

QED

1993 - 1994

NEWSLETTER

Queen's Economics Department

A Message from the Head

Headship of the QED does bring a few pleasures, and one of them is to describe some of the events and accomplishments of the past two years. High on the list is the renaming of the Dunning Hall conference room. As of October 14, 1994 it is the Richard J. Hand—Douglas D. Purvis Conference Room. The day was marked with seminars by Stan Zin, Dave Scoones and Mick Devereux, speeches by David C. Smith and yours truly, the official unveiling of a plaque by Trisha Purvis, and a reception and dinner afterwards. The School of Business

were also on hand to share in the unveiling in memory of Richard Hand, former Dean of the School. The plaque now hangs in the hall by the door, and framed pictures and biographies are mounted in the room.

Another event was the retirement dinner in honour of Steve Kaliski. This event at the Donald Gordon Centre was highlighted by tales from Steve's younger days, and capped off by Steve's own speech, where he assured us all that "we were not losing a colleague, but gaining a position!" Steve will be honoured again in



Left to right – David Smith, Denise Hand and Trisha Purvis

the spring of '95 with a festschrift conference organized by Charlie Beach and Mike Abbott, and supported by the John Deutsch Institute.

We also bid farewell to Duncan MacDougall, ending a long association between the MacDougall family and the QED. At a gathering at the University Club, Duncan was presented with many good wishes and a home weather station for his Simcoe Island retreat.

Another departure was that of Rod Fraser, who left the QED some years ago to become Vice Principal Resources. Rod has now moved on to Edmonton to take over as President of the University of Alberta. We have done well by the administration in another way, however. We are very pleased to welcome David Smith back to the QED after his ten years as Principal of Queen's. David will be spending part of his time as Vice-Commissioner of a royal commission which will study and make recommendations on reforming the province's workman's compensation system.

We regret this year the loss of some of our good young macroeconomists—Craig Burnside, Tony Smith, Mick Devereux and Jang-Ok Cho. At the same time, we are very pleased to welcome Shouyong Shi from the University of Toronto via Windsor and the University of Pennsylvania, and John Duggan from Caltech. We are also pleased to have a large group of visitors, including former Queen's PhD's Ian Cromb,

Alan Douglas and Dave Cox, as well as Anindya Banerjee from Oxford, Mel Cross from Dalhousie, and Neil Swan from Ottawa.

On the staff side, we are pleased to welcome Pat Murphy to the main office. Apart from this, in sharp contrast to the faculty, we have had no turnover at all. Marcia Jones has more to say about the staff on page 32—I will just emphasize what a competent, pleasant, and sincere group of people they are.

Our Mackintosh Lecture for 1993 was given by Claudia Goldin from Harvard entitled "The Meaning of College in the Lives of Women: the past 100 Years" and Martin Shubik from Yale gave the 1994 lecture entitled "The History and Theory of Money and Financial Institutions". As well, we had our usual long list of visiting speakers, some of whom are listed on pages 30 and 31. The John Deutsch Institute also had an active year, with two successful Bell Canada conferences and several others (see JDI Notes). Fundraising continues for the Douglas Purvis Memorial Fund, the goal of which is to support a chair in Public Policy with ties to the JDI. David Smith has agreed to lead this campaign, and it could not be in better hands.

The managing editorship of the *Canadian Journal of Economics* has finally left the QED after seven years—six with Robin Boadway and one with myself. Next year Charlie Beach returns from sabbatical to take over the editorship of *Canadian Public*

Policy. Other editorial duties continue, as outlined in the section on faculty activities.

We were all very pleased to hear recently that Russell Davidson has been made a Fellow of the Econometric Society. He joins James MacKinnon as our second Fellow, out of only eight across Canada. This is a great honour, for Russell, for the QED, and for Queen's.

Finally, on behalf of everyone at the QED, I am very pleased to

thank Allan Gregory, Robin Boadway and James MacKinnon for their work in the head's office over the last two years. The tragic death of Doug Purvis left the department with a very large hole to fill. The QED is very fortunate to have members with the loyalty, dedication, and skill to step in at literally a moment's notice and serve us all so well.

Lorne Carmichael

Undergraduate Program

In 1994 we saw the first group of economics undergraduates depart for a term at Herstmonceaux Castle, joining Dr. Gordon Sparks in this new adventure in learning. Michael Abbott, Chair of Undergraduate Studies and Jennine Ball, Undergraduate Assistant, are holding the fort here at home. In the academic year 1992-93 a total of 556 students were registered in Arts and Science with a program concentration in Economics. This figure declined slightly to 551 in 1993-94. The Department of Economics granted a B.A. Honours Major Degree to 67 students in 1993 and 61 in 1994, and B.A. Honours Medial Degree to 34 students in 1993 and 15 in 1994. We are very proud of our many students who were placed on the Dean's Honours List (top 3 % of all Arts and Science) and those who were recipients of general scholarships and awards.

Departmental Prizes and Scholarships

Scholarships

George and Mary Louise Patton Memorial Scholarship
(highest standing after second year; Economics Major entering third year)

1993 - Andrew Dick
1994 - Jefferi Hashim

Edith Whyte Memorial Scholarship in Economics
(highest standing after third year; Economics Major admitted to fourth year)

1993 - Todd Mattina and
Brian Doyle
1994 - Sebastien
Sherman-Bayard

Awards

Gowan Foundation No. 1
(best essay in a 300-level Economics course)

1993 - Brian Doyle
"The Economics of the Copyright: A Literature Review"
Written for ECON 371

1994 - Todd Mattina
"The Great Depression. A Study of Competing Economic Paradigms: The Monetary and Spending Hypotheses"
Written for ECON 332

Chancellor C.A. Dunning Prize
(best B.A. thesis in Economics)

1993 - David Arpin
"The Role of Consumer Confidence in the Disappearance of Consumption Smoothing from the Canadian Economy:"

Some Macroeconomic Evidence"

Supervisor: Martin Prachowny

1994 - Navaid Farooq

"A Theoretical Model of Environmental Labelling"

Supervisor: Debra Holt

Chancellor C.A. Dunning Prize
(Departmental Medal awarded to Honours Economics degree graduate with the highest standing)

1993 - Christopher Matier
Michael Hilliard
(combined Medal, Politics/Economics)

1994 - Todd Mattina and Brian Doyle

W.M.O. Lohead Prize in Economics
(highest standing in an Economic History course: 231 or 232)

1993 - G. Sean Stevens

1994 - S. Ross Ezzeddin

Professor F.A. Knox Prize
(highest standing in an Economic History course: 331 or 332)

1993 - Deborah Wolfe and Jeremy Thompson

1994 - Todd Mattina

Palmer Hoar Memorial Book Prize in Intermediate Micro Theory
(outstanding performance in Economics 212)

1993 - Che-Kit Cheung

1994 - R. Scott Lawrence

Edith Whyte Memorial Book Prizes in Intermediate Macro Theory

(outstanding performance in Economics 222)

1993 - Jeffrey Wordham

Jason Capello

C.Y. Joanna Wong

Sebastien Sherman-Bayard

Alison Thomas

1994 - Julie Breen

Jeremy Busch

Jefferi Hashim

Mike Murray

The M.C. Urquhart Book Prize in Economics 110
(outstanding performance in Economics 110)

1993 - Jefferi Hashim

M. Faizal Abdullah

Atul Verma

Laurie Martinovic

1994 - Jeremy Butteriss

Nikil Chande

Russell Hutchinson

Gregory Moore

Victor Szeto

R.M. Van Dam

The year marks the first year of adventure for those students who have chosen to pursue studies at Herstmonceaux Castle in England. Dr. Gordon Sparks, the Guru of the Castle, is keeping an eye on our economics crew and teaching not only economics courses but Scottish dancing and beer tasting have become part of the curriculum.

Congratulations Brett!!

The following is an excerpt printed in the Queen's Gazette in December 1993.

Economics grad wins Rhodes Scholarship

Brett House, Queen's latest Rhodes Scholar, has never been able to sit for long. And the Vineland, Ontario native isn't likely to start now. He recently graduated with an honours degree in economics, and in September he's off to the Oxford University to begin up to three years of study toward a master's, and possibly a PhD, in economics.

