



UNIVERSITY OF MINNESOTA

Graduate Alumni Newsletter

Spring 2006

A History of the Economics Research Center

by Wendy Williamson

The Center for Economic Research of the Department of Economics was housed in a building called the Economics Research Center, built in 1964 as part of the Science Classroom Building, above Washington Avenue, facing the river, on the East Bank. Economics had space in that building until January of 1999, when we traded it for the 12th floor (former site of the Marketing Department) of the B.A. Tower-Mgmt/Econ Bldg.-Heller Hall. I worked in the library and underground office area for 22 years of the 35 year ERC tenure. I was hired by Herb Mohring as a part-time grad student to run the library, and when Alice Jacobi retired, I worked full-time, running the library and doing secretarial work for Cliff Hildreth, John Turnbull, Tom Sargent, and later, Tim Kehoe.



I thought a little history would be interesting, as the University (once again, but perhaps for SURE this time) has plans to demolish the building. In the 70s and 80s, the SCB was under consideration to be the site of the Hubert Humphrey Institute of Public Affairs as well as dorm housing. Various other ideas floated around over the years, to no avail.

Physically, the place is an eyesore. As some of you may remember, there are big pieces of iron re-bar hanging out of overhead concrete forms in the stairwells, which are structural reinforcements needed to tack on additional floors. The building was designed so goofy that not only did you have to go down the correct stairway to find the door into the ERC, you also had to go down the correct

flight (as the stairs split on every level). There must have been many undergrads who gave up in frustration, never finding their instructors hidden away. (Although, technically, one wasn't supposed to hold office hours down there.)

The library occupied space on the upper floor (hidden down a long hallway), with a vending-study room called "The Boardwalk" taking over the other half. Both this room and the library faced west to the Mississippi River, and beneath them were four large classrooms on two levels. The view of downtown Minneapolis over the river was pretty spectacular, especially during winter sunsets. The bike lanes were on the west side of the building, but most people walked

on the wooden walkway on the east side and never saw the library. Disability access was a challenge: one could come in from the street level (on Pleasant Street) to get into room 175, and the elevator from the bridge level got one into 125 and 325, but not 375 unless you trespassed into the demonstration room (usually locked). It was a challenge to EXPLAIN to anyone lost in that place exactly how to get somewhere.

All four classrooms were remodeled over the years and equipped with large speakers (more than once). Almost invariably, after a few months, the speakers would disappear, since the rooms were unlocked 16 hours a day. In 1990 a legislative appropriation paid for new lighting and air-conditioning of the classrooms, but not for the

Continued next page.....

library or the ERC offices. I am quoted in an August 1989 *Minnesota Daily* article saying: "It gets pretty hot in the library...people are planning on leaving the classroom doors open to let the air conditioning cool the entire building." This was followed by an admonishment from a University architect who said that would defeat the whole purpose and the cold air would just escape up the stairwells. When it got really steamy, I used to go down into the empty classrooms to get a blast of cold air. A few times we tried some fans in a propped-open classroom door funneled over to the open ERC door. Didn't work too well. The architect was right.

I was the only full-time person working in the building, and so got the brunt of the "Where's room X? How do I get there?" questions. But I also got to know scads of workers over the years – all the repair folks (the elevator was always on the fritz); the painters (3 would show up and 2 would watch one paint); heating-ventilation guys, plumbers, and carpenters. On more than one occasion, they did work "off the grid" for me, and my pestering for a new interior ERC paint job was eventually successful. The workmen would often come in to use my phone (pre pager and cell-phone days). Before the big Facilities Management shake-up, they would call the dispatcher to be ferried back to "The Shop." {The Shops Building was a fascinating place with a semi-open caged elevator (you could see floors go by), which you had to ride up 4 floors to get to the Key Shop, only accessed by passing through the Metal Shop which was full of sheet and scrap metal used to repair things the University could no longer get parts for.}

The House that John Built

John Buttrick remembers: "There may be documentation somewhere but I don't have any. The NSF fellow (name forgotten) liked the idea (proposed research separate physically from teaching which should increase output, coupled with data on the department's importance and productivity, etc.) and the University promised in writing that office space for the department would continue so that the Center would really be "an extra." A library came by promising colleagues that, if they put books there, they could always claim them and, in the meantime, they would receive good care. Later a dean, VP, or someone said, roughly, "But I didn't think you were serious." (I was).

Ed Foster adds: "Buttrick was very clever in that he got the University to give matching funds to the grant from the NSF, and he looked around for a building going up. The ERC was cobbled onto the Science Classroom Building that was being constructed at the time and so they were able to share a common wall and utilities."

Clipping from the *Minneapolis Argus*, July 11, 1963, **U. of M. to Build \$235,000 Economic Research Center**: "A center for economic research is scheduled for construction...next year under a \$104,200 grant from the National Science Foundation supplemented by University Funds." Later in the article it said that the Science Classroom Building was already under construction, cost \$1,260,000, and was due to be "completed" in June of 1964. The January 20, 2006 *Minnesota Daily* article on the building begins: "It was never even finished. But 44 years after construction crews broke ground on the \$1.3 million structure, the Science Classroom Building and its baffling stairwells might soon be demolished." The University is currently asking the state legislature for \$41.3 million to replace it. The article also mentions that current University President, Bob Bruininks, calls it the ugliest building on campus.

The Department Record

October 10, 1962 memo from Anne Krueger under Notices: "Our department will shortly apply to NSF for (a) a grant for the construction of space for Economic research and (b) a grant to purchase the IBM 1620 computer and some auxiliary equipment."

March 12, 1963 memo from John Buttrick: "Our National Science Foundation application for a Center for Economic Research has been successful. In fall of 1964 we should, therefore, have a small building located near the east bridgehead which will have office space for about 25 faculty members and graduate students at a time, plus some seminar rooms and space for a library."

February 28, 1964, Minutes of the Department Meeting: "The NSF Building—our research center across the river—has hit some snags. At the last minute, due in part to a change in personnel at NSF and in part to changes made in the plans since the original submission, NSF has not granted final approval for the project. The picture is uncertain, but at this stage modified plans, providing more useful units, must be submitted. (A meeting on this problem is to be held with Vice President Shepherd on Monday March 16. Professors Mohring and Turnbull will represent the Department.)"

April 8, 1965 memo from Oz Brownlee to Senior Staff: "The committee for allocating space in the Economic Research Facility consists of Professors Brownlee and Hildreth from the Economics Department and Professors Darley and Borchert representing the Graduate School.

Continued next page.....

There are twelve one-man offices plus space for from 12-16 graduate students available in the facility. The allocation principle is to be such that persons holding research fellowships or receiving significant research grants be given priority and that the remaining space be allocated among the faculty desiring such space in a way such that every person engaged in research and wishing to use the faculty may do so at some time. Allocations will be reviewed annually, and we hope to rotate occupancy so that not every occupant need move each year. In order to facilitate allocation of the space for 1965-66 and 1966-67, would you kindly complete the attached questionnaire and return it to Mary Bennett.” The questionnaire asked how research was to be supported, the project duration, number of students working with you, and a willingness to share space in the B.A. Tower.

