

Remarks by Rudi Dornbusch*

This is not part of the program, but it's an unavoidable remark. Ken, of course, was generous far beyond reason, for a man on a new job to put his credibility on the line that much. I appreciate it. I have a slight contest with him whether not labeling your axes or closing off the light on the overhead, which of the two is a better educational strategy. We'll all see what future generations learn from that.

I want to use the presence of so many friends and students to make an acknowledgement beyond Ken. I was very fortunate, as an undergraduate, to have a teacher who said, "Go to America." He sits in this room. [Editor's Note: Professor Alexandre Swoboda, Graduate Institute of International Studies, Geneva, Switzerland.] I was immensely lucky to go to Chicago at its very best time when people were fighting about what's the right model, there was an assumption that no one knew what it was. Our teachers were fighting about it. I was immensely lucky to have Mike Mussa as a colleague/teacher both in Chicago and Rochester and much of what I learned comes from him. He knows it. So, here are the debts and then there was a great luck to stand around while all the ingredients were thrown around. There was sticky prices that we had in our first graduate year, they had become flexible under the impact of inflation by the time we graduated. Expectations had suddenly emerged from Phelps, Friedman, Lucas. Rational expectations were just thrown at us and we had all these ingredients to make our omelets and Mike and I did that in looking really for the same effects. So, the message is stand around while guys lay out the ingredients while there isn't a settled view and you are allowed to do your own and maybe



you are lucky. I think the extra piece that is important for any teacher is the students. It's not the tenure committee, it's the students that drive you, and at MIT we are just fantastically blessed with generations and generations of students that challenge you by the day. And in the end I think that's where the good luck of getting ahead comes from and it's a blessing that continues.

Thank you very much.

*With the passing of Professor Rudi Dornbusch on July 25, 2002, we have all—in the economics profession and particularly at the IMF—suffered an incalculable loss. To simply say that he was one of the great economists of our time is not enough. His justly celebrated "overshooting" paper is, indeed, arguably the most influential article written in the field of international economics since World War II. His policy ideas on how to better manage debt crises had a crispness and originality unlike any other's. But what his many students and followers throughout the world loved most was Dornbusch the man, full of vitality, creativity, sharpness, humor, and deep personal warmth. As a path-breaking scholar, as a beloved teacher, and as a cogent policy advisor to many countries, Rudiger Dornbusch lived one of the great lives in economics. —Ken Rogoff