

MINNESOTA DEPARTMENT OF ECONOMICS
GRADUATE ALUMNI NEWSLETTER
Fall 1992

Chipman Festschrift Conference

A large number of friends, former students and colleagues gathered in Minneapolis on September 25 and 26 to honor Regents' Professor John S. Chipman. The festschrift symposium was organized by Minnesota Ph.D.s Jim Moore (1968), Jim Melvin (1966), and Ray Reizman (1977). Over the two days eleven papers were presented by Ron Jones, Dale Jorgenson, Henry Wan, Kala Krishna and Marie Thursby, Anne Krueger, Lionel MacKenzie, Mukul Majumdar, Daniel McFadden (1962), Yoshihiko Otani (1969), Paul Samuelson, and Christopher Sims. The conference volume, to be edited by Moore, Melvin and Reizman, is scheduled to include a total of 20 papers, including nine by individuals who were unable to come to Minneapolis.

John Somerset Chipman was born in Montreal on June 28, 1926. He attended Selwyn House School in Montreal and Upper Canada College in Toronto. He also attended law school at the University of Chile while his father served as the Canadian ambassador to Chile. He completed undergraduate work with First Class Honours in Economics and Political Science at McGill in 1947 where he studied with Burton Kierstead, Benjamin Higgins, Kenneth Boulding, and Donald Marsh. After earning a MA in economics and political science from McGill University in 1948, Chipman moved to The Johns Hopkins University where he received the Ph.D. degree in 1951 working under Fritz Machlup.

The year 1950-51 was spent as a post-doctoral fellow and guest of the Cowles Foundation at the University of Chicago, where Chipman attended courses in mathematical economics and econometrics given by Tjalling Koopmans, Jacob Marschak, Leo Hurwicz and Cliff Hildreth. Guests and colleagues at the Cowles Foundation that year

included Gerard Debreu, Edmond Malinvaud, Lionel MacKenzie, Harry Markowitz and Martin Beckmann.

From 1951 to 1955 Chipman served as assistant professor of economics at Harvard, spending the spring semester of 1954 at Oxford where he attended weekly seminars organized by Hicks. He joined the faculty at Minnesota in 1955. Since coming to Minnesota in 1955, he has been a visiting professor at Vanderbilt, Duke, the Universidad Católica de Chile, Rochester, Harvard, the Institute for Advanced Studies, Vienna, the Stockholm School of Economics, University of Konstanz and the University of Heidelberg. In 1972-73 he was a Fellow at the Center for Advanced Study in the Behavioral Sciences, Stanford. While at Minnesota, Chipman has been advisor to over 25 Ph.D. students and served on countless other graduate student committees in Economics and Agricultural and Applied Economics.

As if all of the above were not enough, Chipman was one of the original co-editors of the *Journal of International Economics*. He served for 16 years as co-editor or editor. He also served for a number of years as an associate editor of *Econometrica* and as editor of the North-Holland Series in International Economics. Currently he is on the editorial board of the *Journal of International Economic Integration* and the *Journal of Multivariate Analysis*. He is the recipient of numerous awards and honors. He is a Fellow of the Econometric Society, the American Statistical Association, the American Academy of Arts and Sciences, the World Association for International Relations, and the American Association for the Advancement of Science. Chipman was a Guggenheim Fellow in 1980-81, and he received the James Murray Luck Award from the National Academy of Sciences in 1981 for distinguished work in scientific reviews.

New Appointments September 1992

Beth Allen

Beth Allen joined the department in September as the Curtis Carlson Professor of Economics. The Carlson chair was created by a \$1 million gift to the University from Curt Carlson, CEO of Carlson Company. Radisson Hotels and Carlson Travel Agencies are two of the companies that form part of the Carlson Company. Carlson did his undergraduate work at Minnesota and majored in economics.

Allen comes to Minnesota from the University of Pennsylvania where she was the Milton C. Denbo Professor. She did her graduate work at Berkeley where she worked with Gerard Debreu and Andreu Mas-Colell (MN 1972). She is a fellow of the Econometric Society and serves as Associate Editor or member of the Editorial Board of the *Journal of Mathematical Economics*, the *International Economic Review*, and *Econometrica*. Her work on the implications of incomplete information on the nature of economic equilibria have brought her an international reputation.

