THE HISTORY OF THE ECONOMICS DEPARTMENT AT MANOA

Part I: Early History, from Yoner to Campbell

Economics has been taught and frequently learned at this school from its earliest days. At Lincoln School (across from Thomas Square), where the new Territorial College of Agriculture and Mechanical Arts was temporarily housed in 1907, the bare-bones curriculum included Principles of Political Economy -- precursor to Econ. 150-151. The course was given by Miss Yoner, the English instructor. (She was one of a dozen faculty members who instructed a student body of 160, including 28 regular full-time scholars.)

In 1912, renamed the College of Hawaii, the school moved to its Manoa campus. Here a larger faculty permitted greater specialization in an expanded curriculum, as was only fitting for a school since 1920 titled the University of Hawaii. Principles and Economic History of the U.S. and England were the core courses in Economics for an expanding student body.

By the mid-twenties, Elements of Economics (already numbered 150-151), Money and Banking, Public Finance, and Labor Economics were being offered by a real Ph.D. in the social sciences. He was the later-renowned sociologist Romanzo Adams. (Adams of course also taught all four sociology courses in those rugged, antediluvian years.) The only Economics course Adams was not listed for was Practical Banking, offered at the Bank of Hawaii for 3 credits. There were, after all, limits to the scope of even a great man.

Courses in business, notably accounting, outnumbered those in Economics by the end of the 1920’s. In fact, Economics was one of several fields of study offered by the combined Economics-Commerce Department which was formed in Hawaii Hall. Several of the faculty were downtown businessmen, accountants, lawyers, etc. teaching part-time.

Beginning in 1933 the Department began to list a few courses or seminars in the economic history and economic problems ("development" was not yet an academic buzz word) of the "Orient", meaning Japan and China. Such courses were most unusual at that time in American higher education. At UH, they fitted in not only with the starting up of an M.A. in Business and Economics but also with the stirrings of an ambition of the University of Hawaii to serve as a place for cultural interchange with Asia. Something like an East-West Center was beginning to be envisioned.

The professor who first introduced the Asian economics courses was James Shoemaker, later vice president of the Bank of Hawaii. The redoubtable Dr. Merton K. Cameron then chaired the Department. Indeed, Cameron was the perennial chairman, from 1933 to 1950. (By reputation, he was a good teacher. It is humbling to those of us who profess to teach that some of his students, such as Dan Inouye, later remembered Cameron only as the economist who illustrated 'the workings of the law of diminishing marginal utility with the imagined consumption of a supply of chocolate drops.)

Within that record tenure was World War II, which largely shut down the normal functions of the University. The Economics Department, perhaps due to the perseverance in office of Chairman Cameron, was one of the first to recover in peacetime. In 1946 and 1947, Economics students received three of the eleven M.A.'s granted by UH. (A new area, agricultural economics, was added in 1946 and continued in the department's curriculum until 1957, when the College of Tropical Agriculture took over the field.)

Postwar Economics offerings again included a course and a seminar on Problems of the Far East (still Japan and China), but when Shoemaker retired in 1949, no one continued Asian economic studies. That was in keeping with the times. The Cold War had begun and bitter recrimination in America about how China had been "lost" to the United States fed that social pathology called McCarthyism. Academic interest retreated to areas safer and more accessible to research than east Asia.

Creation of the College of Business Administration in 1950 stimulated the expansion of more vocational courses in accounting, insurance, real estate, labor, etc. The Economics faculty was predominantly engaged in such areas -- plus the hardy perennials of 150-151, Macro and Micro, Money, Public Finance. However, in 1958 Shelley Mark (who is still researching on campus; we are approaching modern times in this narrative) offered a course on the Economic Problems of the Far East. The true destiny of economics at Manoa was again revealed.

