

Walter E. Hoadley

1916-2003

Business economics lost an outstanding professional economist, and NABE lost a good friend and role model with the death of Walter Hoadley on February 19, 2003.



Born in San Francisco on August 16, 1916, Walter received his AB in 1938, his MA in 1940 and his Ph.D. in 1946 from the University of California at Berkeley. He was a senior economist at the Federal Reserve Bank of Chicago from 1942 to 1949. In 1949, he joined Armstrong World Industries, Lancaster, PA, as an economist. In 1954, he became treasurer until 1960, vice president and treasurer until 1966, and director 1962-87. In 1966, he joined Bank of America NT&SA in San Francisco as senior vice president, chief economist, and member of the managing committee and became executive vice president and chief economist from 1968 until his retirement in 1981. Then, he joined the Hoover Institution, Stanford University as senior research fellow and remained there until his death.

His professional and civic activities were too numerous to list, but a few are especially noteworthy. He was deputy chairman of the Federal Reserve Bank of Philadelphia, 1960-61 and chairman 1962-66. He was a fellow of the American Statistical Association and served as vice president on the board of directors 1952-54 and as president in 1958. He served on the board of the American Finance Association 1955-56 and as president in 1969. He also was a member of the Conference of Business Economists and chairman in 1962.

An early member of NABE, Walter was elected a fellow and was active in the San Francisco chapter, where he served on the executive committee. He made a major contribution to NABE through two conferences he organized and chaired in 1986 and 1988, while he was at the Hoover Institution. The Hoover Institution sponsored the conferences and distributed the proceedings, which were published, together with succinct summaries written by Walter, as special editions of *Business Economics* in February 1987 and February 1989.

For the 1986 conference, Walter gathered fifty business economists, academics, government officials and businessmen to consider "The United States in Tomorrow's World Economy." The participants and speak-

ers were from the United States, Europe, and the Far East. Their papers were distributed prior to the meeting to those attending, and the ensuing discussions were lively and informative. The 1989 conference was similarly organized, with an international group of speakers. The topic was "Economic Challenges Facing the Next Administration," particularly timely at the beginning of the first Bush Administration.

However, the listing of his achievements in no way does justice to the skills, knowledge and warm personality of this extraordinary man. He was an accomplished speaker, talking without notes, and with a brevity and logic that made his presentations popular with professional and nonprofessional audiences alike. He always stressed the importance of international developments, drawing on his experiences through extensive travel abroad and his friendships with economists worldwide. His favorite admonition was that forecasts should be "economically sound, politically possible and psychologically likely," that is, after preparing an economic forecast, a business economist should review the political consequences and the public reaction to the developments forecast to see whether the forecast might be undone by non-economic events.

Walter's 1988 book, *Looking Behind the Crystal Ball*, was a major contribution to business economics. In it, Walter described the evolution of the profession after World War II, the profile of a successful business economist, the tools used, the use of personal contacts, the place of professional organizations, and the critical importance of contributing to the corporate team. He also made an impassioned plea for higher standards for using the title "business economist," predicting its eventual demise if tangible, useful contributions were not made to corporate success and public welfare. If anything, his comments are more pertinent today than they were fifteen years ago.

He also gave freely of his time and knowledge to younger members of the profession. On a personal note, I first met Walter when, as a young security analyst for the Wellington Fund in the 1950s, I visited the headquarters of Armstrong in Lancaster, PA several times a year to interview Walter and other senior executives of the company. Not only was Walter always cordial and helpful, but he also urged me to pursue my doctoral studies at New York University, commuting weekly to New York from Philadelphia. He also discussed my dissertation topic with me, urging that I write on something relevant to my

daily work. He read a draft of the dissertation, which considered the ways of measuring and evaluating corporate profits, and made many useful comments. Such kindness was typical of Walter; I was not the only beneficiary of such help and thoughtfulness. He was truly an outstanding example of a business economist but also of a warm and generous human being.

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Edgar R. Fiedler
1929-2003

Edgar R. Fiedler passed away while playing golf at age seventy-three. Not to trivialize the loss, Ed himself would undoubtedly have thought that was a pretty good exit if one's time was up.

Ed was a leading business economist, with more than fifty years in the profession, both in business as well as in policymaking positions in the federal government. He was president of NABE in 1982-83 and active in a number of other economic organizations. He received the William F. Butler Award from the New York Association of Business Economists in 1997 for excellence in business economics.

