

THE  
DEAN'S PAGE



Ronald's  
Nobel

Ronald Coase's receipt of the 1991 Nobel Memorial Prize in Economics is a great event in the history of the University of Chicago Law School, for Ronald is the very first member of a law school faculty *ever* to win this award. As a dean, I would like to think that institutions, and even deans, deserve some credit for the achievements of their faculty. In this instance, a succession of deans have played an important role in building a tradition at our Law School within which Ronald has played so central a role.

Sixty years ago, Dean Harry Bigelow had the foresight to invite Professor Henry Simons of the Department of Economics to offer an informal seminar in economic theory to the members of the law faculty, thus initiating a movement that eventually would trigger reconsideration of entire fields of the law. Dean Wilber Katz went even further than Bigelow and appointed Henry Simons to the faculty of the Law School, making him the first non-lawyer economist ever to join a law faculty. Gathering momentum, Dean Katz thereafter established the Law School's Program in Law and Economics, the first program of its kind, and later appointed economist Aaron Director Professor of Economics in the Law School.

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Building upon Bigelow's and Katz's legacy, Dean Edward Levi established the Henry Simons Lectureship in Law and Economics, created the *Journal of Law and Economics*, and, on the enthusiastic recommendations of Nobel Laureates Milton Friedman and Ted Schultz, initiated the process of recruiting Ronald Coase to join the faculty of the Law School. Dean Phil Neal successfully completed that process and appointed Ronald Coase to the law faculty, as well as Richard Posner, Richard Epstein, and William Landes. He also established the *Journal of Legal Studies*, the Law School's Clifton R. Musser Professorship in Economics, and established the Sarah Scaife Foundation Fund for the Study of Law and Economics.

Not to be out-done, Phil Neal's successor, Dean Norval Morris, appointed Frank Easterbrook to the faculty, established a joint degree program between the Law School and the Department of Economics, created the Lee and Brena Freeman Professorship, which has since been held by Richard Posner, Frank Easterbrook, and Daniel Fischel, and established the John M. Olin Fellowships in Law and Economics. Finally, Dean Gerhard Casper strengthened the Law School and its Program in Law and Economics still further by appointing Professors

Douglas Baird, Dennis Carlton, Daniel Fischel, Geoffrey Miller, and Alan Sykes and by establishing the Aaron Director Fund to support research in Law and Economics, the Ronald Coase Prize in Law and Economics, and the Lynde & Harry Bradley Law and Economics Fund.

It is a long and unbroken commitment to the integration of economics and law, and each of my predecessors has reason to bask in the eminence of our Law School's unparalleled achievements in this field. No dean, however, can take credit for what Ronald Coase has achieved. His work is fundamentally the product of his own extraordinary insight, imagination and brilliance. He is, quite simply, the most important figure in the field of law and economics—ever. Virtually all work in the past quarter century in this field builds upon and, indeed, must build upon, Ronald's contributions.

This is not to say, however, that institutions do not make a difference. I would like to think that the University of Chicago Law School, as an institution, has made a difference in this regard in at least four ways. First, throughout the history of law and economics and, I dare say, throughout the history of the Law School, we have been very good at identifying excellence at an early stage. We've been good at identifying the excellence of ideas before others have taken note of them, and we've been good at identifying excellence of mind, as well.

Second, we've created and nurtured an environment in which scholars can pursue their work in an atmosphere of collegiality and challenge. Ideas are to be discussed, questioned, probed, tested, and then, having withstood such searching examination, shared with the world at large. The Law School's infamous Workshop in Law & Economics, which meets a dozen times each academic year, is the most demanding and most daunting academic workshop anywhere in legal education and perfectly exemplifies the rigors of this process.

Third, in the best spirit of the Uni-

## Ronald H. Coase

Clifton R. Musser Professor  
Emeritus of Economics

Born: 1910

Education: B. Com., 1932, D.Sc. (Econ.), 1951, London School of Economics.

Honorary Degrees: Dr. Rer. Pol. h.c., 1988, University of Cologne; D. So. Sc., 1989, Yale University.

After holding positions at the Dundee School of Economics and the University of Liverpool, Ronald H. Coase joined the faculty of the London School of Economics in 1935. In 1947, he was appointed Reader in Economics with special reference to Public Utilities. Mr. Coase has held both a Sir Ernest Cassel Travelling Scholarship and a Rockefeller Fellowship. He has also been a Fellow at the Center for Advanced Study in the Behavioral

Sciences and a Senior Research Fellow at the Hoover Institution. During World War II, he served as a statistician with the Central Statistical Office of the Offices of the British War Cabinet.

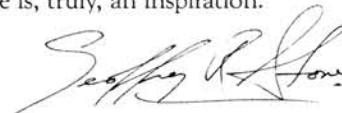
In 1951, Mr. Coase migrated to the United States and held positions at the Universities of Buffalo and Virginia prior to coming to the Law School in 1964. He has taught regulated industries and economic analysis and public policy. Mr. Coase was the editor of the *Journal of Law & Economics* from 1964 to 1982 and Director of the Law & Economics Program from 1965 to 1978. Among his many publications are "The Nature of the Firm" (1937), "Business Organizations and the Accountant" (1938), "The Marginal Cost Controversy" (1946), "The Problem of Social Cost" (1960), and the book *The Firm, The Market, and the Law* (1988).

versity of Chicago, we have drawn heavily on resources from the whole University in our quest for understanding, and our Program in Law and Economics has benefitted enormously over the years from the input of such colleagues as Milton Friedman, Ted Schultz, George Stigler, Gary Becker, Sam Peltzman, Harold Demsetz, Sherwin Rosen, Merton Miller, Peter Pashigian and other members of the faculties of the Department of Economics and the Graduate School of Business.

Fourth, we are not afraid of new ideas, however provocative or controversial. Law and economics has been attacked on every side since its inception but, over the years, it has won the field. This is due, more than to anything else, to the persistence, the confidence, the perseverance and the sheer intellectual power of Ronald Coase and his colleagues at the University of Chicago Law School.

For three decades, Ronald Coase, as

a member of our Law School family, has played a central role in maintaining and preserving these values and in helping us to keep faith with our highest ideals. Although we can claim no credit for Ronald's achievements, we can, quite justly, take great pride in all that he has done. I would like to take this opportunity to thank Ronald, on behalf of all his students and colleagues at the University of Chicago and its Law School—past, present and future—for sharing with us his energy, creativity, enthusiasm and friendship. He is, truly, an inspiration.



Geoffrey R. Stone '71  
Harry Kalven Jr. Professor of Law  
Dean of the Law School