June 1, 1965 Memo to Senior Staff from Space Allocation Committee for Economics Research Center (Brownlee, Hildreth, Darley and Borchert): “We have received from the department, no more requests for space for next year than there are offices to allocate and hence propose that the following be assigned offices for next year: O. Brownlee, J. Buttrick, J. Chipman, J. Hause (fall & winter qtrs.), C. Hildreth, L. Hurwicz, F. Jarrett (winter & spring qtrs.), J. Kareken, M. Kemp (fall qtr.), S. Maynes (spring qtr.), H. Mohring, G. Perry, M. Richter, J. Schmookler. Both Buttrick and Brownlee will be on leave fall quarter and persons who failed to ask for space but who now wish it certainly will be considered for fall for both of these offices and perhaps for the entire year. The following students also will be given offices: M. Aoki, H. Boyd, R. Ramanathan, D. Ramsey, K. Rao. In addition there have been requests for five other research assistants yet to be selected for Brownlee, Hildreth, Perry and Schmookler. There will be space for from two to six additional research assistants, and if you have a request, please inform Mrs. Bennett.”

Soon the space police were inquiring...

July 30, 1965 memo to Senior Staff from Oz Brownlee: “I would like to have the department meet with Vern Ausen of Room Scheduling to discuss space allocation problems,



and particularly to give him some needed information with respect to our space requirements for both the immediate and long-run future. We will meet in Room 933 next Friday, August 6, at 12:00 (bring your lunch). The most important issue is the provision of office space in the Business Administration Tower for people who will have offices in the research facility. The terms of the National Science Foundation grant specify that our available space is not to be affected by the availability of research space. The need for office space for the University as a whole is so pressing that the interpretation of this specification should be reviewed.”

Space: the Final Frontier

Someone once said that the University of Minnesota is a collection of 200 fiefdoms with a central heating system. Nothing is more sacred here than space. Imagine, if you will, a group of actuarial number-crunchers with slide rules ferreted away in a basement corner of Mor-

rill Hall, computing the exact square footage allowable per person. That was always my vision when “Space Management” came to call. In 1992 we were still reiterating the mantra that the ERC space “was not to be substituted for regular space allotted to the department by the University.” {February 27, 1992 memo from then-chair Neil Wallace to Facilities Management. }

The space enforcers would come by about every 2 years. It helped to schedule their arrival during morning hours when the excuse for the place being empty was the early time. The piles of long-sitting papers, books, and journals were a good cover. Because from the mid-80s onward, the place was no longer used much as most research space was provided by the Federal Reserve Bank of Minneapolis. And, the department was not admitting as many students as in earlier years. Occupants in the 90s included a few visitors, longer term Econ grad students, some first-year students without support, my niece, studying for her PhD. in Biology, a Finance grad student, and two doctoral students in Ag. Econ, formerly in Economics. A few of us did jigsaw puzzles at lunch.

In 1997 when then-new University President Mark Yudof

Continued next page.....

arrived, he started a program called “Beautiful U.” Buildings were painted and flowers were planted. Tons of stuff was thrown out of old storerooms (there was a display in Morrill Hall of some of the zanier things found during this purge). When I met Mr. Yudof at an inaugural event I thanked him for having the exterior of the ERC/Science Classroom Building painted, saying that I’d been here 20 years and it was the first time it was done. Always the charmer, he replied, “That’s the best thing I’ve heard all day.”

Despite its being such an ugly building, I have a real fondness for the place and all the people that I got to know there. There was camaraderie among the ERC residents, as they were seen somewhat as outcasts (if only physically) from the department, although they had private offices in near solitude (sometimes too much). And the notable things that happened there: The filming of the 1979 movie, *Foolin’ Around* with Gary Busey. The Boardwalk was used as the lunchroom for the movie crew. Never saw any of the movie stars, however. The occupation of the place by “Professor Walk” – some nutcase who spent 8 months living at the loading dock in his trailer, walking 15 minutes of every hour, every day. He was abu-



sive to me, students, and the facilities crew. Then he got arrested for licking a woman’s ear (!) on the bridge, which finally exhausted any goodwill he had, and he thankfully drove away for good (after sucking up loads of electricity). The once-a-year stink-a-thon, where the entire building

would smell like sewer gas and we all had to evacuate. Neither Minnegasco nor numerous University experts could ever figure that one out. The time the radiator burst in a 3rd floor ERC office, flooded the hallway, and flowed though to the second floor. It took the

plumber a half-hour to get there and shut off the system. Looking back, I spent a lot of time dealing with building issues but it made my job a lot more fun and enabled me to meet a lot of University employees. There was always something weird happening in that place!

Well, I have more stories but they are too racy or embarrassing to tell, and the names would have to be changed to protect the innocent. If you have some ERC stories to share, please send them along and they will go into the next newsletter!

Remembrance of Things Past: The ERC in the 60s

by Lola Fredrickson

I joined the Department of Economics in 1963 as a part-time “secretarial” helper to Herbert Mohring and continued employment for the Department until 1970. During my time there, I did all variety of tasks including the general administrative stuff for “Buttrick Hall” as the ERC was informally called back then.

This was a socially and politically RICH time. My life centered around my work in Economics, the faculty there, and coursework to complete my undergraduate degree—yes, it took me a long time, but I had lots of people to care for during the Sixties. The people who most commonly inhabited the halls of ERC were:

- Herbert Mohring (working with John Buttrick and Ed Foster on an AID project in Bogotá, Colombia—hence a variety of graduate students from Colombia)
- George Perry (famous, in my mind at least, for his “interesting” fashion statement—Bermuda shorts and sports jackets); he left for the Brookings Institution in Washington. George also collaborated with the most famous Economics’ faculty member at that time—Walter Heller.
- Leonid Hurwicz, Regents professor. When I was only seventeen years old, Professor Hurwicz took me aside in his office and told me, “if you ever want to know anything, read a book.” That bit of advice

Continued next page.....

seems very simple but has stuck with me for years.

- E. Scott Maynes—jokingly we referred to the Maynes law which, as I recall, was something like, “you can never locate errors when proofreading your own work.”
- Carlos Diaz-Alejandro who left for Yale and is now deceased.
- Others who were there less frequently were Ed Coen, Cliff Hildreth, John Chipman, and Ket Richter.

No smoke free buildings back then! I would order cases of Balkan Sobranie pipe tobacco to be shipped from England and puffed on by Professors Mohring and Perry.* The scent was enchanting and our building was permeated with the smoke and scent. We even stocked the office with house plants that could withstand a high level of smoke.

When I first moved into the building, it was pretty quiet and sparsely populated. We had one old aluminum percolator in which I prepared coffee which was pretty strong by the end of the day. We cranked out manuscript after manuscript (those of us who were “secretaries”) on IBM typewriters with interchangeable metal keys with Greek letters and mathematical symbols on them {the trade name for these was “Typits”}. It would take nearly an hour to create a single, typed-page of text. Books were written and PhD theses were produced. I typed and edited numerous documents for our international students.

Because this was a new building in the mid-sixties, it wasn’t used to full capacity for awhile. It remained a getaway spot where people could concentrate on their research and be relatively uninterrupted. I was probably the most regular person in attendance.

An especially important message to graduate students: I remember many students from those years, but especially one of our international students who struggled with his dissertation and a full work load. He had a family back home to support. Sometimes we wondered whether he would make it through to his doctorate. Eventually he did. This was a lesson that stuck with me for life—perseverance is 90% of most accomplishments. For those of you working hard now, hang in there. You can do it! He did.