"I'm really excited," says House, 22, of the scholarship. "I feel very grown-up in some way. It just seems like one of those milestones you cross—a big sense of the passage of time."

House is the 12th Queen's graduate to receive the Rhodes Scholarship in as many years. And he is the university's 40th Rhodes Scholar since the award was established in 1904 according to the will of British explorer and philanthropist Cecil Rhodes.

As one of Canada's 11 Rhodes scholars, House will receive the equivalent of more than \$12,000 annually to cover university fees,

college fees, living and academic expenses, and travel costs.

Before he heads to Oxford, however, House has more immediate plans. In February he will travel to South Africa on a Rotary International scholarship for six months of study at the University of Cape Town.

House is no stranger to international study, though. As early as grade 11, while a student at Beamsville District Secondary School, he participated in a four-month exchange to Germany. Then for grades 12 and 13, he attended prestigious Lester B. Pearson United World College for the Pacific in Victoria, BC, where he earned an international baccalaureate. In 1992, as part of a World University Services Canada student team, he spent the summer in Brazil studying rural land reform and credit issues.

And last year, while registered at Queen's, he was an exchange student at the University of St. Andrews in Scotland. Thanks to university credits acquired at Pearson College, and his study in Scotland, House completed his honours degree in economics in only two-and-a-half years on Queen's campus.

"It was a great experience being at Queen's," he says. "It was easy to get very involved, and

easy to get people interested in issues." Two of those issues continue to be among his major interests: development and the environment. While at Queen's, House was a member of the collective that created the Canadian Unified Student Environmental Network (CUSEN), a national network of university-based activists that now boasts 500 members.

And it is this latter commitment, House feels, that played a decisive role in the Rhodes selection process, which means now he has "big responsibility to continue working on environmental and development issues."

Before that, however, it's off to Cape Town. In addition to studying and travelling there, House will touch base with South African friends he met at Pearson Col-

lege, "I want to experience life there and get more insight into the changes going on there, especially constitutional issues. I want to see the elections, first-hand," he says.

Update:

Brett is currently enjoying his stay at Oxford. Busy as always, he now is a member of both the varsity rowing team and the varsity hockey team. According to one member of his family, the hockey team practices from 1:00 to 3:00 A.M. and the rowing starts at 6:00 A.M.—so much for sleeping! Brett is also T.A. for a couple of courses. For a week in January this year, the hockey team was involved in a European Hockey Tour playing in Paris, Brussels, Amsterdam and Rotterdam.



Brett House (1993)

Graduate Program

The Queen's graduate program in Economics is one of the top two or three such programs in Canada. Each year we take in about forty-five M.A.'s and twelve Ph.D.'s from Canada, the U.S., Australia, Africa, the U.K., India, China and many other countries. Given the high degree of competition for entry into the program, we have excellent students in both the M.A. and Ph.D. programs. The result of this quality admission is that the prestige of our degrees, and the job opportunities for our graduates has been enhanced. A further benefit is that the quality of our graduate education is improved by the interaction between some of the brightest Economics graduate students in Canada. We recognise that some of the most important discoveries and discussions take place between graduate students outside the class-room.

The quality of our Ph.D. program is demonstrated by our record in the job market. In the Fall Convocation we graduated our 187th Ph.D. in Economics: Benoit Laplante was awarded his Ph.D. for his thesis on "The Firm and the Environment: Information and Compliance with Environmental Regulation". Benoit has a position at the World Bank. Martin Boileau whose thesis topic was "Essays on

International Growth and Cycles" is a postdoctoral fellow at the University of British Columbia; John Maxwell, "Essays in Applied Microeconomics" is at Indiana University; and Huw Lloyd-Ellis, "Enterprise, Inequality and Growth: Essays in the Theory of Income Distribution" is at the University of Toronto. These are just a few examples of our recent Ph.D. graduates.

The M.A. program has provided multiple opportunities for career enhancement. It is a recognised route for entry into the best Ph.D. programs in Canada and the U.S. Each year a select group continue onto our own Ph.D. program. For those who do not wish to pursue further graduate study, the M.A. is an excellent qualification for employment in the public or private sector. Our M.A. is highly regarded in the public sector: many of our students can be found in Provincial and Federal departments and agencies. More recently our graduates have been penetrating the private sector, particularly the financial sector, where their skills in Econometrics and Financial Economics are in growing demand. This is a market we hope to develop further in the near future.

Although our program has an outstanding academic reputation,

it is reputed to be friendly and socially lively. We pride ourselves on being a friendly department for graduate students, faculty and staff. A high point of the year is the Christmas party where faculty and graduate students parody each other in "skits". The quality of the skits have been rising over the years—a trend that we all applaud!

A sincere note of apology goes out to Graham Pugh and Michael Spencer. These two PhD's graduated in the Fall 1991 and we failed to include them in our last booklet. What ever happened to the saying "gone but not forgotten"? Sorry guys!

The 1993 C.A. Curtis Prize was awarded to Michel Normandin for his thesis on "Precautionary

"NEXT 17" Queen's Economics PhD's

- | | | | |
|-----|---|-----|--|
| 171 | Graham PUGH 1991
Bank of Canada | 180 | Martin BOILEAU 1994
Postdoctoral Fellow
University of British Columbia |
| 172 | Michael SPENCER 1991
International Monetary Fund, Washington, D.C. | 181 | Mark CROSBY 1994
New South Wales, Australia |
| 173 | Glenn OTTO 1993
New South Wales, Australia | 182 | Huw LLOYD-ELLIS 1994
University of Toronto |
| 174 | Graham VOSS 1993
New South Wales, Australia | 183 | Leonidis MICHELIS 1994
York University |
| 175 | Tony WIRJANTO 1993
University of Waterloo | 184 | Bruce SHEARER 1994
Université Laval |
| 176 | Bagala BISWAL 1993
Memorial University | 185 | Marianne VIGNEAULT 1994
Bishop's University |
| 177 | Gillian HAMILTON 1993
University of Toronto | 186 | Alan DOUGLAS 1994
Visiting Professor
Queen's University |
| 178 | John MAXWELL 1993
Indiana University | 187 | Benoit LAPLANTE 1994
World Bank |
| 179 | Jean-François WEN 1993
Wilfred Laurier University | | |

Saving Due to Labor Income Uncertainty: An Explanation for Excess Smoothness and Excess Sensitivity of Consumption" supervised by Gregor Smith.

The 1994 C.A. Curtis Prize was awarded to Huw Lloyd-Ellis for his thesis on "Enterprise, Inequality and Growth: Essays in the Theory of Income Distribution" supervised by Dan Bernhardt.

Institute for Economic Research

Discussion Paper Series, 1993 and 1994

- 862 **Allan W. Gregory**
Bruce E. Hansen
Residual-Based Tests for
Cointegration in Models
with Regime Shifts
- 863 **Debra J. Holt**
An Empirical Model of Stra-
tegic Choice With and
Application to Coordina-
tion Games
- 864 **Jean François Wen**
Tax Holidays in a Business
Cycle
- 865 **Frank Milne**
Dilip B. Madan
Robert Elliott
Incomplete Diversification
and Asset Pricing
- 866 **David Kelsey**
Frank Milne
The Arbitrage Pricing Theo-
rem with Non Expected
Utility Preferences
- 867 **David Kelsey**
Frank Milne
The Existence of Equilib-
rium and the Objective
Function of the Firm
- 868 **Dilip B. Madan**
Frank Milne
Contingent Claims Valued
and Hedged by Pricing and
Investing in a Basis
- 869 **Beverly J. Lapham**
Roger Ware
Markov Puppy Dogs and
Other Related Animals
- 870 **Dan Usher**
Education as a Deterrent to
Crime
- 871 **Michael B. Devereux**
Allen C. Head
Beverly J. Lapham
Exit and Entry, Increasing
Returns to Specialization,
and Business Cycles
- 872 **Barton L. Lipman**
Information Processing and
Bounded Rationality:
A Survey
- 873 **Devon Garvie**
Andrew Keeler
Incomplete Inforcement
with Endogenous Regula-
tory Choice
- 874 **Barton L. Lipman**
Logics for Nonomniscient
Agents: An Axiomatic
Approach
- 875 **John M. Hartwick**
Capitalization of Productiv-
ity Growth in Urban Land
Rent
- 876 **John M. Hartwick**
Trade in Intermediate
Goods and International
Specialization

