Economics at Minnesota that fall. In 1981 he was appointed Minnesota Professor of Banking and Finance in the Carlson School of Management, University of Minnesota and continued as a member of the Department of Economics. Jack served as chairman of the Department of Finance for nine years.

In addition to his academic appointment at Minnesota, Jack served as a consultant to a number of official agencies and commissions, including the Commission on Money and Credit, the US Treasury, and the Joint Economic Committee. His appointment as economic advisor to the president of the Federal Reserve Bank of Minneapolis played a pivotal role in the development of the Research Department at the Minneapolis Fed. Jack held this position for 16 years. He had the ability to make academic research understandable and relevant to policy makers. They in turn lent their support to the academic interests of their research economists. Jack was also involved with the private sector serving as consultant to Golembe Associates and most recently as a member of the Board of Directors of First Bank System in Minneapolis.

Jack was honored at a retirement dinner in July organized by Neil Wallace and Mike Stutzer ('81). After dinner a number of speakers commented on Jack's work and the critical role he played at the University and at the Minneapolis Fed. Preston Miller ('72) called attention to Jack's 1983 paper, "Deposit Insurance Reform: deregulation is the cart, not the horse," both because of the prescient quality of the analysis and because of Jack's way with words:

"Possibly it is because I was raised in a city or because my uncle, on whose farm I passed a few hardly idyllic childhood summers, was too shrewd. Whatever the reason, I have never been able to understand how one puts a cart before a horse. Shrewd as he was, Uncle Clarence never once even tried."

Neil Wallace commented on Jack's unwillingness to make easy compromises and his insistence on rigorous analysis regardless of where it takes one.

While Jack has formally retired, he is in his office everyday working on a number of projects including a nearly finished book of essays about deposit insurance and bank supervision in the United States, the United Kingdom and Germany.

NEW FACULTY

Gautam Gowrisankaran

Gautam Gowrisankaran joined the department this fall as an Assistant Professor after having just completed his Ph.D. at Yale. Gautam did his undergraduate work at Swarthmore where he majored in economics with a minor in mathematics and a concentration in computer science. Gautam's thesis, written under the direction of Steve Berry and Ariel Pakes, involves several essays addressing issues about the dynamic behavior of firms. Part of Gautam's thesis involves an investigation of anti-trust policy done in the context of some path
breaking work on dynamic simulations of industry equilibrium. Gautam is also working on a dynamic model of the hospital industry, using discrete choice models where the quality of service offered by different hospitals is important for consumer choice.

Tom Holmes

Tom Holmes is a new associate professor this fall. Before joining the department Tom was a member of the Research Department of the Federal Reserve Bank of Minneapolis. Before coming to the Fed, he had been on the faculty at Wisconsin. Tom received his Ph.D. from Northwestern. Some of his early work focused on price discrimination in imperfectly competitive markets. More recently Tom has been working on theoretical and empirical models of interstate competition for businesses and economic development. He is also involved in joint work with Jim Schmitz ('86) on entrepreneurship and the dynamics of firm growth. This work involves the manipulation of very large data sets for both estimation and simulation.

Lee Ohanian

Lee Ohanian comes to the department this fall as an assistant professor from the University of Pennsylvania where he was a member of the faculty for three years. Before starting graduate work at the University of Rochester, Lee worked for Security Pacific Bank in California where he was Vice President and Economist. While working at Security Pacific, Lee became interested in questions about vector autoregressions and time series modeling. Several papers, including one with Gerry Nickelsburg ('80), came from this interest. At Rochester, Lee worked with Tom Cooley. Lee's thesis on the macroeconomic effects of war finance in the United States is forthcoming as a book.

RECENT BOOKS BY ALUMNI

Tatsuyoshi Saijo '85 & Shuhei Shiozawa '86
Introduction to Microeconomics (with Yasunori Ishii, Yuhikaku Publishing Co., 1995 (in Japanese)).

Kim C. Border '79
Infinite dimensional analysis: a hitchhiker's guide (with C. D. Aliprantis, Springer-Verlag, 1994).

