



Message from the chairman

My report to you this year contains many of the same elements which I stressed at this time last fall. Life in the Economics Department continues to reflect a high level of activity, with new faculty, new visitors, more proposals for curricular changes, an ambitious set of workshops which present ongoing research in the major fields of economics, continued growth in the number of majors and of those taking coursework in economics, and more contact with our alumni. This fourth edition of *The Trend Line* attempts to summarize for you some of the recent happenings in the department as well as to pass on to you some of what we have learned about our alumni (see News of Our Graduates, p. 3).

This academic year will be another hectic recruiting year for us as we have been authorized to fill several positions, badly needed to attain a faculty level commensurate with the demands of enrollment in our courses. Recruiting takes a tremendous amount of time and energy on the part of the chairman and the entire faculty, but the results are well worth the struggle! We are greatly pleased by the results of last year's

recruiting (see the article on new faculty, p. 2), through which we added two senior and one junior faculty, all of them our first choices.

Last year we conducted our first fund-raising appeal to alumni and were impressed and gratified by the response. The contributions we received have enabled us to finance additional activities in the department, raise the dollar amounts in some of our prize funds, and launch a campaign to acquire computer equipment to increase the effectiveness of our teaching and administrative functions. At the present time a departmental committee is studying various types of computer equip-

ment and will make recommendations for the purchase of such equipment later this year.

Because we were successful in this initial fund drive, we are repeating our request this fall, hoping that many of you will repeat your contributions this year and that others of you will contribute to the department for the first time. Our letters went out to you last month, and we hope this newsletter will serve as an additional reminder to those of you who have not yet responded. We are indeed grateful for your past help and look forward to your continued support of our plans to improve the Economics Department.

I call your attention to the notice elsewhere on this page for the third annual reunion of our alumni, to be held in December at the American Economic Association meetings in San Francisco. We hope that those of you attending the meetings, and those who live in the Bay area, will join us for this event. I look forward, with others of our faculty, to seeing you at that time and hope to be able to give you more news about the department's progress.

Michael A. Klein, Chairman
Department of Economics

IU Economics Department Alumni Reunion at AEA meetings in San Francisco

Wednesday, December 28, 1983
Oxford Room, St. Francis Hotel
5:00 - 7:00 p.m.
EVERYONE INVITED

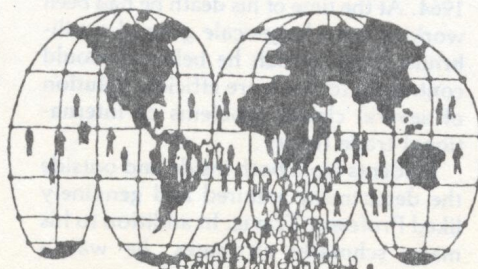
Departmental visitors add cosmopolitan flavor

The department is fortunate in having four visitors this year, representing three different countries. Two of them have teaching responsibilities for the academic year. **Shabtai Donnenfeld**, visiting assistant professor, is teaching courses in international economics, both graduate and undergraduate. Professor Donnenfeld received his PhD from Indiana University in 1979. He was an instructor at Franklin and Marshall College in Lancaster, Pennsylvania, and assistant professor at State University of New York, Binghamton, from 1979-81. He is on leave from his position of lecturer at the University of Haifa in Israel. His specialized fields include international trade, international finance, and economic theory.

John L. Knight is visiting assistant professor of economics and will teach the 400-level statistics sequence, E471-E472. He is on leave from his position as lecturer in the Department of Econometrics at the University of New South Wales, Kensington, Australia. Professor Knight's research in-

terests include general econometric methodology in relation to the estimation and inference in simultaneous econometric models, forecasting and analysis of dynamic models with vector autoregressive errors, and finite sample theory of econometric estimators and their behavior under non-normal error distributions.

Two visiting scholars for the academic year include Japanese economists **Yukuo Matsumizu** from Hiroshima University and **Motomi Makino** from Wakayama University. Professor Matsumizu has been on campus since August and is working with Professor George J. Stolnitz. Professor Makino will come to campus in the spring and plans to work with Professor George von Furstenberg.



