Tradeoffs

Department of Economics
UNIVERSITY OF TORONTO
Fall 2012

INTRODUCTORY REMARKS

By Arthur Hosios, Chair

An academic department is a complex unit that requires the goodwill and efforts of its members to function well. This is especially true of a large department, and Economics is the largest teaching unit in the Faculty. I have been very lucky during my term as chair to have had a dedicated group of colleagues enthusiastically join with me in the administration of the Department, including Professors Dwayne Benjamin, Francois Casas, Don Dewees, Greg Jump, Martin Osborne and Adonis Yatchew.

On the graduate side, Martin signed on for a 3-year term as Associate Chair for Graduate Studies starting with the 2009-2010 academic year. Despite looking forward to the end of his term and returning to a life of teaching and research as a regular faculty member, Martin graciously agreed to stay on for an additional six months to allow the next Associate Chair, Professor Miquel Faig, to complete his sabbatical leave before starting his term in the new year. During his term, Martin has provided great leadership in the graduate portfolio and been a source of wise counsel to me on graduate issues and on the management of the Department more generally. On behalf of the entire Department, I'd like to thank Martin for his many contributions and stewardship of our graduate program.

On the undergraduate side, Dwayne signed on for a three and a half year term as Associate Chair for Undergraduate Studies starting in January 2010; like Miquel, the beginning of Dwayne's term as Associate Chair was postponed by six months to allow him to take a sabbatical leave. Dwayne has done a superb job with the undergraduate program, including the implementation of the Faculty's Curriculum Renewal policies, the expansion of our upper-year course offerings, the introduction of more writing assignments to our courses, and the management of our sessional instructors and teaching assistants. I am therefore very pleased to announce that Dwayne has agreed to continue in his position for another year to June 2014.

While administrators come and go, Martin and Dwayne have made lasting improvements to our programs and, along the way, managed to make me look good as well. What

In This Issue

The Year 2011-12 for the Master of Financial Economics Program

by Andreas Park and Angelo Melino

The fall of 2011 saw the launch of the MFE Program's Professional Development course, dedicated to helping our students secure a summer internship. The course was well received and the 2011-12 class achieved 100% placement in the summer of 2012. The program and its students are indebted to the two student coordinators, Radhika Thakur and Mark Leung, and the students, alumni and industry members who participated as guest speakers and mock interviewers. We thank Karim Alidina, Ilan Bahar, Christopher Bailey, Jay Crone, Andrew Freestone, Todd Hargarten, Michael Hyman, Jonathan Khan, Mark Leung, Jesse Lowry, Sandy Mackay, Dan Mahon, Bill Moriarty, Carol Ann Northcott, Tyler Parrent, Michael Samis, Danilo Simonelli, George Sipsis, Lindsay Scott, Radhika Thakur, Ivan Pelipenko, Joanna Wang, Xuan Yang, Liqiao Zhang, and Xiaodong Zhu, for the sessions that they led. We further gratefully acknowledge the efforts of all the alumni and second-year students, and the representatives from Scotiabank, BMO and the Ontario Teachers Pension Plan who conducted mock interviews.

Students from our 2011-12 class interned at major banks, pension plans, private wealth management, specialized investment banks and brokers, public sector organizations and trading firms, in areas such as asset management, economics research, risk management, accounting and auditing, client outsourcing, corporate actuarial, fixed income, investment banking, real estate research, and sales and trading.

The graduating class of June 2012 also had excellent placement results, and they attained full placement earlier than previous cohorts. They currently are employed by major banks, asset management, public and private firms such as CIBC, CPPIB, DPX Capital, Deloitte, Dundee Capital Markets, Manulife Financial, OMERS, Scotiabank, Stonecap Securities and RBC Capital Markets, in areas similar to those mentioned above. We had the opportunity to congratulate our 2012 graduates and meet their families at a small reception hosted in their honor on June 6.

Regarding 2012 competitions, MFE students Christie Li, Mike Salisbury, and Eric Wilson participated in the National Investment Banking Challenge, sponsored by the University of British Columbia and held on January 11-12 at the Pan Pacific Hotel in Vancouver. Our students did themselves proud and finished fourth among twenty-four competing MBA teams. At the UBS-Rotman Trading Competition held on Feb 2 at the Rotman School, Charles Lavallee, Sam Luo, Ryan Pellegrini, and Christopher Watson attained fourth place out of twenty-seven competing MBA teams. At the Rotman Scotiabank Credit Case competition held on March 17 at the Rotman School, Eric Chiu, Sam Luo, Andrew Merhej and Chris Watson placed third out of 9 competing MBA teams. Congratulations to all who competed.

