

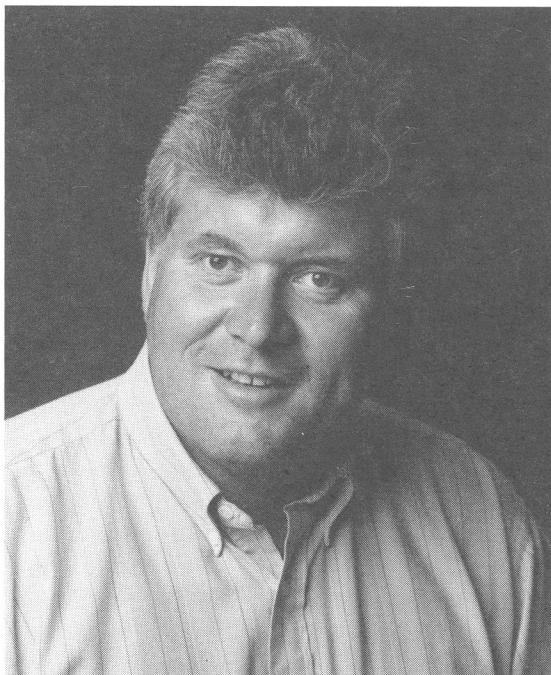
# A Message from the Head

1990 was an extraordinarily active year in the QED. As noted elsewhere in this newsletter, teaching and research continued at their usual pace, but a simple accounting of those activities would give a significant underestimate of the developments in the department. As I discuss below, recruiting was a major activity for 1990, and the QED that is reflected in this newsletter has a lot of new faces (not to mention new ideas).

The undergraduate program continues to flourish, and in 1990 we graduated 77 BAs (Honours); much to our pedagogical delight but administrative peril, over half continue to write the (now optional) BA Thesis. Mike Abbott continues in his role as Undergraduate Coordinator through June 1991, and has been able to provide a great deal of help to the Undergraduate Secretary, Jennine Ball – who we all know really runs the program. In July of 1991, Gordon Sparks will reassume the Undergraduate Coordinator position as Mike takes a well deserved sabbatical.

We feature the graduate program in this newsletter, partly to profile the milestone of graduating our 150th PhD just in time to join the celebrations surrounding Queen's 150th birthday. Also, as highlighted elsewhere in this newsletter, 1990 was a banner year for the PhD program; nine PhDs were granted in 1990 (bringing our three year total to 31), and the twelve students on the job market last winter not only formed a significant chunk of the entire market of Canadian trained PhDs, but also were very successful in acquiring a surprisingly diverse and certainly impressive variety of jobs. Charlie Beach continues as Graduate Coordinator through June 1991, at which time Frank Lewis will take over. He will be ably assisted by Theresa Brennan, Graduate Assistant, and Juanita Fitzgerald, Graduate Secretary.

The list of IER Discussion Papers reflects the research and conference activity of the faculty, and the list of workshops highlights our ongoing activities



there. But the workshop list is perhaps a bit shorter than in other years because a great deal of our workshops were devoted to recruiting seminars. As those of you who have been watching the QED in action will realize, turnover has definitely been a feature of the last couple of years.

Sadly, this turnover in part reflects a number of departures. Jack Mintz resigned in order to stay on at the University of Toronto; Bentley MacLeod resigned in order to take up a position at the University of Montreal; and Nancy Olewiler resigned to move to Simon Fraser University, as did Rick

Harris. Readers of the QED Newsletter do not have to be told how much we regret all of these resignations; these four were all key contributors to the QED over the past years, and their inputs into our teaching and research activities, as well as their role in the intellectual and social life of the department will be greatly missed. I know I speak for all my colleagues in the QED when I wish them well in their new positions, and I look forward to them all continuing a close relationship with the QED and participating in our activities.

Fortunately, turnover has its bright side as well, and departures create not only regrets but opportunities. No less than seven new faculty were appointed in 1990. As well, we had a larger than usual complement of visiting faculty, many of whom got actively involved in the Department's activities.

Four new assistant professors joined the QED in the fall of 1990 (Craig Burnside, Chris Ferrall, Tony Smith, and Ruqu Wang); they are all profiled in the newsletter. Three other new faculty signed on in 1990 but did not join us until 1991; you will learn more about them in next year's newsletter. In January, Devon Garvie joined us as a new Assistant Professor after completing her PhD at Berkeley; Roger Ware joined us as an Asso-

ciate Professor, some ten years after earning his PhD from the QED and going off to teach at the University of Toronto. In December, Frank Milne of the Australian National University accepted a position as a Full Professor, he starts with us this summer.

In May of 1990, spurred by the Mick Devereux and Gregor Smith success hosting the 1989 Macro Study Group, the QED hosted a very successful labour market conference organized by Mike Abbott, Charlie Beach, and Lorne Carmichael (the ABC gang of QED labour economists). This served to introduce two of our new faculty, Chris Ferrall and Ruqu Wang to the Canadian profession as both made an early visit to Kingston to participate. Coincidentally, the other two fall appointments, Craig Burnside and Tony Smith, both participated in the fall meeting of the Macro Study group at U.B.C.

The John Deutsch Institute continues its active schedule, holding a number of workshops and forums. Since the last two people I had asked to serve as Director of the JDI (Jack Mintz and Richard Harris) both chose to resign, I couldn't risk asking anyone else, so I have returned to the directorship myself. Sharon Sullivan continues as the JDI Administrative Secretary, although she is still recovering from the shock of having to deal with a part-time and often distracted director. Nevertheless, we have a full slate of activities planned, and I urge anyone who is interested, to write to Sharon to have your name placed on the mailing list for the JDI Newsletter.

I would like to express my thanks to the staff of the QED for their own commitment to excellence that makes my job possible and contributes so much to the activities of the QED: Angie, Elaine, and Dot on the third floor of Dunning, Julie and Heather in the main office, and Charlotte in MacIntosh-Corry. Jane Baldwin, the QED Senior Administrative Assistant, manages to deal efficiently with an assortment of issues that often appear to be overwhelming but nevertheless get done. Finally, it is a pleasure to acknowledge the incredible contribution that Ellen McKay, Departmental Assistant, makes to the running of both my life and that of the department.

Just as 1990 was active, so will 1991 be. We expect to announce more new and exciting appointments, but probably not as many as seven; 1991 should be a period of consolidation rather than growth and turnover. One exciting event for 1991 will be the return of the meetings of the Canadian Economics Association to Kingston. I hope to see many of you here in June for those meetings, and I invite you to take the opportunity to drop into the department to say hello to old friends and make acquaintances with new ones. If you do come for the meetings, watch for an announcement of a major QED reunion on the night of Sunday June 2.