An Economics Research Center was established in that same year, directed by Mark. He recruited economists capable in quantitative analysis and knowledgeable of Asia, including Fred Hung, Harry Oshima, and Seiji Naya -- Naya initially as a student assistant. They had split appointments with the Economics-Business Department, which by 1961 was offering four courses on Asia, plus one on the Soviet Union.
In 1961 the now numerous Economics faculty itself divided: the non-Business members moved to offices in Spalding Hall and membership in the College of Arts & Sciences as the Department of Economics. There was no Merton Cameron at hand, so for a time the chairmanship rotated annually among reluctant holders: Shelley Mark, Tom Ige, Robert Kamins, Harry Oshima. Only with the chairmanship of Ryozo Sato was there long-term leadership (1965-68) of the department.

Sato's tenure as chairman was during the Golden Age of the University, during the presidency of Thomas Hamilton. Creation of the East-West Center, then part of U.H., brought enhanced opportunities for teaching and learning about Asia. Research activity across the campus blossomed under Wytze Gorter, the Graduate School dean, who taught international trade. For a happy time, the governor, the legislature, the community all smiled on the University.

Within the Department, funds became available to import other well-qualified additions to the resident faculty, including Yeong-Her Yeh, John Wise (the English econometrician who mature alumni may remember for his remarkable beard, among other attributes) and social policy analyst Ronald Hoffman (who in some light resembled his actor-brother, Dustin). Stellar visitors, such as John Kendrick, Edward Shaw, Milton Friedman, and Martin Bronfenbrenner, added to the departmental ferment.

By 1967 the Department's graduate faculty was sufficiently strong and diverse to begin planning for a Ph.D. program. Graduate students were coming in increasing numbers and improving quality from across the Pacific, as well as from the mainland U.S. The advance to a department offering the doctorate required continuity in the chairman's office to push the necessary authorization through the labyrinth of University and state government review. When Sato left to teach at Brown University in 1968, Burnham Campbell, recently arrived from UCLA, settled in the chair. The modern history of Economics at UH-Manoa had begun.

Robert M. Kamins
Professor Emeritus
6/30/88

ALUMNI NEWS

We heard from Bangkok that Tirong Suwankiri (Ph.D. '75) was elected MP in the last election and was appointed Deputy Minister of Interior. We are glad to hear that Thailand's interior affairs are in good hands.

John F. Yanagida (B.A. '71) was appointed Chairman, Department of Agricultural and Research Economics, UH Manoa. John after receiving his B.A. in Economics and Mathematics from the UH went to the University of Illinois where he received his M.A. and Ph.D. degrees in Agricultural Economics. He worked for two years at the U.S. Department of Agriculture in Washington, D.C. and then was on the faculties of University of Nevada and University of Nebraska before joining the U.H. Welcome back John!

Bob Mc Cleery (B.A. '78) received his Ph.D. in economics from Stanford University on June 12th and celebrated the birth of his first child, Jennifer Reiko, the following day. Bob is originally from Anahola, Kauai and married to Sandra Nagami from Kapaa, Kauai.

Fujio Omiuro (M.A. '60) is President of Hotel Nikko Anuppuri, Inc. in Hokkaido, Japan. Much closer to home, Gabriel Lee (B.A. '80) is Assistant Vice President and Corporate Account Office at Bank of Hawaii in Honolulu. Diane Nogami (B.A. '81) has been appointed Manager, Investment Analysis and Corporate Planning, Alexander & Baldwin.

Naohiro Ogawa (Ph.D. '75), Professor of Economics and Deputy Director of Nihon University's Population Research Institute, spent one month at the EWC Population Institute working with John Bauer and Andy Mason on several projects. The output of his effort included a paper on the intergenerational distribution of income in Japan which was presented at a meeting organized by Ogawa and sponsored by the International Union for the Scientific Study of Population and held in Sendai City, Japan. And another paper applies the household projection methodology, HOMES, to the health sector in Thailand as part of an Asian Development Bank funded study.

Also spending a year at the EWC Population Institute is Sung Yeal Koo (Ph.D. '79). He is working with John Bauer and Andy Mason on assessing the impact of fertility decline on key aspects of the Korean economy. This work is supported by USAID.