Ed grew up in Milwaukee and was a 1951 graduate of the University of Wisconsin. He served in the Navy during the Korean War, and in 1956 he received an MBA from the University of Michigan, with a concentration in statistics. He then joined Eastman Kodak in Rochester under Hal Passer, one of the stars in the profession during the 1950s and 1960s. Ed moved on to New York City to work briefly for Doubleday & Company before joining Bankers Trust Company, serving in Roy Reiersen's Economics Department, arguably the best in the city at that time. Ed earned his Ph.D. from New York University in 1970. His dissertation was on U.S. business cycles. This effort helped draw him close to Geoffrey Moore, a giant in the field of economic statistics, for the next two decades.

In early 1970, Ed was asked by Passer to join him at the Commerce Department, where Passer was Assistant Secretary for Economic Affairs. When President Richard Nixon imposed mandatory wage and price controls in 1971, Ed was drafted the next day for duty on the Cost of Living Council, the new agency empowered to run the controls pro-



gram. It was here that he was “discovered” by Treasury Undersecretary Charls Walker—himself a business economist. When Murray Weidenbaum had completed his tour of duty as the Treasury Department's Assistant Secretary for Economic Policy, Walker and Treasury Secretary John Connally asked Ed to take the job.

After leaving the Treasury Department and the Ford administration in 1975, Ed moved to the Conference Board in New York City, which was to become his home base for the next quarter century. Ed served as Vice President and Economic Counselor. He contributed many thoughtful, often humorous articles to the Conference Board's magazine, *Across the Board*, including “Inside the Pressure Cooker,” in November 1979, providing advice to those considering a top post in Washington, as well as on the re-entry problems they face when returning to the private sector. Also, he wrote *Business Cycle Indicators*.

Ed launched *Economic Times* while at the Conference Board, a monthly letter in which he wrote dozens of articles that drew a wide and appreciative business audience in the 1980s and 1990s. Ed partially retired from the Conference Board in 1996 but continued to serve as a consultant.

It was only three years ago that he wrote an article in this journal (with Phillip A. Klein) in memory of Geoffrey Moore. The paper praised Moore for his “continual and fearless sifting and winnowing by which alone the truth can be found.” The phrase was one of Ed's favorites, in part because it is a well-known motto at the University of Wisconsin. The phrase also applies so well to Ed. His life was a quest for the truth, and—since more than fifty years of his adult life were spent in economics—he was constantly searching for the truth in our field.

But “Truth” in economics doesn't come easily. Ed often referred to himself as a curmudgeon, although he was too young and far too friendly to meet the classic definition of a curmudgeon—an old grouch. He was fond of George Santayana's quote: “To knock a thing down, especially if it is cocked at an arrogant angle, is a deep delight of the blood.” Many such “things” in the field of economics came along during Ed Fiedler's years in the profession; and he was happy to knock them down, often with a touch of his humor. Ed watched the rise of monetarism in the 1960s with some skepticism: how could the Federal Reserve tie itself slavishly to predetermined growth rates of the money supply if it couldn't even define and measure “money” very well? In the 1980s, he was skeptical of the new fad of supply-side economics. Similarly for the claim—heard again now—that federal deficits don't matter.

He was often asked how a market-oriented business economist could serve as one of the top officials in the Nixon administration's wage and price controls program?

He'd say it was better to have a skeptic like him running the program, rather than a true believer who could do some real damage to the economy. He told me many times that the controls could prove to be useful medicine to help shock companies and unions into adjusting to a new reality of lower price and wage decisions but only if monetary and fiscal policies were restrained. However, such restraint did not emerge, and the controls programs blew up by 1974, leaving the underlying inflation rate higher than when controls were launched in 1971.

In the past few years, Ed continued to think, serve on corporate boards, and write. Following the unveiling of the corporate disasters at Enron, WorldCom, et al., he wrote several articles and letters on corporate governance and the responsibilities of corporate directors. He urged executives to take a very close look at their own companies. He wrote that the corporate boards on which he served had directors who were truly independent and did have the interests of shareholders in the forefront of their minds. At the same time, he wrote that corporate malfeasance and outright fraud were problems that appeared to infect only a comparatively small number of companies and are not endemic in corporate America, despite popular perceptions.

I'm grateful for the service that Ed provided over the past half century.

I regret that he passed away at a young seventy-three with so much left to do.

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