Douglas D. Purvis  
May 1991

# Queen's PhD's Pass the 150 Mark

In the Fall Graduate Convocation on October 26, 1990, Queen's graduated its 150th PhD in Economics. The PhD program in Economics was begun in 1961-62 with the first degrees being awarded in 1966. The 50th PhD was graduated in 1978 and the 100th in 1985. Since then the department has been graduating doctoral students at a rate of about ten a year. A list of the "First 100" PhD's was published in the department's QED newsletter of 1986. A list of the "Next 55" and where they are now appears below.

The 150th PhD was awarded to Ian Cromb for his thesis on "Competitive Insurance Markets Characterized by Asymmetric Information" jointly supervised by Robin Boadway and Richard Arnott. At the convocation where Ian received his degree, Principal David Smith, a former and long-time Head of the Economics Department, expressed how pleased he was that this benchmark had been reached at a time when Queen's University is leading into its own 150th anniversary celebrations.

Economics had a high profile at the convocation as a total of 7 PhD's and 26 MA's were awarded, and Richard Lipsey, Peacock Professor of Economics at Queen's from 1970 through 1984, was awarded an honorary doctorate.

In 1985 the CA Curtis Prize in Economics was established in memory of the late Professor CA Curtis by a group of colleagues and former students. Professor Curtis taught economics at Queen's from 1927 to 1969, and was Dean of the School of Graduate Studies and Research from 1964 to 1968. The prize is awarded annually to the person judged to have written the best doctoral thesis in economics in the previous two years. Past winners of the award are also listed below; the 1990 prize was awarded to W. Steven Clark (pictured on this page) for his thesis on "A Theoretical and Empirical Analysis of the Tax Adjusted q-Dynamics of Investment" under the principal supervision of Neil Bruce.

One of the on-going traditions of the Queen's Economics Depart-

ment is its annual December Christmas Party and the competing skits by the faculty and graduate students. While the faculty speculated on the pros and cons of moving the graduate student offices to a new South-West Campus ("just south of the current West Campus") where they would have a captive audience for their graduate lectures, it has to be acknowledged that the graduate student skit won out this year with one of the best performances ever. The MA class especially got in the spirit by spoofing some luckless first-term instructors and the Graduate Coordinator, and by contributing the following:

## Top Ten Reasons

for why anyone would do an MA at Queen's:

- 10 Ran out of gas on 401.
- 9 McDonald's wasn't hiring.
- 8 Heard that if you pick the right courses you can graduate by Christmas.
- 7 Didn't get accepted at Western.
- 6 The exciting Kingston nightlife.
- 5 MA!! I thought I applied for an MBA.
- 4 Russell Davidson's fashion tips.
- 3 Wanted one more useless degree.
- 2 It's a requirement of my day parole.
- 1 Thought Charlie Beach was a place and not a person.



Steven Clark

CA Curtis Prize Recipients	1985 - Thanasis Stengos	1987 - Michael Devereux	1989 - Merwan Engineer
	1986 - Murray Frank	1988 - Yaman Asikoglu	1990 - W. Steven Clark

**"NEXT 55" Queen's Economics PhD's**

- |  |   |  |
|--|---|--|
| 101 Helen GAGLIA 1985<br>Ministry of National Economy,<br>Athens | 120 James GAISFORD 1987<br>University of Calgary      | 139 Thomas McCARTHY 1989<br>University College, Ireland              |
| 102 Simon ANDERSON 1985<br>University of Virginia                | 121 Ian GORMAN 1987<br>C.M.H.C.                       | 140 Merih UCTUM-ASIKOGLU 1989<br>Federal Reserve Bank of<br>New York |
| 103 Torben DREWES 1985<br>Trent University                       | 122 David COX 1987<br>Waterloo University             | 141 Ugurhan BERKOK 1989<br>Universite de Montreal                    |
| 104 Stuart LANDON 1985<br>University of Alberta                  | 123 Alice ENDERS 1987<br>GATT, Geneva                 | 142 W. Steven Clark 1989<br>Department of Finance                    |
| 105 Robert LIPPENS 1985<br>Chrysler Corporation                  | 124 David ROBINSON 1987<br>Laurentian University      | 143 Kevin HEBNER 1989<br>York University                             |
| 106 Frank ATKINS 1986<br>University of Calgary                   | 125 Hafiz AKHAND 1988<br>University of Windsor        | 144 Theodore HORBULYK 1989<br>University of Calgary                  |
| 107 Michael DEVEREUX 1986<br>Queen's University                  | 126 Granville ANSONG 1988<br>Waterloo University      | 145 Arman MANSOORIAN 1989<br>Dalhousie University                    |
| 108 Murray FRANK 1986<br>University of British Columbia          | 127 Barmak ARVIN 1988<br>Trent University             | 146 Steffan ZISS 1989<br>University of New South Wales,<br>Sydney    |
| 109 John KARIKARI 1986<br>University of Tulsa                    | 128 Merwan ENGINEER 1988<br>University of Guelph      | 147 R. Todd SMITH 1990<br>University of Alberta                      |
| 110 Takao KATO 1986<br>Colgate University                        | 129 Denis GAUTHIER 1988<br>Department of Finance      | 148 Perry SADORSKY 1990<br>University of California,<br>Riverside    |
| 111 Christopher NICOL 1986<br>University of Regina               | 130 Colin READ 1988<br>Clark University               | 149 M. Gregory LEBLANC 1990<br>Concordia University                  |
| 112 Peter TOWNLEY 1986<br>Acadia University                      | 131 Michael KIDD 1988<br>University of Tasmania       | 150 Ian CROMB 1990<br>Trent University                               |
| 113 Peter WYLIE 1986<br>Trent University                         | 132 Victoria KWAKWA 1988<br>University of Regina      | 151 Jonathan THOMAS 1990<br>Cambridge University                     |
| 114 Anthony KILDUFF 1986<br>Seattle University                   | 133 David MURRELL 1988<br>University of New Brunswick | 152 Julian BETTS 1990<br>University of California, San<br>Diego      |
| 115 Zisimos KOUSTAS 1986<br>Brock University                     | 134 Brian SCOTT 1988<br>Waterloo University           | 153 Irene HENRIQUES 1990<br>York University                          |
| 116 Constance SMITH 1986<br>University of Alberta                | 135 Jan BARTHOLDY 1989<br>University of Otago         | 154 Kenneth MacKENZIE 1990<br>University of Toronto                  |
| 117 Oskar VON DEM HAGEN 1986<br>University of Oldenburg          | 136 Ian KING 1989<br>University of Victoria           | 155 M. Scott TAYLOR 1990<br>University of British Columbia           |
| 118 Yaman ASIKOGLU 1987<br>City College of New York              | 137 Paul LANOIE 1989<br>Universite Laval              |  |
| 119 Tanis DAY 1987<br>Queen's University                         | 138 Elizabeth MAYNES 1989<br>York University          |  |

Four of the "Next 55", although still a part of the academic scene, have chosen quite diverse paths. These graduates, Simon Anderson, Tanis Day, Murray Frank and Elizabeth Maynes, are profiled below to illustrate the career choices of our recent graduates.

