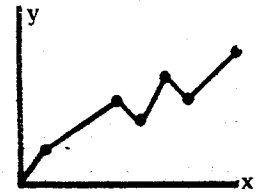


Indiana University - Bloomington

THE TREND LINE



Department of Economics Alumni Newsletter

Vol. 2, No. 1

Winter 1981

Chairman's Message

The response to our first departmental newsletter, sent out last fall, was most gratifying. We heard from a good many of you, telling us about your current jobs and locations and expressing your appreciation for hearing from us. It is especially satisfying to hear, as we have heard from many of you, how your economics training has turned out to be a very solid investment both intellectually and vocationally. With this encouragement, we hope to continue the *Trendline* and see it develop into useful means of communication between the Department and our alumni. This issue of the newsletter reports the activities of the faculty in the past year, and we are also using it to pass on news of some former students. We focus on alumni of the graduate program this time, and will cover undergraduates next time. Please note also the announcement on this page of the alumni reunion at the AEA meetings in Washington in December. Not many of you indicated you would be able to attend a gathering on the IU campus, but we hope this kind of a meeting will appeal to a significant number of you.

The year has been an active one for the Department, with recruitment of two new faculty members and new research and other activities initiated by faculty and students. A great deal of collective effort also went into a review of our programs, culminating in reports by both an internal and an external review committee last spring. The review noted both strengths and weaknesses in our programs, but its biggest contribution has been in suggesting some fairly concrete goals and priorities to

guide our program and hiring efforts in the next few years. We expect that the results of this evaluation can become the basis of a commitment on the part of the administration to strengthen the department and raise its standing in national rankings.

One of our goals must be to develop more sources of support outside the University. Last year brought several important successes in this respect, in the form of the grants several of our faculty members have won (described elsewhere in the newsletter). There are a number of ways in which our alumni can help, and I hope you will think about participating. One of the most valued kinds of help you can give us is in recruiting good graduate students, encouraging those who come to you for advice about graduate work to consider the program at Indiana. Many of you do this already and we are very grateful for that happy blend of loyalty and objective good sense.

Another way to help is with financial contributions earmarked for Economics Department use through the IU Foundation. There are four funds honoring former professors in the Department — Henry Oliver, Carroll Christenson, Taulman Miller and James Moffat. These funds not only honor the memory of professors whom many alumni remember with affection and gratitude, but they also help us to motivate and reward outstanding work by economics students. The Miller fund finances a prize each year for the foreign graduate student who has most distinguished him/herself. The Oliver prize

is given to the graduate student judged to have done the most outstanding work in economic theory. The Carroll Christenson award is for an outstanding junior or senior who has combined excellence in economics with a broad interest in the social sciences generally, and the Moffat award recognizes the top senior major. Contributions can also be earmarked for Economics within the Enrichment Fund of the College of Arts and Sciences. The availability of such unrestricted funds can make the crucial difference in successfully carrying out some alumni activity, or some development project.

Remember, we do very much like to hear what you are doing and where you are, and we hope that many of you can use the occasion of the reunion at the December meetings of the American Economic Association this year to get in touch with former teachers and old friends.

Robert W. Campbell
Chairman, Department of
Economics

IU Economics Alumni Reunion
At AEA Meetings in
Washington, D.C.
Monday, December 28, 1981
Club Room A of Shoreham hotel
5-7 p.m.
Cash Bar Everyone invited

Gordon named Distinguished Professor

On Founder's Day, April 15, 1981, Indiana University awarded H. Scott Gordon the title of Distinguished Professor of Economics. This honor for Professor Gordon (and for the Department) is one his colleagues know he richly deserves. As many students, current and past, graduate and undergraduate, can attest, Professor

Gordon has always been considered one of our finest teachers, with scholarly accomplishments of the highest order.

Even before Scott Gordon came to Indiana University in 1966, he had established his reputation as a scholar of economics and a commentator on public issues in his native Canada. To this day he

has kept high professional visibility in both countries, with election to the prestigious Royal Society of Canada and to top posts in leading economic associations in both Canada and the U.S.

