

Indiana University-Bloomington

THE TREND LINE



Department of Economics Alumni Newsletter

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Message from the Chairman

Editors Note: For those of you who may not know our new chairman, Michael A. Klein came to Indiana University in 1966 as a lecturer in economics and has been a full professor since 1980. He received his BA, MA, and PhD degrees from Northwestern University. His teaching fields include microeconomics, macroeconomics, and money and banking; he is particularly notable to students for his brisk teaching of Theory of Income and Employment at both the undergraduate and graduate levels. Professor Klein has been Chairman Klein for only a few months now but he says he is learning a great deal in "on the job" training and has increased his already considerable admiration for Robert W. Campbell, his immediate predecessor!

There is at least one aspect of being departmental chairman for the next three years that I can truly say I look forward to, and that is the opportunity to work on increasing contacts with you—our alumni and alumnae! As I have already discovered, there is much work and, yes, "aggravation" connected with my new job, but the rewards of renewing old relationships and

learning about your efforts and achievements are a strong incentive to continue a vigorous campaign of communication with you.

The past year has been another period of widely varied activity for members of the Department. This newsletter attempts to give you some idea of what has happened recently: see, in particular, the articles on new faculty, visitors to the Department, and changes in the graduate program. Two of our faculty are away for the entire year. James M. Boughton, who was promoted to professor on July 1, 1982, is spending a second year with the International Monetary Fund in Washington, D.C. David E. Wildasin, who was promoted to associate professor on July 1, 1982, is visiting associate professor at Queen's University in Kingston, Ontario. In the spring, Robert W. Campbell will be a fellow at the Kennan Institute in Washington, D.C.—see our *Trend Line* article on page 3 for more details. Next year we expect other members of the faculty to be on sabbatical, devoting more time to their research.

Because enrollments continue to rise in economics and because it is important that

our faculty have the opportunities for professional growth provided by sabbatical and other leave activities, it is sometimes difficult for us to offer all the courses we should for maximum benefit to our students. In a major effort to increase the size and further enhance the reputation of the Department of Economics, we have received a major commitment from the University to add three senior-level economists to our faculty. This commitment is particularly notable as it comes during a time of general austerity. We have already had several candidates on campus this fall and expect to continue working on recruiting throughout the year. This is a rare and very exciting prospect for us.

By the time you receive this issue of the *Trend Line*, you will also have received my letter asking you to contribute to the newly-established Economics Enrichment Fund. We hope that all of you, even those who have just recently left the Bloomington campus, will be able to help us with our plans to acquire computer equipment and software for the Department and to increase our fellowship and prize funds for students.

We look forward to hearing from more of you this year so that we may add to the news of our graduates in the *Trend Line*. Also I look forward personally to seeing many of you at the alumni party in New York City this December.

Michael A. Klein
Chairman, Department of Economics

Indiana Has Many Ties to Top Financial Agencies

The Economics Department, the IU Business School, and the State of Indiana have together contributed to the professional training of a surprising number of persons holding jobs in important financial agencies in Washington or elsewhere. Lyle E. Gramley, PhD'56, is one of the governors of the Federal Reserve Board in Washington, D.C. G. Prestin Martin, PhD'52, is vice president of the Board of Governors, having been appointed in March, 1982. Another member of the Board of Governors, J. Charles Partee, received business degrees from IU. Nancy Teeters, the first and only woman member of the Board so far, is a native of Marian, Indiana, but received her economics degrees from Oberlin College in Ohio and the University of Michigan.

Edward G. Boehne, PhD'68, is president of the Federal Reserve Bank of Philadelphia and J. Alfred Broaddus, PhD'72, is vice president of the Federal Reserve Bank of Richmond. H. Kirk Roberts, PhD'71, is an officer with the Federal Home Loan Bank of Cincinnati. Business School graduates Richard Pratt and Richard Leshner are chairman of the Federal Home Loan Bank and president of the U.S. Chamber of Commerce, respectively.