**SIMON ANDERSON** received a PhD from Queen's in 1985. He joined the Department of Economics at the University of Virginia, Charlottesville, in 1987, after spending a year at each of CORE, Université Catholique de Louvain and CEME, Université Libre de Bruxelles. Simon has worked and published extensively with André de Palma (Northwestern) and Jacques-Francois Thisse; they are currently working on a book entitled *The Analysis of Differentiated Markets with Discrete Choice Models*.

Simon married Anita (currently an Art History PhD candidate at Virginia) while in Belgium and they continue to spend their summers in Europe.

**TANIS DAY** received her Masters and PhD from Queen's; her PhD thesis examined the diffusion of household durable goods and their effect on household production. After graduation Tanis joined the Canadian Advisory Council on the Status of Women as their in-house economist. Front row exposure to womens' issues combined with the rigour of economics gave her an unique outlook. She also continued to teach part-time at Queen's expanding her labour economics course to incorporate issues of women, families and equity.

Currently Tanis is an adjunct assistant professor in the Economics Department at Queen's where she continues to teach labour economics, women's studies and public policy. Since 1989 she has also worked with the Vice-principal, Human Resources, on issues of employment equity for faculty and she recently completed a project on family support policies for Queen's. Tanis participates widely in conferences and workshops on work and family. She is a member of the Advisory Committee on Economic Issues at the Ontario Women's Directorate. She has recently begun work on turning her course material into a textbook for economics/women's studies courses.

Tanis lives in Kitchener with her husband, Bill, a member of the Computing Science Department at University of Waterloo, and their four delightful children.

**MURRAY FRANK** is currently Assistant Professor in the Faculty of Commerce at the University of British Columbia. After receiving his PhD from Queen's in 1985 he took up a position in the Department of Economics at the University of Guelph, before departing for the west coast in 1988. Murray is working on a long term project with Bram Cadsby (Guelph) and Vojislav Maksimovic (UBC) looking at experimental auctions with asymmetric information. Another project with Iain Cockburn (UBC and NBER) examines the effects of energy price shocks on capital pricing, utilization and depreciation.

**ELIZABETH MAYNES** received a Masters and a PhD from Queen's, specializing in Finance and Industrial Organization. After leaving Queen's in 1986 she joined the Faculty of Administrative Studies at York University. Liz is a member of the Finance group and teaches Finance to MBA and undergraduate students. Her current research in the area of corporate finance focuses on mergers and acquisitions and corporate governance. Research projects include follow-up of exempt takeover bids and the interaction between securities regulation and the takeover market. An interesting application of this research involved joint work on the preparation of a brief for a recent regulatory hearing at the Ontario Securities Commission.

# Profile of the PhD Class of 1990

The Queen's PhD class of 1990 was one of the most memorable ever. It included twelve PhD candidates who were on the job market last year, nine of whom graduated by the end of 1990, plus Ian Cromb who graduated as the 150th PhD in the department and has been teaching at Trent University the last two years. The twelve PhD candidates were not only an unusually large class, but also came from a broad range of academic backgrounds. While eight had their first degrees in Economics, two were in Commerce, and one each came from Chemistry (Julian Betts) and Astronomy (Perry Sadorsky). All but one obtained their undergraduate degrees from Canadian Schools (two each from the Université de Montréal and Saskatchewan; the rest from Queen's, Toronto, Calgary, U.B.C., Victoria and St. Mary's), while Jonathan Thomas came from L.S.E. Their fields and research interests spanned much of the discipline from pure Micro and Macro theory to Money, International Trade and Finance, Natural Resources and Environmental Economics, Labour, Finance, Taxation, Risk, I.O., and Research and Devel-

opment and Technological Change. By the time they entered the job market, they had at least twenty publications among themselves and extensive conference experience.

When they left Queen's, they also dispersed to a wide range of locations. Julian Betts went to the University of California in San Diego, Steve Clark to the Department of Finance in Ottawa, Irene Henriques to the York Business School, Benoit Laplante to Université Laval, Greg LeBlanc to Concordia, Ken McKenzie to the University of Toronto, Graham Pugh to the Bank of Canada, Perry Sadorsky to the University of California at Riverside, Todd Smith to the University of Alberta, Mike Spencer to the I.M.F. in Washington, Scott Taylor to a Killam Post-Doc at U.B.C., and Jonathan Thomas back to Britain at the University of Cambridge.

We look forward to seeing the members of the Class of '90 back at Queen's for the C.E.A. meetings this year – just in time for the first games of the Queen's graduate student soccer league where Economics has quite a reputation to uphold.

## Institute for Economic Research

### Discussion Paper Series, 1990

The Discussion Paper Series provides an opportunity for faculty, graduate students and visitors at Queen's to circulate their research to a wide audience. Sponsored by the Institute for Economic Research, all of these publications receive wide distribution to academic, government and private institutions.

- |     |  |     |   |     |  |
|-----|--|-----|---|-----|--|
| 767 | <b>John Baldwin and Paul Gorecki</b><br>Firm Entry and Exit in the Canadian Manufacturing Sector     | 769 | <b>John Baldwin and Paul Gorecki</b><br>The Contribution of the Competitive Process to Productivity Growth: The Role of Firm and Plant Turnover | 771 | <b>John Hartwick</b><br>Natural Resources, National Accounting and Economic Depreciation |
| 768 | <b>John Baldwin and Paul Gorecki</b><br>Intra-Industry Mobility in the Canadian Manufacturing Sector | 770 | <b>Dan Usher</b><br>The Birth of the Liberal Society  | 772 | <b>John Hartwick</b><br>Pollution and National Accounting                                |
|     |  |     |   | 773 | <b>John Baldwin and Paul Gorecki</b><br>Mergers and the Competitive Process              |