Alumni Notes

Don Winkelmann ('63) has moved from Mexico to New Mexico. "After 24 years at CIMMYT, the last nine as Director General, I left to become Chairman of the Technical Advisory Committee of the Consultative Group on International Agricultural Research. The TAC advises the CGIAR on the relevance and quality of science and on priorities and resource allocations for its 16 research centers (CIMMYT among them) and a $300m annual budget. I office at 355 E. Palace Ave., Santa Fe, NM 87501." You might want to check out Don's article, with D. L. Plucknett, "Technology for Sustainable Agriculture" that appeared in the September 1995 issue of Scientific American devoted to technologies for the future.

Jim Likens ('70) wrote in June, "I was in Minnesota this past weekend attending the graduation of my daughter Elizabeth at Carleton. Dropped by the West Bank on Sunday afternoon. Couldn't believe all the changes. I got inside the building and enjoyed wandering through the 9th, 10th, and 11th floors. Lots of familiar names still on the doors. Brought back a lot of memories. Wish it could have been a day when people were around."

Jim Weatherby ('70) is the president of Hart Information Services in Austin, Texas. Hart has been known for its work with business forms and technical documentation. It is now expanding into electronic distribution of documents, optical imaging of business forms, and database management for electronic filing.
Warren Dent ('71) is now at Microsoft Corporation in Redmond, Washington. He writes, "I left American Airlines in November 94 and moved to Redmond. Am working on electronic commerce in general but have responsibility for the marketing of secure transaction technology for payments and smartcards. Other responsibilities include InFlight Entertainment systems and Microsoft's Security Technology."

Alfred Norman (’71) has developed a spectacular web page for his classes at Texas. It is definitely worth a peek. His ordinary homepage is available through http://www.eco.utexas.edu
To get to the good one you need to use the following address:
http://www.eco.utexas.edu:80/Homepages/Faculty/Norman/

John Roberts (‘72) delivered the Leo Hurwicz Distinguished Lecture at this fall's meeting of the Minnesota Economics Association. The Hurwicz Lecture was established four years ago. At Leo's request the Hurwicz Lecture will alternate every other year with the Walter Heller Distinguished Lecture. Tom Stinson (’73) was part of a panel talking about the State of the Minnesota Economy. In recent years, Tom has carried the title Minnesota State Economist in addition to his academic responsibilities at the University. Preston Miller (’72) will serve as President of the MEA for 1995-96, and Mike Stutzer (’81) was elected to a two year term on the Executive Board of the MEA.

John Geweke (’75) and Fabio Canova (’88) were among those presenting papers at a conference on “Simulation-Based Methods in Econometrics: Methods and Applications," organized by John and held in Minneapolis this November. Look for papers from the conference to appear in a volume published by Cambridge University Press.

Gordon Streeb (’78), wrote from Atlanta, Georgia, where he has finally settled down. After working for the U.S. Dept. of State for many years (3 of them as the Ambassador to Zambia!), Gordon retired this September. He is now the director of the Sustainable Development Program at The Carter Center, a part of Emory University. Gordon says, "We are currently carrying out a test project in Guyana assisting the government in drafting a national development strategy. If results of this process are positive, we will extend it to several other countries in Africa, and possibly, Eastern Europe. We are also active in areas of the environment, particularly forestry, and population, and work with the Center's Global 2000 program in its health and agriculture programs." At the end of his note, Gordon added, "At the moment the biggest challenge is developing a decision matrix which will maximize the chances of getting tickets to 1996 Olympic events and/or leaving Atlanta and renting out the house for $300 a night!"

George McCandless (’81) is currently teaching at the University of San Andres in Buenos Aires, Argentina.

Charles Whiteman (’81) is the Pioneer Hi-Bred Professor of Financial Economics in the Department of Economics at the University of Iowa. He serves as Director of the University of Iowa Economic Research Institute. Beth Fisher Ingram (’86) is associate director of the Institute. As part of the work of the Institute, Chuck is engaged in revenue forecasting for the state of Iowa. He writes, "I'm using some simple Bayesian procedures which enable me to generate entire predictive distributions for revenue forecasts (as opposed to the standard, point forecasts) that I can use in turn to generate forecasts appropriate under asymmetric loss (suppose you hate a $1 of deficit more than $1 of surplus...)."

Christine Cumming (’83) was the subject of a nice profile in the American Banker this September. Chris serves as senior vice president for specialized examinations at the Federal Reserve Bank of New York. Her current work focuses on the use of risk assessment models in bank examinations as an alternative to traditional evaluations of asset quality as part of loan file reviews.
Felipe Morande (‘83) writes from Chile, "I am currently the chairman of the graduate program in economics (MA) which is jointly offered by ILADES and Georgetown here in Santiago."