{Lola Frederickson added in an e-mail: “I never thought I would finish college when I started but I completed a bachelor’s degree, the equivalent of a second bachelor’s degree (in the sciences), a master’s degree, and an executive-level MBA--all from the University. For the past twenty years I have run my own technical communications and training business--the second largest in the US (www.fredcomm.com).}

*for more on this topic, see “The Tobacco Trials of N.J. Simler,” this publication, Spring-Summer, 1998 at <http://www.econ.umn.edu/contacts/galumnews/sp98newsletter.pdf>. Balkan Sobranie is no longer being produced. There are many rhapsodic memories about it at <http://www.tobaccoreviews.com>.

Alumni News

Marcus Alexis ('59) retired from Northwestern in September and is now Board of Trustees Professor of Economics Emeritus and Professor of Economics Emeritus. In November he gave the paper, “The Atlantic Slave Trade and Western Economic Development” as the George C. Simmons Lecturer in Trinidad, West Indies.

Daniel McFadden ('62) has ended his term as 2005 President of the American Economic Association. He was the subject of an article in the U of M alumni magazine, *Minnesota*, last fall, found at <http://www.alumni.umn.edu/2Sep20053.html>.

Bill Dewald ('63) sent an excerpt from his first ever holiday letter (2005): “After earlier retirements from Ohio State and the State Department, I retired in 1999 at age 70 as Director of Research at the Federal Reserve Bank of St. Louis and have been pursuing interests here and there ever since. I left New Year’s Day for Frankfurt to resume a visit at the European Central Bank, delving into monthly data beginning in the

1960s for Germany, France, and Italy. Inflation in each country was closely linked to a bond-market measure of inflation expectations and five-year average broad monetary growth but only Germany kept inflation low in the 1970s by keeping monetary growth low, policies comparable to what the ECB has followed since its inception in the late 1990s.

I got back to Columbus at the end of February after the State Department recruited me to return to Iraq as an Adviser to the Central Bank. I was deployed in March. In late 2003 and early 2004, I had a similar assignment in Baghdad under the Coalition Provisional Authority. My work was to help Iraqis collect and interpret inflation and monetary data. I promised to stay at least six months and did. The experience was frustrating because it was so hard to get to the Central Bank very often or for very long because Security Officers decided the mission was too dangerous for the soldiers and private security details that

Continued next page.....

took me there. My argument that the work merited taking some risk was ignored. I left in September but have stayed in touch in conference calls with participants from Baghdad and Washington.”

Yeong-Her (Tony) Yeh ('65) retired from the University of Hawaii-Manoa after nearly 30 years of service.

Arild Saether (here from 1966-68) sent an update recently: “I remember with great joy and satisfaction the time I studied in the Department. Ed Foster’s Public Finance I enjoyed very much. We still keep in contact with my classmates. Jerry Allen we visited in Seattle this summer, Paul Manchester and Suan Ying Tillmann (her husband John unfortunately passed away four years ago) we visited two years ago. They will hopefully come to Europe and include Norway in the summer of 2006. We also have regular contact with Charles Rambeck.

In retrospect I should have stayed in the Department for a Ph.D but at the time I could not foresee an academic career in Norway. However, I think I have done reasonable well without a Ph.D. We, that is, my wife Ellen and I, have had interesting periods abroad after our stay in Minneapolis. Half a year at the University of Reading, England (1971), one year at Cornell (74-75), one year at the University of California-Riverside (83-84), one year at the University of Kiel (91-92), two and a half years as professor at the European Institute of Public Administration in Maastricht, The Netherlands (95-97), and finally three years as professor and director of EuroFaculty Tartu-Riga-Vilnius (98-01).

The last three years I have also administered a Scholarship Research program for six PhD students at the University of Latvia. All interesting challenges and all due to the training I got at Minnesota. My research the last years has mostly been in European Economic Integration and the History of Economic Thought. I have attended quite a few of the History of Economics Society meetings over the years.

Three years ago we visited Minneapolis for a few days. We had a nice dinner with professor John Chipman and his wife and a lunch with professor Hurwicz. We enjoyed it very much.”

Masahiko Aoki ('67) was voted President-Elect of the International Economic Association at the World Council meeting in Morocco last August. He will become President in 2008 for a three year term.

James D. Likens ('69) sent an update to say that he: is

the Morris B. and Gladys S. Professor of Economics at Pomona College. For a number of years he has focused his professional work on the consumer financial services sector with special emphasis on credit unions. Recently he has done empirical work to measure economies of scale and scope in credit unions as well as modeling macro variables that drive credit union financial performance. In February 2005 he was presented the Herb Wegner Memorial Lifetime Achievement Award for his work with credit unions. This is the highest national award in the credit union movement. He can be reached at (909) 621-8998 and jlikens@pomona.edu.

Andreu Mas-Colell ('72) was awarded the title of Professor Honoris Causa by HEC (Ecole des Hautes Etudes Commerciales) of the University of Lausanne in Switzerland. The awards ceremony was held in November 2005 during a 2 day conference there.

John Roberts ('72) was elected a Fellow of the American Academy of Arts and Sciences in the spring of 2005.

Gary Skoog ('76) was elected to the Board of Directors of the National Association of Forensic Economists as President-Elect. Ed Foster is the current Mid-West Vice President. The website with information on the organization is at <http://www.nafe.net/>.

Eugenia Muchnik de Rubinstein ('77) sent a note to Ed Foster in December: “Dear Ed: This is your “old” student, Eugenia Muchnik (de Rubinstein) from Chile, sending you and the rest of the staff at the Econ Dept. my warm regards. I imagine that in this moment, it is not very warm up in Minnesota! By chance, as a side note, let me tell you with pride that yesterday I was given a prize as one of the 100 women in Chile that were chosen as Women Leaders in the country, leaders that are elected by industry and by the general public as well. This award was given by the section “Economia y Negocios” from the main newspaper “El Mercurio”. Last Sunday they published the list and picture of each one of us. In my case, I mentioned my degrees obtained at the University of Minnesota. So it is a very happy coincidence that I got your e-mail.” {Notifying alums of the *MN Econ Magazine*}.

Alfonso Martinez ('81) writes from Argentina: “I hope that your life goes by busy as usual. On my side no complaints considering the restrictions of the country that are not few. The present government is even worse than the previous while one half of the population is under the poverty line. Marita, my wife, fine, Alfonso (19) in his second year of economics, Ana María (18) beginning law,

Continued next page.....

and the rest: Estefanía (16), Aranzazu (12) and Micaela (7) at school. I usually hear about **George McCandless ('81)** through my TA at the U who works at the Central bank where George works, but for no reason we don't see each other frequently. I still teach at the Catholic U at the undergraduate level. I hope this coming year I will be able to stop by at MN, it has been 12 years since I last visited."

Mike Stutzer ('81) was in Israel in late 2004. "I attended a seminar given by **Todd Kaplan ('96)** at the University of Haifa with Haifa professors **Benny Bental ('79)** and **Dan Peled ('80)** in attendance. To honor the presence of four alumnae in this faraway seminar room, I used the authority vested in me by Chabad Lubavitch of Boulder to proclaim Yom HaMinnesota (Minnesota Day) in Israel, and presented Todd with a commemorative University of Minnesota skullcap bearing the block M and gopher mascot."