- 774 **Michael Devereux, Allan Gregory and Gregor Smith**  
Realistic Cross-Country Consumption Correlations in a Two-Country, Equilibrium Business Cycle Model
- 775 **Richard Harris**  
Barriers to Export
- 776 **Ian McDonald and Luca Tacconi**  
The Social Opportunity Cost of Consumption for Canada, 1965 to 1986
- 777 **Neil Bruce**  
Time Consistent Policy and the Structure of Taxation
- 778 **Miguel Delgado and Thanasis Stengos**  
Semiparametric Specification Testing
- 779 **Michael Spencer**  
Nominal Exchange Rate Dynamics in the European Monetary System
- 780 **John Baldwin and Paul Gorecki**  
Market Structure and the Intensity of the Competitive Process in the Canadian Manufacturing Sector
- 781 **Russell Davidson and James MacKinnon**  
Regression-Based Methods for Using Control and Antithetic Variates in Monte Carlo Experiments
- 782 **Neil Bruce**  
The Efficiency Effects of Discrete Tax Rate Changes Without Lump-Sum Taxes and Transfers
- 783 **Miguel Delgado and Thanasis Stengos**  
Semiparametric Specification Testing of Nonlinear Models
- 784 **Barry Chiswick and Paul Miller**  
Language in the Labor Market: The Immigrant Experience in Canada
- 785 **Dan Usher**  
The Significance of the Probabilistic Voting Theorem
- 786 **Michael Devereux**  
Growth, Specialization, and Trade Liberalization
- 787 **Jang-Ok Cho and Richard Rogerson**  
Risk Sharing, Indivisible Labor and Aggregate Fluctuations
- 788 **Jang-Ok Cho**  
Ex Post Heterogeneity and the Business Cycle
- 789 **Jang-Ok Cho**  
Market Structure and the Business Cycle
- 790 **Jang-Ok Cho**  
Money, Nominal Contracts, and the Business Cycle: I. One-Period Contract Case
- 791 **John Baldwin**  
Industry Efficiency and Plant Turnover in the Canadian Manufacturing Sector
- 792 **David Backus, Allan Gregory and Chris Telmer**  
Accounting for Forward Rates in Markets for Foreign Currency
- 793 **Beverly Lapham**  
A Dynamic, General Equilibrium Analysis of Deviations from the Laws of One Price
- 794 **Allan Gregory and Graham Voss**  
The Term Structure of Interest Rates: Departures from Time-Separable Expected Utility
- 795 **John Hartwick**  
Increasing Pollution with Optimal Corrective Taxes
- 796 **Robin Boadway and Maurice Marchand**  
The Use of Public Expenditures for Distributive Purposes
- 797 **Beverly Lapham**  
An Empirical Examination of Deviations from the Laws of One Price Using West German Data
- 798 **Alan Douglas**  
Free Cash Flow, Signalling and the Dividend Puzzle
- 799 **Ravi Kanbur, Matti Tuomala and Michael Keen**  
Optimal Non-Linear Income Taxation for the Alleviation of Income Poverty
- 800 **Russell Davidson**  
The Geometry of the Wald Test
- 801 **Allen Head and Beverly Lapham**  
Strategic Innovation and Economic Growth



# Faculty Activities

**Mike Abbott** completed his first year as Undergraduate Chair in 1990. He was the Chair of the Departmental Computing Committee and was the Departmental Computing Representative to Queen's University Computing and Communications Services. He also continues as a member of the Faculty Board of the School of Industrial Relations.

In March, Mike attended a Conference on "Social Policy and the Labor Market: A Comparative Study of the United States" and Canada, an NBER Donner Foundation Project in Cambridge, MA. He was a co-organizer with Charlie Beach and Lorne Carmichael of the Canadian Labour Economics Conference, funded by a SSHRCC Conference Grant at Queen's in April. He was the organizer of the Policy Forum on Pay Equity, sponsored by the John Deutsch Institute for the Study of Economic Policy at Queen's in June.

Mike's current research programs include, "Self-Employment Among Native-Born Canadian Men: An Empirical Analysis," with Charlie Beach, "Functional Form and the Specification of Salary Functions for Nonwhite and White Major League Baseball Players," with Clifford Reid and "The Sensitivity of Regression Tests for Pay Equity to Specification Assumptions: Some Empirical Evidence."

Mike received grants from the Advisory Research Committee at Queen's to work on "Firm Compensation Policies and Employee Compensation" with Rick Chaykowski and from Employment and Immigration Canada for a joint project with Charlie Beach and Steve Kaliski entitled,

"Employment Adjustment and Instability: Marginal Labour Force Attachment or Job Search and Matching?" His article, "Immigrant Earnings Differentials in Canada: A More General Specification of Age and Experience Effects," with Charlie Beach is forthcoming in *Empirical Economics*.

**John Baldwin** continued his leave from Queen's this year as a Research Fellow at Statistics Canada and the Economic Council. He published two feature articles co-authored with Garnett Picot in the *Canadian Economic Observer* entitled, "Patterns of Quits and Layoffs in the Canadian Economy." Part I was published in October, 1990; Part II was published in December, 1990. Other publications include: *Structural Change and the Adjustment Process: Perspectives on Firm Growth and Worker Turnover*, The Economic Council of Canada, 1990; "Measuring Firm Entry and Exit to Canadian Manufacturing: Methodology" in A.C. Singh and P. Whitride (eds.) *Data Analysis in Time*, Proceedings of a Symposium organized by Statistics Canada, Carleton and Ottawa Universities, October, 1989; and "Mergers Placed in the Context of Firm Turnover," in *Proceedings of the Census Bureau Fifth Annual Research Conference*, Washington: Bureau of the Census, 1990.

John gave a number of papers at conferences during 1990. He presented "Aspects de L'Evolution du Marche du Travail au Canada" at the Septième Journées Microéconomique in May in Montreal. In June, he spoke on "Worker Turnover in the Canadian Economy" at the Canadian Economics

Association Meetings in Victoria and "Mergers in Canada" at a conference entitled "Fusions, Oligopole, and Exchange International" at the University of Aix-Marseille. John attended the annual meetings of the European Association for Research in Industrial Economics in Lisbon in September where he presented "Competition as a State or a Process." As well, he addressed the Conference on Technical Efficiency at Harvard University on "Industry Efficiency and Plant Turnover in Canadian Manufacturing Industries" and gave a paper entitled "Distinguishing Characteristics of Foreign High Technology Acquisitions in Canada's Manufacturing Sector" to the Conference on Foreign Investment, Technology and Economic Growth in Ottawa. The "Dynamics of Firm Turnover" was presented to the Roundtable on Business Frames in Williamsburg in October. John also attended the Conference, "Globalization through Mergers and Acquisitions" at the University of Toronto, School of International Studies, where he gave his paper, "Foreign Multinational Enterprises and Turnover Activity in Canada."

John lectured this year at the University of Alberta, the University of Lethbridge and Laval University. An invited lecture entitled, "The Dynamics of Industry Turnover and the Competitive Process" was given in the public lecture series at Statistics Canada.