- 877 **Frank Milne**
Edwin H. Neave
Dominance Relations
Among Standardized
Variables
- 878 **Beverly J. Lapham**
Michael B. Devereux
The Stability of Economic
Integration and Endo-
genous Growth
- 879 **James Bergin**
Arunava Sen
Implementation in Generic
Environments
- 880 **James Bergin**
Dan Bernhardt
Anonymous Sequential
Games - Existence and
Characterization of
Equilibria
- 881 **John M. Hartwick**
Financing R&D with
Knowledge Stock Rentals
- 882 **Philip M. Bodman**
Michael B. Devereux
A Dynamic Model of Trade
Union Contract Duration
- 883 **Robin W. Boadway**
Nicolas Marceau
Maurice Marchand
Time-Consistent Criminal
Sanctions
- 884 **John M. Hartwick**
National Wealth and NNP
Natural Resources and
National Wealth and NNP
- 885 **Beverly J. Lapham**
Roger Ware
A Dynamic Model of Endo-
genous Trade Policy
- 886 **Fazley K. Siddiq**
Charles M. Beach
Characterizing Life-Cycle
Wealth Distributions in
Canada Using Dominance
Criteria
- 887 **J. Michael Durland**
Thomas H. McCurdy
Duration Dependent Transi-
tions in a Markov Model of
U.S. GNP Growth
- 888 **Dan Bernhardt**
Eric Hughson
Splitting Orders
- 889 **Dan Usher**
The Interests of English
Canada
- 890 **Robin Boadway**
Michael Keen
Evasion and Time Consis-
tency in the Taxation of
Capital Income
- 891 **Bagala P. Biswal**
Providing Public School
Education in Developing
Countries: A Theoretical
Analysis
- 892 **Debra Holt**
Coherent Belief Revision
and Equilibrium Selection
in Games
- 893 **Dan Bernhardt**
Huw Lloyd-Ellis
Enterprise, Inequality and
Economic Development
- 894 **Michael B. Devereux**
Allen C. Head
Beverly J. Lapham
Monopolistic Competition,
Increasing Returns, and the
Effects of Government
Spending

1994 papers

- 895 **Dan Bernhardt**
J. Fiona Robertson
Ray Farrow
Testing Dividend Signalling Models
- 896 **Pascal St-Amour**
State-Dependent Risk Aversion
- 897 **Frank Milne**
David Kelsey
Induced Preferences and Decision-Making Under Risk and Uncertainty
- 898 **Martin Prachowny**
Competition in the U.S. Labor Market
- 899 **Claudia Goldin**
The Meaning of College in the Lives of American Women: The Past One-Hundred Years
- 900 **Raghubendra Jha**
Subansh P. Singh
Inter-Temporal and Cross-Section Variations in Technical Efficiency in the Indian Railways
- 901 **Allan W. Gregory**
Gregor W. Smith
Measuring Business Cycles with Business-Cycle Models
- 902 **Allan W. Gregory**
Allen C. Head
Jacques Raynauld
Measuring World Business Cycles
- 903 **Russell Davidson**
James G. MacKinnon
Graphical Methods for Investigating the Size and Power of Hypothesis Tests
- 904 **Christopher Ferrall**
Unemployment Insurance and Youth Labor Market Behavior in Canada and the United States
- 905 **Lisa M. Powell**
The Impact of Child Care Costs on Female Labour Supply: Evidence from Canada
- 906 **Frank Milne**
Edwin H. Neave
Standardized Variables and Optimal Risky Investment
- 907 **Frank Milne**
Edwin H. Neave
Standardized Variables, Risks, and Preference
- 908 **Christopher Ferrall**
Bruce Shearer
Incentives, Team Production, Transaction Costs, and the Optimal Contract: Estimates of an Agency Model using Payroll Records
- 909 **Shouyong Shi**
Quan Wen
Unemployment and the Dynamic Effects of Factor Income Taxation
- 910 **Robin W. Boadway**
The Role of Second-Best Theory in Public Economics

911 **Allen Head**
Beverly Lapham
Trigger Strategies and the
Cyclicalilty of Markups

912 **Charles M. Beach**
Russell Davidson
George A. Slotsve
Distribution-Free Statistical
Inference for Inequality
Dominance with Crossing
Lorenz Curves

Faculty Activities 1993-94

Mike Abbott began his second term as Chair of Undergraduate Studies in July 1993 and continues his research on wage changes and job mobility of paid workers in Canada. Although his administrative responsibilities keep him off the streets and the computer for extended periods of time, Mike did see papers he co-authored with Charlie Beach through to completion: "Immigrant Earnings Differentials and Birth-Year Effects for Men in Canada: Post-War -1972" in the *Canadian Journal of Economics*; and "Wage Changes and Job Changes of Canadian Women: Evidence from the 1986-87 Labour Market Activity Survey" in the *Journal of Human Resources*. Another paper with Charlie and Steve Kaliski entitled "Wage Changes and Job Changes of Canadian Men: Empirical Evidence" is to appear in a volume entitled *Aspects of Canadian Labour Markets: Essays in Honour of John Vanderkamp*.

Charles Beach continued his work on income distribution. Statistics Canada has commissioned Charlie, George Slotsve and François Vaillancourt to write a census monograph on this subject. His paper with Chris Worswick was awarded the first John Vanderkamp Prize for the best paper

published in *Canadian Public Policy* in 1993. Additional joint work is in the *Bell Canada Papers on Economic and Public Policy*, and forthcoming in *Economics Letters*, the *Canadian Journal of Economics*, and the *Journal of Income Distribution*. Joint applied labour work with Mike Abbott is forthcoming in a volume in honour of John Vanderkamp and in the *Journal of Human Resources*. Charlie also found the time to supervise four doctoral students, ten masters students, teach at both the undergraduate and graduate level, and be a member of the Minister of Citizenship and Immigration's Advisory Committee on Immigration Policy Reform.

Dan Bernhardt has begun research on political candidates' choices of ideological location, as well as on the entry and exit of firms over the business cycle. He also continues his finance research on the theoretical and empirical aspects of financial market microstructure and on the dynamic models of banking and investment. Dan is also working on modelling labour strikes as well as the integration of money and banking. He published two papers in the *American Economic Review*, along with papers in the *International Economic Review*, the

Journal of Economic Theory, the *Review of Financial Studies* and the *Canadian Journal of Economics*. Dan also continues to actively supervise six doctoral students and assist many others while running the Ph.D. Thesis Seminar. A middle-aged jock, Dan has been a regular supporter of local chiropractors and physiotherapists.

Robin Boadway was on sabbatical and was his usual productive self. His current research interests involve the optimal provision of public services and the theory of fiscal federalism. He published two books, a new first year economics text with Joseph Stiglitz entitled *Economics and the Canadian Economy*, and *Intergovernmental Fiscal Relations in Canada*, with Paul Hobson. Robin also had articles published in: *International Economics Review*, *Journal of Public Economics*, *International Tax and Public Finance*, *Scandinavian Journal of Economics*, and *Fiscal Studies National Tax Journal*. Robin also presented papers and invited lectures throughout Canada, Europe, and in New Delhi. He continues to be involved in public policy through his work: on the Research Advisory committee of the Royal Commission on Aboriginal Peoples, on the Minister's Advisory Board on Canadian Military Colleges, and as the Associate Director of the John Deutsch Institute.

Russell Davidson has been delighted with the success of his graduate econometrics text with

James MacKinnon, *Estimation and Inference in Econometrics*. The book appeared in North America in January 1993 and Europe in August 1993 and is already in its fourth printing. Life after the book has meant a slow readjustment to research, and by now Davidson and MacKinnon have embarked on new research projects, almost all of them computer intensive, as they both seek ways to justify the sleek workstations on their desks. Meantime, a long-standing collaboration with Charles Blackorby and Bill Schworm led to the publication of an article on economies with two-sector representations in *Economic Theory*. In addition, just for show, he published a paper in the *Journal of Chemical Physics* in collaboration with a chemist friend. Russell continues to split time between Canada and France, but plans to interrupt the regular rhythm by taking a sabbatical in 1994-95.