Jose Machinea ('83), a former Minister of the Economy in Argentina (1999-2001), was appointed the Executive Secretary for the U.N.'s Economic Commission for Latin America and the Caribbean (ECLAC) in the fall of 2003. He also served as president of Argentina's Central Bank for five years in the 80s. This January Jose attended the inauguration of Bolivia's new president, Juan Evo Morales, in La Paz.

Len Burman ('85) and his son Paul spent 7 weeks last summer biking 3700 miles across the U.S. raising money for rural health care in Haiti for Partners in Health. From a message to Craig Swan: "Paul and I rode every mile that we promised and then some (due to detours, scenic sidetrips, and some issues with following a cue sheet.) A little surprisingly, I ended the trip in better shape than when I started. I wasn't only a stronger cyclist, but all the aches and pains associated with being a moderately active 51 year old guy went away by the last week. I cycled from Niagara to New Hampshire without popping any pain killers. I had lots of energy and felt great. It was pretty amazing. As most of you know, Paul and I kept an almost daily diary, which is available at <http://www.ride4haiti.blogspot.com>. There are also lots of pictures available at our website, <http://www.ride4haiti.org>." Len added in a later e-mail, "It was one of the most rewarding experiences of my life, in part because I got tangible confirmation that my friends and colleagues are incredibly generous people."

Beth Fisher Ingram ('86) wrote recently, "I'm going to take over as Associate Dean for Undergraduate Programs at the University of Iowa's Tippie College of Business

this spring. It's a good time to make the change, since my youngest daughter just started high school and my oldest daughter is off to college."

Joseph Lin ('86), who I caught up with last year, has an interesting story to tell: "I am in the UK right now, and have no job at present, and won't be having one for the near future. I can tell you briefly my story since I left Minnesota. I taught several years each at LSU, Tulane, and UC-Riverside, and published my little AER piece and some others. Then I left in 1992 and went back to Hong Kong and taught at the U of Science and Technology (HKUST), and later took up the associate deanship of the business school and directorship of its undergrad program. In 1996 I left academia and assumed the chief editorship of the *Hong Kong Economic Journal*, a newspaper devoted exclusively to business reporting, politics and the arts. I was in that position and also writing the daily editorials, during the eventful two years of 1996 - 98, the period just leading up to and after the Handover of Sovereignty (1997) of Hong Kong back to China by the British. Then in 1998 I joined the Government and became a Member Adviser of its Central Policy Unit, the top-level government think tank serving the governor (that we call Chief Executive of the HK Special Administrative Region). I served in that position for six years, often disagreeing with the major political and economic policies of the leadership. Then in 2003 I participated in the 700,000-strong pro-democracy demonstration in Hong Kong and was interviewed by the press on the spot (HK has, by the way, only very partially democratized political structure). This made the government very unhappy. In 2004, I participated again in an equally massive demonstration. That proved too much for the government and I was summarily sacked last July 5(2004). Because of the sensitivity in the data that I handled everyday on my job, my contract does not allow me free outside employment for one year after leaving the government. So I am taking the opportunity to do something else. Currently (January 2005) I am in a five-month-long training program in offshore and ocean sailing offered by an academy on the Isle of Wight, off the southern coast of England. I'll return to HK in early March. I plan to write some articles and commentaries on policy and politics, while the press there is still free. All in all I am doing fine, and do a lot of exercise such as sailing, kayaking and jogging. I ran my first complete marathon in 2004, clocking in at 4 hr 7 min - I guess not too bad for a then 52-year-old."

An update from January 2006: "Last fall I published a book, *Rafting Away*, in Chinese, detailing some of my very negative policy-advising experiences in the government

Continued next page.....

and my variances with Beijing's anti-democratic political line in Hong Kong. It is now in its third printing. The title of the book is taken from a saying by Confucius: "If the Dao cannot be realized, take to the sea and raft away!" I am indeed rafting a lot these days - well, kayaking, to be exact. In February, I will be joining a paddling expedition in Stewart Island, the small island south of the South Island of New Zealand, for two weeks. Not planning to work in the near future, I am instead taking a long, long sabbatical. Call that utility, not profit, maximization. I do not have a home address for the time being. So the only way to contact me now is via email (yzlian@yahoo.com). My warm hello to everyone on your contact network."

Tapen Sinha ('86) will be spending the summer of 2006 as a visiting foreign scholar at the Institute of Social and Economic Research at Osaka University at the invitation of **Tatsuyoshi Saijo ('85)**. Tapen is currently organizing a conference on pension reform in the Americas to be held at the Federal Reserve Bank of Atlanta this March jointly with the Fed and the Wharton School. Robert Fogel will be the Keynote Speaker. Tapen runs the International Center for Pension Research at ITAM in Mexico (<http://icpr.itam.mx>).

John Weinberg ('87) is now the Director of Research and a Senior Vice President at the Federal Reserve Bank of Richmond, where he is pleased to say "we have (one of) the highest concentrations of Minnesota grads in the Federal Reserve System. In addition to myself, they are **Yash Mehra ('74)**, **Andreas Hornstein ('91)**, **Diego Restuccia ('98)** and **Borys Grochulski ('05)**.

Ted Herzog (MA '95) writes, "I was offered a job that I couldn't refuse and, much to my own astonishment, came to the decision that it was time to call it quits at Dorsey-Whitney (law firm). I have decided to accept a position with the legal team of our Minneapolis-based client Pentair, where I will be concentrating on mergers and acquisitions and international transactions. In far more important news, Adam's little brother Joel arrived on April 4, 2005. He's the picture of health, and Amy and I couldn't be happier. Much like his brother, Joel had the good fortune to inherit his mother's good looks."

Zhenyu Wang ('95) has moved from the University of Texas-Austin back to New York. He wrote: "Hi Wendy, Great to hear from you! During my past ten dormant years, I have always enjoyed reading your newsletters. Now, you wake me up!

After teaching at Columbia University's business school

for nine years, I accepted a tenure offer from UT-Austin's business school last summer (2004). But this summer, I decided to move to the New York Fed. This is a permanent move but UT is being nice to keep an option for me to go back and hasn't allowed me to resign.

At least in two things I have benefited from my Minnesota connection besides the analytical skills I acquired in graduate school. First, Ed Green and I collaborated successfully in making the Fed improve the way it calculates its imputed cost of capital for priced services.* Second, the Fed's decision to hire me was made by another Minnesota alumni - **Chris Cumming ('83)**, who is the First Vice President of New York Fed. Currently, I am analyzing why and how the options sold by the New York Fed in 1999 helped during the liquidity crisis of Y2K. This is probably the first time in history a central bank sold options. All the best, Zhenyu."

{*From the UT-Austin New Faculty Fall 2004 press release: "In 1999...Wang developed a pricing formula for the interest rate the government charges banks in the Treasury Tax & Loan Investment Program, through which the Treasury invests the Federal tax collected by the U.S. government. And in 2002, based on a paper Wang wrote, the Federal Reserve System changed the regulation that governs the fees the Fed charges banks for using the services and payment system, such as Check Clearing and Fed Wire."}

Elizabeth (Betsy) Caucutt ('97) and her husband, Lance Lochner both received tenure at the University of Western Ontario and are expecting a baby in May.