**Charles Beach** continued as Chair of Graduate Studies as well as Graduate Placement Officer (until August) for the Department. He was also on the School of



Industrial Relations committee to develop a proposal for a two-year Masters of Industrial Relations program. He was the econometric and database consultant for the multi-million dollar "Better Beginnings" project awarded to Queen's by the Ontario government. Charlie has stepped down after a three-year stint as a member of the John Charles Polanyi Prize Selection Committee for the Ontario Council of Graduate Studies. He is Head of the CEA's Statistics Committee, and is continuing his efforts to bring about a PSID-type longitudinal household labour market survey for Canada.

This year Charlie has published a Statistics Canada Analytical Study monograph (December, 1990) entitled, *Characteristics of Labour Market Change: Preliminary Evidence from the Labour Market Activity Survey*, with Mike Abbott and Steve Kaliski. His paper, "Factors Behind the Changes in Canada's Family Income Distribution and the Share of the Middle Class," with Cathy McWatters has been published in *Relations Industrielles* (Vol. 45, No. 1, 1990).

Charlie gave a number of papers at various universities during the past year. These included "Is There a Double-Negative Effect on the Earnings of Immigrant Women?", with Chris Worswick, presented at Trent University in November; "Characteristics of Labour Market Change in Canada", at the University of Regina in May; and "A Proposal for a Household Panel Survey for Canada", at Carleton University and at CIAR in February.

Charlie, Mike Abbott and Lorne Carmichael organized and received a SSHRCC Conference Grant for the "Canadian Labour Economics Conference" held at Queen's in March. He also received an Employment and Immigration Canada research grant for a research project on "Employment and Adjustment and Instability - Marginal Labour Force Attachment or Job Search and Matching?", in April which he holds jointly with Mike Abbott and Steve Kaliski.

Charlie attended a number of conferences including the NBER Labor Economics conference and the Donner Foundation Conference as discussant both in Cambridge MA in April, the John Deutsch Institute Conference on Canadian Transportation Policy in April, and the John Deutsch Institute conference on Pay Equity in June, the Canadian Econometrics Study Group conference at Guelph in September and the CEA Meetings in Victoria in May where he was discussant of three papers.

**Jim Bergin** presented "Business Cycles, Thin Resale Markets and Darwinian Competition" at the European Econometric Society Meetings in 1990. His current research program includes "Anonymous Sequential Games."

**Dan Bernhardt** attended a number of conferences and workshops this year including the Canadian Economic Theory meetings where he presented his paper "Business Cycles and Darwinian Competition" with Jim Bergin. He spoke on "Discrete Pricing and Dealer Com-

petition", a paper written with Eric Hughson, at the Canadian Economics Association meetings in Victoria. He attended the World meetings of the Econometric Society with Jim Bergin where they presented, "Anonymous Sequential Games with Aggregate Uncertainty" and "Darwinian Competition and Business Cycle." He presented "Skills Profiles, Observability and Firm Hierarchies: A Theory of Promotion and Compensation" at the Western Economic Association Meetings.

Dan presented a variety of seminars during the year. He and David Scoones gave their paper, "Promotion, Turnover and Preemptive Wage Offers," at Queen's University. His paper "Investment and Insider Trading" written with Eric Hughson and Burton Hollifield was given at the Royal Military College and Queen's University. His paper written with Merwan Engineer, "Costly Institutions and Incentive Compatible Transfers Between Generations" was presented at the University of Houston, Texas A & M and at the American Economics Association meetings.

Dan published "Multiperiod Wage Contracts and Productivity Profiles," with Gerald Timmis in the *Journal of Labor Economics*, Vol. 8(4) and "Borrowing Constraints, Occupational Choice, and Labor Supply" with David Backus in the *Journal of Labor Economics*, Vol. 8(1). His article, "Money and Barter, and the Optimality of Legal Restrictions," written with Merwan Engineer is forthcoming in the *Journal of Political Economy*. His article, "Travels Through Hell," published

by the Kingston *Whig Standard* in February, delighted its readers as a witty commentary of the trials of international airline travel.

Dan is a member of the American Economic Association, the American Finance Association and the Econometric Society. He also coordinated the Microeconomic Workshop series for 1990.

**Robin Boadway** continued as Managing Editor of the *Canadian Journal of Economics* as well as a member of the Editorial Board of the *Journal of Business Administration*. He assumed a number of administrative responsibilities for Queen's including membership on the Advisory Board and Executive Council of the Centre for Resource Studies, the Rhodes Scholarship Advisory Committee and the Executive Committee of the Institute of Intergovernmental Relations. Robin was also the Chair for the Doctoral Fellowships and Postdoctoral Fellowships Committees of SSHRCC and a member of the Council of Advisors of the C.D. Howe Institute of Toronto. In April, Robin visited the National Science Council of the Republic of China, Sun Yat-sen Institute in Taipei as an invited lecturer.

Robin did some commissioned research work during the year including the preparation of a paper evaluating tax incentives in developing countries for the World Bank; a review of long-term debt policy for the Department of Finance; and the preparation of a conference paper on the economics of constitutional reform for the Business Council on National Issues. He also gave testimony to

the Senate Banking, Trade and Commerce Committee on the Goods and Services Tax in August.

Published papers included "Optimal Tax-Subsidy Policies for Industrial Adjustment to Uncertain Shocks," in *Oxford Economic Papers*, Vol. 42, 1990. Robin also contributed a number of chapters to books including "Optimal Paths for Social Security in a Changing Environment," with Maurice Marchand and Pierre Pestieau, in G. Krause-Junk (ed.), *Public Finance and Steady Economic Growth*, Springer-Verlag, 1989; "Optimal Public Sector Employment Policy with Endogenous Involuntary Unemployment," with Maurice Marchand and Pierre Pestieau, in J.J. Gabszewicz, J.-F. Richard and L.A. Wolsey (eds), *Economic Decision-Making: Games, Econometrics and Optimization*, Contribution in Honour of Jacques H. Dreze, North-Holland, 1990; "Information, Incentives and General Equilibrium: Comment," in Bernard Cornet and Henry Tulkens (eds.), *Contributions to Operations Research and Econometrics: The XXth Anniversary of CORE*, MIT Press, 1989; "Tax Expenditures and Alternatives for Evaluating Government Activities Conducted Through the Tax System," in N. Bruce (ed.), *Tax Expenditures*, John Deutsch Institute for the Study of Economic Policy, 1988; "The Short Run and Long Run Welfare Effects of Implementing a Practical System of Consumption Taxation," in M. Rose (ed.), *Taxing Consumption*, Springer-Verlag, (1989); and "The Evolution of Federal-Provincial Fiscal Relations," in M.F.J. Prachowny (ed.), *Report of the Policy Forum on the February 1990*

*Federal Budget*, John Deutsch Institute for the Study of Public Policy, 1990.