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The Year 2011-12 for the Master of Financial Economics Program (continued from page 2)

Marco Petta, (Special Director, OTC Derivatives - Market Initiatives, Bank of Canada) gave the 2012 Berkowitz Lecture at the University of Toronto's Hart House in early March. Marco gave an engaging and informative talk on Reforming OTC Derivatives Markets to more than 75 students, alumni, faculty, and invited guests. A summary of his talk is included below in this Newsletter. This year's lecture was a wonderful opportunity for people involved in the program to reconnect and we thank all of those who came and who made this event special.

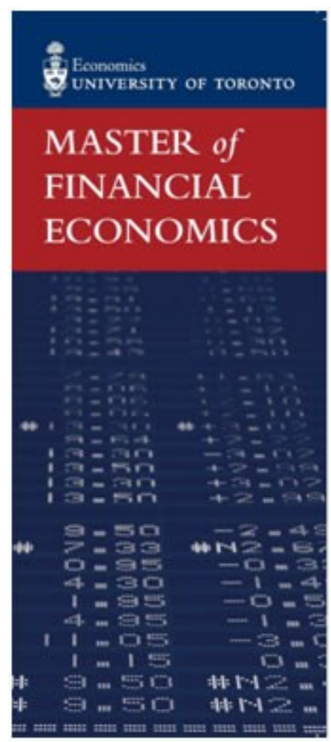
In 2011-12 we established an Advisory Board to help us form a long-term vision for the program and to foster the integration of our program with industry. The inaugural board members are Paul Mastrodicasa, Marlene Puffer, Halina von Dem Hagen, and Harold Wolkin. They have already made their mark on the program by providing valuable advice on how to enhance our placement strategy. They helped us build and improve our relationships with employers, they provided input on the professional development aspects of the program, and they helped us to nurture our ties with the financial services community.

One of our most important goals in the years ahead is to improve our students' funding by establishing a number of entrance awards. We are therefore pleased to announce two recently established awards by the MFE program.

The first, the Brian A. Miron Award was created in 2011. The inaugural recipient of this annual award, valued at approximately $4000, will be the top-performing student of the 2012-13 incoming class. Starting in the spring of 2013, the award will be used to attract one of our highest ranked candidates into the program. We extend a special thanks to Mr. Miron for his generous donation.

A second, the MFE Alumni and Friends Award is being launched this fall. Our fundraising goal of $50,000 will create an annual award of $2000 that will be used to attract other top candidates in admissions. The more funds we raise, the more we will be able to generate in award value. We gratefully invite contributions from alumni, faculty, and friends of the MFE program please visit this site to make a secure online donation.

These awards have been launched in conjunction with the 10-year anniversary of the MFE program. We officially admitted our first MFE class in 2002, and since then 187 students have graduated from the program. We are very proud of our students' accomplishments and many now hold prestigious positions in industry. The Brian A. Miron Award and the MFE Alumni and Friends Award are crucial assets in our efforts to attract the brightest and the best so the program can maintain its position as Canada's premier postgraduate program in economics and finance.



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The Year 2011-12 for the Master of Financial Economics Program (continued from page 3)

In mid-August we will be welcoming our incoming class of 2012-13. This year we admitted 27 students, 22 domestic and 5 international, all anxious and keen to get started in the program. We have another exciting year of academic and professional activities planned for them. We also welcome participation from alumni members or industry associates in our professional development course, with placement opportunities or sponsoring admissions awards.

If you would like to contribute your time to our professional development course or mock interviews, want to know more about our funding initiatives, have questions about the program, or want to share with us your industry connections, please contact by e-mail Ayesha Alli, MFE Coordinator or by phone at 416-978-8623. Alternatively, you can send an email via the MFE site or phone 416-978-4622. The appropriate fax number is +1 416-978-5277. For more information, check the MFE web-site.