Several recent graduates in economics from IU either work currently at Federal Reserve Banks or held such a position recently. They include Stephen L. Able, PhD'79, Eric V. Clifton, PhD'81, Robert E. Keleher, PhD'76, James S. Fackler, PhD'77, and Paul L. Kasriel, AM'70.

IU Economics Alumni Reunion
at AEA Meetings in
New York City
Tuesday, December 28, 1982
Suite 510 of New York Hilton
5:00-7:00 p.m.
Cash Bar—Everyone Invited

Theory Courses, Workshops Added to Graduate Program

Under the leadership of Lloyd D. Orr, professor of economics and director of graduate studies, the Economics Department faculty has made several important changes in the organization of the graduate program. Three new theory courses were added to the curriculum, additions designed to improve the academic training of both graduate and undergraduate students. Two of the courses will constitute the theory sequence for some master's degree candidates in economics and for graduate students from other departments taking a minor in economics. They also will serve as alternative intermediate theory courses for undergraduates who have a good background in calculus.

The third new course will help graduate students at the PhD level develop theoretic

cal and mathematical techniques necessary for the mastery of current micro theory.

Beginning this fall, the Department will offer graduate-level workshops in the areas of applied microeconomics, econometrics, economic history, macroeconomics and money, and soviet-type planning, and development. The purpose of each workshop, coordinated by a faculty member, is to provide a forum where students develop research orientation, research topics, and present thesis proposals. Presentations of relatively unfinished work are made by faculty, students, and visitors. Students are required to join a workshop after taking the core theory examination and will be expected to remain associated with a workshop as long as they are in residence at IU.

Rotella Receives Grants to Develop Courses

Elyce J. Rotella, associate professor of economics at IU since 1981, is the recipient of a Lilly Foundation teaching fellowship for 1982-83 and a participant in a Women's Studies project funded recently by the National Endowment for Humanities. One of the goals of both endeavors, according to Professor Rotella, is the improvement of coursework in the Economics Department, both in a broadening of course content and in its presentation. Rotella, whose research interests include economic history, labor economics, and demography, has specialized for a number of years in women and their roles in the economy. Her course, "Women in the Economy" is already a popular course, taken by students from outside the department as well as by economics majors (both women and men).

As might be expected, women undergraduates are particularly interested in "Women in the Economy" which delves into issues such as the economics of marriage and divorce, female-male differentials in employment and earnings, equal employment laws, affirmative action, and the Social Security System. Professor Rotella says that students in the course have a "level of interest and commitment considerably above that found in other classes" and that this creates both advantages and disadvantages in teaching. The instructor must channel the emotional involvement of students on issues about which they have strong opinions and get them to think analytically about issues in which they may have a high personal or political interest.

After having taught this course at several other schools, as well as at IU, Professor

Rotella has decided that it is important to develop a means of providing students with the theoretical and statistical tools necessary for the issues covered in the class, in order to achieve the desired level of economic analysis. Professor Rotella expects to use the Lilly fellowship to prepare handouts explaining the major points of economic theory and statistics which will be encountered by students reading the literature of the course. In addition, Professor Rotella plans to devote time to improving the classroom techniques for her courses, using the information and advice available from the teaching method experts associated with the Lilly Fellowship program.

As a participant in a pilot grant project titled "Integrating Women's Studies into the Curriculum," Professor Rotella will work with Professor Phillip Saunders, and others involved in teaching introductory micro and macro courses, in integrating material dealing specifically with women and their growing involvement in the labor force, for example, or the evaluation of women's work in the home as contributing to the gross national product. Similar projects, involving other academic disciplines, are being undertaken by faculty members in political science, psychology, sociology, history, and folklore.

Judging from student comments about Elyce Rotella's classes here at IU, we may expect her to use her abundant energy, good humor, and sharp analytical skills to improve her own courses (and to help with others in the department) with the opportunities given to her by the Lilly and Women's Studies grants.