Ron Gecan ('97) sends an update: "I am still living in Washington DC after leaving MN in 1997 for an assistant professor position at Catholic University. After two years on the faculty, I accepted a position studying electricity markets at the Federal Energy Regulatory Commission (FERC). In 2001 I moved to my current positions at CRA International (formerly Charles River Associates) where I consult to electric utilities primarily on regulatory matters. On the home front, I married in 2003, and my wife, Mara, and I had our first child, Lucas William, in February 2005 (and I thought writing my dissertation was hard....). He keeps us busy, but we are overjoyed to have him around."

Ashvin Ahuja ('01) and his wife Val had a son Nityanand, nicknamed Nand, who was born in August 30, 2004. To escape the 100 degree heat in Thailand, Ashvin traveled with his family to Shanghai in April of 2005.

Continued next page.....

Antoine Martin ('01) moved in April 2005 from the Federal Reserve Bank of Kansas City to the New York Fed where his commute is a little longer (even without a transit strike).

Michele Tertilt ('03) was the winner of the 2004 Graduate School's Best Dissertation Award in the area of Social & Behavioral Sciences & Education. Her thesis "Essays on Social Institutions" was done under adviser Larry Jones. Tertilt was profiled in the Graduate School's Summer 2005 issue of [Discovery](#).

Pinar Tutus Yesin ('03) wrote to us near the end of last year: "It feels that it has been a long while since I left Minnesota, but it has been merely over two years. It is probably no wonder that I miss the department, the university and the city considering that I had a wonderful 6 years there. I suppose one forgets the difficult times and remembers only the good memories afterwards. My husband, Berk and I had a baby boy on March 12, 2005. His name is Yavuz Selim and he is now 8.5 months old (in November, 2005). My water broke three weeks early, and exactly in the early morning of my husband's birthday! But Yavuz decided to wait one more day to be born. So we spent my husband's birthday at the hospital waiting for my contrac-

tions to start, changing my plan of throwing a surprise party for him at home with friends. He claims this was a better birthday present to him and really a surprise! Time is flying when one has a baby. I am still working at the Swiss National Bank as a researcher and at the Study Center Gerzensee teaching central bankers from all over the world. This semester I am also teaching at the University of Zurich. I hope you and everyone there is doing well. I hope to visit Minnesota in the near future!"

Camelia Bejan ('05) won one of the European Economic Association's 2004 *Young Economist Awards* for her paper, "Production under uncertainty and financial innovation." The EEA grants awards to authors of outstanding papers based on recommendation by the program committee at the annual congress. Authors eligible for the competition must be under 30 years of age or no more than 3 years past a PhD defense. A 2003 winner of the same award was **Andrew Ching ('00)**, then of Ohio State University, with the paper "A dynamic oligopoly structural model for the prescription drug market after patent expiration."

Malik Shukayev ('05) and his wife Lidia are proud parents of a daughter, Dinara, born November 28, 2005. Malik is at the Bank of Canada in Ottawa.

Conference News

The 2006 North American Summer Meeting of the Econometric Society will be hosted by the Economics Department of the University of Minnesota in Minneapolis from June 22 to June 25 2006. Minnesota professors V.V. Chari, Larry Jones and Ellen McGrattan are Co-Chairs of the event.

The Leo Hurwicz Lecture

Thursday Evening

Roger Myerson

University of Chicago

Walras-Bowley Lecture

Friday Evening

Nobuhiro Kiyotaki

London School of Economics

"Liberalization of Trade vs. Capital"

The Presidential Address

Saturday Evening

Richard Blundell

University College London

For more information, go to: <http://www.econ.umn.edu/emetricssummer06/main.html>

Faculty and Staff News

Tim Kehoe was named a Scholar of the College by the College of Liberal Arts in February 2005. The Scholar of the College award is given each year to members of the faculty whose work exemplifies the best in liberal arts scholarship and creativity. The award carries a stipend to support research for three years.

Staff member **Kara Kersteter**, our graduate studies coordinator, was awarded one of the 2004-05 Outstanding Service Awards by CLA. The award, given to civil service and bargaining unit employees, was presented on December 1, 2005.

The symposium proceedings in honor of **Ket Richter** were published in the August 2005 issue of *Economic Theory* (v. 26:2).

Former Minnesota professor **Neil Wallace** was named a Fellow of the American Academy of Arts and Sciences in May 2005. Neil is now at Penn State University.

Narayana Kocherlakota, and former professors **Andy**

Atkeson, Michael Keane and **Richard Rogerson ('84)** were elected Fellows of the Econometric Society in December 2005.

Vern Ruttan, joint Regents' Professor Emeritus, has just published *Is War Necessary for Economic Growth? Military Procurement and Technology Development*, Oxford University Press, 2006. His 2001 book, *Technology, Growth and Development: An Induced Innovation*, was also published by Oxford.

Samuel Kortum and Jonathan Eaton were awarded the 2004 Frisch Medal from the Econometric Society for their article, "Technology, Geography, and Trade," published in *Econometrica* in September 2002. The Frisch Medal was established by the Econometric Society to encourage the creation of good applied work and is given every two years for an applied article published in *Econometrica* during the past five years. Past winners from Minnesota are: **Robert Townsend ('75)** in 1998; Jeffrey A. Dubin and **Daniel L. McFadden ('62)** in 1986; and **Lars Peter Hansen ('78)** and Kenneth J. Singleton in 1984.

Transitions

by Ed Foster

Kocherlakota returns from Stanford

3 years after **Narayana Kocherlakota**, then holder of our Carlson Chair in Economics, was lured away by Stanford, he called to say that he would like to return, and did so in Fall, 2005. In the Minnesota tradition, Narayana's research and teaching interests span several areas: monetary economics, financial economics, and public economics. He may not contribute much to the 2006 Spring student-faculty softball game (he is hobbling on a broken ankle) but we are all *very* pleased to have him back; to see why, look at his lucid presentation of *The New Dynamic Optimal Taxation*, an invited lecture at the 2005 Econometric Society World Congress (<http://www.econ.umn.edu/~nkocher/sed.htm>).

Andy McLennan, who joined the department in 1987, has resigned following a one-year leave to test the waters at the University of Sydney, where his wife got an appointment last year. Andy was an important member of our department for 18 years, and the only one I know who reads mathematics journals for recreation. We will miss his many contributions to the community.

Andrea Moro, who joined the department in 1998, has moved to the Federal Reserve Bank of New York. Andrea took an active role in graduate education and in the intellectual life of the department for seven years, and we are grateful for his many contributions.

From the Archives: Jack Abramoff, take note

Date: January 29, 1965
TO: Senior Faculty, Department of Economics
FROM: O.H. Brownlee, Chairman

For several years the department has maintained a fund for compensating staff members for expenses incurred in connection with visitors, telephone calls from residences on University business, etc. The balance in this fund is now approximately \$20.00. We have spent about \$300 annually.

The Executive Committee suggests that the fund be refurbished by levying an assessment of one mill (1/10 of 1%) on the gross salary of each senior staff member in residence. This contribution would be deductible as a business expense.

This proposal will be discussed at the regular faculty meeting to be held February 5. If you have other suggestions, please convey them to Neil Wallace.

