

December 17, 1991

Dear Graduate:

The recession lingers, tax revenue in Virginia is still down, and so the University and the Department labor still under very tight budgets. The Department's budget for 1991-92 is at least 15% lower (in nominal terms) than its budget in 1989-90; in real terms, the decline is around 25%. Most of the cuts have come in the form of stagnant salaries, six unfilled positions and secretarial furloughs. Last year we were not allowed to hire, but we hope to do some hiring this year.

We have lost two valued faculty members - Max Hartwell retired and Charles Engel left for the University of Washington. Away from Charlottesville this year are Ron Fischer, at the University of Chile, Don Fullerton at Carnegie-Mellon, Jon Skinner at NBER in Cambridge and Ed Burmeister at Duke. James Mackie (Ph.D., 1985) will drive down from Washington to teach two of the public finance courses that Jon and Don normally teach. Maxim Engers and Shannon Mitchell (Ph.D., 1989) were married in June; Shannon is teaching at Virginia Commonwealth University.

I am pleased to report that Jim Hamilton was promoted to full professor. Princeton University Press will be publishing both Jim's book on time series analysis and Charlie Holt's book on experimental economics. In fact, Virginia is becoming a center of experimental economics. We have adapted a classroom in Rouss Hall to be used part-time as an experimental laboratory for Charlie Holt's and Roger Sherman's experiments. Ken Elzinga completed his term as president of the Southern Economic Association; Roger Sherman and Jim Miller (Ph.D., 1969) were vice presidents.

We were excited to hear that the Nobel Prize was awarded to Ronald Coase, who, of course, was a faculty member at Virginia from 1958-64. As far as I know, economics is the only department at UVA ever to house any Nobel Prize winner, (though William Faulkner was writer-in-residence at the English Department). Two of you have written about the University's failure to keep Coase here in 1964 (Jim Miller in the Richmond Times Dispatch, October 27, 1991) and Paul Craig Roberts in Business Week, November 25, 1991). Joe Francois (M.A., 1983) who is now chief of the research division at the International Trade Commission wrote a nice letter on the Coase Nobel to the Washington Post.

Despite the soft job market, our graduate student placements were again very good: A.J. Holliday went to East Carolina, Marios Karayannis to Price Waterhouse, David and Debbie Mullin to the University of Toledo, Derek Neal to the University of Chicago, Mike Palumbo to the University of Houston, Keith Sill to the Federal Reserve Bank of Philadelphia, and Mitch Stern to the University of Tennessee. We have another talented group on the market this year. (Contact Ken Elzinga, our placement director, for more information.)

The department has been touched by the transformation of the Eastern European socialist economies. Not only has Gertrude Greenslade's expertise on the Soviet economy been more in demand than ever, but we enrolled as a first year graduate student a former aide to L. Abalkin, the Soviet economist who authored a major reform plan. Johann von der Borch (M.A., 1989) who now reports on economic issues for the Berliner Zeitung, visited the department last February and reported on the changes in East Germany. Finally, Roman Cech (from Bratislava, Czechoslovakia) is visiting us as a Fulbright scholar.

Our alumni have kept busy. Charles Plott (Ph.D., 1965) helped prepare the report which recommended a separate directorate for social and economic science at NSF (splitting it from biological sciences). Chip Curran (Ph.D., 1983) is at the Boston Company working for Allen Sinai. Cyril Chang (Ph.D., 1979) teaches at Memphis State University and continues to undertake research in health economics. Phil Grossman (Ph.D., 1984) now teaches at Wayne State University while Steve Cross (Ph.D., 1981) is Deputy Comptroller at the Office of the Comptroller of the Currency. Seunghee Han (Ph.D., 1990) passed through Charlottesville en route from Paris to Washington. Seunghee serves as deputy director of the Economic Planning Board in Korea. Luis de la Calle (Ph.D., 1989) has moved to the Mexican Embassy in Washington where he works on the North American Free Trade Agreement. Other Washington economists are Barbara Steinberg (Ph.D., 1991), now at the Agency for Health Care Policy and Research, and Bill Reid (Ph.D., 1989) and Chuck Capone (Ph.D., 1985) both at the Office of Policy Development and Research at H.U.D. Scott Bierman (Ph.D., 1985) is now chairman at Carleton College; he returned to Charlottesville last summer to teach and to do research with Ed Olsen. Elaine B. Steen (M.A., 1986) and Bruce Steen (M.A., 1989) returned to Charlottesville; Elaine works in the medical center, Bruce practices law in a local law firm. Please let me know of other important news of Virginia graduates.

The annual Virginia cocktail party will be at the New Orleans Hilton (Grand Salon Section 3) from 5:30-7:30 p.m. on Saturday, January 4, 1992. I hope to see you there.

Sincerely,



William R. Johnson
Chairman

WRJ/psp