Marco Petta gives the 2012 Michael Berkowitz Lecture

On March 13, the annual Michael Berkowitz Lecture was given by Marco Petta, from the Bank of Canada. The event is organized and sponsored by the Master of Financial Economics Program with all details and arrangements wonderfully handled by Ayesha Alli, The MFE Program Administrative Coordinator. The lecture was attended by many faculty, alumni and students. Following an introduction by Angelo Melino, the lecture entitled Reforming OTC Derivatives Markets began.

Marco started with the caveat that the views expressed in the presentation are his and do not necessarily reflect those of the Bank of Canada's Governing Council. That disclaimer extends to the discussion of his views presented here. Marco also noted that this year`s Berkowitz lecture was originally intended to be delivered by Tim Hodgson who was called away by another commitment that could not be rescheduled. Tim asked Marco to step in because he now co-leads the OTC Derivatives Task Force, a position at the Bank that Tim held a short time ago.

A derivative is a contract between two parties that specifies conditions under which payments are to be made between them. A classic example is forward contracts on foreign exchange. An individual who has bought goods abroad and has to pay for them in 90 days can make an agreement to purchase the necessary quantity of foreign currency in 90 days a price agreed-upon now. This removes the uncertainty about the price that will have to be paid. Such contracts are made in order to hedge against potential losses from future foreign exchange rate movements.

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Another type of derivative is a credit default swap in which an individual who stands to lose from default on an asset can contract with another individual to reimburse him in some form should the default occur, in return for a fee. In this way, the party buying the swap can hedge against potential future losses from default on the asset in question.

Derivative contracts also can be used for speculative rather than hedging purposes. One can purchase a forward contract on foreign exchange, or on the price of a stock, with a view to gaining from a future change in its price. If the future price is below the agreed-upon forward price, the party who has contracted to deliver the item at the forward price can purchase it for less before delivery. Or, should the future spot price be higher than the agreed-upon forward price, the party who has agreed to accept delivery can sell the item in the spot market for more than the forward-determined purchase price when delivery takes place. And individuals who expect that an entity will default on its obligations can purchase a credit default swap on the asset even if they do not own it, and thereby gain from the expected default if and when it occurs.

The OTC label on derivatives means "over the counter" and refers to a situation where the parties contract directly with each other and no intermediary is necessarily involved. Such contracts are exposed to "counter-party risk," the chance that the other party to the contract will default on their derivative obligations.

Marco noted that, prior to regulation, the derivative market was huge and had limited transparency in that many trades occurred between a wide variety of participants and knowledge of individual trades tended to be restricted only to the two parties actually involved. Yet each party in many trades was involved in numerous other trades. As a result, a default on a particular contract endangers the ability of the non-defaulting party to pay its other contract obligations. Other market participants, having imperfect information about who has defaulted on whom, would thereby tend to refuse to trade with a wide variety of participants and the market would freeze, as occurred in certain OTC derivative markets in 2007 and 2008. Due to the fact that AIG, for example, had written credit protection involving hundreds of billions of dollars of complex credit derivatives and had not put up sufficient collateral on those contracts, it could not make margin calls required by the downgrading of its credit rating. As a result, because AIG's size and its interconnectedness within the financial system, the U.S. authorities decided they needed to bail it out at considerable public expense.

A major beneficial form of regulation adopted throughout G20 countries, Marco argued, was the establishment of central clearing houses for standard OTC derivatives. All trades are cleared with the central counter-party and all resulting contract obligations are with respect to it. As a result, each trader is liable only for his net obligation and the clearing house or central counter-party is liable to other parties for any potential future payments they have contracted to receive.

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Marco Petta gives the 2012 Michael Berkowitz Lecture (continued from page 5)

The magnitude of potential future defaults is thereby reduced and the possibility of market breakdown is significantly reduced. Clearing houses may choose to require, or be legally bound via government regulations to impose, initial capital requirements on all parties transacting through it on the market, thereby reducing their risk of default. In the post-2007 crises in the U.S., markets that were in this way protected by robust infrastructure enabled participants and markets to survive collapses like that of Lehman Brothers, leading to a more stable financial system. Marco argued that default management is a main function of the central counter-party in OTC derivative markets. It does this by closing out all of a defaulter's open trades and finding new counter-parties to take on the defaulter's obligations. To the extent that losses will arise from assuming these obligations the central counter-party will compensate the new counter-parties using the initial and subsequent default margins provided by the defaulter. Lacking such funds, the clearing house authority can draw on default contributions from surviving members of the clearing house and possibly impose additional assessments on them.