DATE: February 1, 1965
TO: Economics Faculty
FROM: John Kareken
SUBJECT: Executive Committee Meeting

The Committee decided to present at the next faculty meeting a proposal to tax senior faculty members at the rate of one mill per dollar of salary, the proceeds to be used to cover such departmental expenses as are currently being paid for out of a departmental slush fund.

DATE: February 8, 1965
TO: Senior Faculty
FROM: O.H. Brownlee, Chairman

This is to remind you that:

(2) In accordance with the vote at the faculty meeting on Friday, we are each paying 1/10 of 1% of our gross University salaries into the slush fund. Please make checks payable to the Department of Economics, and Mrs. Bennett will give you a receipt.

Recent Books by Alumni

Batina, Raymond G. ('85), *Public goods: theories and evidence* (w/ Toshihiro Ihori). Springer, 2005.

Geweke, John ('75), *Contemporary Bayesian Econometrics and Statistics*. Wiley, 2005.

McKinnon, Ronald I. ('61), *Exchange rates under the East Asian Dollar Standard: Living with Conflicted Virtue*. The MIT Press, 2005.

Nogues, Julio ('80), Editor, *Safeguards and Antidumping in Latin American Trade Liberalization: Fighting Fire with Fire* (with J. Michael Finger). Palgrave Macmillan, for the World Bank, 2005.

Park, Yung Chul ('69), *Economic Liberalization and Integration in East Asia: A Post-Crisis Paradigm*. Oxford University Press, 2006.

Salemi, Michael K. ('76), *Discussing Economics: A Classroom Guide to Preparing Discussion Questions and Leading Discussion*, (with W. Lee Hansen). Edward Elgar, 2005.

Tesfatsion, Leigh ('75), Editor, *Handbook of Computational Economics, Volume 2: Agent-Based Computational Economics* (with Kenneth L. Judd). Elsevier, 2006.

Thoumi, Francisco ('73), Editor, *Drugs, Crime and Armed Conflict in Colombia*, a special issue of *Journal of Drug Issues*, 35:1, 2005.

Tivegna, Massimo (MA '73), *News and Exchange Rate Dynamics*, (with Grazia Chiofi). Ashgate, 2004.

Wooders, Myrna ('76), Editor, *Group Formation in Economics: Networks, Clubs, and Coalitions*, (with Gabrielle Demange). Cambridge University Press, 2005.

The 2005 Minnesota Lecture

The annual Minnesota Lecture, started in 1998, recognizes a distinguished alumnus each year. **Bob Litterman** gave the eighth Minnesota lecture on Friday, 18 November 2005. Bob received his Ph.D. in 1980. While at the U, Bob worked with Chris Sims and Tom Sargent, who was his thesis adviser. His thesis dealt with Bayesian vector autoregressions. After graduating, Bob spent two years as an assistant professor in the Department of Economics at M.I.T., while his wife **Mary Litterman** (Ph.D. in Agricultural and Applied Economics, 1980) worked in the M.I.T. Energy Lab. During this time, Mary and Bob, together with another former graduate student from Minnesota, **Tom Doan**, started a business selling RATS (Regression Analysis of Time Series), an econometrics software package. In 1982, Mary and Bob moved back to Minneapolis, where Bob became an economist at the Federal Reserve Bank of Minneapolis. While at the Fed, Bob developed a forecasting model of the U.S. economy, a version of which is still used there. In 1986, Bob started at Goldman Sachs, working with the late Fischer Black, whom he knew from the time when they were both at M.I.T. In 1994, Bob became a partner at Goldman Sachs and Head of its Firm-wide Risk Department. He is now the Director of Quantitative Resources at Goldman Sachs and directs Quantitative Investment Strategies. A recent survey finds Goldman Sachs the largest hedge fund manager in the United States, and Bob's group manages the bulk of Goldman's hedge funds.

In his talk, entitled "Modern Investment Management: An Equilibrium Approach," Bob spent some time talking about his interaction with Fischer Black. According to Bob, Fischer had little time for formal econometrics and instead thought that simple dynamic general equilibrium models were the best way of thinking about the world around us. Bob must have convinced Fischer of the value of some of his theoretical training in econometrics, however, because the two of them wrote a couple of technical papers together that used Bayesian priors on expected returns on asset prices to adjust the computation

In Memoriam from page 16 ...

remarkable work is the 1995 textbook *Modelos Macroeconómicos de Crecimiento* (Macroeconomic Growth Models).

Francisco added: "Jaime came from one of the wealthiest and politically powerful families from Bucaramanga (a medium sized departmental capital of Colombia). He was

of optimal portfolio weights in a CAPM model much as Bob had previously used Bayesian priors on predictions of economic variables to adjust the predictions of vector autoregressions. The theory that Bob and Fischer developed in these papers became what is now known as the Black-Litterman Model, used not only by Goldman Sachs but by many other investment advisors and fund managers. In fact, a quick Google search indicates that this model is now standard fare in many MBA finance courses.

Bob's talk attracted not only faculty, graduate students, and friends of the Economics Department, but also MBA students and members of the local investment community. Bob educated and entertained the audience. (I remember attending a seminar that Bob gave when we were both assistant professors at M.I.T., and I am amazed at what a good public speaker he has become over the years.) One particularly entertaining and inspirational story that Bob told had him going to Fischer Black after they had started to develop Black-Litterman with the news that he had read some research that reported that the CAPM model did not do well in predicting asset returns and therefore should be replaced with something better. According to Bob, Fischer was not surprised — having done some research on this topic himself years before, he knew of the result. He told Bob that he disagreed with the interpretation, however. Rather than throw out the model, rely on the model because this result indicates the presence of profit opportunities. And according to Bob, there is indeed a lot of money to be made by taking an equilibrium approach to investment management.

Grad students and professors left Bob's lecture inspired by the ability of economic theory not just to help us understand the world around us, but also to make money. Those of you who could not be at Bob's lecture can check out *Modern Investment Management: An Equilibrium Approach*, authored by Bob and his colleagues at the Goldman Sachs Quantitative Resources Group and published by Wiley in 2003.

-- *Tim Kehoe*

never comfortable with neoclassical economics because he felt that the processes of wealth accumulation in Latin America were unjust and the distribution of wealth could not be justified. He was deeply troubled with that and could not take the Minnesota econ approach. That was why he got an MA and moved to the New School in New York."

The Seventh Minnesota Lecture

Martin Eichenbaum gave the seventh Minnesota Lecture in March 2005. Marty graduated from the University of Minnesota in 1980. He was a student of Tom Sargent's and was influenced by the stellar faculty at Minnesota, especially Chris Sims. Marty is currently the Ethel and John Lindgren Professor of Economics at Northwestern. He is a Fellow of the Econometric Society and is widely regarded as one of the finest macroeconomists in the profession. Marty's research has ranged over an incredible array of topics from the role of adverse selection in designing Social Security programs to the role of fiscal policy in currency crises. He is mainly known for his dogged pursuit of carefully formulated general equilibrium models in accounting for business cycle fluctuations, particularly the nature of the monetary transmission mechanism in amplifying and propagating cyclical fluctuations.

In his talk, Marty focused partly on a methodological question and partly on a substantive question. The methodological question was to contrast the relative usefulness of full information versus limited information methods in assessing the performance of general equilibrium models confronted with time series data. The substantive question was to assess the performance of a specific monetary model in which nominal wage rigidities play a central role.