Although he is perhaps best known for his 1954 article that led to the development

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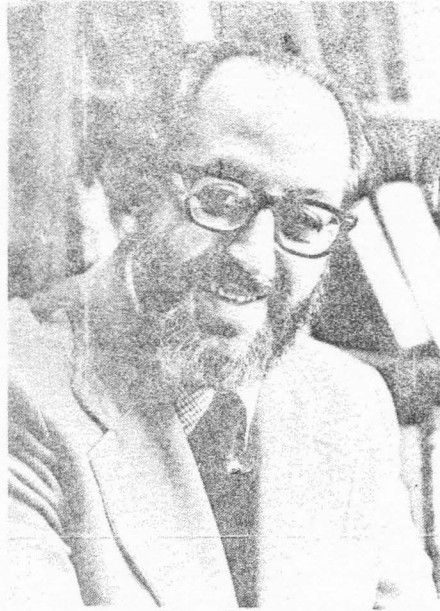
Distinguished Professor Gordon

(Continued from page one)

of basic economic theory concerning the use of common-property resources, Professor Gordon has made important contributions in other areas of economics. In monetary economics he published a major article, "Two Monetary Inquiries in Great Britain" in the *Journal of Money, Credit and Banking* in 1972. He also was a key figure in a controversy over policies of the Bank of Canada and played a leading role in reforms in the leadership of that institution.

Gordon's major research area, and the focal point of his teaching at Indiana, has been the history of economic thought. He has published a number of articles which are considered classics in the field. His current research concerns the works of J.M. Keynes. He has recently reread all of Keynes' works, developed a new course on Keynes and Marshall, and given a special honors seminar devoted to reading and analyzing the original text of Keynes' *General Theory*.

In a more general aspect of economic thought, he has explored the relationships of broad social issues — welfare, justice, and freedom — and how the various social sciences intertwine in their treatment of the issues. These inquiries have led Professor Gordon to establish new classes in the curriculum for the Economics and History and Philosophy of Science Departments and to his writing of a book published recently by Columbia Press. Most recently he has been concerned with sociobiology and has written articles which, because of Gordon's characteristic rational analysis, may well be considered definitive on that controversial subject.



Professor Gordon's range of interests and his depth of knowledge make him an invaluable source of information and advice for all his colleagues in the Economics Department, as well as in many other departments. He has served as chairman of the Department (1970-73), been a member of various major university committees, and also is a summertime faculty member at Queen's University in Kingston, Ontario. He is frequently invited to give lectures or to hold prestigious visiting titles at other universities. Consequently it is with a large measure of pride that members of the Department, students and faculty alike, congratulate Scott Gordon on his elevation in rank to Distinguished Professor of Economics.

Saunders receives Teaching Award

At the Founder's Day ceremonies on the campus last April, Phillip Saunders, Professor of Economics, received an all-University Amoco Foundation Award for excellence in teaching. This well-earned award for Professor Saunders was applauded by everyone in the Department and by many faculty and students in other departments and schools of the University.

Professor Saunders has been a member of the Department since 1971, coming here for the specific purpose of reorganizing the format and improving the teaching of our introductory microeconomics and macroeconomics courses. In the nearly eleven years he has been at IU, Professor Saunders has taught over 5,000 students in his classes. Even more important than quantity is the quality of his teaching--almost without exception his classes have received the highest student ratings. In addition to this remarkable achievement, Professor Saunders has made numerous

other contributions to the Department and to the University. He has spent many hours assisting individual graduate students who are learning to teach; he has instituted a graduate course on teaching elementary economics; he has designed a system of collecting and evaluating data concerned with student and teacher performance in the principles courses, with many resulting uses of the data for the Department; and he has continued to expand his national influence and reputation as a leader in professional organizations concerned with economic education.

In addition to his scholarly activities, Professor Saunders served as Associate Dean of the College of Arts and Sciences from 1974-78. During this period of time he continued to teach large sections of principles. In spite of the heavy demands on his time, Professor Saunders has maintained his enthusiasm for teaching economics and his keen interest in students.

