

October 28, 2003

**IN MEMORIAM
WALTER P. HELLER
PROFESSOR OF ECONOMICS
1942 – 2001**

Walter Perrin Heller joined the UCSD economics faculty in 1974, when the department was less than a decade old. He helped to guide the growth and development of the faculty from its early promise to worldwide distinction. He left us far too young, at age 59. Walt died of pancreatic cancer March 2, 2001 at San Diego Hospice.

Among his colleagues, Walt Heller was known as an economist's economist. If there wasn't a textbook solution for an economic question, you could usually consult Walt. His interests spanned a wide breadth including economic policy, unemployment, monetary theory, and the efficient use of resources in government services and in the environment.

A UCSD economics professor for 27 years, Walt focused on research, teaching, and campus land use planning. As chairman of the Academic Senate Committee on Campus Community and Environment, he helped direct comprehensive planning for campus construction and development. Wherever we see intelligent design on the UCSD campus, making use of vistas to the west and sight lines within the campus, we're looking at a general land-use plan that Walt insisted on.

Walt's teaching centered on economic policy and efficient use of resources in government services and the environment. His research, published in leading academic economic journals and in volumes in honor of colleagues, centered on economic theory. It focused on the stability of economic growth, foundations of the demand for money, and on the use of markets to allocate resources under conditions where markets may fail due to incompleteness or monopoly. He annually taught the graduate core microeconomic theory course on efficient resource allocation (welfare economics).

Walt served as an associate editor of the *Journal of Economic Theory* and on the executive committee of the American Economic Association. At the time of his death his research was focused on fundamental issues in the theory of unemployment, *co-ordination failure*, the inability of markets to successfully bring together workers and employers. His work was elegant and well recognized. Students were attracted by personal warmth that inspired continuing loyalty. His death is a loss to the field, to his students, and to his colleagues.

Born in Madison, Wisconsin, Walt spent most of his childhood in the Midwest. He came from an academic family. Walt's father, Walter W. Heller, was Professor of Economics at the University of Minnesota and served as chairman of the President's Council of Economic Advisers in the Kennedy and Johnson administrations. Walter P. Heller's undergraduate education took place at Oberlin College and at the University of Minnesota, particularly with the guidance at Minnesota of Professor Leonid Hurwicz (recipient of the U.S. National Medal of Science). His doctoral study was at Stanford University with the dissertation advice of Nobel Prize winner Kenneth J. Arrow. Walt received his Ph.D. from Stanford in 1970. Prior to joining the UCSD faculty, he was on the Economics faculty of the University of Pennsylvania.

Walt's intellectual home was Stanford University. He pursued doctoral studies in economics there 1965-1970, and for three decades he participated in the summer economic theory workshop at the Stanford Institute for Theoretical Economics (SITE). SITE hosted a memorial service and scholarly meeting dedicated to Walt's memory in 2001. Walt's graduate study occurred at a particularly dynamic time and place for economic theory. In the late 1960s, leading scholars in mathematical economics from Asia, Europe and America converged on Berkeley and Stanford and attended the bi-weekly joint Berkeley-Stanford mathematical economics seminar. Walt was a regular participant then and he remained devoted to the field and to his colleagues for a lifetime. In 1968, when dissertation advisor Kenneth Arrow moved to Harvard, Walt followed and finished the dissertation in Cambridge.

Kenneth Arrow remarks:

Walt Heller was a scholar of great accomplishment and continued vitality. He was the kindest of men, one who radiated benevolence and loyalty to friends in the --- not always harmonious ---

world of academic scholarship. Walt was one of those irrepressible personalities; lively, intelligent, and at the same time warm, whose presence remains to cast light and joy in this mottled world. I first met Walt when he came to be a graduate student of mine at Stanford in what now appears to be a golden age...

Our group of faculty and students in economic theory ... had an informality and collegiality ... We felt ourselves a community. Not an oppressed minority, but rather a vanguard. We were taking over! With the work of Walt and his contemporaries ... it was this generation that solidified the position of modern economic theory.

The mark of success is not repetition but innovation. Walt was one of the leaders in using new ways --- not merely for clarification --- but for changing the way the economy was considered. He contributed to many aspects of theory including transaction cost developments. But above all, his long-standing project of studying the co-ordination failures of the economic system brought out, in an essentially novel way, the previously unclarified meaning of Keynesian insights. This work has indeed stimulated a large literature, and is a vital continuing part of modern economic thought ...

Let us be grateful for the lively warmth that Walt gave us.

Walt and Diemut Heller frequently entertained colleagues and students at their ocean-view home in Leucadia. A devoted outdoorsman and traveler, Walt hiked and drove his four-wheel drive vehicle throughout the Sierra Nevada. He traveled in Europe extensively with family. Sabbatical leaves were spent at Berkeley and Oxford. Walt's students, spread through the U.S. and California, were consistently devoted to him. Colleagues are now missing Walt's keen mind and lively spirit. As a memorial and as a token of respect for Walt and for his devotion to his students, Walt's colleagues have instituted a prize for excellence in graduate study, the Walter P. Heller prize, awarded annually.

Walt is survived by his wife Diemut (they met while undergraduates at Oberlin), and by his two children, Nicholas (to receive his baccalaureate from UCSD in 2004) and Marika (entering Middlebury College in winter 2004).

Theodore Groves
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