



# The Utility Times



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*Always one more isoquant to go*

Fall 2002

## The Times They Are A Changin'

Well folks, what more is there to say. The Republicans won control in mid-term elections and the recovery should soon be under way. At least, that is, if the cuts in taxes, capital gains and business regulations cause the big movers and shakers to invest, invest, invest. We need job creation and a restoration of consumer confidence. Maybe it has nothing to do with confidence and consumers just need money to actually buy things. Has the GOP found the solution? We hope so but won't hold our hopes too high. It's a great time to sell certain things though, as you may have noticed at the recent Career Fair. The baby-boomers are about ready to retire and they need someone to sell them financial services and advice, so if this is your niche the time is now - just don't be afraid when they tell you that your compensation is entirely based on commission. So the Fed caved and cut the Discount Rate by a whopping 50 basis points, the only problem is that means the going rate is now 1.25% and pretty soon big Alan won't be able to rely on a rate cut to stimulate this economy - it may already be too late for this tactic to have much effect. Thought about refinancing your home? What, you don't have one. Car? Boat? Plane? Train, maybe? None of the above? You're not alone.

*Graham D. Crawford  
UT Editor in Chief*

## Out and About by Jesse Rubin

I recently returned from the most amazing experience of my life, one that is available to all U of O students, but that only a few take advantage of: an international internship. When most people think of internships they think of working in some company without pay in order to enhance a resume for future employment. True enough. But what people don't think about is the endless variety of internships available in other countries that provide the same skill training and resume building, but also include completely unique and exciting cultural experiences. With the globalization of the business world, more and more American companies now operate in many countries throughout the world and many of them provide internships for the young bright minds of our time: us.

Finding the right internship is probably the biggest obstacle in the path to a successful overseas experience. Fortunately, the U of O Career Center has great resources available to assist students in their search, and with the

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## Leaving Triangles

by Matthew Thoren

I have spent the last 12 months completing 36 credits in upper division economics and I drew a lot of triangles along the way. In leaving, who could not have at least *something* to say about the experience, having spent a fair amount of time on the 4th floor of PLC and in ED 176. I figured the *UT* would be the perfect hiding place to express my concerns since I'll never get around to writing a formal letter to anyone.

Economics is the study of the distribution of goods, resources and the study of peoples' reactions to these distributions. The interest rate is higher in Upper Volta, so put your money in Upper Volta; fair enough. We spend our time drawing models that are excellent for learning tools. Although after spending a fair amount of time learning the Dornbush Model of overshooting exchange rates and finding out that "it doesn't actually hold up empirically" and being told by an optimistic graduate student that, "really, none of them do," it seems maybe a little douse of something is missing from our economic regiment.

Assume the major aspects that I believe are reasonable for promoting any discipline are reality, relation, and application. This leads to doing something not just for the purpose of doing it, but doing it for a purpose.

Daily, stories with economic themes appear in the paper that the public becomes familiar with, though they often do not understand what is behind those stories. One Chilean bound roommate of mine took interest in the recent broken windows, riot gear and other events in Argentina, and inquired, "Thoren, doesn't this all have something to do with *economics*?" In a bit of a rush to produce an explanation, I scrounged up a collection of triangles representing a balance of payments diagram with the following conclusion: See, they have to buy the difference to keep the peso up with the dollar, and they ran out of money. It was the best I could do.

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SOCIALISM: You have two cows. State takes one and give it to someone else.  
 COMMUNISM: You have two cows. State takes both of them and gives you milk.  
 FASCISM: You have two cows. State takes both of them and sell you milk.  
 NAZISM: You have two cows. State takes both of them and shoot you.  
 BUREAUCRACY: You have two cows. State takes both of them, kill one and spill the milk in system of sewage.  
 CAPITALISM: You have two cows. You sell one and buy a bull.



Remember, don't let this happen to you in an interview - turn the ringer off!

Don't let the time get the best of you.



## The UT eDge

*Full of wisdom and speculation. Read at your own risk.*

I begin with the assumption that economists have their uses. I know many of you will disagree with this, but as economists themselves say, "we can relax the assumption later."

NATURAL RATE OF UNEMPLOYMENT  
 Newlan's Truism: An "acceptable" level of unemployment means that the government economist to whom it is acceptable still has a job.

From Ambrose Bierce, *The Devil's Dictionary*:

*Tariff* — A scale of taxes on imports, designed to protect the domestic producer against the greed of his consumer.  
*Economy* — Purchasing the barrel of whiskey that you do not need for the price of the cow that you cannot afford.