Stolnitz grant to study population issues

Professor George Stolnitz has been awarded a grant which will enable a team of Indiana University faculty and students to conduct a year-long study of the relationship between a variety of socio-economic developments and fertility levels and trends in the Third World. The project, financed by the Department of State's Agency for International Development, will be conducted under a contract between the university and The Futures Group, a "think tank" based in Connecticut and Washington, D.C.

Factors to be studied for their influence on fertility levels will include reduction of infant and child mortality; greater educational opportunity for young men and women; changing age of marriage and marital patterns; expanding employment opportunities for women; inequalities in income and land distribution; migration and urbanization patterns; elimination of child labor; and establishment of social security and old-age benefits.

Directed by Professor Stolnitz, the research team will include Economics faculty Francisco Rivera-Batiz, Elyce Rotella, Robert Schmitz, and David Wildasin, as well as faculty from the departments of Sociology and Geography. Several graduate students in Economics will work as research assistants for the project.

Williams receives NSF grant

Arlington W. Williams, Assistant Professor, has received a \$36,000 grant from the National Science Foundation, to continue his study of computerized experimentation with competitive market environments. The project involves a study of behavior in a variety of market situations. Of central importance is the design of a computerized trading mechanism, using the PLATO computer system. Human subjects will interact through the computerized system, forming contracts which will yield cash results. Students in Professor Williams' classes have been enjoying participation in the experiments and many of them say this is the best way to learn how the market really operates.

The Trend Line is published annually for graduates of the IU Department of Economics by the IU Alumni Association and the College of Arts and Sciences-Graduate School Alumni Association.

Department of Economics
Chairman.....Robert W. Campbell
Editor.....Harriet Pfister

IU Alumni Association
Executive Secretary.....Frank B. Jones
Assistant Alumni Secretary.....Joan B. Curts
Editorial Coordinator.....Susan R. Clark

Faculty Highlights

Both James M. Boughton, Associate Professor, and Nicholas DeWitt, Professor, will be on leave in 1981-82. Professor Boughton will serve as senior economist in the External Adjustments Division of the Research Department, International Monetary Fund, in Washington, D.C. Professor DeWitt will spend a sabbatical leave updating the pioneering study he did a number of years ago on education and skilled manpower in the Soviet Union.

Franz Gehrels, who is Professor of Economics at the University of Munich but remains an adjunct professor in our Department, will be on sabbatical and living in Bloomington from September 1981 to April 1982.

Both Robert J. Schmitz and Robert A. Becker, Assistant Professors, were awarded Summer 1981 faculty fellowships for research. Professor Schmitz worked on a study of family consumption patterns and Professor Becker continued his work on models to deal with issues of intergenerational equity and environmental impact on exhaustible resource extraction. Professor Becker published an article from this work in the May 1981 issue of *Quarterly Journal of Economics* and has another forthcoming in *International Economic Review*.

Several faculty members have engaged in service activities. Samuel M. Loescher, Professor, initiated and jointly organized with economists at IUPUI and Purdue University, a National Conference on Grocery Price Reporting, held in Indianapolis on April 20, 1981. Beginning in the Spring 1981, Lloyd D. Orr, Professor, has added the title of Graduate Studies Chairman to that of Placement Director for the Department. Fred Witney, Professor, has been appointed to the Committee on Public Employment Disputes Settlement of the National Academy of Arbitrators.

Robert W. Campbell, Professor and Chairperson, has found a lot of interest in the work he has done on Soviet energy affairs, and has given papers at half a dozen conferences this last year.

R. Jeffery Green, Professor, is back in the Department after two years with Wharton Econometric Forecasting Associates in Philadelphia. Both students and faculty look forward to reaping the benefits of Professor Green's extensive experience with the problems and techniques of forecasting. Several recent graduates have been hired by WEFA to work on both the annual and quarterly econometric models.