Antonio Merlo

Antonio Merlo joined the department in September as Assistant Professor. Merlo did his undergraduate work in Italy at Bocconi University, Milan, and completed his Ph.D. at New York University under the direction of Christopher Flinn. His dissertation, "Bargaining over Governments" uses a game theoretic approach to study the impact of the economic environment on the bargaining issues that surround the formation of new governments in a parliamentary system. Using Italian data has given Merlo lots of observations with which to test his general formation. Besides bargaining theory and public finance, Merlo has interests in political economy more generally, applied econometrics and experimental economics.

Jim Simler Retires

A large dinner and roast for Jim Simler was the highlight of the May 1991 social calendar for current and former members of the department. Surprising all his friends and showing that even he could not cajole the laws of nature, Simler turned 70. Simler was attracted by an offer to serve as Chair of the Department of Economics at Macalester College in St. Paul. He served as chair of the Minnesota department for 23 years from 1968 through 1991 and made it a special time for those who were at Minnesota as faculty colleagues, visitors and graduate students with him. Although just across the river in St. Paul, his daily presence is missed.

Simler can be reached at Macalester College, Department of Economics, 1600 Grand Avenue, St. Paul, MN 55105. Telephone: (612) 696 - 6739.

Faculty Roster 1992-93

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)
 Nobuhiro Kiyotaki (Harvard, 1985)
 Stephen Leroy (Penn, 1971)
 Andrew McLennan (Princeton, 1982)
 Ramon Marimon (Northwestern, 1984)
 Antonio Merlo (NYU, 1992)
 Herbert Mohring (MIT, 1959)
 Edward Prescott (Carnegie-Mellon, 1967)
 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)

Anaheim Reception

The department will be in Anaheim, CA for the AEA convention. Individuals are presenting papers and the department will be interviewing assistant professor candidates. Please join us at the Minnesota cocktail party. We will make a special request to insure an adequate supply of beer this year. Look for our listing in the ASSA program.

Notes from the Chair

Craig Swan

It is strange to walk into 1035 Management and Economics and not see Jim Simler sitting in the corner office. It isn't so strange if one arrives at 8:30 or 9:00 am, but you know something is different if Jim isn't in by noon. For many Minnesota students it must also be strange to learn that Jim is no longer chair. As you will read elsewhere, after retiring from Minnesota Jim is now fully employed in St. Paul. Neil Wallace served as chair for the year following Jim's retirement and I began a term as chair this summer.

Minnesota has not escaped the budget difficulties that have been stalking many states. Supply and travel budgets have been especially hard hit along with our flexibility to make visiting appointments. Budget difficulties have also delayed our ability to make appointments in the face of recent retirements and other losses. At the same time, University planning has clearly indicated that rebuilding faculty numbers in economics will be a priority of the University and College of Liberal Arts.

Ed Coen and Harlan Smith retired in recent years although both are still much in evidence around the department. Ed's responsibilities as Director of Undergraduate Studies are ably handled by Simran Sahi, Ph.D. Pittsburgh, 1992. Although here only one year, Simran has already made herself an invaluable member of the department.

Support and Advice

There are several ways in which you can help us.

- By recommending undergraduate students interested in doing graduate work in economics and preparing them for the rigor of the Minnesota program. Minnesota alums have traditionally been our best source for identifying strong applicants. Jim Jordan is Director of Graduate Studies, assisted by Jan Thompson. With help from the Graduate School we now have an attractive brochure as well as mimeographed sheets of information. Call, write, fax or e-mail and we will be happy to provide you with copies. Jan can be reached by e-mail at Jmthomp@atlas.socsci.umn.edu.
- By keeping us current on your addresses (including e-mail) and by helping us with addresses that you might know that we have misplaced. A list of names for which we need help with addresses is included at the end of this newsletter. Again a call, note, fax or e-mail would be much appreciated. Wendy Williamson has been maintaining alumni addresses and can be reached by e-mail at Wendy@atlas.socsci.umn.edu.
- By telling us what you are doing. We hope to make this newsletter at least an annual event. We would like to hear from you so that we can share information through the newsletter.
- By letting us know what parts of the program were especially good and what were not so good.

