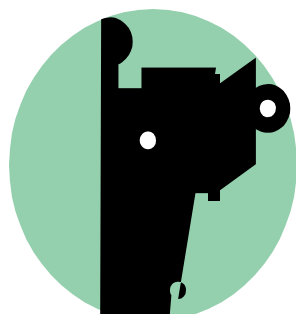


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Editor: Jack D. Julian, Jr.



Department of Economics



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Welcome New Faculty

The Department of Economics is pleased to announce the addition of two new faculty members. Dr. Yaya Sissoko returns this Fall 2006 semester as a permanent faculty member. Dr. Sissoko earned his Ph.D. in Economics at Southern Illinois University - Carbondale in 2003. His fields of interest are international finance, international economics, macroeconomics, monetary economics, development economics, mathematical economics, and econometrics. Dr. Sissoko was a multiple recipient of a dissertation research fellowship award and also received the Fulbright Scholar Fellowship

from the African American Institute (1992-1994). This fall 2006 semester he is teaching Economic Development and Principles of Economics courses.

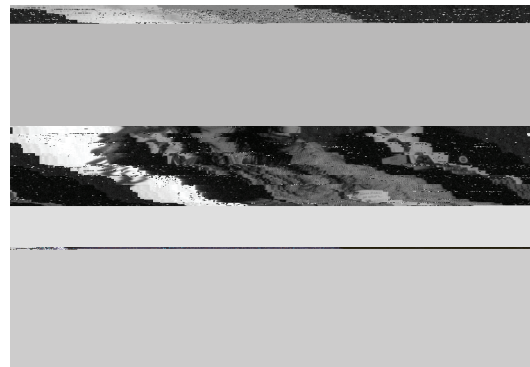
In addition, Professor Sarah Jackson has joined the Department as a permanent faculty member. Professor Jackson is completing her Ph.D. at the University of Illinois at Urbana-Champaign. Her fields of interest are labor economics, public economics, economics of education, and family economics. This fall 2006 semester she teaches Labor Economics and Principles of Economics courses.

Alumna recognized as IUP Ambassador

Joanna M. Ender DiCiurcio '02 has been honored with the IUP Alumni Ambassador Award for 2006.

Ms. Ender graduated from IUP with a double major in economics and journalism. She works in the research department at the Federal Reserve Bank of Philadelphia as an Economic Research Analyst. She writes a quarterly publication, *Banking Legislation and Policy*, which covers all national legislative, regulatory, and judicial matters relating to banking, insurance, and mortgage lending, with an emphasis on the Philadelphia Federal Reserve District (central and eastern Pennsylvania, southern New Jersey, and Delaware). She also analyzes bank merger and acquisition applications to determine their effects on competition, and makes recommendations to the supervision and regulation department as to the efficacy of a merger. Ms. Ender is currently enrolled in the MBA program at Temple University's Fox School of Business.

The university recognized Ms. Ender and five other honorees (one from each undergraduate college in the university) over Homecoming Weekend in October. Ms. Ender found time to visit the Department of Economics, and was featured as a guest speaker in Dr. Todd Potts's Monetary Economics class. Later in the day she met with faculty and students at a meet-and-greet session sponsored by the Department of Economics and the Economics Club.



Ms. Joanne M Ender, '02, and Dr. David Reddecliff and University President Tony Atwater, at the Alumni Ambassador recognition ceremony over Homecoming Weekend.

The Alumni Ambassador Awards program was established to recognize recent IUP graduates identified as being outstanding in their fields and to present such alumni to current IUP students as examples of exceptional achievement.

In the last IUP Economics Department Newsletter, I discussed a politician, an engineer, and a business executive who believed that success in their chosen fields made them experts in economics. In Part II I will deal with a chemist, Frederick Soddy, and an inventor, Arthur Kitson, who did most of their work on economics in the early 20th century after earning distinction in their professions. The discussion is somewhat complicated by the attempts of some contemporary economists to resurrect the writings of Soddy and Kitson from what Keynes referred to as the "Trinity of crankdom (with C. H. Douglas and J. T. Peddie)."

Frederick Soddy (1877-1956) was a professor at Oxford who won the Nobel Prize in Chemistry in 1921, in part for identifying the concept of atomic isotopes. An opponent to Einstein's special and general theories of

relativity, Soddy held the view that the keys to understanding the fundamental laws of nature lay in chemistry and not in abstract mathematical models of physics.

On economics, Soddy was similarly heterodox, believing that the economic profession had degenerated into "chrematistics," which was in his view the science of making money through the chimera of compound interest. Writing in 1981, Herman Daly wrote a sympathetic article praising Soddy's view that energy units should be the basis for economic activity rather than monetary units. Soddy was one of the godfathers of the technocracy movement of the 1930s, which held that the monetary side of the economy was illusory and that the more tangible physical side (measured in ergs?) was the proper object of public economic policy.