Nison Poapongsakorn (Ph.D. '79), Mathana Phananiramai (Ph.D. '79) and Andy Mason presented a final report on their economic and demographic forecasting project for Thailand at a conference in Pataya, Thailand, last August. The conference was attended by 50 researchers, academics, and bureaucrats representing Thai universities and government agencies. Sirilaksa Chutikul (Ph.D. '82) served as a session chair and discussant at the conference. The conference was funded by Asian Development Bank and organized by the Faculty of Economics of Thammasat University in cooperation with the National Economic and Social Development Board of Thailand.

Shigeyuki Abe (Ph.D. '77), Professor of Economics, Kyoto Sangyo University visited EWC Resource Systems Institute (RSI) during August to work with Ted James and other RSI staff on "Exchange Rate Realignment Effects on Growth, Trade Balances and Prices." His work is a part of a research project on medium-term structural issues in the Asia-Pacific Region being conducted for the Pacific Economic Cooperation Council (PECC) and is being coordinated by RSI's Development Policy Program.
Rachein Chintoyarangsang (Ph.D. '81), Professor of Economics, National Institute of Development Administration (NIDA) in Bangkok, Thailand visited the RSI as a research fellow in August and September to work on a research paper also for the PECC sponsored study on "Thailand's Expectations of Reaching the NIC Status."

Nipon Poapongsakorn (Ph.D. '79), Professor of Economics, Thammasat University, Bangkok, Thailand visited the RSI in October to join in a workshop on The Changing Nature of Work in Rural Asia. The workshop participants are planning to produce a book on this topic.

FACULTY NEWS

Linda Martin spent her sabbatical at Nihon University's Population Research Institute in Japan. The rumor that she is studying the relationship between sushi consumption and the decline in fertility rates in Japan is, however, not true. Instead, she is studying the rapid aging of Japan's population and the economic and social implications of this trend.

After an 11 year incubation period, Suby Roy's book, Reason, Value & Economics will finally see the daylight. The book will be published in 1989 by Rutledge of London and New York in the International Library of Philosophy. This series has published works of Bertrand Russell, Ludwig Wittgenstein and numerous other distinguished philosophers of the 20th century. Suby's book will be the first one authored by an economist.

Suby is not the only one writing books. The University of Wisconsin Press just published Ted James, Seiji Naya and Gerald Meier's (from Stanford) book on Asian Development, Economic Success and Policy Lessons. The book looked at the economic performance during 1960-85 of the NICS, the ASEAN-4, and the low-income South Asian countries. They concluded that despite continuing problems, the prospects for future development of these countries seem bright, with economic cooperation among these nations being the key to their future success.


Despite their busy research agenda, the faculty members apparently found acceptable (to the Dean's office, anyway) excuses to travel, as virtually every one went somewhere during the past year. Maybe it was the triple mileage bonus offered by some airlines.

Summer La Croix, Dick Pollock and Jim Moncur presented papers at the Western Economic Association Meetings in L.A. last summer. But we heard from a usually reliable source that this was only a pretext. The actual purpose of their trip was to attend Mickey's 60th birthday party at Disneyland. Equally suspect was Jim Mak's trip to Las Vegas and Reno to "study" the Nevada tourist industry for the Urban Institute in Washington, D.C.

Departmental travel awards were given to the following individuals: most trips--Seiji Naya (uncountably large number of trips); most miles logged--Seiji Naya (uncountably large number of miles); most nostalgic--Walter Miklius (high school reunion in L.A.) and Mac Williams (Alaska, to celebrate the 65th anniversary of Warren G. Harding's Voyage of Understanding); most romantic--John Bauer and Yoke Yun Teh (Honeymoon in the Canadian Rockies); most deserved--Lou Rose (trek through the High Sierra country after learning that he had just been promoted to full professor; most obscure places visited--Andy Mason (Biax); Jim Mak (Pohnpeianos Kosrae); and Sal Comitini (Maldives). Faculty members also visited less obscure places, such as Washington, D.C., San Francisco, Seoul, Philippines, Indonesia, Thailand, Taiwan, Japan, China, Geneva, Bern, Virginia, and Cambridge (Mass.). With the triple mileage bonus expiring at the end of December, 1988, we predict fewer trips among the faculty members next year.