More Support and Advice

You can also help us financially with a pledge or contribution. The past quarter century has seen a dramatic narrowing of differences in the financial support of public and private universities. Private universities have become ever more dependent upon public monies through research grants and student aid while public universities have seen a decline in direct appropriations. For both public and private schools it is private support that provides the margin of resources that sustains excellence. Fund raising priorities for the Department of Economics are funding for the Walter W. Heller Professorship of Political Economy and support for the graduate program.

Contributions to the Heller Professorship will be matched by the University dollar for dollar. The Professorship, a joint undertaking with Humphrey Institute of Public Affairs, will be used to bring distinguished economists to the Minnesota campus to conduct seminars, work with students and faculty, and give public lectures on critical issues of economic policy and public affairs.

Contributions in support of the graduate program will be used to support activities such as graduate student travel, computing equipment for graduate students and acquisitions for the Economic Research Library.

Contributions should be mailed to the Department of Economics, University of Minnesota, 271 19th Ave S., Minneapolis, MN 55455. Checks should be made payable to the University of Minnesota Foundation with an annotation that it is a contribution to the Department of Economics.

Economics Research Library

The ERC Library continues to be housed in the "temporary" (circa 1965) Science Classroom Building at the end of the Washington Avenue Bridge on the east bank of the campus. We have been able to build an excellent collection of journals, books and working papers. Over 200 papers are added to the collection each month. Wendy Williamson produces a listing of new acquisitions each month. It has become an invaluable resource for graduate students and faculty. Alumni subscriptions are available at a cost of \$10 a year. If you know of a paper we have that you cannot get locally, we can make and send a single copy at cost, 5¢ a page plus \$1.50 handling and postage.

The latest ERC Discussion Paper, #265, is by Timothy J. Kehoe entitled "Assessing the Economic Impact of North American Free Trade." Please contact Wendy if you would like a copy or if you need help in obtaining working papers from other institutions. Wendy maintains a list of names and addresses to help locate papers.

Contact Wendy at

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222 Pleasant Street, SE
Minneapolis, MN 55455

Phone: (612) 625 - 2307
Fax: (612) 624 - 0209
E-mail: wendy@atlas.socsci.umn.edu

Recent Honors

We want to share our pride at honors received recently by members of the faculty.

John Chipman

- Honorary Degree, Doctor Rerum Politicarum Honors Causa, University of Konstanz, 1991
- Elected Fellow, American Association for the Advancement of Science (AAAS), 1991
- Humboldt Research Award for Senior US Scientists, 1992

John Geweke

- Elected Fellow, American Statistical Association, 1990

Leo Hurwicz

- National Medal of Science, presented by President Bush, November 1991
- University of Minnesota, Regents' certificate, 1992

Timothy Kehoe

- Elected Fellow, Econometric Society, 1991

Edward Prescott

- Elected Fellow, American Academy of Arts and Sciences, 1992

James M. Henderson
May 1, 1929 - October 5, 1992

Jim Henderson was born and raised in San Diego. He did his undergraduate work at San Diego State College. He then went to Harvard where he received the M.A. (1954) and Ph.D. (1955) degrees. He received the David A. Wells Prize in 1956 for his work on the American coal industry. This work was published by Harvard University Press as *The Efficiency of the Coal Industry: An Application of Linear Programming* in 1958. He was a Guggenheim Fellow in 1958-59. He came to the University of Minnesota in 1960 where he served initially as Associate Professor and Research Director of the Upper Midwest Economic Study. He resigned from the Minnesota department in June 1986 to accept a position at Duke University following a period of service as consultant to the World Bank. His book, *Microeconomic Theory*, written with Richard Quandt and first published in 1958, played a central role in the graduate training of a generation of economists at Minnesota and universities across the United States and around the world. He died at Duke University Hospital following a 10 month struggle against cancer. His friends mourn his passing and extend their deepest sympathies to his wife, Anne Krueger.

Memorial gifts may be made to the American Cancer Society. Please ask that it be acknowledged to Anne Krueger, 30 Sedge-wood Road, Chapel Hill, NC 27514.

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

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Missing Addresses

If you have a current address for any of the following, please share it with us.

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Zdenek Cernohous '61
Mohammed U. Chapra '61
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Paul Eaton '65
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Ezzat S. El-Alfi '68
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