"I'm a walking economy," a man was overheard to say. "My hairline's in recession, my waist is a victim of inflation, and together they're putting me in a deep depression."

Three econometricians went out hunting, and came across a large deer. The first econometrician fired, but missed, by a meter to the left. The second econometrician fired, but also missed, by a meter to the right. The third econometrician didn't fire, but shouted in triumph, "We got it! We got it!"

**Not satisfied? Contribute to the Utility Times.**

I would love to see the day when the triangles themselves communicate with the rest of the world about these things. We know this stuff is in the news and we know some of the theories and models that can explain some of these phenomena. Could there possibly be a course that connects the two, such that models are taught based on real situations and thus “hold up empirically” for a change? We could teach about modern economies as a whole, offering the real reactions of society to economic changes, not just the “theory”.

Economists aren't making the decisions that deal with situations such as the recent Argentina crisis, Thailand four years ago, post-war economies and the like; the politicians are. Economists study these reactions that are often a product of situations controlled by politicians. Would it be that unreasonable to have everyone jump into one or two political science classes sometime within the four years they're here? Perhaps, Political Science 340, “International Political Economy,” why, it's even got *economy* in the name. And, considering that graduation is possible around here with reading next to nothing in any depth, (121, 122, and I took some 100-level ‘cultural legacies’ thing, I still can't read and I can barely write) a PS class with a little reading on Political-Economics for a quarter wouldn't be a bad idea. Hey, the PoliSci guys across the street should hang out in our department sometime... wouldn't hurt them to draw a few triangles too. Then we can all go for a pint and have something to talk about. Paying attention to the existing empirical literature wouldn't be a bad thing to promote either. It takes two Pass/No Pass credits worth of reality, and saying “oh yeah, I remember memorizing this stuff” and finding that, it does exist outside of the academic realm. Have you ever heard of anyone taking EC 405 – Reading? Nope, because it doesn't usually happen. How do you get people to do it? You require them to do it.

What's going to happen to all those Urdu majors that just take Urdu classes and never go to one of the many nations where Urdu is spoken? A little more connection between the twenty-eight upper division credits and the existence of economics outside the department could be of benefit to us all.

Finally, I'd like to discuss application. I spent 4-6 hours a day during the whole quarter writing a thesis paper for 4 Pass/No Pass credits. It wasn't the greatest experience for me. Many departments on this campus require individuals to do them if they want to graduate with honors. Perhaps requiring a thesis paper to graduate is a good idea, and there should be something required of undergraduates where they utilize what they have learned drawing all those triangles. My project was a little long, it was tiring being in the EMU lab at 1:00 am, but it was four credits worth of stuff that I was interested in (Airplanes! Well, profit determinants of airlines...). Requiring some sort of final project could give students the opportunity to demonstrate some of the skills that they've acquired and provide a chance to focus on the facets of economics that they find interesting.

I think that people aren't going to write papers, read economic literature or jump in a political science class for a good time. It happens, but not very often. It is sad to think that the majority of what we learn here is simply the required material. Most of what we know is based on required coursework and the reason we complete many of these courses is because they are required for graduation.

Am I criticizing the way economics is being taught? Yes. Am I right? No. I haven't even walked yet, and I definitely don't know what I'm talking about. I await criticisms on my thoughts, such as “there is a lack of funding” or “there are too many problems as it is.” For the sake of preparation in entering the real world, I think that applying a minimal amount of those graphs to something, if only to comprehend what the guys at *the Economist* are saying could be of better use in the classroom than some of the things we do. Assuming you want to be able to field a few economic questions when your ploughed roommate asks, it may be worth the effort to apply reality, relation and application to all of those triangles.

Internet being so easy to use an individual can find information on any international company within a few clicks of the mouse. By spending just a few hours in the Career Center and on the Internet you can find dozens of internships all over the world that are relevant to any major or career path.... especially a major as versatile as economics.

I had no idea what kind of internship I was looking for, where I wanted to go, or how I was going to find it. I typed in "internships in Latin America" and couldn't believe how many options I had. After taking a look at a lot of different web pages I found one that had everything I was looking for. I was so excited about this opportunity that I discontinued my search and settled for the first thing that came along, but I assure you that many more, and possibly even better, options are out there. I think if I had more of an idea of what I was looking for in an internship, it would have made my search easier and my internship more productive. However, even with a quick, spontaneous choice I was afforded an incredibly valuable and awesome experience. One thing I did not explore then, but am in the process of looking into now for a post graduation international adventure, is American companies operating in other countries. The benefit of these companies is that you can find out a lot more about the internship responsibilities and activities, whereas I went into the experience clueless and with my fingers crossed.