Robin has a number of papers which have been accepted for publication this year. They include "Federal-Provincial Fiscal Relations Revisited: Some Consequences of Recent Constitutional and Policy Developments," with Frank Flatters, in M. McMillan (ed.), *Provincial Public Finances*, Canadian Tax Foundation; "Fiscally-Induced Investment Distortions in Malaysia," with Frank Flatters, in *Tax Reform in Malaysia*, Malaysian Institute for Economic Research; "Pay-as-You-Go Social Security in a Changing Environment," with Maurice Marchand and Pierre Pestieau, in the *Journal of Population Economics*; "Long Term Debt Strategy: A Survey," with David Wildasin, in Harrie Verbon and Frans van Winden (eds), *The Political Economy of Government Debt*, North-Holland; "Interest Deductions and Takeovers," in J. Mintz (ed.), *Takeovers and Tax Policy*, John Deutsch Institute for the Study of Economic Policy; and "Optimal Linear Income Taxation in Models with Occupational Choice," with Maurice Marchand and Pierre Pestieau in the *Journal of Public Economics*.

Robin's current research interests include "Tax Policy in an Open Economy" with Neil Bruce, Queen's; "Taxation and the Family" with Maurice Marchand, CORE, Belgium; "Unemployment Insurance and Minimum Wages" with Nicolas Marceau, Queen's; "Investment in Education and Growth" with Victoria Barham and Maurice

Marchand, CORE, Belgium; and "Tax Reform in LDC's" with Frank Flatters, Queen's.

**Neil Bruce** was on leave for the first part of 1990 at the University of Colorado and then at the University of Washington for the second half of the year. He is collaborating with K.Y. Wong (Washington) on a research project entitled, "The Economic Organization of the Academic Journals Industry." He is also working with M. Waldman (UCLA) on "The R & D Bias in Military Expenditures."

Neil edited *Tax Expenditures and Government Policy*, which was published by the John Deutsch Institute at Queen's. He also contributed the Introduction and a paper entitled, "Pathways to Tax Expenditures: A Survey of Conceptual Issues," to this book. He published "The Rotten-Kid Theorem Meets the Samaritan's Dilemma" in *Quarterly Journal of Economics* with M. Waldman and "Defense Expenditures by Countries in Allied and Adversarial Relationships" in *Defense Economics*. Accepted for publication are, "Transfers In-Kind: Why They Can be Efficient and Rational," written with M. Waldman which is forthcoming in *American Economic Review*, and, "Pressures for the Harmonization of Income Taxation Between Canada and the United States," with Robin Boadway which will appear in J. Whalley and J. Shoven (eds.), *US - Canada Tax Differences*, NBER, 1992.

Neil attended the Donner/NBER conference on U.S. - Canada Tax Differences in July where he presented, "Pressures for Harmoniza-

tion of Income Taxation Between Canada and the US" with Robin Boadway. He presented two seminars at the University of Washington Seminar Series: "Income Tax Integration and Harmonization" in October and "Moral Hazard, Private Provision of Insurance and Government Intervention" in December. He gave his paper, "Time Consistent Fiscal Policy and the Structure of Taxation," at the University of Victoria Visiting Speakers Seminar in March. He continues to be a member of the American Economic Association, the Canadian Economic Association, the Canadian Tax Foundation and the National Tax Foundation.

**Craig Burnside** was welcomed to the department in the summer of 1990 from Northwestern University. Craig's areas of interest include macroeconomics, macroeconomic theory and time series; his PhD dissertation was entitled, "Solving, Estimating and Testing Nonlinear Asset Pricing Models: A Unified Approach." His current research interests include "Consumption-Based Asset Pricing in Models with Liquidity Effects," "Two-Stage GMM Estimation in Asset Pricing Models" and "Hansen-Jagannathan Bounds as Tests." Craig is also working on a collaborative research project with Marty Eichenbaum of Northwestern University entitled, "Capacity Utilization and the Business Cycle."

Craig attended several conferences and workshops this year to present his research. He spoke on "Asymptotic Properties of Method of Moments Estimators Based on Numerical Solutions to Asset Pric-

ing Models," at the Canadian Econometric Study Group Annual Meeting. He also gave his paper, "The Co-Movement of Asset Returns with Time Non-Separable Preferences," at the Canadian Macroeconomic Study Group Annual Meeting. Craig presented his paper, "Labour Hoarding and Business Cycle" at seminars at Queen's and Université du Québec à Montréal. He gave a talk on "Small Sample Properties of Method of Moments Estimators" at Université de Montréal. He is a member of the Econometric Society and the American Economic Association.

**Lorne Carmichael** is currently working on a variety of research programs including "Decision Making in Organizations," "Labour Hoarding," "Evolutionary Models in Economics," and "Theory of Organizations" with Bentley MacLeod of the University of Montreal. He published "Efficiency Wage Models of Unemployment - One View" in *Economic Inquiry*. Lorne currently holds a SSHRCC grant to work on his research on "Labour Market Institutions with Imperfectly Competitive Output Markets."

Lorne gave a seminar entitled, "Multiskilling Technical Change and the Japanese Firm," at Yale University, University of Toronto, Guelph University, University of Chicago, and Trent University. He presented "What Else Do Bosses Do?" at McGill University and University of Michigan. Lorne is an Advisory Editor for *Economic Letters* and the *American Economic Review*. Membership in profession-

al societies includes the Canadian Economics Association and the American Economics Association. Lorne was consulted by background researchers from *Canada AM* (CTV), *The Journal* (CBC) and the *Globe and Mail* with regard to the Supreme Court decision on mandatory retirement.

**Jang-Ok Cho** was awarded his PhD in Economics from the University of Rochester in May. His dissertation was composed of three essays on the business cycle: "ExPost Heterogeneity and the Business Cycle," "Market Structure and the Business Cycle," and "Money, Nominal Contracts, and the Business Cycle: 1. One-period Contract Case." Jang has been involved in research programs entitled, "The Role of a Real Rigidity in Aggregate Fluctuations" and "Participation Decision in a Family: An Estimation."

Collaborative research projects with colleagues include: "Specialization, Money and Equilibrium" and "The Role of Inventories in a Model with Output Price Rigidities" with Thomas Cooley of the University of Rochester; "Stock Returns and Real Economic Activities: Business Cycle Implications" with Mark Bils of the University of Chicago; and "An International Business Cycle Model with Money and Nominal Rigidities" with Maurice Roche, Queen's University.

**Thomas Courchene** continues as Director of the School of Policy Studies and holds the Stauffer-Dunning Chair in Political Studies. He taught a Graduate course in

Economic Policy Formation in the Economics Department during the winter term.