Marco went on to argue further that because many clearing houses operate internationally, rather than just in the nation of their origin, four safeguards should be applied to international clearing houses. Unlike the situation today, where global central counter-parties are overseen exclusively by their home country regulators, there should be cooperative oversight, with all the relevant countries involved. Second, there should be a provision making emergency liquidity available to a central counter-party that may need to liquidate collateral to close out dealer positions. As a first line of defense there must be access to private-sector liquidity lines. After that, as a last resort, there should be access to central bank emergency liquidity for all currencies a central counter-party clears. Third, there should be appropriate recovery and resolution regimes in the event that a central counter-party goes under. In particular, market disruption associated with ongoing normal legal bankruptcy proceedings when a central counter-party goes bankrupt must be minimized. Finally, all central counter-parties should provide fair and open access for all market participants---they should not be allowed to concentrate the risk in a few large players.

Finally, Marco noted, many jurisdictions are focusing on developing the above four safeguards to ensure that a system of global central counter-parties will be acceptable in the long-run. At the same time many jurisdictions, including Canada, are currently evaluating whether an onshore central counter-party would improve their ability to mitigate systemic risk. He concluded his talk by describing on-going Canadian efforts in relation to what needs to be done, and by answering questions from the audience.

It was a wonderful presentation!

Retirements

Susan Howson

Susan joined the Department in late 1977 and has contributed in important ways to both the Department and the University ever since, having served as Associate Dean of the School of Graduate Studies between 1995 and 2002 and Dean of Undergraduate Education and Teaching between 2002 and 2009. In addition, she has had a long association with Cambridge University in England, and has taught at the University of London on a couple of occasions. And she has been a Fellow of Trinity College here at the University of Toronto since December 1995.

Susan has written four books, two of them coauthored with Donald Winch, and edited or coedited an additional seven. She has written seventeen articles, only two of which were joint, in major journals. These either deal directly with monetary policy issues or survey the work of important, historically well-known economists, Frederick Hayek, John Maynard Keynes, Lionel Robbins, and James Meade. She has also written numerous chapters in books edited by other economists as well as papers in refereed conference proceedings.

Finally, Susan has had the honor of giving invited lectures at the London School of Economics, the National Gallery in London, and at annual meetings of the History of Economic Thought Society of Australia at Melbourne. Through all this Sue Howson has taught many courses in Monetary Economics and International Finance at the undergraduate and graduate levels both at the University of Toronto and elsewhere and supervised many graduate students' dissertations.

Frank Reid

After a long career going back to the mid-1970s, Frank retires as Professor of Economics and Director of the Centre for Industrial Relations and Human Resources. His retirement can be viewed as a career reorganization in that he will continue to teach all the courses he was previously teaching with all courses concentrated in a single term, making the other term available to spend with family in Australia.

Frank has written and jointly edited many books and has published numerous papers in refereed journals and chapters in books. This work has made him well-known in the profession, leading to numerous honors and academic awards.

New Colleagues

Peter Cziraki

Peter is on the verge of receiving his PhD in Finance from Tilburg University in the Netherlands. Before joining us he spent two fall terms as a Visiting Scholar at Stanford Graduate School of Business. His fields of interest are Corporate Finance, Corporate governance, Law and Finance, Shareholder Activism and Insider Trading. On the latter issue he is author of a number of research papers, one of which, joint with Peter de Goeij, Luc Renneboog and Peter Szilagi, is published in European Financial Management.

Kripa Freitas

Kripa joined us last year on a temporary basis from the University of Texas at Austin, where she had taught economics after earning her MA and PhD from Northwestern University. She has now been awarded a permanent appointment and receives our congratulations!

Robert S. Gazzale

Bob joins us after teaching for eight years at Williams College in Massachusetts, during which period he also served two years as Visiting Scholar and Affiliated Scholar at the Interdisciplinary Center for Economic Science at George Mason University in Arlington Virginia. He did his undergraduate work at Georgetown University in Washington DC and received his PhD in 2004 from the University of Michigan. His fields of interest are Applied Microeconomics, Experimental and Behavioral Economics, Industrial Organization, Public Finance, Information Economics and Electronic Commerce. Bob is author of quite a few published papers and book chapters and also has a number of interesting working papers which may be eventually published.