Frank Flatters continues his work in Southeast Asia in connection with his role as Project Director of CIDA-funded collaboration arrangements between the John Deutsch Institute, the Thailand Development Research Institute and the Malaysian Institute for Economic Research. Frank presented papers with Rick Harris of Simon Fraser University on Asia-Pacific trade and investment issues at JDI conferences in Bangkok and Toronto. He is also working on co-editing the conference volumes from each of these events. In addition to this work on

trade policies in developing countries, Frank continues his work on taxation, natural resource management, fiscal federalism, and administrative corruption.

Devon Garvie continues her work in regulation, environmental economics, and law and economics. Her paper explaining the emergence of compliance-oriented versus deterrence-oriented regulatory regimes to protect the environment was published in *Journal of Public Economics*. In a joint paper with Bart Lipman, Devon examines the optimal design of environmental regulations when firms can legally challenge the regulations in an environment with legal uncertainty. Additional work with Vicky Barham examines environmental technology transfers between rich and poor countries, providing a critical analysis of alternative multilateral mechanisms for reducing global pollution. Devon is also working with Dominique Demougin on a paper examining the incentives provided by alternative tort laws to monitor levels of care in vertical contracting relationships.

Alan Green has overseen the construction of the recently opened and much acclaimed Stauffer Library and put the funding and plans in place for a major renovation of the Douglas Library. Alan continues his work on the history of immigration and its relation to long-run growth in Canada and is looking forward to a sabbatical

which begins in January 1995. A paper with David Green is forthcoming in *Canadian Journal of Economics*, "Canadian Immigration Policy, The Effectiveness of the Point System and Other Instruments". He has also published "A Comparison of Canadian and United States Immigration Policy in the Twentieth Century" in *Emerging Immigration Issues in Canada* and "International Migration and the Evolution of Prairie Labour Markets in Canada, 1900-1930" in *Migration and the International Labour Market*. Due to the overwhelming popularity of a couple of Alan's previous articles, they are being reprinted in *Perspectives on Canadian Economic History*.

Allan Gregory is Associate Head and Recruiting Chair for the Department. Allan published "Testing for Cointegration in Linear Quadratic Models" in the *Journal of Business and Economic Statistics*, "Residual-Based Tests for Cointegration in Models with Regime Shifts" with Bruce Hansen and "Testing for Structural Breaks in Cointegrated Relationships" with Jim Nason and David Watt, both in the *Journal of Econometrics*. His co-authored research on measuring business cycles was also published in two departmental discussion papers. Allan and Mick Devereux are also busy organizing a special issue of the *Canadian Journal of Economics* in honour of Doug Purvis. Allan is an Associate Editor of the *Journal of Business and Economic Statistics*,

a member of the editorial board of the *Journal of Applied Econometrics* and publications chair of Business and Economics Section of the American Statistical Association. Alan was promoted to full professor in 1993.

John Hartwick began a sabbatical in January 1994 as a guest of the Centre for Economic Studies of the University of Munich. Papers dealing with overpopulation as a differential game, asset switching and capital gains, and constant consumption paths in open economies with exhaustible resources were presented at seminars in Vienna, Dortmund, Bonn, Tilburg (Netherlands) and Oslo, and in five lectures in Munich. John returned in May to make a presentation on the economics of sustainability at the celebration of the centennial of the Museum of Natural History in Chicago and at the Association of Environmental and Resource Economists. His 'explaining economics' book, *A Brief History of Price* was published, as well as an article "National Wealth and NNP" in the *Scandinavian Journal of Economics*. He has another article forthcoming in *Economics Letters*. John will wrap-up his sabbatical by spending the 1994 fall-term at Harvard University.

Allen Head has been working with Mick Devereux and Beverly Lapham on a series of papers which examine the effects of increasing returns and imperfect competition in macro models of

business cycles. Allen has also been working with Allan Gregory on the international properties of aggregate fluctuations using dynamic factor models to decompose current account variables into worldwide and country specific components. A paper was published in *Economics Letters* and another is forthcoming in the *Canadian Journal of Economics*. Papers were presented at the Econometric Society meetings in Boston and then Quebec City, at the CEA meetings and the Midwest International Trade meetings. Alan has been teaching the advanced graduate macroeconomics course while also supervising two masters students and a doctoral student.

Debra Holt presented papers on the implications of dynamic conditions for equilibrium selection at the International Conference on Game Theory and at the workshop for Theoretical Aspects of Reasoning about Knowledge. She continued work in the areas of experimental design, learning in games, and analysis of experimental games. Some of these papers were presented at the Economic Science Association and at the International Conference on Game Theory.

Beverly Lapham continues to work on the dynamics of imperfect competition in the fields of trade, growth, and aggregate fluctuations. This past year saw the realization of work in these areas with publications in: *Quarterly*

Journal of Economics, Economics Letters, Review of International Economics, International Journal of Industrial Organization, and Journal of Economic Dynamics and Control. Bev has also begun to examine the effects of creative destruction on unemployment and has been developing theory based on collusion in imperfectly competitive markets to explain cyclical fluctuations in price markups. She continues to teach all of the international trade courses at the graduate and advanced undergraduate levels, while also supervising six doctoral students. Bev enjoyed presenting at the Society of Economic Dynamics and Control, in Greece! Sure beats Anaheim.

Frank Lewis was on sabbatical in 1993/94 dividing his time between Kingston and the Hebrew University of Jerusalem. Frank continued his work with Ann Carlos on the eighteenth-century fur trade and on the financing of Canadian railways. Three papers on the fur trade were written and appeared in *Journal of Economic History*, the conference volume *Wildlife in the Marketplace*, and at the Economic History Association Meetings. Two of their papers on Canadian railways are forthcoming in *Explorations in Economic History*, and the volume *Anglo-American Finance: Financial Institutions and Markets in the Twentieth Century*. At Hebrew University, Frank wrote "Agricultural Property and the 1948 Palestine Refugees: Assessing the Loss". Finally,

"An Early History of Canada-U.S. Trade: Lessons for NAFTA?" is due out in the conference volume *NAFTA: Issues and Assessment*.

Bart Lipman continued his theoretical work on bounded rationality, the relaxation of the assumption that agents are perfectly rational. He published his most recent article on this subject in the book *Theoretical Aspects of Reasoning About Knowledge*, contributed a survey to an upcoming special issue of the *Canadian Journal of Economics*, an article to *Games and Economic Behavior*, and delivered papers on the subject in Belgium, Oslo, and Tel Aviv. Bart has also been working with Devon Garvie on how the possibility of legal challenges affects the way a regulator sets rules, and with Sugato Bhattacharyya on bubbles in asset prices. Bart has also been teaching the full range of micro theory courses at both the undergraduate and graduate levels, including a special graduate seminar on models of bounded rationality. Bart tests the limits of rationality every time he attempts to dribble a basketball up the court.

James MacKinnon was busy as the Acting Head of the Department for the 1993-94 academic year. James's research interests include model specification testing, unit root and cointegration tests, graphical methods for Monte Carlo experiments, and computationally intensive econometric methods. During 1993 and 1994,

James published papers in *Cuadernos Economicos de ICE* and the *Journal of Business and Economic Statistics*. In addition, his book with Russell Davidson, *Estimation and Inference in Econometrics*, published by Oxford University Press, appeared in print. James is an Associate Editor of the *Journal of Econometrics*, the Software Review Editor of the *Journal of Applied Econometrics*, and coordinator of its ftp archive site. James has also been chairing the Department's Computing Committee, and has been involved in several major upgrades of the Department's computing capabilities, including the installation of the department server and the creation of an electronic classroom.

