

Economics

Department Alumni Newsletter

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Bob Stonebraker, editor

What is an IUP? What image leaps to mind? Since quietly dumping the controversial "Big Indian" in 1991, IUP has had no mascot. We've floated adrift in a marketing maelstrom with no institutional symbol to rally the troops or point us toward port. Not much longer. The *"help wanted"* sign is out;

It's 1931 in Moscow, and It's Still Spreading

by
Willard W. Radell, 1998

78 21 1 1 11 1. 1992. Subsequent events have made the article as

1992. Since 1992, we have learned to face a situation in which 50,000

Perhaps the most repugnant feature of Keynesian economics to American conservatives was one of the

[REDACTED]

You will remember from your principles of economics (balanced budget multiplier) that the impact of linked reductions in government spending and taxation is recessionary. The ex-Soviets weren't ready for

Russia.

4. Privatization. While all economists I know support privatization, if, as is true in Russia, that privatization is done so that anything that is not set in concrete is suddenly put up for sale, commodity prices will fall. According to Radell's 9th law, "every income is tied to the price of something." The effect of large quantities of commodities being dumped on world markets for whatever they will fetch

presses nominal incomes lower. In the short-run that damps expenditures and incomes as well as providing a mechanism to make the profound recession raging in the formerly Soviet republics spread

security trust funds are not part of the official budget. But, in order to report a surplus, Clinton and

of funds in financial markets. They draw monies out of the market that could have gone to finance private borrowing.

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are "too high" raise eyebrows at the state level where schools are judged, in part, by how effectively they graduate seniors. Graduation rates are also a major concern for parents who have already loaded film in

What was the end result? Faced with higher costs and unchanged benefits, many teachers failed fewer students. It was just what an economist would predict. My only shock was to learn that some teachers were *surprised* when their colleagues began failing fewer students. I was tempted to keep a

This was not some obvious scheme pulled up by an administrator who remembered her

economics. But, intentional or not, the end result was the same (in direction if not magnitude) as

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Rob notes that spouses often have the most at stake. For example, suppose Annie, who drinks only tea, receives an assortment of coffees for a gift. If the gift is from her great uncle, twice-removed, she may simply laugh. If the gift is from her husband, all h*** might break loose. Husbands are supposed to know better. A loving husband would sense her desires. A loving husband would expend the necessary time and energy to find a more appropriate gift. The perfect gift affirms the closeness of the relationship; it pollinates the marriage with warm fuzzies. The sentimental value rises when the gift manifests the effort and understanding necessary to nurture relationships. Coffees -- and cash -- fall short of the mark.

Will cash gifts *really* reduce the deadweight loss of Christmas? Who wins? Waldfogel? Toutkoushian? Divorce lawyers?

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