What's Happening in the Department of Economics

A Sad Passing! Emeritus Professor Sam Rea 1944-2011

by Don Dewees

Samuel A. Rea, Jr., was born in Indianapolis, Indiana on November 10, 1944, received his B.A. (Magna Cum Laude) from Harvard in 1966 and, six years later, his Ph.D. in Economics. In 1971 he and three classmates from the Harvard PhD program, Don Dewees, David Foot and Tom Rawski, accepted jobs as Assistant Professors at the Economics Department at the University of Toronto. Sam, along with the rest of us, was attracted by the excellence of the Department (which, we all liked to believe, we enhanced), by the great city, and by an improbable but alluring tax treaty that exempted us from income tax in both countries for two years. Sam had one problem upon arrival at the university: at 27 he still looked 17. His initial attempt to secure a UofT faculty library card failed because the library simply refused to believe that he was a faculty member.

Sam's undergraduate teaching centered on the University's Erindale campus while his graduate teaching and research in labour economics and the new field of law and economics took place on the St. George campus. In addition to work in the Department, he was soon given a cross-appointment with the Faculty of Law where he taught courses on economics for non-economists and on the economic analysis of law. He was a highly productive and well-respected scholar, publishing four books and dozens of scholarly articles, thereby making major contributions to the theoretical and empirical literature in labour economics on the effects of unemployment insurance, worker's compensation, and disability insurance on the supply of labour, the welfare of workers, and workplace safety. Three of his papers, published over two decades beginning in 1971, with an article in the Canadian Journal of Economics, followed in 1987 by "Unemployment Insurance and Male Unemployment Duration in Canada" in the Journal of Labor Economics (with John Ham) and concluding in 1998 with "Employment Spells and Unemployment Insurance Eligibility Requirements" in the Review of Economics and Statistics (with Michael Baker), continue to this day to influence discussions of unemployment insurance policy design. He also worked on disability insurance and offered policy advice through a study published in 1981 by the Ontario Economic Council, "Disability Insurance and Public Policy" in which he showed that mandatory disability insurance may lead workers to reduce their demands for workplace safety, increasing risks.

In 1982-83, in an effort to expand his contacts and enrich his background in law and economics, Sam spent a sabbatical year as a Civil Liability Fellow at the Yale Law School. His interest in this area led to major publications on the incentive effects of different doctrines for computing the damages to be awarded for breach of contract and, subsequently, on negligence law and its incentive effects.

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A Sad Passing! Emeritus Professor Sam Rea 1944-2011 (continued from page 9)

He extended our understanding of the role of comparative negligence by showing that not only is it efficient in a simple model of perfect information, it is efficient even if actors are imperfectly responsive. Thus the dominance of comparative negligence doctrine in US law could be explained by efficiency as well as by fairness, the traditional explanation. He explored insurance law and the extent to which insurance law and policies can induce or discourage efficient care by potential injurers and victims. He examined no-fault auto insurance schemes. The definitive empirical study of Quebec's no-fault insurance regime is by one of his PhD students, Rose-Ann Devlin. As testimony to Sam's high standing in the law and economics community, he was asked to write three articles for the 1998 New Palgrave Dictionary of Law and Economics: "Insurance Law",□ "Penalty Doctrine in Contract Law," and "Personal Bankruptcy."□ He was also interested in policy problems. He served as consultant and advisor to governments on pension, unemployment insurance and law and economics matters.

Sam was much more than an academic. Among other things, he was a competitive sailor in the summer and an avid skier in winter. In 1974 Sam and I both bought Shark sailboats and joined the Royal Canadian Yacht Club where he met Wendy Thompson, co-owner of yet another Shark. Wendy's family has a long connection with the Club---her great-great-grandfather was a founder. Sam and Wendy married in 1981 and continued racing Sharks, both separately and together, in fair weather and foul. They participated, for example, in several harrowing overnight races across Lake Ontario in inclement conditions, struggling with high wind, waves, equipment problems and sleep deprivation. Undaunted, they sold their Sharks and bought a larger boat, Samba, which they sailed in the Great Lakes and, one year, to New Haven and back. In 2005, they traded up yet again, this time to a 50-foot sloop, Maestro, which served as their winter home for the next four years, as they cruised the US east coast and the Caribbean, logging more than 20,000 miles. To indulge their other outdoor passions, Sam and Wendy bought a "farm" near the Mansfield ski area in the 1970s. They spent many weekends there with their daughter Sarah, skiing in the winter, enjoying the life of recreational farmers in the summer, and, in all seasons, fending off the assaults of porcupines and deer.