On the home front, faculty members found time to share their expertise with the community. Mac Williams, Burnie Campbell, and Calla Wiemer gave talks before the Hawaii Economic Association on the stock market crash, investment prospects in Asia, and economic reforms in China, respectively. Seiji Naya enlightened the Chamber of Commerce in his talk on understanding the Asia-Pacific economies. Walter Miklius and Jim Mak served on the Market Research Committee of Hawaii Visitors Bureau. Jim Mak was appointed last summer to the State Council on Revenues; the Council provides forecasts of state tax and non-tax revenues for use by the Governor and the State Legislature. Jim was also appointed to the editorial boards of the University of Hawaii Press, and the Journal of Travel Research (U. of Colorado-Boulder). Jim Moncur is the Treasurer of the Hawaii Council on Economic Education, a business-education partnership dedicated to promoting economic education in Hawaii's primary and secondary schools.
RETRACING HARDING'S VOYAGE OF DISCOVERY

This summer was the 65th anniversary of Warren G. Harding's "Voyage of Discovery" to Alaska. This visit made Harding the first President to set foot in the territory. But on the journey back, Harding suffered a heart attack and died in the Stanford Medical School on August 2, 1923.

In homage to "America's most beloved President," Mac Williams and Kay Larsen retraced Harding's footsteps in Alaska last summer. Among the highlights of their trip were an encounter with a black bear on a hike to the Harding Ice Field, and a drunken evening in the Fairview Inn in Talkeetna, surrounded by mountain climbers from around the world and memorabilia of Warren G. Harding. It seems that Harding retired to the Fairview Inn after driving in the golden spike which completed the Alaskan Railroad and proceeded to get thoroughly drunk. Witnesses claim that they were probably responsible for the 'poisoning' of Harding.

Mac and Kay also visited with our former colleagues Steve and Lillian Jackstadt in Anchorage.

FALL SEMESTER FACULTY SEMINAR SERIES

The Fall Semester Seminar Series was extremely successful and well received. In addition to local talent, four visitors presented papers. The first visitor, Professor Liu Guoguang from the People's Republic of China was the Fall semester's first speaker. Professor Liu is Vice-President of the Chinese Academy of Social Sciences and a member of the Chinese Communist Party's Central Committee. He has been a strong proponent of market-type reforms in China, whose views have been instrumental in shaping Chinese economic policy during the 1980s.

The title of Professor Liu's presentation was "China's Ten Years of Economic System Reform: Progress and Problems." He argued that despite the need to achieve further liberalization of markets, the rapid inflation of 1988 makes a period of stabilization imperative for the immediate future. He was in favor an increase in deposit interest rates to match inflation, foreshadowing a policy actually adopted by the Chinese government a few weeks later.

Professor Staffan Linder, President of the Stockholm School of Economics, presented a paper entitled "Why One Could Be Optimistic About the World Economy." Professor Linder stated three primary reasons for continued optimism. First, the rate of technological advance is likely to increase and perhaps accelerate; second, the continued growth in international trade will fuel world economic growth; third, there is a decreased likelihood of world scale military conflict. In making his third point, Professor Linder cited the westernization of the communist country economies and nuclear deterrence as forces likely to prevent global war.

A more theoretical presentation was made by Professor Yoshiyasu Ono of the Institute of Social and Economic Research, Osaka University. Professor Ono's research provides a microeconomic foundation for Keynesian aggregate involuntary unemployment. In the spirit of Keynes, Professor Ono relies on liquidity-preference to generate his results. In addition to his microeconomic presentation, Professor Ono discussed his other research which applies oligopoly theory to international trade.

