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Dear Colleagues,

It is my great pleasure to greet the Leontief Medal laureates for 2009 on behalf of the Japan Association for Comparative Economic Studies and PAPAIOS (Pan-Pacific Association for Input-Output Studies).

I am especially pleased to learn that Professor Kornai was nominated a laureate. Professor Kornai's contributions to economic reforms are well appreciated all over the world, including the U.S. and Japan. In my opinion his contributions can be divided into two areas..

First, I would like to mention his theoretically innovative contributions to the developments of non-price (quantity) controlled economic mechanisms. That includes his two-level planning model in the earlier phase of his research as well as his (non-Walrasian) autonomous control in the later phase. We could read these contributions in *Econometrica*. They are more or less related to the Leontief model.

Second, Professor Kornai has created the theoretical and ideological back-bone for the transition from socialism to capitalism by making a full use of his concept SBC (soft budget constraint), which corresponds to the non-existence of *Khozraschet* in the Soviet terminology. This second contribution can be said to be much more important than the first one.. I believe that the concept of SBC is very useful in the development of institutional economics as it has been shown by Professor Kornai and others. The concept and the theoretical apparatus of SBC is applicable also to the public institutions in market economies and the present global crisis.

Copies of the Japanese edition of his autobiography translated by my friend, Mr. Morita, have sold well in Japan. I hope my colleagues here will read either the English or the Russian edition. I am sure this biography is an interesting reading to every economist.

As for the other Leontief medalists, Dr. Kuzminov, president of HSE, and Dr. Gref, chairman of Sbelbank, there is no need for an introduction, as their contributions to Russian economic reforms are well known..

Some years ago, the Leontef medal was renewed in the present beautiful design. I am happy that every 2009 laureate including Professor Kornai will receive the renewed medal in a few minutes.