As Marty emphasized in his talk, full information methods typically specify all the details of the stochastic processes confronting economic agents and use variants of maximum likelihood methods to estimate parameters and assess the performance of the model. In these procedures identification requires making strong and explicit assumptions about the nature of the stochastic processes. Marty focused on a particular kind of limited information meth-

od, the use of structural Vector Auto Regressions (VARs) to identify parameters of an economic model. Under this method, VARs are run on the data and identifying assumptions are made so as to uncover the response in the data to various kinds of shocks. Model parameters are then chosen so that the impulse response in the model to shocks is close to the empirical impulse response.

One concern is that the VARs implied by the model are typically different from the VARs run on the data so that researchers may draw incorrect inferences. Marty argued that, in practice, this concern is not serious. He buttressed this argument by generating data from a model, running a VAR on this data and then asking if the implied impulse responses from the VAR lead the econometrician astray in terms of inference. He argued that, for plausibly parameterized models, the econometrician would not be led astray.

Marty went on to discuss a monetary model with price setting and wage setting frictions. In his view, the central puzzle in business cycle models in which monetary shocks play an important role is that at the aggregate level, inflation does not respond much to various shocks, while at the level of individual goods, relative prices change frequently. Marty outlined a model with nominal wage rigidities and firm-specific capital and showed that the model could account very well for the response of macroeconomic aggregates to monetary and technology shocks in the data.

We are all proud of Marty Eichenbaum because he has shown how Minnesota students can change the world. He stands as a tribute to the quality of the program and the devotion it engenders in all who have passed through the halls of our department. *-- V. V. Chari*

Economics Again to Share Building with School of Management

by Ed Foster

For most of its history since its 1962 move from what is now the Carlson School of Management to what is now the College of Liberal Arts, Economics shared a building with the School of Management. When Carlson moved to its new building in 1997, we stayed behind. Now it appears that we will be back together again. To increase the size of its freshman class, the Carlson School is to get a second building, and Economics will be a tenant, located in what is now a parking lot fronting on Riverside Avenue. The reason? Social science departments at Minnesota are in general very crowded, and the new building offers some

relief. The interim deans of Carlson were amenable to the combination – if the new department moving in were Economics – and the major private donor for the building, Herb Hanson (a 1949 graduate of the College of Business Administration, in Economics) was also amenable to Economics moving in. The benefit to us is that we will finally have enough offices for all of our faculty — and it will give us an incentive to clean out all of those piles of old books and papers. Pending approval by the Legislature, we expect that construction will start in the Fall of 2006 with completion by the Spring of 2008.

In Memoriam: Lucy Simler

Lucy Simler, wife of Jim Simler (department chair from 1967-1991) died in Edina on December 20, 2005 from complications of a fall last spring. She was born in Philadelphia in July 1926, graduated from Bryn Mawr College in 1948, married in 1949, moved to St. Paul in 1951, and received her Master's degree in education from St. Thom-

as in the mid-50s. Besides Jim, Lucy's survivors include daughter Kate Boschee of Edina, son John of Parkland, Florida, brother Drew Lewis of Lederach, Pennsylvania (the U.S. Secretary of Transportation from 1981-83) and four granddaughters.

LUCILE LEWIS SIMLER

1926-2005

by John Howe,

Professor Emeritus, U of M Department of History

I knew Lucy as a good friend, as did my wife Judy Howe; as a fellow scholar working in early American history; as a colleague in and important contributor to the History Department; and as a generous supporter of several cohorts of graduate students.

As a scholar, Lucy was a late bloomer—as is true of many women of her generation. Though long interested in America's past, she came to the formal study of history only after raising a family. Her late start, however, did nothing to dampen her energy or weaken her commitment. She gave some thought to pursuing a graduate degree in history but concluded that a degree credential was largely irrelevant to what she wanted to do. Instead, she sought and found support from those of us interested in early America -- Rus Me-nard, Lisa Norling, Jeannie O'Brien, Ed Griffin, myself, and others. She sat in on graduate seminars, read extensively, learned what the profession was up to in her areas of interest, gained an intellectual foothold in the field, and actively participated in the scholarly discourse of the department and in the profession. All in all, a finer, more determined example of scholarly self-fashioning would be hard to find.

Within the study of early America, she was fascinated by the tangled problem of economic development during the last half of the 18th and early decades of the 19th centuries, with special reference to the mid-Atlantic hinterland of Philadelphia. It was a logical choice of locale, for it was in that region that the pre-conditions for economic take-off into full scale industrialization most clearly played out: the accumulation of sufficient investment capital; development

of new manufacturing technologies; creation of a legal environment conducive to enterprise; and population growth sufficient to provide a skilled labor force and consumer demand. It was also an area that Lucy knew well from her upbringing, and for which she retained great affection. As her work gained momentum, Lucy became a vigorous participant in scholarly give and take. She presented a number of papers at meetings of the Social Science

History Association and other professional groups. She published her work as articles in principal journals like the *William and Mary Quarterly* and *Proceedings of the American Philosophical Society*. She consulted with leading scholars in her field, among them Paul Clemens with whom she co-authored a paper, and Richard Dunn, a distinguished historian at Penn and close personal friend. A variety of circumstances, including Lucy's own declining health, prevented her from achieving her primary goal—writing a monograph on early American economic development. Even so, she became a full player for a number of years in the

scholarly arena. Lucy was a committed researcher, to say nothing of an endless operator of Xerox machines! She engaged the work of other scholars and produced work of her own that had to be taken into account.

Though Lucy's scholarly work remained unfinished, many of the documents that she diligently hunted out and collected at the Chester County Historical Society and nearby Philadelphia repositories have been gathered together as the Lucy Simler Collection of Early Pennsylvania Records, lodged in Wilson Library on the U of M campus. It consists of an omnium gatherum of local court records,

Continued next page....



mortgage records and deeds, state, county, and provincial tax materials and census data. Along with her publications and scholarly papers, the Lucy Simler Collection stands as clear testimonial to her work and her ongoing legacy. It stands as well as an importance resource available to serve the needs of undergraduates, graduate students, and faculty interested in the study of early America.

As if all that was not enough, Lucy was an academic impresario of no small achievement. Certainly, she left her mark on the Department of History. She was singularly responsible for the creation of the department's Workshop in Early American History, a regular gathering where Lucy, faculty, and graduate students—most from our department but also from other departments as well as other colleges and universities in the region—met to try out their own work and critique the work of others. The list of dissertations, book chapters, and professional papers that saw the first light of day in those early workshop sessions would be long indeed. And the workshop continues to this day, nearly a score of years after Lucy got it rolling.

Several of Lucy's colleagues in the Department of History have offered testimonials to the importance of the workshop and of Lucy's friendship to their own work. Jeannie O'Brien says: "Lucy was an amazingly warm and welcoming friend to me when I arrived in 1989. She reached out to me as a colleague and friend instantly and routinely, making my introduction to the department so much easier. She introduced me to colleagues and graduate students, arranged lunches with people, and initiated scholarly conversations. For years she worked tirelessly to organize the workshop and participated in its activities as a generous reader and scholarly critic." Jeannie offered an even more personal note. "Besides, Lucy introduced me to my husband, Tim Kehoe. So what can I say?" Only, I guess, that we should add matchmaker to Lucy's already full quiver of talents!

