

# George Staller

*May 7, 1927 — July 13, 2009*

George Staller was introduced to Economics in the traditional European manner –as a student in the law faculty at the Charles University (Prague) from which he received his degree in 1949. He continued his studies at Hastings College (Hastings, Nebraska) earning his B.S. in 1952 and entered Cornell's Ph.D. program in Economics that same year.

George quickly acquired an enviable reputation as a graduate teaching assistant for the large lecture courses in introductory Economics, taught by senior members of the faculty. He combined a conscientious dedication with a remarkable capability of exposition and patience in explaining the key concepts introduced in the lectures, made palatable by a generous supply of Czech humor.

He completed his Ph.D. degree in 1957 with the defense of his thesis entitled Czechoslovakia's Industrial Production 1947-1957 and spent the academic year 1957-58 at Harvard working at the Russian Institute with Professor A. Bergson.

George was a scholar who studied the planned economies of the Soviet Union and Eastern Europe with a special interest in Czechoslovakia. Most of his scholarly work involved trying to compile data for these countries so that it would be possible to measure their growth rates and then to utilize that information to make comparisons in a consistent fashion between planned and free-market economies.

Several of his papers dealt specifically with trying to understand the economy of Czechoslovakia. During the 1940's and 1950's, the centralized system of Czechoslovakia worked extremely well. In fact, Czechoslovakia did as well as or better than not only many of its communist neighbors but also many of the European nations that maintained a free-market economy after the War. As George argued in his work, Czechoslovakia's success could largely be explained by strong demand within a completely protected market, underutilized and expanding capacities, and a skilled labor force. The Soviet bloc nations needed Czech-manufactured goods for their reconstruction and, in return, were willing to supply Czechoslovakia with fuels, raw materials and foodstuffs at favorable rates. In the 1960's, however, the situation was very different: the Communist bloc nations slowed down their industrialization drive; their manufactures started competing with Czech exports; and, in addition, they could reach outside the bloc for sophisticated, high-quality machinery the Czechs could not match because their research and development

had fallen behind. Thus, between 1961 and 1965, unlike during the 40's and 50's, the Czech economy virtually stagnated.

In trying to understand the workings of the Czech planned economy, George had much broader interests in mind. He wanted to discern not only whether planned economies in general could compete with capitalistic ones in terms of growth but also whether they could overcome some of the flaws inherent in the capitalistic system. When adherents tout the superiority of planned over free-market economies, they typically make several claims. These claims include: planned economies grow faster, they provide full employment, they are not subject to fluctuations in output, and they have more stable international trade. Many economists had studied the first two of these claims. George decided to analyze the veracity of the last two. In his paper, "Fluctuations in Economic Activity: Planned and Free-Market Economies, 1950-60" in the *American Economic Review*, 1964, George argued that the planned economies of the Communist bloc were subject to fluctuations in economic activity to a degree equal to or greater than that experienced by the free market economies of the OECD. In a second paper, "Patterns of Stability in Foreign Trade: OECD and COMECON, 1950-1963," *American Economic Review*, 1967, he found that the OECD countries and the United States had more trade stability than COMECON countries and the Soviet Union.

Thus, while a large part of his academic career was spent studying planned economies as such, his special interest focused on trying to determine how planned economies stacked up against capitalist ones, and from his research he concluded that planned economies could not be shown to be superior to free market economies.

George's research formed the basis for his undergraduate courses on the Soviet Union, Eastern Europe and his graduate seminar on Comparative Economic Systems. He particularly enjoyed participating with his friends Myron Rush (Government) and George Gibian (Russian Literature) in teaching multi-disciplinary courses on the Soviet Union and Eastern Europe. These efforts, coupled with his continued involvement with the Introductory and Intermediate Macroeconomics courses, now in the role of professor guiding a half-dozen graduate teaching assistants, led to his receipt of the Clark Teaching Award (College of Arts and Sciences.) Other forms of recognition followed: in 1998, on the occasion of its 650th anniversary, his alma mater, Charles University (Prague), where he had taught annually since 1990, awarded him its Doctor *Honoris Causa* degree; in 2002, he received an Outstanding Alumni award from Hastings University; and in 2009 the first annual George J. Staller Lectureship in Economics was delivered by Nobel Laureate Amartya Sen in honor of George's teaching at Cornell.

In addition to deep devotion to, and pride in his family, George will be remembered by his students and colleagues for his generous hospitality, centered around good food and drink, both at home and in the office, where his door was always open, and often the last to close. He could be as entertaining as any stand-up comedian when the occasion required, and could offer profound insight and advice—often with a proverb in Latin, French, German, or Russian, which he would quickly, if somewhat loosely, translate.

*Tom E. Davis, Alfred E. Kahn, Uri M. Possen*