The last visitor was Professor John Whalley from the University of Western Ontario. Professor Whalley is probably the foremost world expert in applied International Public Finance, i.e., the application of Public Finance to open economies of groups of economies.

He presented two talks. His first talk at the Economics Department entitled, "Do Developing Countries Lose from the Multi-Fibre Agreement," presented estimated welfare effects of international trade agreements. These results were based on his famous applied general equilibrium technique. The general equilibrium analysis applied to the analysis of economic reforms such as trade liberalization is best seen as an input to a policy dialogue. Numerical estimates of the economic effects are limited by reliability of the elasticity

WORKING PAPER SERIES INAUGURATED

The Department has launched its Working Paper Series. The purpose of the series is to encourage and publicize scholarly research output of the faculty and exceptional graduate students for critical professional discussion. All former graduate students are included in the mailing list. If you do not receive your copies soon, please write us.

WOO NAMED OUTSTANDING UNDERGRADUATE STUDENT

The Department recognized Patrick Woo as the outstanding economics student for 1987-1988. Patrick accumulated an impressive 4.0 grade point average in his 4 years at the University of Hawaii. In recognition of his exceptional achievement, the Department held a reception in his honor in May. His name is the first to be engraved on the Outstanding Economics Student plaque which hangs in the Department office. Congratulations Patrick, and we wish you the best in your future endeavors.

The Department also recognized Randy Abe and Betsy Johnson for outstanding jobs as Presidents of the Economics Club during 1987-88.
and parameters estimates. These estimates are inevitably limited by the difficulty of making the statistical models consistent with economic theory.

Professor Whalley’s second talk, delivered at the East-West Center’s Resource System’s Institute, was an exercise in economic journalism applied to progress and problems of the current Uruguay Round of GATT trade negotiations. The audience was pleasantly surprised that someone who is world renowned for his general equilibrium models could deliver a lively and informative talk without referring to economic theory. In Nayaese,... "we knew you were famous modeler, but now we see that you are really good..."

The Department’s Faculty Seminar Committee consisting of Jim Roumasset and Jerry Russo deserves lots of credit for their work in organizing the highly successful Fall 1988 Seminar Series.

THE NEW GRADUATE PROGRAM

Over the last two years, the Department of Economics has completely revamped its Graduate Economics program. Students entering in the Fall 1988 semester are the first participants in the new program. Masters and PhD students are expected to complete a three-semester set of core courses in quantitative methods, microeconomic theory, and macroeconomic theory. To ensure that students have the necessary quantitative skills to grapple with the modern economics literature, the first semester of the core program consists of Mathematics for Economics (ECON 627) and Statistics (ECON 629). In the second semester students take introductory courses in microeconomic theory (ECON 606), macroeconomic theory (ECON 607), and econometrics (ECON 629). The third semester of the core program solidifies the student's preparation in economic theory with two additional courses in macroeconomics (ECON 609) and microeconomics (ECON 608). At the end of the third semester, students making normal progress will take qualifying exams in micro- and macroeconomic theory.

With the skills provided in the core program, students should be prepared to take courses in various economic fields. PhD students must take 5 additional applied courses, and masters students can complete their program by taking 3 additional applied courses. The Department offers courses in seven fields: Economic Development, Resource Economics, Public Economics, Labor Economics, Population, and International Economics. In addition, the two required core courses in quantitative methods (ECON 628 and 629) can be supplemented by an optional Workshop in Advanced Econometrics (ECON 724).

After completion of course work, PhD students then participate in Economics 730 workshops. Several workshops are offered every semester including the Proposal Development Workshop, the Applied


The new program ensures that students will have the quantitative and theoretical skills to conduct high quality research on a wide variety of public policy problems in the Pacific/Asia region. The establishment of additional Economics 730 workshops facilitates development of student and faculty research topics and ensures that student research is disseminated to a wide audience.