Tom McCurdy has had a busy year teaching four graduate courses and supervising six M.A. and three Ph.D. students. Tom's research on modelling nonlinear temporal dependence in time series data, supported by a SSHRCC Research Grant, resulted in his 1994 paper with Mike Durland in the *Journal of Business and Economic Statistics* and six seminar presentations at various universities. Tom is a co-researcher under another SSHRCC Grant entitled "Managing Risks and Uncertainties". Tom and Ieuan Morgan have published a paper on risk in foreign currency markets in a book entitled *The Exchange Rate and the Economy*. Finally, a paper with Julian Betts on sources of employment

growth by occupation and industry was published in 1993 in *Relations Industrielles*. Tom was promoted to full professor in 1993.

Marvin McInnis's current research focus is on reinterpreting the main contours of Canadian economic development in the 1867-1927 period, making use of the new historical national income data from Mac Urquart's recent volume. Marvin also continues his research on demographic changes in the historical Canadian economy. His paper on "Immigration and Emigration: Canada in the Late Nineteenth Century" has just appeared in a volume entitled *International Migration and World Development, 1850-1939*, while a long chapter on "The Canadian Economy in the Nineteenth Century" is forthcoming in the *Cambridge Economic History of the United States*. After returning from sabbatical (on crutches, with a broken leg), Marvin successfully re-instituted his undergraduate course on Population and Economic Change, after a hiatus of several years.

Frank Milne completed a number of different theoretical articles on asset pricing, synthesizing the existing literature and extending it to topics such as non-expected utility. He has forthcoming articles in *Management Science*, the *Journal of Economic Theory*, and *Mathematical Finance*. Frank also finished up a book to be pub-

lished by Oxford University Press, entitled *Finance and Asset Pricing*. Frank has been the Department's Coordinator of Graduate Studies, and taught both the micro money graduate course and the graduate seminar in monetary economics. He has also been supervising two doctoral students and assisting a number of masters students with their essays. Despite knowing absolutely nothing about college basketball, Frank won the NCAA Tournament Pool in 1994 by basing his choices on the betting odds. He claims that this applied work proves the efficient market hypothesis.

Martin Prachowny is working on the use of government employment as a macroeconomic tool, and is spending 1994/95 on sabbatical leave at the University of Washington. Martin's book *The Goals of Macroeconomic Policy* was published this past year.

Gregor Smith has begun research looking for predictable exchange rate movements against sterling in studies of the rupee during 1893-1913 and the greenback during 1862-1879. He is also continuing his work with Allan Gregory on measuring business cycles, using economic models to decompose aggregate output into trend and cycle components. His joint work in open-economy macroeconomics was published in the *International Economic Review* and the *Journal of International Economics*, and he became an associate

editor of the latter journal. Gregor spent the 1993-94 academic year on sabbatical leave as a Fulbright Fellow at Princeton, and gave a number of conference and seminar presentations in the United States. He also continued to be an active supervisor of graduate students, overseeing the completion of three M.A. essays and two Ph.D. theses in the last year.

Klaus Stegemann presented a paper entitled "Sculpting the Target for Canada's Anti-Dumping Actions" at the Fifth John M. Olin Annual Conference in Law and Economics. The paper examined why in certain cases the subject goods for anti-dumping actions are defined selectively for specific foreign exporters, rather than for all exports of a certain product from a named country as is more common. He has also researched dispute settlement under the Canada—U.S. Free Trade Agreement. Klaus was able to put his academic knowledge to practical use when he joined a binational panel with two other Canadians and two Americans to review an anti-dumping decision of the Canadian International Trade Tribunal in accordance with Article 1904 of the Free Trade Agreement.

Ruqu Wang's interests are in simultaneous auctions, providing a theory for the auctioning of multiple objects, and in bargaining, providing simple solutions to alternating-offer bargaining models with two-sided uncertainty. Ruqu is also working on adjust-

ment costs models of finitely repeated games with Bart Lipman. Papers related to auctions were published in: *American Economic Review*, *Economic Theory*, and *Canadian Journal of Economics*. Ruqu presented papers at the Canadian Economic Theory meeting in Vancouver, the Far-Eastern Econometric Society meeting in Taiwan, the North American Econometric Society meeting in Boston, and the Stanford SITE conference. Ruqu has also been supervising a couple of doctoral students.

Roger Ware is working on some new research projects in the com-

petition policy area on vertical integration and exclusive dealing. Roger took the position of T.D. MacDonald Chair in Industrial Economics at the Federal Bureau of Competition Policy in August 1994 for one year, while maintaining his graduate teaching at Queen's. The Chair is a position for a visiting academic to advise on both research and policy aspects of antitrust economics. Roger is also co-authoring an undergraduate textbook in industrial organization, and supervising four M.A. essays and one Ph.D. thesis on industrial organization topics.

In Honour of Steve Kaliski

The Economics Department held an honorary dinner on May 26, 1994 in celebration of Steve Kaliski and his contributions upon his retirement. The reception and dinner were held at the Donald Gordon Centre and attended by many friends and colleagues past and present. Also present were his wife Marian and their daughter Susan who flew up from North Carolina for the occasion. Steve has been a member of the Economics Department at Queen's from 1954-56 as a Lecturer before heading off for graduate work at Cambridge, a researchship at Manchester, and an appointment at Carleton University, and then returning as a Professor to Queen's in 1969 where he has worked since. Steve has been an Editor of the Canadian Journal of Economics, President of the Canadian Economics Association, and is a Fellow of the Royal Society of Canada.

After the reception and dinner, several remembrances were offered of Steve and his contributions. The occasion was M.C.'d by Alan Green with appropriate levity. Tom Rymes came down from Ottawa to amuse the dinner guests with anecdotes of Steve's years at Carleton where he rose to be Head of the Department and first acquired his nickname, *Killer*

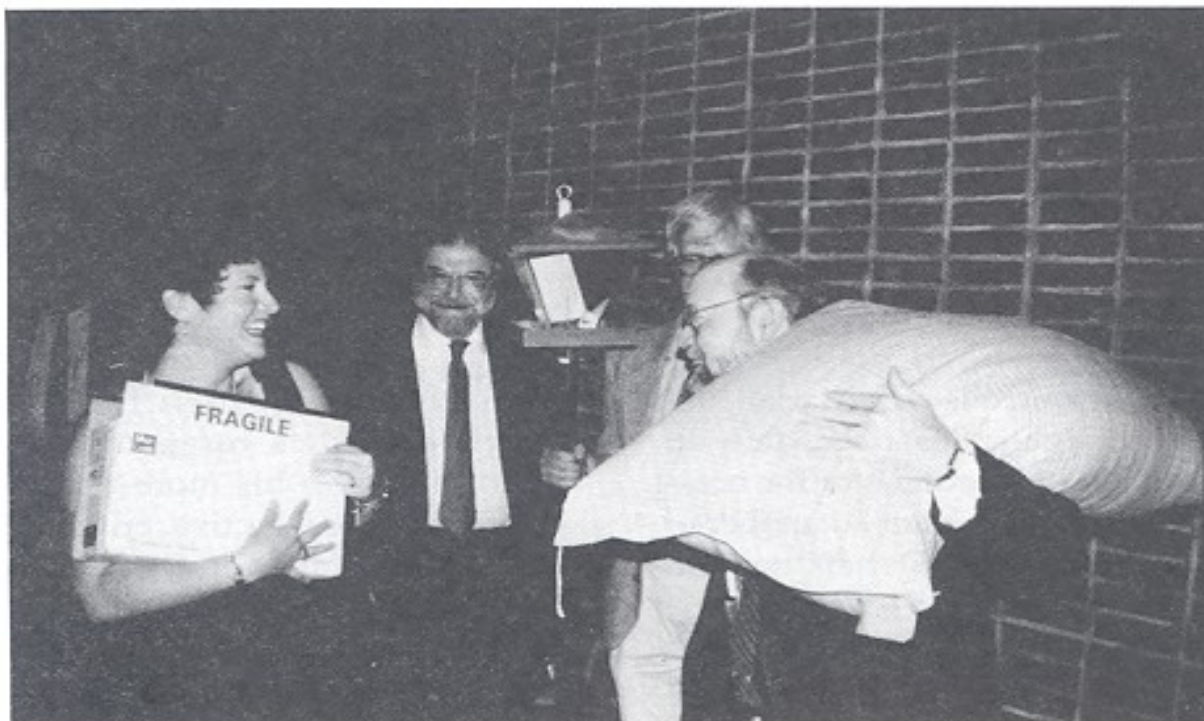
Kaliski. David Smith, Principal of Queen's, recalled Steve's contributions to building up the Economics discipline at Queen's. Dick Lipsey sent along a hilarious set of stories about Steve's early years as a graduate student in England and his pub-crawling days.