As a Harvard undergraduate Sam had studied celestial navigation and developed an interest in computers. The challenge of navigating his sailboat combined with his interest in computing lead him to develop software for navigation using GPS and personal computers---and, in effect, launched a new career. He incorporated Northport Systems Inc. which produced navigational software, sold under the name Fugawi. Sam retired early from the University of Toronto in 1998 to devote more time to Fugawi and his many other interests. His technical knowledge of computers and software, his long sailing experience, and his business skills,

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inherited from his father, combined to make Fugawi a success. The company was one of the first to offer high quality navigation products of this type. It has sold products in 130 countries and is still in business today.

Sam also enjoyed music. He was a member of the Harvard Glee Club as an undergraduate and he later sang with the Harvard Glee Club Alumni Chorus, taking trips to Japan and Hawaii. For many years he was a member of the North Toronto Players and he sang in a number of their adaptations of Gilbert and Sullivan classics. As with his other interests, when Sam got involved in something, he worked hard, became an expert and did it well.

In 2009 Sam was diagnosed with incurable brain cancer. He sought aggressive treatments, survived in good health for two years, and was able to celebrate Sarah's marriage at the RCYC in the summer of 2010. During the last two years of his life, he continued to pursue his love of singing, with the Annex Singers in Toronto and with the Harvard Glee Club Alumni Chorus on a trip to Hawaii. He also sailed in weekly club races in 2010 and 2011. He finally succumbed to the disease on December 18, 2011, three weeks after his final appearance at the Economics Department holiday party. His life was celebrated in a touching ceremony on December 23 with his family and many colleagues in attendance.

Another Tribute to Sam Rea

by Michael Trebilcock at a Canadian Law and Economics Association Dinner on September 28, 2012

This past year has been a banner year in many ways for the law and economics program at the University of Toronto and law and economics more generally throughout Canada, as reflected in the record number of participants at our annual CLEA conference this year, including a record number of paper submitters and presenters. It is also the 20th anniversary of the Canadian Law and Economics Association. However, it has also been a sad year in an important respect: last December, we lost one of the early stalwarts and founding figures in law and economics at the University of Toronto and more generally: Sam Rea, who died after a two year battle with brain cancer.

Sam was very active in the founding of the law and economics program at the University of Toronto, from the mid-1970s to the early 1980s, teaching or co-teaching in a number of courses that we offered in the area at the University of Toronto Law School. Beyond his stellar contributions in the classroom, Sam quickly acquired for himself an international reputation for his scholarship in labour economics, tort law, contract law, and insurance, publishing a number of seminal papers in these fields.

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Another Tribute to Sam Rea (continued from page 11)

We are privileged to be joined tonight by Sam's wife Wendy, their daughter Sarah, and their son-in-law Jim Griswold (I would be glad if they could stand briefly so that we can all acknowledge their presence). Sam was a wonderful husband and friend to Wendy and a devoted father to Sarah, and later father-in-law to Sarah's husband Jim. Beyond his stellar academic accomplishments, Sam had so many other enviable dimensions to his life. He and Wendy and Sarah had (and still have) a farm about an hour and a half north of Toronto in Mulmur, where Sam was an avid weekend skier. He and Wendy were equally avid yachtsmen, having sailed 20 thousand miles during the 2005-2009 winters exploring the Caribbean and the east coast of the US. Sam was also a very successful entrepreneur. After taking early retirement from the University of Toronto Department of Economics, he founded Northport Systems Inc., which developed some of the early and very successful GPS mapping systems. Throughout his adult life, Sam was also an active member of various choral groups. Sam was truly a man for all seasons.

One of my favourite recollections of Sam is co-teaching with him a little seminar on social welfare law and policy in the late 1970s. One of our star students was Bob Rae, who had recently returned from a Rhodes Scholarship at Oxford and who conceived of himself at that time as a political radical. We covered health and education policy, unemployment insurance, welfare, public pensions, workers compensation and so on. In almost every case, Bob considered that the programs were massively under-funded and that there was no program deficiency that more money could not cure. Sam and I, on the other hand, saw perverse incentives everywhere. We were like oil and water. Bob, of course, went on to become Premier of Ontario as leader of the NDP (a left-of-centre party). Many years later, at a public lecture here at the Law School, he was gracious enough to acknowledge that he should have taken our concerns more seriously. He has since, of course, switched political parties and is now the Interim Leader of the Federal Liberal Party, a centrist party, where he feels more at home. I am not sure that we disagree on much anymore (reflecting also some post-Chicago movement on my part), and we have enjoyed a long-standing friendship tracing back to the course with Sam.