The most valuable thing I gained from my 4-month internship in Venezuela had nothing to do with the actual internship position. In fact, if I had learned the exact same skills and worked for the exact same company here in Eugene instead of abroad, it would have been a pretty mediocre experience. What was so amazing and valuable was leading a productive life within another culture. Not visiting another country as a tourist, not studying abroad with a 100 person group of party-oriented English speaking Americans, but actually living with a local family, working in a local company, and being

a contributing part of Venezuelan society were the things I found to be so valuable.

I know the thought of leaving our comfortable lives here in the States for an extended period of time is troublesome and nerve racking. The thought of being away from family and friends and immersed into another culture is hard for anyone. I can say from first hand experience however that after the initial shock of being away from home passes, life becomes so new and exciting that it makes all the worries and doubts disappear. Another thing that helps the adjustment into a new culture is having a supervisor or contact person to help you get settled. Almost all undergraduate internships provide this type of contact person to assist with any problems that may arise and help with the transition into your new environment. Also available are host families that provide good housing, meals, and support for arriving students/ interns, which can really lighten the burden of being on your own. Apartments are also available for those who want more privacy and want to really be on their own, but I feel that living with a local family is a unique and valuable experience as it provides the comfort of family support, the opportunity to really get to know the culture even more intricately and great home-cooked traditional meals.

The experience of living in another country has truly changed my outlook on life. It made the simplest daily interactions new and exciting. I feel as though I really matured and learned a lot about the ways of the world in the past few months, all while having by far the happiest and most fun experience of my life.



# WINTER TERM 2002 ECONOMICS DEPARTMENT COURSE SCHEDULE

Course #	Title	CRN	Time	Instructor	Room
EC 101	Contemp Econ Issues	22379	UH 14-1520	Singell, L	PAC 123
EC 201	Intro Econ Analy Micro	22386	MW 1600-1720	Dincer, O	LA 177
EC 201	Intro Econ Analy Micro	22387	UH 1600-1720	Mester, G	CLS 250
EC 201	Intro Econ Analy Micro	22400	Online	Birdyshaw, E	Online
EC 202	Intro Econ Analy Macro	22404	MWF 1300-1350	Duy, T	PLC 180
EC 202	Intro Econ Analy Macro	22413	Online	Birdyshaw, E	Online
EC 202	Intro Econ Analy Macro	22405	MW 1600-1720	Stater, M	WIL 100
EC 311	Interm Micro Theory	22422	MW 1600-1750	Kosovich, S	MCK 221
EC 313	Interm Macro Theory	22423	UH 1600-1750	Guse, E	MCK 221
EC 360	Issues Industrial Org	22425	MW 1600-1720	Visser, M	MCK 125
EC 380	International Econ Issues	26705	MWF 0800-0850	Liebman	STB 148
EC 401	Research	22426	<i>To Be Arranged</i>	Staff	
EC 404	Internship	22427	<i>To Be Arranged</i>	Blonigen, B	
EC 405	Reading	22428	<i>To Be Arranged</i>	Staff	
EC 408	Wrk Peer Advising	22429	<i>To Be Arranged</i>	Blonigen, B	
EC 410/510	Non-Profit Economics	26539/26540	F 1000-1150	Blonigen/Harbaugh	ED 155
EC 413/513	Adv Macro Theory	22430/22448	UH 1200-1350	Gray, J	MCK 240C
EC 420/520	Intro to Econometrics	22431/22449	UH 0830-0950	Hall, W	GER 302
EC 420/520	Intro to Econometrics	22434/22452	MW 1600-1720	Curs, B	GER 248
EC 421/521	Intro to Econometrics	22437/22455	UH 1400-1520	Haynes, S	CON 204
EC 424/524	Econometrics	22440/22458	UH 0830-0950 F 12-1250	Singell, L	DEA 208/GER302
EC 433/533	Resource and Environ Ec	26108/26109	MW 1600-1720	Cameron, T	ED 176
EC 441/541	Public Finance	22441/22459	MW 1200-1320	Ellis, C	ED 176
EC 461/561	Indust Org & Pub Policy	22442/22460	MWF 0900-0950	Wilson, W	STB 146
EC 470/570	Monetary Policy	22443/22461	UH 0830-0950	Thoma, M	GER 242
EC 484/584	Multinational Corps	22444/22462	UH 1400-1520	Davies, R	GER 242
EC 491/591	Iss Econ Growth & Dev	22445/22463	UH 0830-0950	Chakraborty, S	PLC 189
EC 503	Thesis	22447	<i>To Be Arranged</i>	Staff	
EC 601	Research	22465	<i>To Be Arranged</i>	Staff	
EC 602	Superv College Teach	22466	<i>To Be Arranged</i>	Kolpin, V	
EC 603	Dissertation	22467	<i>To Be Arranged</i>	Staff	
EC 605	Reading	22468	<i>To Be Arranged</i>	Staff	
EC 607	Sem Core Micro	22469	MW 1330-1520	Wilson, W	PLC 412
EC 607	Sem Core Macro	22470	UH 1330-1520	Chakraborty, S	PLC 412
EC 607	Sem Econometrics II	22471	UH 1200-1350	Wilson, W	PLC 410
EC 607	Sem International Econ I	22472	UH 1000-1150	Davies, R	PLC 412
EC 607	Sem Public Econ II	22473	MW 0900-1050	Lambert	PLC 412
EC 607	Sem Macro I	22474	MW 1100-1250	Evans, G	PLC 412
EC 609	Practicum	22475	<i>To Be Arranged</i>	Kolpin	