Lisa Norling, another History Department colleague, offers similar testimony to Lucy's importance in her professional life. "I have clear memories of Lucy's kindness, generosity, and enthusiasm. She was warm and wonderfully encouraging to junior scholars, both student and faculty. What mattered most to her, and with which she infected everyone around her, was deep passion for history and historical inquiry. I remember her always treating everyone, from the most famous and eminent historians to the most junior beginners, as equally important and equally capable of producing significant work, all of which she took quite seriously. And she was particularly sensitive to the difficulties of juggling family life, children, and an

academic career."

Though Lucy was not a member of the faculty and never formally advised a dissertation, she offered scholarly counsel and personal encouragement to numerous graduate students. Matt Mulcahy, now at Loyola College in Baltimore, observes, "I would emphasize the importance of the workshop for all of us who worked in early American history. The funds she solicited and made available through travel grants enabled many of us to do research in distant archives, which made doing colonial history at Minnesota much easier! Equally important was the scholarly atmosphere and intellectual camaraderie that the workshop fostered. Being able to present our own work, critique the work of others, and engage with visiting scholars greatly aided the intellectual and professional development of all the graduate students who were involved. All of us who participated in it are in her debt." Another former graduate student, Beth Salerno, now at St. Anselm's College, remembers Lucy with similar affection. "The workshop provided three things: a welcoming, constructive, and supportive place to share new work; an opportunity to learn what other people were working on and how their knowledge or ideas could improve one's own writing and teaching; and a way to keep up with the latest scholarship in a huge field. Lucy encouraged nervous and insecure students to present their work and followed up with gently phrased suggestions. It was typical of her to spend much of her time with us and to invite us to her house where we had the three things necessary to good conversation—a welcoming space, something interesting to talk about, and food!" Indeed, many of us remember the frequent gatherings of students, faculty, and visiting scholars at Lucy and Jim's home, where, as Beth recalls, there was always excellent wine, good conversation, and tasty food from the Simler kitchen.

Finally, Lucy's scholarly interests and personal commitments reached beyond the confines of early American history to embrace the much broader realm of early modern history as it played out in Europe, throughout the Atlantic basin, and beyond during the 16th, 17th, and 18th centuries. One of the gems of the History Department is its Center for Early Modern History. In its present, fully developed incarnation, the Center mounts international conferences, publishes a highly regarded journal, brings to campus guest scholars from across the world, conducts workshop and colloquia series, and offers graduate student research grants. There are many people who justly deserve credit for making the Center what it is today, but it would not have become what it is without Lucy Simler, for it was

Continued next page...

she who obtained the initial, substantial grant of outside money that secured the Center's funding and has enabled it to flourish. As Professor Ted Farmer, acting Director of the Center has affirmed: "Putting the Center on a firm financial footing was her achievement." It was no mean accomplishment. Continues Ted, "She helped create a community that reached across faculty and graduate student lines. Her gracious manner, hospitality, respect for scholarship, and wide range of knowledge about the University were all part of it. More than that, she served as Assistant Director of the Center for several years and

saw it through the first big research conferences on Merchant Empires and Implicit Ethnographies." All the while, notes Ted, she cut a distinctive figure while going about her work, as the only person in the Social Science Tower, perhaps in the entire University, who wore her white hair in a snood!

As those of us who were fortunate enough to know Lucy Simler can readily affirm, she was a fine and remarkable woman. We're grateful to have known her. We celebrate her achievements. And we miss her companionship.

Lucy: A Postscript

Lucy Simler played a very important role in my life: She introduced me to my wife, Jeani.

One weekday in early October 1990, I was having lunch with a couple of colleagues in the cafeteria in the basement of the Humphrey Institute. Lucy walked by our table on her way out, and I said hi to her. After lunch, I wandered up to the office of the chair of the Economics Department, Jim Simler. After chatting for a few minutes about nothing very important, I mentioned to him, "I saw Lucy down in the cafeteria at lunch, and I noticed that she was with some very attractive young woman." I finished our conversation chatting about much of nothing.

The next day, I ran into Jim, and he told me, "That young woman who was with Lucy yesterday is named Jean O'Brien. She is a new assistant professor in the History Department. Lucy is wondering whether you would like to have lunch with her. How about next Monday?"

Sure enough, the next Monday, I had lunch with Jean O'Brien. Lucy served as a chaperone and made the conversation flow more easily than it might have otherwise. It worked: Jeani and I will celebrate our fourteenth wedding anniversary in August.

--Tim Kehoe

In Memoriam

Last September **Dieter Nowak**, an ABD from the early to late 1960s, passed away after a three year battle with cancer of the esophagus. A student of Oswald Brownlee's and Walter Heller's, he was an Assistant Professor first at Carleton College, then at the University of Calgary, until 1973.

His passion, however, had always been art and art history. So he gave up academe and became a furniture designer, and later a well recognized jewelry designer and silversmith in Seattle. Born in Koblenz, Germany, he was an art collector, an excellent cook, a formidable sailor, a keen business man. He was 70 and leaves his wife Lisa and a beautiful garden. -- **Rolf Mirus ('73)**

Francisco Thoumi ('73) wrote to tell us of fellow countryman, **Jaime Puyana (MA '67)** who passed away on March 30, 2005.

Thanks to **Miguel Ricaurte**, one of our current graduate students, for translating the following about Jaime from two Mexican academic websites:

Jaime made Mexico his home. He obtained a Bachelor's

degree in Economics from the Universidad de los Andes, Bogotá, Colombia; an M.A. in Economics from Minnesota, and did doctoral studies in economics at the New School for Social Research in New York. At the conclusion of his graduate work, he became a full time Professor at the Universidad Autónoma Metropolitana, Iztapalapa, and in 1998 visited the schools Universidad Industrial de Santander, Bucaramanga, Colombia; Universidad Autónoma de Guayaquil, Ecuador; and Escuela Superior Politécnica de Litoral, Guayaquil, Ecuador .

A critic of neo-liberalism and promoter of alternative economic policies, Puyana was interested in models not only for their mathematical elegance but also for their applications to policy analysis. The impact of globalization on the Mexican and Latin American economies was highly ranked within his research agenda. His work aimed at finding solutions to poor income distribution, economic underdevelopment, the exclusion of large social sectors from markets, and the dependence of underdeveloped countries on developed nations' doings. He received a number of awards for his academic and teaching work and contributed to a number of articles and books. His most

Continued on page 12....

The newsletter is now published once a year.

Editor: Wendy Williamson

Design and Layout: Caty Bach

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

Mail: Department of Economics
University of Minnesota
1035 Heller Hall
Minneapolis, Minnesota 55455

Phone: 612-625-6353

Fax: 612-624-0209

E-mail: econdept@econ.umn.edu
wendy@econ.umn.edu

Homepage: <http://www.econ.umn.edu>

**MINNESOTA DEPARTMENT OF ECONOMICS
GRADUATE ALUMNI NEWSLETTER**

Spring 2006

**Department of Economics
University of Minnesota
1035 Heller Hall
271 - 19th Avenue South
Minneapolis, MN 55455**

RETURN SERVICE REQUESTED