Tom published a book in 1990 entitled, *Quebec Inc.: Foreign Takeovers, Competition/Merger Policy and Universal Banking* (Queen's University School of Policy Studies). Tom was an Advisor to the Senate Committee on Banking, Trade and Commerce and chief scribe for the Report, *Canada 1992: Towards A National Market in Financial Services*. Other publications include: "Personal Income Taxation" co-authored with Arthur Stewart in Mel McMillan (ed.) *Provincial Finances: Plaudits, Problems and Prospects* (Toronto: Canadian Tax Foundation); "Social Policy" in Thomas E. Kierans (ed.) *Getting It Right: Policy Outlook and Review, 1990* (Toronto: C.D. Howe Institute); "Distributional Issues and the Future of the Welfare State: Commentary" in K. Newton, T. Schweitzer and J.-P. Voyer (eds.) *Perspective 2000*, Proceedings of a Conference Sponsored by the Economic Council of Canada (Ottawa: Ministry of Supply and Services); "Rethinking the Macro Mix: The Case for Provincial Stabilization Policy" in Robert York (ed.) *Taking Aim: The Debate on Zero Inflation* (Toronto: C.D. Howe Institute); "Summing Up: A Public Policy Perspective" in S. Mathwin Davis (ed.) *Healthy Populace, Healthy Policy: Medicare Toward the Year 2000* (Queen's University School of Policy Studies); "Zero Means Almost Nothing," *Queen's Quarterly*; and "Quebec Inc.: Overview and Implications" co-authored with Robert Wolfe in Thomas J. Courchene (ed.) *Quebec Inc.: Foreign Takeovers,*

*Competition/Merger Policy and Universal Banking* (Queen's University School of Policy Studies).

Tom gave a presentation and testimony before the House of Commons Standing Committee on Finance (June 7, 1990) which was published in *Committee Hansard*. On October 18, 1990, the *Globe and Mail* published Tom's article, "How About Giving Natives a Province of Their Own." Tom is a Senior Fellow of the C.D. Howe Research Institute, a Fellow of the Royal Society of Canada, and a Council Member of the Economic Council of Canada.

**Russell Davidson** continues to spend the winter and summer at the University of Aix-Marseille and the fall term at Queen's. Over the course of the year, Russell gave seminars at GREQE and, in Canada, at UBC and at Queen's. In addition, he attended the World Congress of the Econometric Society in Barcelona in August, where he presented a paper, "Economies with a Two-Sector Representation," co-authored with Charles Blackorby and William Schworm. He also attended the Canadian Econometric Study Group's annual meeting in Guelph.

Russell is an associate editor of the journal, *Regional Science and Urban Economics* and, in July, he became an associate editor of *Econometrica*. He published "Specification Tests Based on Artificial Regressions," with James MacKinnon in the *Journal of the American Statistical Association*, Vol. 85; "Testing the Specification of Econometric Models in Regression and Non-Regression Directions," with James

MacKinnon in *Telecommunications Demand Modelling* (1990) A. de Fontenay, M.H. Shugard, and D.S. Sibley (eds.), North Holland; "Use and Misuse of Single-Consumer Results in a Multi-Consumer Economy: the

Optimality of Proportional Commodity Taxation," with Charles Blackorby and William Schworm in W.M. Gorman and G. Myles (eds.), *Measurement and Modelling in Economics* (1990), North Holland; and "Artificial Regressions and C(alpha) Tests," with James MacKinnon in *Economic Letters*, Vol. 35. The following papers were submitted and accepted for publication: "Implicit Separability: Characterization and Implications for Consumer Demand," with Charles Blackorby and William Schworm is forthcoming in the *Journal of Economic Theory* and "The Validity of Piecemeal Second-Best Policy," with Charles Blackorby and William Schworm has been accepted by the *Journal of Public Economics*. Russell was awarded a SSHRCC grant in 1990 to finance his current research, in particular work on properties of econometric estimators and test statistics in finite samples.

**Michael Devereux** spent the fall of 1990 in Ireland at University College, Dublin. While in Great Britain, Mick gave papers at the Dublin Economics Workshop in October and at Birbeck College, University of London, in December.

Mick has published "International Cooperation, Precommitment and Welfare" in the *International Economic Review*, (Vol. 31,

1990) and "Fiscal Policy and the Real Exchange Rate" with Doug Purvis in the *European Economic Review* (Vol. 34, 1990). Forthcoming publications include: "Capital Accumulation and the Current Account in a Two-Country Model," with Shouyong Shi in the *Journal of International Economics*; "Trade Unions, Non-Binding Wage Agreements, and Capital Accumulation," with Ben Lockwood in the *European Economic Review*; "Government Spending and Real Interest Rates with Endogenous Time Preference," in *Economic Letters*; and "The International Coordination of Fiscal Policies and the Terms of Trade," in *Economic Inquiry*.

Mick was awarded a SSHRCC grant jointly with Allan Gregory and Gregor Smith to work on a research project entitled, "Numerical Models of the International Economy." He holds memberships in the American Economic Association and the Canadian Economic Association. Mick was a member of the Department of Economics Appointments Committee. He is a member of the group of "Next 55" Queen's Economics PhD's.

**Engelbert Dockner** was appointed a Visiting Associate Professor for two years starting in the summer of 1990. He arrived from the Institute of Economic Theory and Policy, Vienna University of Economics and Business Administration where he holds a permanent appointment. Engelbert's research interests include dynamic oligopoly theory, dynamic games, trade theory and imperfect competition, new product diffusion

models, and international policy coordination.

Engelbert is working on a variety of collaborative projects with colleagues at Queen's and elsewhere. He is examining "Coordination of Environmental Policies" with Ngo Van Long of McGill University; "Strategic vs. Non-strategic Models of Dynamic Resource Allocations" with Gerhard Sorger of Vienna University; and "Capital Accumulation Games" with Harutaka Takahashi of Meiji Gakuin University, Tokyo.

During 1990-91, Engelbert's publications included "Tariffs and Quotas under Dynamic Duopolistic Competition" with Alfred A. Haug, in the *Journal of International Economics*; "Capital Accumulation, Endogenous Population Growth and Easterlin Cycles" with Gustav Feichtinger, in the *Journal of Population Economics*; "On the Optimality of Limit Cycles in Dynamic Economic Systems" with Gustav Feichtinger, in the *Journal of Economics*. Work in press includes "The Closed-Loop Motive for Voluntary Export Restraints" with Alfred A. Haug in the *Canadian Journal of Economics*; and "Cyclical Production and Marketing Decisions: Application of Hopf Bifurcation Theory" with Gustav Feichtinger and Andreas Novak in the *International Journal of Systems Science*.

This year Engelbert has presented seminars at the Université du Québec à Montréal entitled, "The Closed-Loop Motive for Voluntary Export Restraints," and at Queen's entitled, "Cyclical Consumption Patterns and National Addiction." He holds memberships in the

Canadian Economics Association, the American Economics Association, the Econometric Society, TIMS, and the Austrian Economics Association.