Both Soddy and Kitson (1861-1937) advocated prohibition of fractional reserve commercial banking, which would be replaced with a debtless money supply synchro-

nized with physical production through a price index monitored by a central statistical bureau that would eliminate the business cycle. Both advocated a form of "100% money," similarly advocated by Irving Fisher and Major C. H. Douglas, that would ensure that the effective reserve requirement of the banking sys5(thhhe banklwou(thl)1(rest. b)-10.

plagiarized and forged document, "The Protocols of the Learned Elders of Zion".¹ Soddy's citation of the "Protocols" came in his book *Wealth, Virtual Wealth and Debt*. It is so easy to dismiss amateur economists who believed that conspiracies of Jewish bankers were the source of major economic problems that at this point, if you are still reading this, you are wondering why Radell is bothering to disparage such bad economic thought that is over 70 years old. Unfortunately, some modern economists have published articles on Soddy and Kitson that question Keynes characterization of these folks as "cranks."

Herman E. Daly, "The Economic Thought of Frederick Soddy," *History of Political Economy*, 1980 characterized Soddy as being at the vanguard of a Kuhnian paradigm shift in economics. Daly wrote that the "neglect of Soddy's economics is unfortunate because, although Soddy is admittedly unconvincing in his frequent attribution of war and all other evils to fractional reserve banking, he nevertheless has much to teach us ..." (p. 471). Daly seemed unaware of the influ-

Faculty Notes

"Making Economic Principles Personal: Student Journals and Reflection Papers," co-authored by **Stephanie M. Brewer Jozefowicz** and **James J. Jozefowicz**, was published in the Spring 2006 issue of the *Journal of Economic Education*.

"Religious Free Riders: The Impact of Market Share" co-authored by **Stephanie M. Brewer Jozefowicz**, **James J. Jozefowicz**, and Professor Emeritus **Robert J. Stonebraker**, was published in the September 2006 issue of the *Journal for the Scientific Study of Religion*

"How Things Have Changed: Income Inequality in Pennsylvania in the 1990s," co-authored by **Carrie Jenkins ('06)** and **James J. Jozefowicz**, was published in the Spring 2006 issue of the *Pennsylvania Economic Review*.

"A Blueprint for Success in the U.S. Film Industry," co-authored by **Stephanie M. Brewer Jozefowicz**, **James J. Jozefowicz**, and **Jason M. Kelley ('03)**, was accepted for publication by *Applied Economics*.

Willard Radell's paper, "Storming and Catastrophic System Failure," has been re-printed in *Key Readings in Crisis Management: Systems and Structures for Prevention and Recovery*, Denis Smith and Dominic Elliot, editors, published by Routledge. As the featured publication (September 2006) of the National Hazards Center Library, the book is described as "a collection of seminal papers that address issues in crisis management and organizational theory" by reviewing "approaches and limitations of crisis management processes and their cultural and psychological dynamics from both theoretical as well as practical perspectives."

Stephanie M. Brewer Jozefowicz has been nominated as a candidate for election to the Executive Committee of the National Association of Economic Educators.

David Yerger and **Jack Julian** presented "Assessing the performance of rural Pennsylvania labor markets since 1990," *Pennsylvania Economics Association, Annual Conference*, Indiana, Pennsylvania, June 2006 (with David Yerger). **Jack Julian** also served as discussant for two papers at the PEA meetings.

Yaya Sissoko presented "Demand for Money Balances in South American Countries", *Pennsylvania Economics Association, Annual Conference*, Indiana, Pennsylvania, June 2006 (with **Mete Feridun ('02)** economics minor).

Yaya Sissoko presented "Impact of FDI on Economic Development: A Causality Analysis for Singapore, 1976-2002" at the *6th Global Conference on Business and Economics*, Cambridge, Massachusetts, October 2006 (with **Mete Feridun ('02)** economics minor).



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Student Notes

The following students were recognized at the department's commencement ceremony on May 13, 2006 for their outstanding achievements with the following awards.

McGraw-Hill Award –

News from the Center for Economic Education

Stephanie Jozefowicz

The IUP Center for Economic Education remains very active and productive. Jim and Stephanie Jozefowicz continue to serve as Co-Directors. They have a range of involvement from participation in economic and personal finance education activities at the local, state, and national levels.

At the national level, Stephanie has been nominated as one of two candidates representing Center directors for the executive committee of the National Association of Economic Educators. Stephanie was introduced as a nominee during the National Council on Economic Education annual conference in New York City in early October. Formal elections will follow in November.

At the state and local levels, cooperative partnerships continue to unfold. One teacher training initiative between the IUP Center and the Federal Reserve Bank of Philadelphia is in development. As part of laying the groundwork for this partnership, Jim and Stephanie spent a week in June partici-

Indiana University of Pennsylvania

Alumni Newsletter

Department of Economics

Indiana University of Pennsylvania

Fall 2006

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