THOMAS J. SARGENT GRADUATE FELLOWSHIP

Time waits for no man including Tom Sargent who turned 50 this summer. To recognize Tom, a group of Tom’s students at Minnesota worked together to establish the Thomas J. Sargent Graduate Fellowship. Initially John Geweke, Mike Salemi, and Chuck Whiteman approached those who had worked directly with Tom at Minnesota. They see the Sargent Fellowship at Minnesota as an especially appropriate way to recognize Tom. In their words, “Tom’s work, the development of modern macro-economics, and the graduate program at Minnesota were inextricably bound together during the period Tom was at Minnesota.”

They solicited three year pledges and have raised close to $40,000 in pledges to date. Chuck was able to announce the establishment of the Fellowship at a surprise birthday party for Tom this summer. Tom said “I can’t think of a nicer present to me.” He has even made his own contribution, as has his father-in-law.

If you would like to join with others in supporting the Sargent Fellowship, send a check (payable to the University of Minnesota Foundation) or pledge payable over three years to

Jan Thompson, Graduate Secretary
Department of Economics
University of Minnesota
1035 Management and Economics
271 19th Ave S.
Minneapolis, MN 55455

Check your book store or library for Tom’s latest books: Rational Expectations and Inflation, 2nd edition, was published by Harper-Collins this year. Bounded Rationality in Macroeconomics will be published shortly by Oxford University Press.

NEW FACULTY

Yuichi Kitamura

Yuichi Kitamura joined the department in September as Assistant Professor. Kitamura did his undergraduate work at the University of Tokyo and his graduate work at Yale. Early this fall he completed his dissertation, “Statistical Estimation and Inference for Possibly Nonstationary Time Series,” under the direction of Peter Phillips and received his Ph.D. in November. One essay in Kitamura’s thesis considers estimation questions for time series that are I(2), that is, have second differences that are stationary. Another develops a general theory of instrumental variables estimation for possibly nonstationary time series. Kitamura is interested in applying these and other techniques to study the nature of financial markets.

RECENT FACULTY HONORS

Leo Hurwicz
Honorary Doctor of Economics,
Keio University
Honorary Doctor of Laws,
University of Chicago

Neil Wallace
Scholar of the College,
College of Liberal Arts

Leo Hurwicz reports that receiving the degree from Chicago was a homecoming in several senses. As part of the ceremonies surrounding the receipt of the degree, he was asked to give a seminar. The seminar was in a room that had held a set of cubbyhole offices, including one Leo occupied when he was at Chicago before coming to Minnesota. Leo was also honored by being named Honorary Editor of the newly established journal, Economic Design.
Neil Wallace was named to a three year term as Scholar of the College by Julia Davis, Dean of the College of Liberal Arts. The award is the highest the College offers its own faculty and carries a small research stipend.

Graduate Faculty Roster 1993-94

Beth Allen (Berkeley, 1978)
Sumru Altug (Carnegie-Mellon, 1985)
John Chipman (Johns Hopkins, 1951)
Roger Feldman (Rochester, 1976)
Edward Foster (MIT, 1961)
John Geweke (Minnesota, 1975)
Edward Green (Carnegie-Mellon, 1977)
Leonid Hurwicz (Warsaw, 1938)
Hide Ichimura (MIT, 1987)
James Jordan (Northwestern, 1975)
John Kareken (MIT, 1956)
Michael Keane (Brown, 1989)
Patrick Kehoe (Harvard, 1986)
Timothy Kehoe (Yale, 1979)
Yuichi Kitamura (Yale, 1993)
Nobuhiro Kiyotaki (Harvard, 1985)
Stephen Leroy (Penn, 1971)
Andrew McLennan (Princeton, 1982)
Antonio Merlo (NYU, 1992)
Herbert Mohring (MIT, 1959)
Marcel Richter (MIT, 1959)
Richard Rogerson (Minnesota, 1984)
Vernon Ruttan (Chicago, 1952)
G. Edward Schuh (Chicago, 1961)
Craig Swan (Yale, 1970)
T. Scott Thompson (Wisconsin, 1989)
Neil Wallace (Chicago, 1965)
Jan Werner (Bonn, 1985)

Notes from the Chair
Craig Swan

This past year alumni contributions helped to support travel to professional meetings for about half a dozen graduate students who presented papers, to purchase an additional computer for the graduate student computer lab, and to finance the acquisition of EconLit for the Economics Research Library. None of these things would have been possible without your support. Our ability to continue with these and other forms of support for current students are dependent upon your continued financial help. I speak for all the students, staff, and faculty when I say thank you for your support. Please keep it up! It is appreciated very much.