New faculty enhance department

As a result of last year's vigorous recruiting, the department has added three new faculty—two senior and one junior—and all of them have assumed important roles in departmental activities.

George von Furstenberg has returned to Indiana as the Rudy Professor of Economics, after an absence from Bloomington of several years. Professor von Furstenberg had served on the IU faculty from 1970 to 1980, with leaves during this period to serve as a senior staff economist with the President's Council of Economic Advisers in Washington, D.C., resident economist with the American Enterprise Institute, and as chief of the financial studies division of the International Monetary Fund. In August of 1980, Professor von Furstenberg resigned from IU to continue work with the IMF until his decision to rejoin the Department of Economics this fall.

With teaching interests in public finance, macroeconomic theory, and international finance, Professor von Furstenberg is now teaching macrotheory courses at both the undergraduate and graduate level. This fall he is teaching an honors seminar for undergraduates on the topic "Macroeconomic Policy: Claims Versus Evidence." A number of awed students report that the class is completely fascinated by Professor von Furstenberg's lightning-quick ability to cover the blackboard with numbers and symbols and, at the same time, keep up an oral barrage of information which leaves the class gasping for breath. Everyone agrees that Professor von Furstenberg will add luster to the department and keep students

and faculty alike "on their toes."

Another important senior faculty addition is Roy J. Gardner, who comes to Indiana this year from Iowa State University. Professor Gardner, whose fields include economic theory, social choice, and comparative economics, received his PhD from Cornell University in 1975. He was an assistant and then associate professor of economics at Iowa State from 1975 until coming to IU, and also served as a visiting associate professor of managerial economics and decision sciences at Northwestern University in 1980-81. Professor Gardner has at least a "reading knowledge" of three modern foreign languages and also has mastered the ancient foreign languages of Greek and Latin, winning the title of Latin Champion for the State of Illinois in 1965.

At Indiana Professor Gardner is a senior member of the microeconomic theory teaching staff, teaching at both the undergraduate and graduate levels. He is teaching honors introductory microeconomics and intermediate microeconomic theory this fall and in the spring will give an advanced theory seminar on the topic "Theory of Games and Economic Behavior."

Professor Gardner has many publications in the areas of his research and teaching interests. In 1977 he was awarded the Duncan Black Award of the Public Choice Society for his article "The Borda Game," which appeared in the journal *Public Choice*. His articles have appeared in such journals as *Econometrica*, *Review of Economics and Statistics*, *Journal of Economic Theory*, and

American Economic Review. Preliminary reports from our majors indicate that Professor Gardner is an energetic, enthusiastic teacher who is both demanding of his students and respected by them for his lucid lectures on microeconomic theory.

Fwu-Ranq Chang joined the department as assistant professor of economics this fall, after earning a PhD in mathematics in 1976 from State University of New York at Stony Brook and a soon-to-be-completed PhD in economics from the University of Chicago. Professor Chang's teaching preferences include primarily mathematical economics and price theory, with secondary fields in labor economics and agricultural economics. He was a lecturer in mathematics at the University of Chicago from 1978-81 and assistant professor in management science at Loyola University (Chicago) while working on his doctorate in economics.

Professor Chang's articles have appeared in *Proceedings of American Mathematical Society*, *Economics Letters*, and *Journal of Economic Theory*. Although Professor Chang is highly mathematical in his training and approach to economics, he believes strongly that an economist should not permit mathematical techniques to override the economic content of an analysis. While he is teaching only graduate students this fall, this spring Professor Chang will teach a special intermediate microeconomic theory course and introductory mathematical economics. Professor Chang's friendly and lively manner is sure to appeal to undergraduates who are anxious to learn his method of blending economic theory and mathematics.

William Travis

William P. Travis, professor of economics, died unexpectedly in Bloomington on May 11, at the age of 52. A memorial service was held for Professor Travis on Sunday, May 15, in Beck Chapel and was attended by an overflow crowd of students, faculty, family, and friends.