## *A Stab at our Cohorts, or even Ourselves - or both. . .*

An economist, a historian, and a psychologist go golfing.

They get behind a very slow two-some, who, despite a caddy, are taking all day to line up their shots and four-putting every green, and so on. By the 8th hole, the three men are complaining loudly about the slow play ahead and swearing a blue streak, and so on. The historian says, "I feel as though I've been out on this course since Castro took Cuba. They should take some lessons before they play again." The psychologist says, "I swear there are people that like to play golf slowly." The economist says, "I really didn't expect to spend this much time playing a round of golf."

By the 9th hole, they had lost patience with slow play, so the psychologist goes to the caddy and demands that they be allowed to play through. The caddy says that would be fine, but then explains that the two golfers are blind, that both are retired firemen who lost their eyesight saving people in a fire, that this is the reason for their slow play and would they please not swear and complain so loud.

The historian is mortified. He says, "Here I am a man well versed with others past misfortunes and I've been swearing at the slow play of two blind men." The psychologist is also mortified. He says, "Here I am a man trained to help others with their problems and I've been complaining about the slow play of two blind men."

The economist ponders the situation and finally goes back to the caddy and says, "Listen, the next time they could play at night."

Disclaimer: These stories are in no way intended to insult or degrade the abilities of our colleagues in the various departments referred to herein. It is intended to foster genuine collusion between departments in order to achieve a mutual understanding of each others differences and similarities so that we may alienate ourselves together from the rest of the intellectual community.

Please send complaints and comments to [someonewhocares@wemight.com](mailto:someonewhocares@wemight.com)

Interested in Peer Advising? How about for *credit*? We knew that might get your attention.

The UO Economics Department is always looking for potential Economic Peer Advisors. This is a great opportunity to earn 400-level economics credit. Students who wish to earn credit must fulfill three requirements:

- \$ Supervise and council fellow students in the Peer Advising Office (PLC 405) for three hours per week.
- \$ Participate in small group projects outside the office (we do mean small)
- \$ Contribute to this publication, the quarterly undergraduate newsletter *The Utility Times* - yeah, we wish!

Great resume builder, learn about career and internship opportunities, meet new people, make contacts for the professional world

Stop by PLC 405 to sign up for next term.

## *Utility Times Staff Fall 2002*

Graham Crawford - Editor in Chief  
Ryan Probstfeld - Production Coordinator

*UT* would like to thank the following individuals for their time and contributions to this issue's publication:

Matthew Thoren	Jesse Rubin
Bruce Blonigen	Brenda Crume

### **Visit the Econ. Peer Advising Website:**

<http://darkwing.uoregon.edu/~econpeer/peer.html>

### **Visit the Dept. of Economics Website:**

<http://economics.uoregon.edu/>

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The jokes appearing in this issue of *UT* were culled from <http://netec.mcc.ac.uk/JokEc.html>. We hope you enjoyed them.

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