Man Woo Lee (‘84) is on sabbatical at Stanford this year. He is at the Dept. of Economics at Korea University in Seoul.

Tatsuyoshi Saijo (‘85) is now on the faculty of Osaka University, although he will be at the University of Tsukuba through March of 1996.

Bong-Soo Lee (‘86) has moved to the University of Houston Business School.

Mike Meurer (‘86) is now teaching at the Law School at SUNY-Buffalo.

Guoqiang Tian (‘87) has been promoted to full professor at Texas A & M.

David Wettstein (‘87) is now at the Ben Gurion University of the Negev in Beer-Shiva Israel. David is joined by Todd Kaplan who left Minnesota this fall to accept his first academic position at Ben-Gurion University.

Barbara Craig (‘88) writes that in the Spring of 1994 she received tenure at Oberlin College, and had another son. This academic year she is on sabbatical at the University of California-Davis and can be reached at Craig@primal.ucdavis.edu.

Gerhard Glomm (‘88) hosted the first Midwest Macroeconomics Conference at Michigan State University in September. Besides Gerhard, MN alumni who presented papers were: Steve Russell (‘89), Eric Leeper (‘89), Steve Parente (‘90), Andreas Hornstein (‘91), Bev Lapham (‘90), Scott Freeman (‘83), Marty Eichenbaum (‘81), Rich Barnett (‘89), Marco Espinosa (‘88), Steve Cassou (‘89) and Mark Huggett (‘91). Ed Prescott was also present, as well as Ian King, from the University of Victoria, in BC, an "honorary" MN Alum of sorts (he visited here for a quarter in 1986).

Roger Lagunoff (‘88) and wife Barbara Mack (a former front-office employee) had twins on February 7, 1995: a boy and a girl -- Aaron and Genevieve! Roger is now at VPI.

Lars Ljungqvist (‘88) is currently working at the Federal Reserve Bank of Chicago, although he was recently promoted to Associate Professor at SUNY-Buffalo.

Nabil Al-Najjar (‘89) has moved to MEDS (Department of Managerial Economics & Decision Sciences) at the Kellogg Graduate School at Northwestern University.

Eric Leeper (‘89) is now at Indiana University in the Department of Economics.

Bruce Champ (‘90) is now at Fordham University.

Shinsuke Nakamura (‘89) is visiting the Finance Dept. at MN this year.

Bev Lapham (‘90) and Al Head (‘92) had a baby boy, Dylan Arthur on February 9, 1995. They are both still at Queen’s University in Kingston, Ontario. They can be reached at laphamb@qed.econ.queensu.ca and heada@qed.econ.queensu.ca.

Victor Rios-Rull (‘90) is now at the Federal Reserve Bank of Minneapolis, in the Research Department.

Harald Uhlig (‘90) has moved to Tilburg University to the Center for Economic Research.

Mark Huggett (‘91) was married this June to Sandra Ospina from Colombia. Sandra is an economist who received her Ph.D. from Illinois.

Bill Shobe (‘91) has relocated to Virginia to work for the state Department of Planning and Budget, and is the economist in charge of reviewing environmental regulations.

Gianni DeNicolo (‘92) and his wife Jenna Lordo are the proud parents of Sonia De Nicolo, born September 2nd. The birth announcement said, "Sonia has Botticelli cheeks and little, ruby, cherub lips. Her name
reminds me of the word sogno, meaning dream."

Jose Miguel Sanchez ('92) has moved to the Dept. de Economia, Universidad de Chile.

Tao Zha ('92) has moved from the University of Saskatchewan to the Federal Reserve Bank of Atlanta.

Chongmin Kim ('94) is now at the Department of Economics at Kookmin University in Seoul Korea.

The Midwest Mathematical Economics Meetings were held this year in Minneapolis, jointly with the Mid-West International Economics Meetings. Minnesota faculty Beth Allen and Jim Jordan were in charge of the math econ part of the conference while Minnesota alum Ray Riezman ('77) organized the international portion of the meetings. MN alumni on the program included: Lu Hong ('91), Shomu Banerjee ('92), Nabil Al-Najjar ('89) and Steve Gjerstad ('95).