Nobel Prize Winner Visits IU

The Economics Department was one of the sponsors of a lecture by Dr. Herbert A. Simon on Thursday, October 21 in Woodburn Hall. His lecture, entitled "The Meaning of the Computer Revolution," was part of the Distinguished Lecture Series at IU. In addition to the public lecture, Professor Simon met with interested faculty and students from a number of departments in the College of Arts and Sciences, Business, and SPEA.

Simon, who is Richard King Mellon University Professor of Computer Science and Psychology at Carnegie-Mellon University in Pittsburgh, has had a research career ranging from computer science to psychology, administration, and economics. In all his work his major interest has been in human decision-making and problem-solving processes and the implications these have for social institutions. In 1978, he received the Nobel Prize in Economics "for his pioneering work on decision-making processes within economic organizations."

Faculty Serve as Journal Editors

Nearly one in five faculty members of the Economics Department is serving (or has served) as an editor for an economics or other academic journal. William E. Becker is an editor for the *Journal of Economic Education* and also a consulting editor for *The Social Studies*. Michael A. Klein is associate editor for the *Journal of Financial and Quantitative Analysis*. Paul W. Kuznets was recently an editor for the *Journal of Korean Studies* and is currently a member of the editorial board for the *Asian Economic Journal*.

Clarence C. Morrison is a member of the Board of Editors for the *Atlantic Economic Journal* and George J. Stolnitz served as a founding editor for the *Journal of Policy Modeling*.

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.

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Department Welcomes Several Visitors

In the fall of 1982, the Department of Economics has the opportunity to benefit from the varied expertise of three visiting scholars and one visiting assistant professor who will be in residence for part or all of the academic year. Katsuhiko Miyamoto, associate professor of economics at the University of Osaka, Japan, will be on campus until April 1983 doing research on the Soviet economy. Other interests of Professor Miyamoto include mathematical economics and macroeconomic theory and policy.

Peter C.B. Phillips, professor of economics at Yale University, is a visiting scholar

for the fall semester, conducting his own research in econometrics and working with IU faculty and students also. Professor Phillips' research areas cover small sample distribution theory, non-linear models, approximation theory, and misspecification analysis.

Promoted Senior Lecturer Joe Udo Umo of the University of Lagos, Nigeria, who received his PhD in economics from IU in 1978, plans to spend an academic year in Bloomington, working on a book titled *Human Capital in Nigerian Development*. While a student at IU, Professor Umo received the Taulman A. Miller Award for

the Outstanding Foreign Graduate Student in Economics.

Serving the Department as a visiting assistant professor for 1982-83, James M. Walker is on leave from the University of Arizona at Tucson. In addition to teaching introductory economics and statistics courses, Professor Walker is continuing his research interests in experimental economics, the latter an interest also of Professor Arlington Williams of the IU economics faculty. Professor Walker's other research interests include applied microeconomics with emphasis on individual consumer behavior and regulated industries.

Campbell Named Fellow at Kennan Institute

Robert W. Campbell, professor and chairman of economics from 1978-1982, has been named a fellow at the Kennan Institute for Advanced Russian Studies for the spring of 1983. Professor Campbell will spend a sabbatical leave in full-time research and writing at the Institute, located in Washington, D.C. A fellowship stipend from the Woodrow Wilson International Center for Scholars will provide additional support for Professor Campbell's study, entitled "Soviet Economic Constraints, Strategic Doctrine and the Military Balance with the United States."

In his study Professor Campbell will analyze various internal factors which may influence Soviet policy decisions in the 1980's, such as energy supplies, labor force growth, and general productivity, and the relationship of these economic considerations to the Soviet goal of military parity with the U.S. A major purpose of the study is to determine the extent to which Soviet officials are moved by economic considerations and

whether they would accept a certain level of "strategic sufficiency," i.e., a level of arms stockpiling which would be mutually recognized as making the East and West of equal power. Professor Campbell states that there is "enough diversity in western views as to what Soviet capacities and intentions are that we need to rethink, and reevaluate our perception of what the Russians are about, what they can do, and what that implies for us."

