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RUDI IN CHICAGO

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Rudiger Dornbusch, 1942-2002

Rudiger Dornbusch was one of the few people I know capable of making a profound impression because of his intelligence and the speed and coherence of his reasoning. Beyond his knowledge and his contributions to economics, Rudi was a masterful debater. It was always a pleasure to argue a point with him, even when he was in the wrong.

It is said that he could be aggressive and sarcastic, which is true, but in Rudi's case these were virtues enhanced by his intelligence and generosity. It was impossible to debate with Rudi without learning something, however heated the discussion and regardless of who was right.

I met Rudi in 1971 at the University of Chicago. He was an active participant in the Workshop on International Economics, and was in the last year of his Ph.D. course. At first I could not understand why someone would wish to present a paper to an audience willing to tear it apart pitilessly. Once

a paper began to be presented, if an error was detected it was impossible to escape saying “that’s a very interesting question, let me think about it”. Intermediate positions were never allowed in these presentations: the paper was either wrong, and the author was forced to recognize his mistakes, or it was correct and the discussion immediately switched to the exploring of new lines of thought arising out of the research.

I soon began to enjoy being savaged by extremely intelligent persons such as Harry Johnson, Robert Mundell, Jacob Frenkel, Michael Mussa, and of course, Rudi Dornbusch. Aided by his more aggressive personality, Rudi always played a leading part in this privileged group. It was among these people and at that workshop that much of the body of economic theory known as the Monetary Approach to the Balance of Payments was developed.

Rudi’s doctoral dissertation represented great strides in the building of the new theoretical approach to the balance of payments. By including non-traded goods he developed the first general equilibrium analysis of the effects of a devaluation on the real exchange rate.

In the Spring Quarter of 1971 Lloyd Metzler was to deliver a course on Monetary Open Economy. A deterioration in his health meant he was unable to do so, and Rudi, in his last year as student, was named as lecturer. This was Rudi’s first graduate course taught and I was honored to be among that small group of students. We had to write a paper as a graduation requirement for presentation during the course. In his typical attitude, Rudi announced everyone’s grades during the last class. In my case he said: “Carlos, your paper was beautiful, what grade do you want?” As a good disciple of Rudi’s I had learnt that conceit could be a virtue, and without hesitation I answered “A+” That was my highest grade in Chicago!

In 1972 Rudi went to Rochester as a professor. He liked to hold meetings at his home with students, colleagues and seminar guests. Those in which I took part always ended at dawn, and inevitably the topic was economics. Rudi was a great one for staying up through the night, helped by the fact that he only drank water and enjoyed the company of Ronald Jones, who only drank tea after dinner.

Rudi was a tireless traveler, and wherever he went he would get in touch with his former students and friends. He would call up at any time and would always say “tell me everything.” The seminar began right there. We will miss him.