Charles Beach then briefly sketched Steve's research and contributions in his more recent years as a constructive critic of labour market data in Canada, a reviewer of the state of our knowledge on labour markets (for the MacDonald Royal Commission and elsewhere), and an articulator of basic policy issues and how the discipline could address them. Steve has been one of the people instrumental in setting the tone of the department in his judgment of quality of work, his high standards of debate and maturity of perspective, and his being a holy terror on students who wanted quick simple answers. He has also been a congenial and valued colleague and friend who could always provide insightful and honest criticism that improved one's work. His vast knowledge provided free literature search long before the advent of CD ROMs. He has also been a true teacher and mentor to a large number of students over the years

who carry his integrity forward in their own careers.

After a brief acknowledgment by Steve, Mike Abbott presented Steve and Marian with several

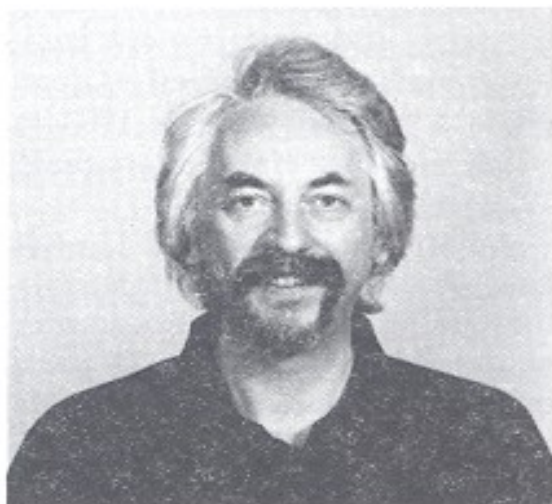
gifts of a pair of binoculars for bird-watching in the backyard of their new home, a new bird house for the backyard, and 50 pounds of birdseed.



Pictured from left to right – Susan Kaliski, Steve Kaliski, Mike Abbott (partially hidden) and Charlie Beach.

Congratulations

In December, 1994 Professor **Russell Davidson** was elected a



Fellow of the Econometric Society, an international society for

the advancement of economic theory in its relation to statistics and mathematics. This is a rare honour. There are, in total, only eight Fellows at universities in Canada. Professor Davidson joins Professor James MacKinnon as the second current member of the Queen's Economics Department to be honoured in this way. Russell has published a large number of papers in the areas of econometrics and mathematical economics, and he is the co-author, with Professor MacKinnon, of the book "Estimation and Inference in Econometrics".

Gregor Smith received one of six 1993 Canada-US Fulbright Faculty Fellows. Canadian Fulbright awards are administered by the Foundation for Educational Ex-

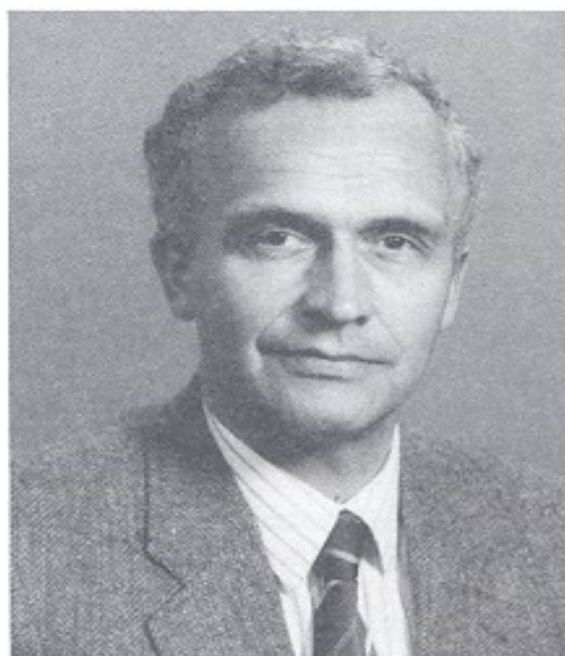
change Between Canada and the United States and support research in the United States that promotes understanding.

Picture not available

The following was originally written for the Queen's Gazette July 1994

Rod Fraser Named President of U of A

Dr. Rod Fraser, the university's vice-principal (resources) since 1988, has been selected to be the next president of the University of Alberta.



"He is an outstanding visionary academic leader who understands where universities need to go and how to get there," said Board of Governors chair John Ferguson, who made the announcement late last month. "Dr. Fraser brings the right mix of aca-

democratic leadership, understanding of external relations, and depth of administrative experience to lead the University of Alberta into the 21st century."

Fraser's responsibilities over the last six years have involved establishing university priorities, resource planning, budget and financial management, fundraising strategy, and government relations. He has also served as dean of Arts & Science from 1983 to 1988 and associate dean from 1979 to 1983.

A native Albertan and U of A grad, Fraser carries his PhD from the London School of Economics before joining Queen's Department of Economics in 1965. He has played a significant role in the development of public policy in the health care and related areas.

"On behalf of Queen's I congratulate Rod Fraser on this very important appointment," said Principal David Smith. "He has contributed greatly to Queen's in several key positions. We are grateful for his excellent work and he will be missed at Queen's and in Kingston."

Fraser's appointment as the U of A's 11th president begins January 1. He will replace Dr. Paul Davenport, who succeeded Dr. George Pedersen as president of the University of Western Ontario.

Goodbye Duncan McDougall

Retirement parties have been rare events in QED because we think of ourselves as a "young" Department but time marches on and a period of transition is about to start. Duncan McDougall was the first name on a long list of those who will begin to enjoy good performance of the pension plan over the next five to ten years. During a "Steak TGIF" at the University Club on May 6th 1994, a large group of Duncan's friends gathered to wish him well in his retirement years and presented him with a weather station that pro-

vides useful data for ex post hypothesis testing, if not for ex ante forecasting.

Duncan came to Queen's in 1974 as a Visiting Professor and stayed for 20 years, without wearing out his welcome. In his earlier career he had been at Purdue University and the University of Kansas and also worked for the Carter Tax Commission, but his roots were in Kingston and he literally came "home", living now in the same house as he did with his parents.



*Presentation of parting gifts.
Pictured from left to right – Judy Reid, Duncan and Martin Prachowny.*

Together with Tom Dernburg, a colleague at Purdue, Duncan wrote the first comprehensive undergraduate textbook in macroeconomics which made this discipline accessible to the masses of undergraduate students who previously would have found Keynes, Hicks or Hanson too daunting to read.

As a teacher Duncan was a hard taskmaster, demanding clear thought and thorough understanding from the many first and second year undergraduates

that he taught over the years. Being a disciplinarian did not earn him teaching awards because students often do not appreciate the benefits of a good preparation in the fundamentals until many years later, but in good time there will be a least some who will acknowledge their debt to Duncan. Until then, his colleagues in QED want to thank Duncan for "toiling in the trenches" on their behalf.

Martin Prachowny

Honouring Mac Urquhart

The theme of the 19th Conference on the Use of Quantitative Methods in Canadian Economic History, held in Montreal on April 8th and 9th of 1994, was "Honouring Mac Urquhart's Contributions to Canadian Economic History". Mac was one of the founding members of these Conferences. The first one was held at the University of Toronto in the fall of 1964. This tribute was made in conjunction with the publication of his great work, *Gross National Product, Canada 1870 - 1926; The Derivation of the Estimates*, (McGill-Queen's Press 1993). The research on which the book is based took 10 years to complete. Although this work is in part the product of a number of his colleagues at Queen's and at other Canadian universities, it is no secret that the main effort and intellectual guidance that led to its completion is due to Mac's efforts. Mac, besides estimating income for a number of sectors, drew the work together and brought it to the publication stage.