Professor Campbell has been a member of the IU economics faculty since 1961 and is the author of many books and articles about Soviet-type economies and technology development in Russia. His most recent book, *Soviet Energy Technologies*, was released by IU Press in December, 1980. He was recently elected vice president/president-elect of the American Association for Advancement of Slavic Studies, an organization composed of various academic disciplines in the Slavics area.

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.

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City _____ State _____ Zip _____

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Professional and personal news _____

Econometrician Joins Faculty

Esfandiar Maasoumi joined the Economics Department as an associate professor in August, 1982. He received a B. Sc. in economics (1972), an M. Sc. in statistics (1973) and a PhD in econometrics (1977), all from the London School of Economics. After teaching at the London School of Economics and the University of Birmingham in England, Professor Maasoumi came to the United States in 1977, teaching for several years at the University of Southern California, Los Angeles and for one year as a visiting associate professor at the University of Iowa.

Professor Maasoumi is teaching Econometrics I and II for the Department and is the organizer of the Econometrics Workshop for faculty and graduate students (see related story, page 2). His current research interests include specification analysis in dynamic and simultaneous equations models; information measures of income and multifactor inequality; improved and robust estimation and test procedures; and finite sample distribution properties of econometric statistics. Professor Maasoumi is also engaged in joint research with visiting scholar Peter Phillips. His publications have appeared in *Econometrica*, *Journal of Econometrics*, and *Economics Letters*.

1982 SSHA Meeting at IU-Bloomington

The seventh annual meeting of the Social Science History Association was held on the Bloomington campus of Indiana University, November 4-7. Elyce J. Rotella, associate professor of economics, was chairperson of the program committee for the meeting, which included social scientists from all over the United States and several foreign countries. Many of those giving papers at the meeting presented research which involved economic topics and methodology. Elmus Wicker, IU professor of economics, was also a participant in the conference.

News From Our Graduates

Catherine A. Bonser, AB'81, is in her second year in the PhD program in economics at the University of Chicago. Joining Cathy in Chicago this fall is **Chi Kan Richard Hung**, AB'82, who is beginning his first year in the same program. Richard was the Moffat Award winner in 1982.

Several economics graduates, AB'82, have begun law school this fall. **Brian**

Goins, **Chris Gutowsky**, and **Malcolm Tripp** are enrolled in the IU Law School—Bloomington; **James W. Clark** is a student at the University of Michigan Law School, while **Frank Vargas** was admitted to the Harvard Law School for fall, 1982.

Kathleen C. Conroy, AB'82, is a student in the MBA program at Indiana University Graduate School of Business—Bloomington.

Brian P. Williams, AB'78, graduated from the IU—Bloomington Law School in 1981 and was admitted to the Indiana Bar in May, 1981. Brian is law clerk to the Honorable Gene F. Brooks in Evansville.

James B. Burkart, AB'69, is an investment analyst in Charlotte, North Carolina.

John W. Neal, AB'81, works as a corporate services representative for AmeriTrust Company in Cleveland, Ohio.

Perry L. Patterson, AB'81, is a student in the PhD program in economics at Northwestern University.

Terence L. Pawlowski, AB'75, is a staff accountant with the Graphic Systems Division of Rockwell International in the Chicago area.

William B. Redpath, AB'78, is assistant financial manager at WISH-TV in Indianapolis (Channel 8).

Ellis W. Tallman, AB'80, has entered the PhD program in economics at the University of Rochester.

Dennis J. Lasser, AB'73, is now in the PhD program in economics at IU, after receiving an MA in economics at Northwestern in 1975 and working for several years as an economist with the Commodity Futures Trading Commission.

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:

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\$200 Single Life

\$26 Family Annual

\$250 Family Life

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