

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

ROUSS HALL

December 14, 1984

Greetings:

When I said last year that "...we can look forward to good basketball even though we'll be without Ralph Sampson," I really did not expect the team would be in the final four of the NCAA tournament. Nor did I expect our football team would go 7-2-2 this fall and be invited to the first post-season bowl appearance ever by a Virginia team (the Peach Bowl in Atlanta against Purdue, 3:00 p.m., December 31, to be televised by CBS). Virginia's major sports teams have been doing well.

The Economics Department also has been faring well. The new Graduate Lounge in Rouss Hall functions nicely and graduate student mailboxes are now located there. Lights installed in the ceiling above couches on the main floor make them very popular. Mrs. Helen R. Buck, granddaughter of Charles Broadway Rouss, gave \$14,000 to refurbish the outside of Rouss Hall. The Undergraduate Studies office was relocated on the main floor near the Department Office this year, so the Graduate Studies office could take over its space downstairs and be more convenient to graduate students. We also have added another NBI wordprocessing unit. And we started our Distinguished Majors Program for outstanding undergraduate students. (If any of you is in a position to hire undergraduates and would like copies of vitas for 10 students who will be graduated next June, let me know.)

The bad news is that we suffered three important faculty losses this year. Bill Breit resigned to go to Trinity University, in his home town of San Antonio, Texas, where he is E.M. Stevens Distinguished Professor of Economics. He is also President-elect of the Southern Economic Association. Herb Stein retired and became professor emeritus; he was President of the Southern Economic Association this past year. John Strauss, who was in the middle of an assistant professor term, also resigned to accept a position at Yale. In view of these losses we were especially happy to make some outstanding appointments during the year. Jonathan Eaton came to us as professor from Yale and Don Fullerton came as associate professor from Princeton. Jon Eaton has published important papers on remarkably many topics, and he works mainly in international economics (for example, see "A Theory of Expropriation and Deviations from Perfect Capital Mobility," with Mark Gersovitz in the Economic Journal for March 1984). Don Fullerton is a leading practitioner of the method of general equilibrium simulation, and he has applied it expertly to the study of tax policy (see The Taxation of Income from Capital: A Comparative Study of U.S., U.K., Sweden, and West Germany, edited by Don Fullerton and M.A. King, University of Chicago Press, 1984). We also gained a new assistant professor from Yale, Steven Stern, although he will not join us until September 1985. The enclosed folder lists current faculty and describes our graduate program.

Two of our emeritus professors published books this year that may interest you: Herbert Stein, Presidential Economics: The Making of Economic Policy from Roosevelt to Reagan and Beyond, Simon and Schuster, 1984; and Rutledge Vining, On Appraising the Performance of an Economic System, Cambridge University Press, 1984.

Three more economics department rankings appeared in the AER in 1984. Barry Hirsch (Ph.D., 1977) was an author of one study in September, with Randall Austin, John Brooks and J. Bradley Moore. They brought up to the 1978-83 period the Graves, Marchand and Thompson study (AER 1982), and for the more recent period we ranked 22nd in total number of pages published in 24 leading journals (we ranked 25th when pages were standardized). In another study in the September AER, Timothy Hogan ranked departments by pages published in the 4 top journals (AER, QJE, JPE and Econometrica) over the 1970-79 period based on faculty member affiliations at the time of publication; we ranked 20th. He also assigned faculty to departments according to affiliations as of 1980, and on that basis we ranked 18th. In the March AER Paul Davis and Gustav Papanek analyzed citations for the 1978 and 1981 years and assigned them to departments based on 1982 faculty affiliations. After adjustments for age and variance (older faculty are presumed to have more citations, and high variance means a few faculty could account for a department's standing) we ranked 18th in the number of times our work was cited.

Our visiting faculty this year include Larry Pulley (Ph.D., 1980), on leave from Brandeis, Anthony Rodrigues from Fordham University, and Elizabeth Savoca from Smith College. We also have an internationally known economic historian, Professor Om Prakash, visiting in the spring from the Delhi School of Economics in India.