The programme of the 19th Conference centered around aspects of long run growth and, where appropriate, authors used the results of the revised national income estimates as part of their presentations. As the sessions

progressed the full contribution of Mac to the evolution of this field in Canada became clear to all those present.

As part of the tribute to Mac, a banquet was held in his honour. Lance Davis (California Institute of Technology) and Bob Gallman (University of North Carolina), who have known Mac over the years, were special invited guests both to the sessions and to the dinner. Lance Davis and Alan Green read tributes to Mac and Bill Parker (Yale University), who could not attend, composed a poem which was read at the dinner.

A "Toast" to Mac

(by Bill Parker)

His heart is true, his mind is clear,
His head is fu 'o' lore au lear,
The larned wurld this
greeting send:
To MAC - a Scholar and a
Friend.

In response to these tributes Mac sang a Scottish folk song he learned years ago from an Aunt.

It was a lovely evening and a very successful conference, but above all it was a long overdue tribute to a great scholar and a marvelous person—Mac Urquhart.

Alan Green
November 1994

Visitors for 1993/94

Bagala Biswal, Queen's and Utkal University

Benoit Carmichael, Université Laval

David Cox, University of Waterloo

Slobodan Djajic, GIISS, Geneva

Dirk Eddelbuettel, GREQE-EHESS

Marilyn Gerriets, St. Francis Xavier University

Scott Gordon, Indiana University

Bill Hurley, Royal Military College

Raghbendra Jha, University of Delhi, India

Tiff Macklem, Bank of Canada

Toru Nagahashi, Miyazaki Sangyo-Keiei University

Vladimir Popov, Academy of National Economy, Graduate School of International Business, Moscow

Lucie Samson, Université Laval



The 'Group' enjoying lunch. Pictured from left to right – Raghbendra Jha, Bagala Biswal, Frank Flatters, Satya Paul, Robin Boadway, Toru Nagahashi and Klaus Stegemann.

Visitors for 1994/95

Anindya Banerjee, University of Oxford

David Cox, University of Waterloo

Ian Cromb, University of Western Ontario

Melvin Cross, Dalhousie University

Dirk Eddebuettel, GREQE-EHESS

Alan Douglas, Clemson University

Scott Gordon, Indiana University

Noritsugu Nakanishi, Kobe University, Japan

Ed Nosal, University of Waterloo

Vladimir Popov, Academy of National Economy, Graduate School of International Business, Moscow

Neil Swan, Government of Canada

Harutaka Takahashi, Meiji Gakuin University, Japan

Steffen Ziss, University of Sydney

Staff Notes

Promotions

After all her hard working years as undergraduate secretary, **Jennine Ball** has been promoted to Undergraduate Assistant.

Angie Dunphy has been seconded and promoted Project Administrator II to assist Frank Flatters with the Thailand Development Research Institute and the Malaysian Institute for Economic Research.

As well as her secretarial duties, **Julie McCarthy** was talked into taking on the newly created position of Departmental Assistant responsible for all the QED's computing equipment, a good promotion for her. I think James MacKinnon is breathing a sigh of relief.

Congratulations!

Best wishes to **Juanita Dennie!** She was married in the Spring of '94. You may remember her as Juanita Hamilton, senior secretary in the Graduate Studies office.

1993 was a big year for **Ellen McKay**, she was awarded a Staff Recognition Award by the university for outstanding achievement.

Congratulations **Ellen McKay** and **Dot MacKenzie** for 1993!

They received their 25 year pin at a special dinner hosted by Principal David Smith. Doesn't that say something about job satisfaction?



Ellen McKay (left) and Dot MacKenzie

Retired

Dot MacKenzie was D.C. Smith's assistant while he was department head then she went to work for Robin Boadway as an Editorial Assistant for the Canadian Journal of Economics. She has now become a snowbird and retired to the fairways. We'll miss her.

Research Grants and Contracts

M.G.Abbott, C.M.Beach, S.F.Kaliski, Statistics Canada, 1991, \$25,000, Characterizing Employment Adjustment and Stability with the Two-Year LMAS Data.

C.M.Beach, Statistics Canada, 1994, \$22,000, Income Differences Between Language Groups in Canada, Census Monograph.

C.M.Beach, Statistics Canada, 1993, \$159,000, Incomes in Canada: A Study of Distributional Change.

J.Bergin, SSHRCC, 1992-1995, \$33,070, Extensive Form Implementation in Bayesian Environments, Game Theoretic Analysis of Business Cycles and Economic Efficiency, Continuous Time Games.

D.Bernhardt, SSHRCC, 1991-1994, \$58,280, Industry Trading with Multiple Assets: Series and Estimation; Stochastic Industry Evolution; Series of Firm and Industry Dynamics.

D.Bernhardt, SSHRCC, 1994-1997, \$53,000, Research in Financial and Labour Economics.

R.W.Boadway, SSHRCC, 1991-1994, \$60,000, The Analysis of Government Expenditures as Instruments of Redistributive Policy.

R.W.Boadway, SSHRCC, 1994-1997, \$63,840, Decentralizing the Provision of Public Services to the Private Sector and to Lower Levels of Government.

H.L.Carmichael, SSHRCC, 1991-1994, \$24,001, Studies in the Theory of Labour Markets and Organizations.

H.L.Carmichael, SSHRCC, 1994-1997, \$35,000, The Evolution and History of Economic Institutions.

J-O.Cho, SSHRCC, 1993-1996, \$42,000, Business Cycles, Growth and Stabilization Policies in Models with Nominal Rigidities and Inflation Tax.

T.Courchene, SSHRCC, 1993-1996, \$9,000, Risk Management. With **E.Neave**, School of Business.

R.Davidson, SSHRCC, 1992-1995, \$39,163, Properties of Test Statistics in Finite Samples Studies by Methods of Artificial Regressions and Differential Geometry.

C.Ferrall, SSHRCC, 1992-1995, \$33,211, Structural Estimation: Information and Labour Market Incentives.

F.Flatters, CIDA, 1992-1999, \$4,580,000, Malaysian Institute for Economic Research—Phase II.

F.Flatters, CIDA, 1992-1996, \$5,569,074, Thailand Develop-

ment Research Institute—Phase II.

D.Garvie, SSHRCC, 1992-1996, \$36,000, Environmental Regulation: Design of Multi-tiered Governmental Systems.

A.W.Gregory, SSHRCC, 1992-1995, \$36,854, Coincident and Leading Economic Indicator Models.

J.Hartwick, SSHRCC, 1991-1994, \$16,000, Growth and Technical Progress.

A.C.Head, SSHRCC, 1993-1996, \$36,000, Imperfect Competition, Increasing Returns and Aggregate Fluctuations in a Global Setting.

D.Holt, SSHRCC, 1992-1995, \$44,900, Analyzing Strategic Behaviour by Integrating Experimental and Statistical Methods.

B.Lapham, SSHRCC, 1992-1995, \$29,500, Strategic Interaction and Non-Linear Dynamic Games with Applications in International, Industrial Organization, Macro and Environmental Economics.

F.Lewis, SSHRCC, 1992-1996, Depletion and Economic Rivalry in the Fur Trade: The Role of the Indians, the Hudson's Bay Company and Its Competitors, 1700-1821. With **A.Carlos**, University of Colorado at Boulder.

B.L.Lipman, SSHRCC, 1992-1996, \$29,750, An Axiomatic Framework for Limited Rationality.

J.G.MacKinnon, SSHRCC, 1992-1995, \$46,893, Monte Carlo Meth-

ods and Specification Testing in Econometrics.

T.H.McCurdy, SSHRCC, 1993-1996, \$48,000, Econometric Investigation of Stochastic Processes with Hidden Semi-Markov State Distributions.

T.H.McCurdy, SSHRCC, 1992-1994, \$34,170, Quantifying and Managing Foreign Currency Risk. With **I.Morgan**, School of Business.

F.Milne, SSHRCC, 1992-1996, \$28,500, Asset Pricing Theory: Finance and Taxation: Finance and the Theory of the Firm: Strategic Issues in Financial Markets.

F.Milne, S.Turnbull, SSHRCC, 1992-1994, \$13,750, Managing Risks and Uncertainties.

