

UNIVERSITY OF VIRGINIA
JAMES WILSON DEPARTMENT OF ECONOMICS
CHARLOTTESVILLE, VIRGINIA
22901

ROUSS HALL

December 18, 1985

Greetings:

Robert O'Neil (Law) now serves as President of the University, Hugh Kelly (Physics) is Dean of the Faculty of Arts and Sciences, and Alex Sedgwick (History) is Dean of the College. We are extremely pleased with all three of these appointments. The President is remarkably articulate, already steeped in the University's Jeffersonian traditions, and has made no apparent mistake so far. Dean Kelly has been working very hard to raise money for Arts and Sciences (you may have noticed) and is marvelously ambitious for us and for the University. And the College functions well under Dean Sedgwick. The smooth leadership transition has raised aspirations around the grounds, and made us all even more optimistic about the University's future.

A winning football season is not really news any longer; this was our third in a row (you will recall with me the days when two wins were enough to make a season successful). And both men's and women's basketball teams look lively and exciting. I might add that in the McGuffey Art Center "Run for the Arts" this fall, two economics graduate students took first and fifth places: Todd McCallister and Philip Jefferson.

The latest evaluation of economics departments (in the July 1985 Southern Economics Journal) found the success of Virginia's economics graduate students to be quite spectacular. In major economics journals you ranked sixth nationally in citations per graduate and ninth in citations per article per graduate. That performance is impressive. Present students seem to hold similar promise for future success. For instance, this year an economics student who won one of the N.S.F.'s 50-odd minority fellowships (in all fields) chose to come here over some good other schools (like MIT).

I am sorry to report that Butch Browning resigned last spring to accept a very attractive opportunity at Texas A&M, where Jacki (Ph.D., 1976) also teaches. We miss them both. We are glad that Marjorie Flavin and Ron Michener were promoted last spring to the rank of associate professor with tenure. And Steven Stern joined us as a new assistant professor this fall from Yale; his fields are labor economics and econometrics. Visitors this year are Pablo Serra from the University of Chile in Chile, Kevin Davis from the University of Adelaide in Australia, and David Papell from the University of Houston.

Don Fullerton is on leave as Deputy Assistant Secretary of the Treasury for Tax Analysis in Washington, where he has been busy wrestling with reform of federal tax laws. Leland Yeager is on leave at Auburn. Jim Berkovec will take leave this spring and summer to serve the Department of Housing and Urban Development by undertaking housing research in Washington. Charles Engel will also be on leave at Yale in the spring. Ken Elzinga has been mentioned in the news as a possible member of the Federal Trade Commission, to fill the remaining two years of George Douglas's term. But because he is a political independent, Ken will not be going to the Commission; the position must be filled by a Democrat instead.

In Friday seminars and workshops, we have had an unusually large and stimulating group of visitors this past year. They include: Christophe Chamley (Yale), Morris DeGroot (Carnegie-Mellon), Avinash Dixit (Princeton), Marvin Goodfriend (Richmond Fed), Barry Hirsch (UNC Greensboro; Virginia Ph.D. in 1977), Barry Eichengreen (Harvard), Larry Epstein (Toronto), Gail Fosler (Senate Budget Committee), Robert King (Rochester), Leonard Mirman (Illinois), Frederick Mishkin (Columbia), Herve Moulin (V.P.I. and S.U.), Robert Moffitt (Brown), Daniel Orr (V.P.I. and S.U.), Robert Shiller (Yale), Charles Stuart (Santa Barbara), Nicholas Tideman (V.P.I. and S.U.), Robert Townsend (Chicago), Mark Watson (Harvard), and Jeffrey Williamson (Harvard). Visiting Scholars we have enjoyed having in our midst are Amir Madani Mousavi from the National University of Iran, Melike Suzer from the State Investment Bank of Turkey, Zhen-Hui Xu, from the Shanghai Institute of Finance and Economics in China, and Hiroto Yamagami from Kobe City University in Japan.

We have added one more NBI wordprocessing unit and printer to our Department office this year. In our small computer room in the basement of Rouss Hall, we now have three terminals and a printer hard-wired to main-frame computers at the University Computing Center, plus a powerful Leading Edge personal computer (640K and 10 megabyte hard disk) with a Hewlett Packard laser printer. In a competition within the University we were awarded more than \$40,000 for the purchase of personal computers, and with the money we have ordered 10 AT&T units (all with 640K and 10 megabyte hard disks) plus a printer and extensive software. We shall be able to add more equipment as well. As you probably know, memory and software advances now make personal computers capable of analyzing large data sets and also allow wordprocessing with mathematical notation. We are pleased to have equipment with these capabilities available in Rouss Hall, especially for use by graduate students.

Once again we celebrated T. R. Snavelly's birthday with a festive November party in the Snavelly Library. His remarkable memory and good cheer provide continuity for us that few (if any) other institutions can claim.

It was a pleasure to see Jack Albertine (Ph.D., 1975), who is president of the American Business Conference, back on the grounds this year. We are also pleased that Robert Black (Ph.D., 1955), who is President of the Federal Reserve Bank of Richmond, is going to serve the University as a member of its Advisory Committee for the Center for Advanced Studies. Suellen Curkendall (Ph.D., 1984) is now in Lexington, Mass. with Data Resources. Matthew Cushing (Ph.D., 1984) and Mary McGarvey (Ph.D., 1983) have moved to Atlanta; he is at Emory and she is at Georgia State. Catherine Eckel (Ph.D., 1983) moved from British

Columbia to V.P.I. & S.U. Jeffrey Eisenach (Ph.D., 1985) was the subject of a feature article in the Claremont McKenna College alumni magazine this fall, noting his work at the Federal Trade Commission and his move to the Office of Management and Budget. Charles Evans (M.A., 1982) is now at the Brookings Institution. Robert Feinberg (Ph.D., 1976) is on leave from Penn State at the International Trade Commission in Washington. Joe Francois (M.A., 1983) has returned to graduate school at the University of Maryland while also working on the Consumer Price Index at the Bureau of Labor Statistics. Larry Fullerton (M.A., 1978), who was Counsel to the Senate Committee on Commerce, Science and Transportation until he taught last spring at Princeton's Woodrow Wilson School, is now with the Washington office of the Powell, Goldstein, Frazer and Murphy law firm. Philip Grossman (Ph.D., 1984) enjoys life at the National University of Singapore. Rick Harris (Ph.D., 1981) thrives as associate professor at the University of Texas at Arlington. Mike Hughes (M.A., 1985) is now at the State Department in Washington. David Lereah (Ph.D., 1983) has moved from Rutgers to Washington to join the Federal Deposit Insurance Corporation. After a most impressive tour as Chairman of the Federal Trade Commission, James C. Miller III (Ph.D., 1969) went to a Cabinet-level post as head of the Office of Management and Budget. And John H. Moore (Ph.D., 1966), who was Senior Fellow and Associate Director at the Hoover Institution, is now Deputy Director of the National Science Foundation in Washington. Larry Pulley (Ph.D., 1980) left Brandeis this year to become associate professor at William and Mary.

The ASSA meetings in New York afford an opportunity to see one another again. So on Saturday, December 28, plan to attend a 6 P.M. to 8 P.M. party in our suite at the New York Hilton Hotel. (The exact room number will be given on the message board in the Hilton, under the name Virginia.) I hope to see you there.

Best wishes for the holidays.

Sincerely,



Roger Sherman
Chairman