Recent visitors to the Twin Cities included: Fabio Canova ('88), Heetaik Chung ('90), Mark Huggett ('91), Alex Mournouras ('88), Tapen Sinha ('86), Eiji Tajiki ('81), Jim Weatherby ('70), Randy Wright ('86), Steve Parente ('90) and Javier Diaz ('90). Steve and Javier held a lasagna bake-off to see who was the best cook.

Heetaik Chung ('90) reports on a gathering of Minnesota economists in Korea on July 4th this summer. Others in attendance included Kookshin Ahn ('82), Young Goo Lee ('81), Man Woo Lee ('84), In Bong Ha ('87), Jaeho Kum ('92), Insill Yi ('91), Eugene Yun ('89), and Byung Duck Kim ('93).

Can Anyone Top This?

Tapen Sinha ('86) wrote this summer, "Did I tell you about my recent 15 seconds of national (Australian that is!) fame? There is this TV show called the Funniest People. Probably an Aussie version of an American show (like Funniest Home Videos). Anyway, we were watching the show one day and I said to my wife, 'I can do something funny.' She asked me what I had in mind so I said I will drink water through my nose, which I do every day anyway. An audition was going on at Seaworld, so I signed up for it. We did our stuff. First, Rebecca got in front of the camera and said, 'Here is an amazing act: drinking water through the nose.' Then I did that and she said, 'You don't believe he is actually drinking the water?' and I started to spit the water through my mouth. They decided to put that on the show. It was voted the best by the audience and I won about $6,000 worth of Hoover stuff: two fridges, a huge washer, a dryer, three vacuum cleaners, etc. I already had all of that and my brother just got back from the U.S., so I shipped them off to him in Sydney. Now he has a "houseful of Hoover." I had lots of reaction from my past students. I got several faxes, phone calls, etc. They just could not believe I could do that! I even got a fax from Papua New Guinea. They showed it there too! I then went to a conference in Melbourne. The person organizing the registration material looked at me and said, 'Sinha, right?' I said to her, 'Boy, you have an amazing memory, you remember me from last year!' She said 'No, you were on TV!' There was my fifteen seconds of fame, as Warhol would have put it." (For the 90's it's 15 seconds, not 15 minutes.)

MV = PY and MV = PY 2

Tapen Sinha also wins the Bill Weiler Prize for Economist Trivia as the first MN grad, not at Stanford, who identified the owners of the cars with these plates. They are Milton and Rose Friedman. Tapen adds, "the car does not say MV=PY, it says MV - PY because you cannot put an = sign on a license plate because of some California law. It is a Cadillac convertible."

Correction to List of Fellows of the Econometric Society

Our apologies to Joaquim Silvestre ('73) for omitting him from the list of Fellows in the Spring 95 newsletter.
ASSA Meetings
San Francisco Reception

The department will be in San Francisco at the ASA meetings, January 5 - 7, 1996. Members of the department will be presenting papers, and we will be recruiting for new faculty. Please join us at the Minnesota cocktail party. Look for our listing in the ASSA program.

Notes from the Chair
Craig Swan

A memorial service for Cliff Hildreth this fall was both a sad and a joyous occasion. While Cliff's passing brought sadness to family and friends, the memorial service was an opportunity to celebrate a very full life. Speakers included Leo Hurwitz who had known Cliff from days at Iowa State and Phil Raup from the St. Paul campus who had grown up with Cliff. John Geweke reports that an important influence on his early interests in econometrics was a class he took as an undergraduate at Michigan State from William Ruble, a student of Cliff's. Cliff left some memories of growing up in Kansas, especially during the 1930's. Excerpts from these reminiscences will appear in subsequent newsletters.

Our WWW page is growing almost daily. It can be accessed at http://www.econ.umn.edu. Those of you who have checked it out know that there is a full discussion of the graduate program for prospective students and the alumni directory is accessible from the department homepage. The directory includes some links to individual homepages that have come to our attention. If you have a personal homepage, let Wendy or me know and we will add an automatic link. Wendy and I can be reached at:

wendy@atlas.socsci.umn.edu, or
cswan@atlas.socsci.umn.edu

ECONOMICS RESEARCH LIBRARY

We now have the capability to download each month's Recent Acquisitions List. Soon these files will be available as a link from the Department's and Library's home page. Each month's list will be separate. Wendy expects to have this up and running within 2 months.

