

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: Prof Alexandre Swoboda, Graduate Institute of International Studies, Geneva] 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.