Wendy Williamson and I also want to thank all of you who thanked us for the alumni directory last spring. We apologize to those for whom something, the spelling of your name, the year of graduation, and/or your address, was in error. We especially want to apologize for the omission of Eva Ventura's graduation year, 1989. Please continue to keep us informed of your address when you move. We have talked about adding e-mail addresses to the directory. Say hello to Wendy or me by e-mail and we will include your e-mail address the next time we update the directory. Our e-mail addresses are:

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

REVIEW OF GRADUATE PROGRAM

The department is currently reviewing the entire economics graduate program, with the goal of increasing program quality without increasing the time to graduate. In fact it would be nice if we could reduce the time to completion while improving quality. Several questions are being taken up as part of the review. These include the possibility of including more writing earlier in the program, the link between advanced topics courses and thesis work, student/advisor relationships, the sequencing of topics in the first-year theory courses, treatment of econometrics, and written prelim requirements. The faculty committee charged with this review would greatly appreciate the comments and suggestions of alumni on these matters. These can be addressed, in confidence if requested, to John Geweke who is chairing the committee. He says that it would be most useful if letters were received by the end of December. John can be reached by US mail through the department or by e-mail at geweke@atlas.socsci.umn.edu.
Boston Reception

The department will be in Boston, MA for the AEA convention. Please join us at the Minnesota cocktail party. Look for our listing in the ASSA program.

RECENT BOOKS BY ALUMNI

Masahiko Aoki (‘67)

Len Burman (‘85)
*Capital Gains Taxes in the Short Run* (Congressional Budget Office, 1991).

Bruce Champ (‘90) and Scott Freeman (‘83)

Armeane M. Choksi (‘78)

Mohamed El-Hodiri (‘66)

John Geweke (‘75)


*New Directions in Time Series Analysis,* (edited with D. Brillinger, P. Caines, E. Parzen, M. Rosenblatt and M.S. Taqqu, Springer-Verlag, 1993). (2 volumes)

Thomas F. Hady (‘61)

Allan M. Maslove (‘72)

Daniel McFadden (‘62)

Ronald McKinnon (‘61)

Alfred L. Norman (‘71)

Ibrahim M. Oweis (‘70)
*The Political Economy of Contemporary Egypt* (Center for Contemporary Arab Studies, Georgetown University, 1990).

Jack Rodgers (‘77)
*Selected Options for Expanding Health Insurance Coverage* (Congressional Budget Office, 1991).

Robert M. Townsend (‘75)

John Underwood (‘76)

William D. Watson (‘70)

Let us know when your next book or monograph is published.
ALUMNI NOTES

Thomas Hady ('61) retired after 31 years with Economic Research Service of the USDA. He reports that after initially working on problems of state and local finance following his dissertation work with Oz Brownlee and Walter Heller, he changed careers several times within USDA, "but the good, solid training in economics I received at Minnesota meant I always had the tools to understand the new problems."

Liang-Shing Fan ('65) received the Oliver P. Pennock University Distinguished Service Award from Colorado State University this fall.

Hideo Kanemitsu ('65) is Dean, Faculty of Economics, Sophia University, Tokyo.

Terry Monson ('72) writes that he has been serving as interim Dean of the School of Business and Engineering Administration at Michigan Technological University. He spent 1990-92 with the US Treasury assigned to Saudi Arabia's Ministry of Finance and National Economy.

Leigh Tesfatsion ('75) served as co-editor of the June 1993 CSWEP newsletter. She is a member of the CSWEP Board.

Jose Aizpurua ('85) has been visiting the department since July. He returns to Spain in December. Albert Marcet ('87) will be visiting in Minneapolis for the winter and spring.

Cristina Mazon ('85) is visiting at UC- San Diego.

Gary Hansen ('86) is organizing the summer 1994 meeting of the Society for Economic Dynamics and Control. The meetings will be held at UCLA, June 30 - July 2, 1994.

Beth Ingram's ('86) column on "Combining Childbearing with a Career" in the June 1993 issue of the CSWEP newsletter is a "must read" for men and women.

Elyon Lima ('86) is serving as Undersecretary of the Treasury for Brazil, working in Brasilia and spending his weekends in Rio.

Rodi Manuelli ('86) moved from the Business School at Stanford to the Department of Economics at Wisconsin this September.

Javier Valles ('90) is has accepted a position with the Comision Nacional del Mercado de Valores in Madrid.

Emily Cremers ('91) and Jeong Wen Chiang ('88) wrote from St. Louis requesting help finding working papers but also reporting news of their son, Lucas, now one year old.

Charlie Swanson ('91) has moved from the University of Texas, Austin, to Temple University in Philadelphia.

Per Krusell ('92) has moved from Northwestern to the University of Pennsylvania.

FACULTY ALUMNI

Andreas Papandreou, a member of the department from 1947 to 1955 was elected Prime Minister of Greece this fall.