Michael A. Klein, Professor, published an article entitled "Monetary-Control Implications of the Monetary Control Act," in the Federal Reserve Bank of San Francisco *Economic Review*, Winter 1981.

Herbert J. Kiesling, Professor, and David E. Wildasin, Assistant Professor, have been

reorganizing course work in public finance. They have designed a seminar for graduate students which features participation by both faculty and students. Professor Wildasin also designed a course called "Urban Public Economics" which will be offered next year.

Clarence C. Morrison, Professor, is the author of an article entitled "The Lerner Equal Distribution Theorem: A Possible Extension," which appeared in the March 1981 *Atlantic Economic Journal*.

Shortly before the Fall 1981 term began, Paul W. Kuznets, Associate Professor, gave a paper in Seoul, Korea, on "Economic Development, Export Structure, and Shifting Comparative Advantage in the Pacific Basin Region." This was in connection with an international Workshop on Industrial Geography of the Pacific Basin Project.

A number of faculty spent time away from the campus this past summer. Mathew J. Morey, Assistant Professor, spent the summer teaching statistics at the Economics

Institute, University of Colorado, Boulder. Francisco Rivera-Batiz, Assistant Professor, received a grant from the Graduate School of Business at the University of Chicago, to participate in their program on "Recent Developments in Applied Economics," July 26 - August 12, 1981. Elmus R. Wicker, Professor, participated this year, as in several past years, in the Stonier Graduate School of Banking, held at Rutgers University in June.

N. Brian McGrath, Assistant Professor, is working on a paper concerning the Federal Funds Rate, Federal Reserve Bank policy, and models of asymptotically rational expectations. He hopes to relate this model eventually to other interest rate and financial asset price movements.

George W. Wilson, Professor, is the author of a book entitled *Economic Analysis of Intercity Freight*, released by IU Press in December 1980. Another book *Inflation: Causes, Consequences and Cures*, will be published by the Press in 1982.

Two new faculty members

Elyce J. Rotella and Willard E. Witte have been appointed to the IU Economics Department as Associate Professor and Assistant Professor, respectively. Professor Witte served also as visiting Assistant Professor in 1980-81 and Professor Rotella joined the Department in the fall of 1981.

Professor Rotella, whose research is concerned with problems overlapping economic history, labor economics, and demographic economics, received her PhD from the University of Pennsylvania in 1977. She has taught at Fresno State University, San Diego State University, Wellesley College; and Tufts University. Her research focuses on changes in the position of women in the American economy. Her book entitled *From Home to Office: U.S. Women at Work, 1870-1930*, was published by UMI Press in 1981.

She has been active in the development of courses in women studies and is expected to continue this interest at Indiana University.

Professor Witte, whose major fields are international economics and macroeconomics, taught at Pennsylvania State University before coming to IU. He received an MA in political science from Yale University and a PhD in economics from the University of Wisconsin in 1975. His work is concerned chiefly with open-economy macro problems, as exemplified in recent articles: "Trade Hedging and the Dynamic Stability of the Foreign Exchange Activity," in the February, 1980, *Quarterly Journal of Economics*, and "The Lagged Adjustment of Canadian Exports to Prices and Foreign Activity, 1973-1978," in the May, 1981 issue of *Review of Economics and Statistics*.

Becker grant to aid students of statistics

Utilizing a \$30,000 grant from the National Science Foundation and additional funds from Indiana University, William E. Becker, Jr., Associate Professor, in cooperation with Phillip Saunders, Arlington Williams of the Economics Department and John Smith (Director of the Small Computer Support Group) has begun work on a program designed to provide students in E270 (Introduction to Statistics in Economics and Business) with individualized direction, practice, and progress feedback on the statistical concepts taught in the course.

Professor Becker expects to increase the level of student learning by improving the quality and quantity of problem-solving

activities undertaken by class members. Either by direct access to microcomputers for those in small classes, or through instructors' access in large classes, students will learn by a self-sequenced pattern of instruction which allows them to proceed at an individual pace, using banks of questions and case study problems stored on disks in the system.