New Discussion Papers available:


If you would like copies of any of these, please contact Wendy.

E-mail: wendy@atlas.socsci.umn.edu
Phone: 612-625-2307
Fax: 612-624-0209
Mail: Economics Research Library
525 Science Classroom Building
University of Minnesota
222 Pleasant Street, SE
Minneapolis, MN 55455

Missing Addresses: If you know how to contact any of the following individuals, please let Wendy know.

Paul S. Anderson '57
Ramineni Ayyana '66
Shaun C. Bamford '81
Paulina Beato '79
Peter M. Greenston '72
Danesh C. Gupta '71
Ditt Sang Ho '77
Chadwick J. Haberstroh '58

Henry Hisao Ito '74
George K. Keyt '70
Sigmund Krauthamer '63
Jaeho Kum '92
Melvyn L. Meer '66
Carol Norling '77
Voruganti S. Rao '70
Clifford Hildreth was born in McPherson, Kansas. He called himself a war baby (WW I), a boom child (1922-1929), and a depression youth. Memories of his youth include sweeping the dust out of the YMCA during the dust bowl with his friends in return for use of the gymnasium and a cold shower (the hot water had been turned off as part of an economy measure) along with a month long trip hopping freight trains from Kansas to Denver and Estes Park, Colorado. Upon graduating from high school Cliff won a competitive scholarship to the University of Kansas. Work as an undergraduate research assistant during his senior year developed his respect for and interest in careful academic inquiry. In 1942 Cliff married a fellow graduate student, Mary Lou McGee. Graduate studies at Iowa State were interrupted for three years when Cliff volunteered for an aviation navigation program in the United States Navy.

After receiving his Ph.D., Cliff stayed on at Iowa State as a member of the faculties in economics and statistics for several years before moving to Chicago where he was active in both the Department of Economics and the Cowles Commission. During the following decade he held professorships in agricultural economics, first at North Carolina State University and then at Michigan State, where he also served as department head, 1958-60.

Cliff came to Minnesota in 1964 after a long courtship and numerous offers. At Minnesota he was a member of the Departments of Economics, Agricultural and Applied Economics, and the School of Statistics. Cliff held visiting appointments at numerous universities. He was a consultant to many federal agencies and professional associations. He was a Fulbright lecturer in Japan in 1970, editor of the Journal of the American Statistical Association, (1960-65), and President of the American Statistical Association, 1973.

He was devoted to his students and dedicated to his teaching and research. He also took a special interest in the department library and was especially concerned that students have easy access to the most current scholarship. His personal contributions form an important part of the Economics Research Library collection.

His scholarly interests focused on econometrics and mathematical economics. His work with John Lu on the estimation of models with autocorrelated disturbances is known to all students of econometrics. The Hildreth-Lu procedure is one of the standard tools used by econometricians. Cliff made important contributions in other areas of statistics, in particular nonparametric inference, as well as in economics, including activity analysis, agricultural economics, and the theory of social welfare functions.

Over the last 15 years of his academic career, Cliff's interests focused on trying to understand the behavior of economic agents under uncertainty. Reflecting his upbringing in rural Kansas he applied that interest to trying to understand the behavior of farmers.

Following his retirement in 1988, Cliff and Mary Lou moved to Eugene, Oregon to be nearer to their children and where they were able to purchase and enjoy their own woodland.
Cliff's writings and correspondence have been deposited in the William R. Perkins Library at Duke University.

A number of people have asked about memorial gifts in honor of Cliff. The family has asked that memorial gifts be directed to either the Chamber Music Series at the University of Oregon or to the Clifford Hildreth Memorial Book Fund in the Economics Research Library.

Gifts to the Chamber Music Series should be sent to
University of Oregon Foundation
Chamber Music Series
School of Music
University of Oregon
Eugene, Oregon 97403

Gifts to the Hildreth Book Fund should be sent to
Department of Economics
University of Minnesota
1035 Management and Economics
Minneapolis, Minnesota 55455

Let us hear from you. We can be reached at any of the following:

Mail: Department of Economics
       University of Minnesota
       1035 Management and Economics
       271 19th Ave S.
       Minneapolis, Minnesota 55455

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