In November the graduate students again threw a birthday party in the Snavely Library for T.R. Snavely, who at 95 is as captivating as ever. Earlier that month at a Colonnade Club party after Herb Stein delivered a Friday seminar, the faculty gave him a U.Va. rocking chair. In other Friday seminars and workshops this fall our guests included Dennis Carlton (Chicago), Edward J. Green (Federal Reserve), Daniel Hamermesh (Michigan State), Glenn Lowry (Harvard), Charles Plott (Cal Tech; Virginia Ph.D. in 1965), Steven Sandell (National Commission for Employment Policy), David Sappington (AT&T and Penn), David Scheffman (Federal Trade Commission), Joel Slemrod (Council of Economic Advisors and Minnesota), Stephen Turnovsky (Illinois), and Neil Wallace (Minnesota).

Our alumni continue to be active. Jack Albertine (Ph.D., 1975) is frequently in the news as head of the American Business Council. Ryan Amacher (Ph.D., 1971) has been serving as Dean of the Business School at Clemson, where Richard Thompson (Ph.D., 1972) is Assistant Dean and Matt Lindsay (Ph.D., 1968) is J. Wilson Newman Professor of Economics. John T. Corson (Ph.D., 1927) was specially honored by the Virginia Social Science Association, which he served as president 50 years ago. Steve Cross (Ph.D., 1981) has moved to the Office of the Comptroller of the Currency in Washington, D.C. Chip Curran (Ph.D., 1983) has moved to the New York Fed. Kenneth V. Greene (Ph.D., 1968) is Chairman at SUNY-Binghamton. Jim Dorn (Ph.D., 1976) is editor of the Cato Journal. William Laird (Ph.D., 1962) continues to serve with great success as Chairman at Florida State University. James C. Miller III (Ph.D., 1969) was superb as Distinguished

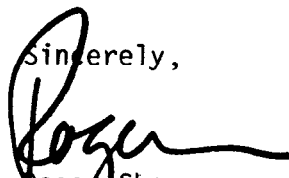
Lecturer at the Southern Economic Association meetings in Atlanta this fall. He continues as Chairman to make economics matter at the Federal Trade Commission. Louis Scott (Ph.D., 1982) has moved to the Finance Department at the University of Illinois at Urbana-Champaign. Roman Senkiw (Ph.D., 1974) is Chairman of the Canadian Regional Group and Executive Vice-President of the Board of Directors of the Association of Political Risk Analysts. He is also Chief Adviser, International Information and Assessment, the Bank of Montreal. Roger Shields (Ph.D., 1969), Vice President and Chief International Economist for the Chemical Bank of New York, gave the Warren Nutter Lecture at AEI this year. Genie Dudding Short (Ph.D., 1978) is at the Federal Reserve Bank of Dallas. Bob Tollison (Ph.D., 1969) serves now as President of the Southern Economic Association and has moved to George Mason University. Bob Wuertz (Ph.D., 1975) married this past year and lives with his wife June at 76 Center Street, Metuchen, NJ 08840. I am sorry to report that George W. Jennings (Ph.D., 1961) passed away in January 1984.

A special honor came this year to Claire Holton Hammond (Ph.D., 1983), who was co-winner (with Kenneth Judd, Ph.D., University of Wisconsin) of the Fisher Prize. The Fisher Prize is awarded every year by O.D.E. for the best dissertation in the U.S. The title of her dissertation is "The Benefits of Subsidized Housing Programs: An Intertemporal Approach."

The ASSA meetings in Dallas affords an opportunity for you to see many current faculty and graduate students. To make it easier we shall sponsor a cocktail party at 5:00 p.m. on Friday, December 28 in the Bryan B Room of the Hyatt Regency Hotel (the party should be listed in the convention program). I hope to see you there.

Best wishes for the holidays.

Sincerely,



Roger Sherman
Chairman

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