Professor Becker points out that not only will students be aided by the program, but instructors will also benefit. Instructors will be able to provide their students with material specifically designed to be of maximum help and will also be able to assess more readily overall student and course progress.

News from our Graduates

Douglas V. Austin, PhD '64, (joint degree in economics and business), is Chairman and Professor of Finance at the University of Toledo and also President of Financialysts, Inc. of Toledo.

Ronald S. Bond, PhD '72, is Deputy Director of the Bureau of Economics, Federal Trade Commission, in Washington D.C.

Edwin H. Flynn, PhD '67, Associate Professor of Economics at Augusta College in Georgia, recently spent 8 weeks in Brazil under a Fulbright-Hayes Summer Program grant.

Richard B. Harshbarger, PhD '64, has just been appointed Howard and Myra Brembeck Professor of Economics at Manchester College, North Manchester, Indiana.

Basil Kafiris, a former graduate student, has been appointed Deputy Governor of the Agricultural State Bank of Greece under the recently elected Papandreaou regime.

Jerome K. Laurent, PhD '73, was promoted to Professor of Economics at the University of Wisconsin, Whitewater. He was visiting professor at the University of Wisconsin, Madison, in 1980-81.

Edward B. Oppermann, PhD '65, Associate Professor of Management Science at the University of Colorado, is co-author, with Donald R. Plane, of *Statistics for Management Decisions*.

John E. Pearson, PhD '56, is Senior Vice President and Chief Financial officer for 3D/International, an architect-engineering firm with main headquarters in Houston.

Alan R. Schriber, PhD '76, lives in Cincinnati where his wife is a doctor. He commutes to Oxford where he is Assistant Professor of Economics at Miami of Ohio. Alan is the writer, producer and performer of a business/economics program once a week for WCPO-TV in Cincinnati.

Paul M. Schwab, MA '66, is Director of Office of Program Policy Coordination, Health Resources Administration of the Department of Health and Human Services in Washington, D.C.

Leslie W. Small, PhD '73, serves as Chief of Economic Analysis for the U.S. Railway Association in Washington, D.C.

(In our next issue of Trendline, will publish news about alumni of our undergraduate program. We hope, however, that all of our readers (from both graduate and undergraduate programs) will continue to send us news of their promotions, publications, and other achievements. A coupon for this purpose is printed elsewhere in the newsletter.)

We Need Your Input!

The IU Department of Economics and the IU Alumni Association are always interested in the professional advancements, awards, and publications of our graduates. Please complete this form and return to: Alumni Publications, M-17 Memorial Union, Indiana University, Bloomington, Indiana 47405. Please use this form for change of address.

Name _____ Degree/date _____

Address _____

City _____ State _____ Zip _____

Present Position/employer _____

Professional and personal news _____

Application to join

A single dues payment includes membership in both the IU Alumni Association and the College of Arts and Sciences-Graduate School Alumni Association, which support activities for graduates of the Department of Economics. Please send your check to the IU Alumni Association, IMU M-17, Bloomington, Ind., 47405

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\$200 Single Life

\$20 Family Annual

\$250 Family Life

Name _____

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Travis to develop model of trade

William P. Travis, Professor of Economics, has been awarded a \$13,700 Social Science Research Council-Fulbright research grant for 1981-82. The grant was one of several awarded for the purpose of "increasing understanding of the opportunities and constraints that condition economic policy coordination among the advanced industrial countries," according to SSRC.

Professor Travis' project involves the development of a large general equilibrium model of foreign trade which may be used in analyzing problems associated with transferring capital and technology to Third World countries, with resulting increases in living standards and in the numbers of skilled workers in those countries.

In addition to expanding economic theory in regard to international flow of information, goods, people and credit, Professor Travis also expects to study the type and degree of cooperation among industrialized countries necessary to encourage and accommodate Third World industrialization. Professor Travis has served as an economic consultant to several foreign countries and has taught and worked for extended periods in India and Morocco.