Professor Travis attended Harvard University, receiving a BA degree in history in 1954 and MA and PhD degrees in economics in 1957 and 1962 respectively. His doctoral dissertation won the prestigious Wells Prize, awarded by the Harvard Economics Department to its best doctoral dissertation. After teaching at MIT in the Sloan School of Industrial Management for nine years, Professor Travis went to the University of California at San Diego in 1968. He joined the faculty at Indiana University as a full professor of economics in 1973.

At Indiana he taught undergraduate and graduate courses in international

trade theory and complemented his academic work in international economics with extensive travel abroad as a State Department adviser to developing countries. Among the places he visited as a lecturer and consultant on problems of international trade, finance, and development were India, Bangladesh, Africa, Latin America, Japan, and several countries in the Middle East.

Professor Travis wrote many papers and monographs. His major scholarly contribution was a book based on his PhD thesis, entitled *The Theory of Trade and Protection*, which was published in 1964. At the time of his death he had been working on a large-scale general equilibrium model which he believed would contribute to the more efficient solution of several classic problems of international trade theory.

Students from both inside and outside the department admired and genuinely liked Professor Travis. In addition to his many scholarly attributes, he was a

charming, cultivated man who was a brilliant conversationalist (in English and in French!), a patron of the arts, and a compassionate friend. This quotation from the memorial resolution in his honor presented to the Bloomington Faculty Council this fall summarizes well Professor Travis' position in the Economics Department:

No one contributed any more than Bill to the training of graduate students. He gave generously of his time. He chaired as many, if not more, doctoral dissertation committees than any other member of the department, the difficult as well as the easy ones. He worked especially well with our many foreign students who recognized a kindred spirit. He shared with them a determination to make the quality of life higher in the third world countries. Bill invited the more gifted to share in his research endeavors. His loss is deeply felt by all those who ever worked intimately with him.

November 1931 - May 1983

News from our graduates

before 1960

Rolland Brodhecker, AB'21, has retired as publisher of *The Brownstown Banner*, Brownstown, Indiana.

Alice Biermann Stone, AB'27, was awarded a certificate of achievement for community service by the commissioners of Allegheny County, Pennsylvania.

George Van Laningham, AB'31, is the owner and president of Van Laningham Business Brokers in Anderson, Indiana.

James D. Bergstrom, AB'51, is president of CAPSCO Banking System in Rosemont, Illinois. The firm consults in bank strategic and financial planning, productivity measurement and improvement, and provides bank computer and EFT systems and services.

Thomas J. Luck, PhD'51, holds the newly-established Mississippi Chair of Insurance at Mississippi State University, Starksville.

Robert N. Meiser, AB'57, practices law in Washington, D.C., specializing in issues relating to economic regulation, general commercial and corporate law, and anti-trust law.

Michael Rosenberg, AB'59, is vice president of Alfa-Laval Incorporated in Fort Lee, New Jersey.

1960-69

Edwin G. Dolan, AB'64, MA'66, is professor of economics at Geoge Mason University, Fairfax, Virginia. His text, *Basic Economics*, is now in its third edition and is used at more than 500 colleges and universities, including IU, Bloomington.

Yaqub N. Karkar, PhD'64, served as president of the Wisconsin Economic Association from 1981-1983.

Judith Pearlman Tracy, AB'66, is consultant for Northville Industries in Northport, New York, and previously had done economic analysis for Mobil Oil.

Tzong Shian Yu, PhD'66, is vice president of the Chung-Hua Institute for Economic Research in Taipei, Taiwan.

I-Kuei Chou, AM'68, PhD'70, is director of the Graduate School of International Business, National Chengchi University, Taipei, Taiwan.

1970-79

Thomas A. Breyer, AB'74, is executive director of the Illinois Independent Higher Education Loan Authority.

Abdulaziz Dukheil, PhD'74, is president of the Consulting Center for Finance and Investment in Riyadh, Saudi Arabia.

Susan Pearson Thrasher, AB'74, is vice president of Salomon Brothers, Inc., an investment firm in New York City.

Jody Cook Benjamin, AB'75, has been working at the Department of Housing and Urban Development in Washington, D.C.

David H. Mersereau, AB'76, is practicing corporate law in Anchorage, Alaska, with the firm of Hughes, Thorsness, Gantz, Powell, and Brundin.