S.Shi, SSHRCC, 1993-1996, \$47,000, Money, Prices and Economic Activity: Models of Search and Bargaining.

G.W.Smith, SSHRCC, 1992-1995, \$23,585, International Macroeconomics; Non-traded Goods and International Economic Growth; Direct Investment.

R.Wang, SSHRCC, 1992-1995, \$35,000, Dynamic Auction Theory and Its Applications to Stock Markets: An Information Approach to Rational Addiction.

R.Ware, SSHRCC, 1992-1996, \$26,100, Endogenous Trade Policy Formation in Dynamic Games; Three Aspects of Production as a Device for Vertical Monitoring and Control Trade Policy; Regulatory Design; Public Enterprise.

Queen's – What's Hot

The following appeared in Maclean's magazine in their November 14th Special Issue 'Universities: The Fourth Annual Ranking'

- The new \$42-million state-of-the-art library, truly a library for the gods
- Queen's east campus, so to speak: the International Study Centre at the 14th century Herstmonceux Castle, England
- The Kingston music scene—The Tragically Hip live here
- 'Poutine' at Lino's Restaurant
- The student ghetto
- The Queen's bands: bagpipes and Highland dancers lead our fighting song, the 'Oil Thigh'
- **Economics Prof. Tanis Day**, and her report on the billion-dollar cost of violence against women
- Outspoken history Prof. Geoffrey Smith: he can wear a bow tie with pride
- Smokers: fund-raising parties with people in your year and faculty
- Lake Ontario: we're right on the lakeshore

John Deutsch Institute Conferences

Policy Forum Series

Policy Forum on Deficits and Debt in the Canadian Economy, held April 7 and 8, 1993 at Simon Fraser University, joint with Department of Economics, Simon Fraser University, organized by Richard Harris.

Policy Forum on Capital Budgeting in the Public Sector, held May 14, 1993, joint with Industry Canada (formerly Investment Canada), organized by Jack Mintz and Ross Preston.

Policy Forum on Financial Derivatives: Managing and Regulating Off-Balance Sheet Risks, held December 2 and 3, 1993, joint with Research Program in Risk Man-

agement, School of Business, organized by Thomas Courchene and Edwin Neave.

Bell Canada Paper Series

Stabilization, Growth and Distribution: Linkages in the Knowledge Era, second Conference for the Bell Canada Papers on Economic and Public Policy, held October 15 and 16, 1993, organized by Thomas Courchene.

Technology, Information and Public Policy, third Conference for the Bell Canada Papers on Economic and Public Policy, held November 17 and 18, 1994, organized by Thomas Courchene.

John Deutsch Institute Publications

Policy Forum Series (\$5.00 a copy)

- F28. *Tax Policy for Turbulent Times*, Roy D. Hogg and Jack M. Mintz (eds.), 1993.
- F29. *Deficits and Debt in the Canadian Economy*, Richard G. Harris (ed.), 1993.
- F30. *Capital Budgeting in the Public Sector*, Jack M. Mintz and Ross S. Preston (eds.), 1993.
- F31. *Financial Derivatives: Managing and Regulating Off-Balance Sheet Risks*, Thomas J. Courchene and Edwin H. Neave (eds.), 1994 (\$15.00).

Roundtable Series (\$20.00 a copy)

- R9. *The Future of Fiscal Federalism*, Keith G. Banting, Douglas M. Brown and Thomas J. Courchene (eds.), published jointly with School of Policy Studies and Institute of Intergovernmental Relations, 1994 (\$24.95 a copy).
- R10. *Infrastructure and Competitiveness*, Jack M. Mintz and Ross S. Preston (eds.), 1994.

Bell Canada Papers Series (\$25.00 a copy)

- B1. *Productivity, Growth and Canada's International Competitiveness*, Thomas J. Courchene and Douglas D. Purvis (eds.), 1993.
- B2. *Stabilization, Growth and Distribution: Linkages in the Knowledge Era*, Thomas J. Courchene (ed.), 1994.

Doug Purvis Remembered

In memory of Doug Purvis, the Department of Economic hopes to establish a Chair in Economic Policy with close ties to the John Deutsch Institute for the Study of Economic Policy (JDI). While Doug was Director, the JDI became one of the most important outlets for public policy debate in Canada. The Douglas D. Purvis Chair will honour Doug and help us carry on this tradition.

For those of you who have not yet heard about our fundraising activity please contact:

Marcia Jones
Senior Administrative Assistant
Department of Economics
Queen's University
Kingston, ON K7L 3N6

QED List of Lists

PhD Recipients

1991 - NOVEMBER CONVOCATION

Pugh, Graham

An Empirical Investigation of Risk Premia in Alternative Futures Markets' Positions: The Case of COMEX Gold and Silver—1984 to 1988

Supervisors: T. McCurdy, G. Smith and I. Morgan

Spencer, Michael

Exchange Rates and Expectations in the European Monetary System

Supervisors: G. Smith, A. Gregory and M. Devereux

1993 - MAY CONVOCATION

Guay, Richard

Asset Pricing: The Risk-Free Rate and Risk Premium Across Time and Countries

Supervisor: G. Smith

Love, David

Natural Resources and Development in Economies with Overlapping Generations

Supervisors: M. Devereux and J. Hartwick

Otto, Glenn

Empirical Essays in Time Series Macroeconomics

Supervisor: A. Gregory

Robertson, Fiona

Dividends and Stock Price Behaviour: An Empirical Investigation

Supervisors: D. Bernhardt and I. Morgan

Simard, Dominique

Private Information and Aggregate Labour Market Fluctuations

Supervisors: J-O. Cho and D. Bernhardt

Voss, Graham

Monetary Integration and the Role of Money Finance

Supervisors: M. Devereux and A. Gregory

Wirjanto, Tony

Investigation of Aggregate Consumption Behaviour

Supervisors: J. MacKinnon and A. Gregory

1993 - OCTOBER CONVOCATION

Biswal, Bagala

Optimal Provision of Education in Developing Countries: A Theoretical Analysis

Supervisors: R. Boadway and F. Flatters

Hamilton, Gillian
Contract Incentives and Apprenticeship: Montreal, 1791-1820
Supervisor: F. Lewis

Maxwell, John
Essays in Applied Micro-economics
Supervisor: D. Bernhardt

Wen, Jean-Francois
Essays on Investment Incentives Under Asymmetric Information
Supervisors: D. Garvie and D. Usher

1994 - MAY CONVOCATION

Boileau, Martin
Essays on International Growth and Cycles
Supervisor: G. Smith

Crosby, Mark
Three Essays on Monetary Policy Games
Supervisor: G. Smith

Lloyd-Ellis, Huw
Enterprise, Inequality and Growth: Essays in the Theory of Income Distribution
Supervisor: D. Bernhardt

Michelis, Leonidis
Non-Nested Hypothesis Testing for Orthogonal or Nearly Orthogonal Regression Models
Supervisor: J. MacKinnon

Shearer, Bruce
Empirical Models of Labour Market Incentives: With Applications to the Britannia Copper Mine
Supervisor: C. Beach

Vigneault, Marianne
Three Essays on the Motivation for the Use of Tax Incentives for Foreign Direct Investment
Supervisor: R. Boadway and B. Lapham

1994 - OCTOBER CONVOCATION

Douglas, Alan
Dividend Payments
Supervisors: R. Boadway and E. Neave

Laplante, Benoit
The Firm and The Environment: Information and Compliance with Environmental Regulation
Supervisor: N. Olewiler

The QED on the WWW

As we go to press the Department's Homepage on the World Wide Web is under construction. If you have access to the Web you can use it to keep in close touch with the activities at the QED. Not only will this newsletter be available there, but also the Weekly Calendar of events, graduate program information, course information, abstracts of working papers, and much more!

The location of the Homepage is <http://qed.econ.queensu.ca>. If you have trouble gaining access, contact Julie McCarthy at mccarthj@qed.econ.queensu.ca.

EDITOR

Marcia Jones

WRITERS

David Baar

Jennine Ball

Charles Beach

Theresa Brennan

Elaine Constant

Lorne Carmichael

Alan Green

Martin Prachowny

Sharon Sullivan



Queen's University at Kingston