Hugo Sonnenschein, a member of the department from 1965 to 1970, was inaugurated as President of the University of Chicago this fall.

Peter Gregory, a member of the department from 1958 to 1973, retired from the University of New Mexico in June 1993.

Anne Krueger, a member of the department from 1959 to 1986, accepted a position at Stanford University this fall.

E. Scott Maynes, a member of the department from 1957 to 1974, retired from Cornell last fall.

GENERAL EQUILIBRIUM and MINNESOTA

CORE, the Center for Operations Research and Econometrics at the Catholic University of Louvain, Belgium, hosted a major international conference on the 40th anniversary of general equilibrium theory in Economics in June 1993. Professors Beth Allen, Tim Kehoe,
and Ed Prescott were invited to participate as panelists. Joining them as program participants were Andreu Mas-Colell (’72) and Robert Townsend (’75).

ECONOMICS AT MINNESOTA: Early History

Economics was an established part of the curriculum at Minnesota from the first days of the University. William W. Folwell, the first president of the University, was also the instructor in Economics as well as University Librarian. The course description for Folwell’s course read:

Political Economy and National Economy are taught to the Seniors... chiefly by conversational lectures. The aim of the instructor is to present clearly and fairly the history of the science and to thoroughly inculcate established principles. On disputed topics the conflicting views are brought out with all possible impartiality.

Economics was required of all students in the College of Science, Literature and the Arts. It was an elective course for students in other colleges.

The first Ph.D. in Economics at Minnesota was granted in 1899 to Hannah Robie Sewall, the second to Elias Racine in 1901 and the third to Gustavus Brohough in 1909. The next Ph.D. was not granted until 1924, after the School of Business had been created by combining the faculties in Economics and Business Education. Until 1952 when a separate Ph.D. in Business Administration was established, all Ph.D.’s granted by the School of Business faculty were in Economics.

Dr. Sewall’s dissertation was entitled “Theory and Value Before Adam Smith.” It was published in the Papers and Proceedings of the American Economic Review, Vol. II, No. 3, 1901. After completing her Ph.D. at Minnesota, Sewall worked for the Department of Labor and the Children’s Aid Society, Boston.

ECONOMICS AT MINNESOTA: What have we kept in the closet?

Wendy Williamson has been cleaning out the ninth floor storage closet when she can get into it. While trained as a librarian, Wendy’s service on this job is more that of an archaeologist. Have dug through some of the surface layers of material, Wendy reports having discovered

- 3 Dictaphone machines
- The group picture from the 1962 farewell dinner for Martin Bronfenbrenner.
- 1953 course notes of Leo Hurwicz.
- The negatives from the “Great Economists Portrait Project” that used to grace the walls of the halls.
- A notice of GEC dues from 1964: $2.
- Frank Boddy’s T-square
- 82 boxes of punch cards from the Upper Midwest Economic Study
- a 1966 telegram to Walter Heller from Prime Minister Harold Wilson.

Ian Bain
July 8, 1954 - September 26, 1993

Ian Bain was born and raised in England. He did his undergraduate work at Cambridge and received a MA in Economics from McMaster University in Canada. He came to Minnesota in the fall of 1978, intending to visit for one year but stayed to complete his Ph.D. under Ed Prescott’s supervision.

Ian was a natural and gifted teacher. He drew rave reviews as an instructor in macro principles and was the first recipient of the Heller prize for Instructors in the Principles sequence.

Ian died in Austin, Minnesota, September 26, 1993, after fighting brain tumors for over a decade. He is survived by his wife, Kari, and their three children. Kari’s address is 304 12th Place NW; Austin, Minnesota 55912.

Ian’s outgoing personality and sense of humor brightened our otherwise dull hallways. His friends mourn his passing and extend their deepest sympathy to his wife and children.
ECONOMICS RESEARCH LIBRARY

EconLit The library now has EconLit, the CD-ROM index. This is available for use during library hours. If you need a quick search done by author (e.g., to find where an article was published or whether it has been published yet) Wendy is available for phone consultations. If you want a subject search and anticipate a large number of hits, please call Wendy to discuss the cost of mailing a diskette with the downloaded search. EconLit is updated quarterly but has an indexing lag of about 6 months. It contains entries from the Index to Economic Articles and the Journal of Economic Literature since 1969 as well as recent dissertations, articles in conference proceedings, festschrift, and other edited volumes.

Two new discussion papers have been issued since the last newsletter: #269 "Generic Finiteness of Equilibrium Outcome Distributions for Sender-Receiver Cheap-Talk Games" and #270 "A Revealed-Preference Implication of Weighted Utility Decisions Under Uncertainty." Both are by In-Uck Park, a MN graduate student now at the University of Bristol, England. For copies contact Wendy.

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MINNESOTA DEPARTMENT OF ECONOMICS
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