Douglas W. Morrill, PhD'76, teaches economics at Centenary College of Louisiana in Shreveport.

Mahmood Omarzai, PhD'76, is a tenured faculty member in economics at California State College, California, Pennsylvania.

Katherine A. Goeddel Cahalan, AB'77, MBA'80, is now the division forecaster for packaged soap and detergents at Proctor and Gamble in Cincinnati.

George Fish, AB'77, is a free-lance writer in Indianapolis, with some of his writing involving a satirical approach to issues in economics.

James E. Gigax, AB'77, is an attorney working for the Tennessee Valley Authority in Chattanooga.

Craig Wood, AB'77, earned his degree in dentistry in 1981 and has his own practice in Bonita Springs, Florida.

Charles A. Lofaso, AB'78, is an accountant for Price-Waterhouse in Rochester, New York, and is studying for the CPA exam.

Marianne (Vicky) Felton, PhD'79, is assistant professor of economics at IU Southeast. Last year she was invited to give a paper on "A Comparative Analysis of Public Aid to Musical Creation" at the Second International Conference on Cultural Economics and Planning in Maastricht, Holland.

James J. Holloway, MA'79, finished a residency in internal medicine in 1979 and is a post-doctoral fellow, doing cost-effectiveness research, at Johns Hopkins Hospital in Baltimore.

Rodney G. Rowe, AB'79, is a reporter and photographer for *The Goshen News*, Goshen, Indiana.

1980-83

William S. Cartwright, PhD'80, is chief of the demography and economics office at the National Institute on Aging, National Institute of Health.

Deborah Penharlow, AB'80, is a management consultant with Main Hurdman, CPA firm, in New York City.

Ronald D. Utt, PhD'80, is now deputy chief economist with the U.S. Chamber of Commerce.

Juliet E. Simpson, AB'81, is a broker for Merrill Lynch in Houston.

Kevin M. Toner, AB'83 (and Moffat Award winner), is a student at Harvard Law School, joining **Frank Vargas**, AB'82. Other law students include **Glenn Sermersheim**, AB'83, at the University of Michigan, **Judith B. White**, AB'83, at Yale University, and **Marcus D. Dunlop**, AB'83, at Capital University Law School in Columbus, Ohio.

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.

Please check one:

_____ \$20 Annual

_____ \$26 Family Annual

_____ \$250 Single Life

_____ \$350 Family Life

Name _____

Address _____

City _____ State _____ Zip _____

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 _____

Undergraduate program studied

Chairman Michael A. Klein has appointed an undergraduate studies committee which will spend at least part of the 1983-84 academic year looking at the current framework of the undergraduate program in economics. Few changes have been made in the program since 1970 and the committee expects to make recommendations regarding requirements for the undergraduate economics major, the honors program, and some aspects of the curriculum. Members of the committee include Professors Roy Gardner, Robert Schmitz, and Elmus Wicker and Academic Counselor Harriet Pfister.

Economics conferences held in Bloomington

Two faculty members in the Economics Department were co-chairmen of meetings of the Midwest Mathematical Economics Conference and the Midwest International Economics Conference which were held at Indiana University, Bloomington, November 11-13.

Robert A. Becker, assistant professor of

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Dir., External Relations Linda K. Kirk

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Dean Leo F. Solt

economics, and Roy J. Gardner, professor of economics, organized the presentation of papers by economists from several Midwestern universities. One participant in the conference was Michael A. Toman, AB'76, who recently completed a PhD in economics at the University of Rochester and is a staff economist with Resources for the Future in Washington, D.C.

Nicholas DeWitt on Manpower Committee

Professor Nicholas DeWitt was a member of the Committee on Army Manpower of the National Research Council's Board of Army Science and Technology, which recently presented recommendations to the U.S. Department of the Army for improvement of Army laboratory management. The Committee had studied the means by which the Army could hire and retain the best scientific and engineering talent needed in its laboratories to carry out desired research and development goals. Committee members visited 11 Army and four non-Army laboratories, comparing policies and procedures. Recommendations to the Department of the Army were contained in a publication issued this past summer.

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