Late in the summer of 2011, just a few months before he died, Sam came by my office at the University of Toronto Law School unannounced one afternoon to catch up on our respective lives after not seeing each other for almost 20 years. We reminisced about the early years in law and economics in Canada, about his family, and about his health challenges, about which he displayed enormous fortitude. He said he hoped to start coming again to some of our Law and Economics Workshops. But in a few months he was gone. I realized then that Sam had come to say good-bye.

Tonight, we say our collective, albeit belated, good-bye and thank-you to Sam for all he did to get us started on the road that led here tonight.

Undergraduate Awards Reception in 2011

Our annual 2010 undergraduate awards reception was held on November 9, 2011 to honour the accomplishments of our best undergraduates. As usual, many of our faculty attended, among them two colleagues, Emeritus Professor Ed Safarian, together his wife Joan, and William Wolfson who endowed awards, as well as Ushvendra Choudhry, the widow of our late colleague Nanda Choudhry who endowed two awards, and her guest, Dr. Cicely Watson of OISE. Also present were Elizabeth Jagdeo from the Department of Political Science and Lanor Mallon, Manager, Faculty Governance and Curriculum. Food and Beverages, arranged for and organized by our Undergraduate Program Administrator Robbie Innes, were enjoyed by all both before and after the presentation of the Awards. Following introductory remarks by our Chair, Arthur Hosios, our Associate Chair responsible for the Undergraduate Program, Dwayne Benjamin, and the donors present gave out the awards. We are very proud of these students and extremely grateful to the individuals and institutions that endowed these awards. The awards and their recipients are as follows:

Economics GRADitude Scholarship (to a student in a major or specialist program in Economics) **--- Petre Vladimir Radulescu.**

Alexander Mackenzie Scholarship in Economics (to a student enrolled in an Economics program who has completed at least two full courses in Economics) **--- Nirvani Sookdeo.**

Brian Mulroney Award (to the student with highest mark in ECO230Y (International Economic Institutions and Policy), HIS263Y (Introduction to Canadian History), or POL214Y (Canadian Government and Politics)) **--- Bradden Skippen.**

Stefan Stykolt Scholarship in Economic Theory (to the student in a specialist or major program in Economics who has the highest average in Intermediate Microeconomics (ECO200) and Intermediate Macroeconomics(ECO202)) **--- Chunyue (Joyce) Yin.**

Banker's Scholarship in Economics (to the student with the highest standing in the intermediate macroeconomics course) **--- Rubaiya Khan.**

Undergraduate Awards Reception in 2011 (continued from page 13)

Nanda Choudhry Prize in Economics, Third Year (to the student in a specialist program in Economics who has obtained the highest average mark in at least two full Economics courses at the 300 or 400 level) --- **Sai Ma.**

Paul L. Nathanson Scholarship in Economics (to an outstanding student whose program includes at least three courses in Economics) --- **Linda Wang.**

Mary Child Scholarship (to the outstanding graduating student in the Economics specialist program, based on the average mark in the courses that are required in the program) --- **Adriana Robertson**

Reza Satchu Award for Excellence in Economics (to the best student in the course on the economics of entrepreneurship) **--- Daniel Rodic.**

William G. Wolfson Scholarship in Economics (to an outstanding Economics major who has completed second year and taken intermediate microeconomic and macroeconomic theory) **--- Zhiying Zhang.**

The Lorn T. Morgan Gold Medal in Economics (to the leading graduating student in a specialist or joint specialist program in Economics, based on the performance in fourth year) **--- Adriana Robertson**

New Additions to the Department Family

On September 30, 2009, colleagues Ettore Damiano and Jennifer Murdoch extended their family, becoming the proud parents of Lucia, who was born 11 weeks prematurely. Mother and Daughter are both fine!

From the Editor

Communications, suggestions, and information about alumni and other matters should be addressed to:

Prof. J. E. Floyd
Department of Economics
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150 St. George Street
Toronto, Ontario, M5S 3G7

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