**Christopher Ferrall** came to Queen's in July from the University of Minnesota. He was awarded his PhD this year; his thesis title was "Agents Becoming Principals: Theory and Estimation of a Tournament Model of Promotions in Partnerships." Chris' research interests are in the area of empirical application of models of the firm and labour markets.

In 1990 Chris was an invited presenter at "Empirical Applications of Structural Models" sponsored by *Econometrica* at the University of Wisconsin, Madison. He was also a discussant at the Canadian Labour Economics Conference sponsored by SSHRCC at Queen's. He was awarded an Advisory Research Grant from Queen's to support his research program, "Empirical Analysis of Occupational Hierarchies." He also received funding from the Center for Resource Studies at Queen's for his research on "Incentives, Risk and Optimal Extraction in the Mining Firm" with Bruce Shearer.

Chris' current research interests include: "Promotions and Incentives in Partnerships: Theory and Evidence," "Empirical Analysis of Occupational Hierarchies," "Incentives in Japanese Firms," and "Methods for Estimating Discrete Choice Problems." He holds memberships in the American Economic Association and the Econometrica Society.

**Frank Flatters** continues to coordinate the Queen's Malaysian Institute for Economic Research (MIER) Project which is sponsored by CIDA. He is also an Associate Director of the John Deutsch Institute at Queen's. Frank was on sabbatical for the second half of 1990 spending most of his time in South East Asia. While in the East, he attended the Thailand Development Research Institute (TDRI) Year End Conference for which he prepared a background paper, "Thailand's Export-Led Growth: Retrospect and Prospects," with Narongchai Akransee and David Dapice. This paper has been accepted for publication as a TDRI Policy Study. In December, Frank and Doug Purvis attended the MIER National Outlook Conference in Kuala Lumpur where they presented their paper, "Malaysia: Facing the Economic Challenges of the 1990's." This article is forthcoming in Kamal Salih (ed.) *MIER Economic Policy Papers*.

On the North American continent, Frank participated in a Harvard University International Tax Program Workshop on Economic Reforms in Eastern Europe in March. He also chaired a session at the John Deutsch Institute Workshops on "Europe, 1992", and "Developments in the Soviet Union and Eastern Europe" in December. Frank's paper, "Trade Policy Reform in Indonesia," is forthcoming in Dwight Perkins and Michael Roemer (eds.), *Systems Reform in Developing Countries*, Harvard University Press (with Rick Barichello). He has also prepared "Tax Incentives: Time to Break the habit" as part of the

MIER Pre-Budget Dialogue presentation to the Minister of Finance, Kuala Lumpur, June, 1990, and "Tariff Reform: A Welcome First Step" published in *MIER Briefings*, No. 1, August, 1990.

Frank's current research projects include: corruption and economic policy in developing countries (with Bentley MacLeod, University of Montreal), tax reform in developing countries (with Robin Boadway), fiscal federalism in Malaysia (also with Robin Boadway), and prospects and incentives for commercial tree plantations in tropical forests – evidence from Sabah, Malaysia.

Frank is a consultant to the Harvard Institute for International Development (HIID) in connection with its CIDA-funded project with the Economic Council of Canada.

**Alan Green** continues to be very involved with University administrative activities as Chair of the Building Committee of the Library of the 21st Century. He is on the Board of Directors of the Social Science Federation of Canada representing the Canadian Economics Association. He is a member of the Economic History Association and a member, Development of the American Economic Seminar, NBER.

Alan has received grants from SSHRCC for work with John Baldwin entitled, "Productivity in Canadian vs. US Manufacturing," and a research project with Gordon Sparks, "Business Cycles in Canadian Economic History." His work, "New Approaches to R & D in Ontario Mining," is being supported by a grant from the Ministry of

Northern Mines and Development. He also received a travel award from Queen's to enable him to attend the Economic History Congress, Leuven, Belgium in August.

Alan and Ann Green have had two monograph length studies published by the Centre for Resource Studies at Queen's: "Response to Crisis: The Ontario Metal Mining Industry, 1975-85," Working Paper #45 and "The Evolution of the Manufacturing Component in the Ontario Metal Mining Industry," Working Paper #46. Publications currently in press include "Balanced Growth and the Geographical Distribution of European Immigrant Arrivals, 1900-1912," (with David Green) in *Explorations in Economic History*; "The Anatomy of an Industry: A Firm Level Study of the Ontario Metal Mining Industry, 1982 to 1987," a monograph length study to be published by the Centre for Resource Studies, Queen's University (with Ann Green); comments on three papers delivered at the "Conference on Immigration, Language and Ethnic Issues: Public Policy in Canada and the United States," Barry Chiswick (ed.), *American Enterprise Institute*; and "Regional Employment in the Depression: A Northern View," written with Mary MacKinnon, has been accepted by *Explorations in Economic History*.

Alan attended a number of conferences this year where he was an invited speaker. He gave an extensive comment on three papers presented at the Conference on Immigration, Language and Ethnic Issues: Public Policy in Canada

and the United States in March in Washington, DC. In April, he presented a paper entitled, "Canadian Immigration Levels, 1991-95," to a session of experts drawn together by the Canada Employment and Immigration Advisory Council in Ottawa to review government policy on immigration levels for 1991-1995. Alan and David Green co-authored "Balanced Growth and the Geographical Distribution of European Immigrant Arrivals, 1900-1912" a paper which Alan presented at Acadia University in April. In August, Alan's paper written with Mary MacKinnon, "Regional Employment in the Depression: A Northern View," was presented at the Tenth International Economic History Congress in Leuven, Belgium. Alan was the local arrangements co-ordinator for the Conference on Quantitative Methods in Canadian Economic History held in November at Queen's. At this conference he discussed his paper, "Long Term Canadian Development: A Co-integration Approach," written with Gordon Sparks.

**Allan Gregory** spent the first half of 1990 at Queen's and the second half at Berkeley on sabbatical leave. He gave his paper, "Accounting for Forward Rates in Markets for Foreign Currency," co-authored with Daved Backus and Chris Telmer at the annual meetings of the Canadian Economic Association in Victoria in June, at the Western Finance Association meetings in Santa Barbara, CA, in June and at the Canadian Macro Studies Group in Vancouver. He gave a seminar on "Estimating

Euler Equations from Linear Quadratic Models," written with Adrian Pagan and Gregor Smith, at the University of California, Berkeley and at the University of British Columbia.

Allan published "Calibration as Estimation" written with Gregor Smith in the *Econometric Reviews* (Vol. 9). He also has a number of papers forthcoming including: "Calibration as Testing: Inference in Simulated Macroeconomic Models" (with Gregor Smith) and "Testing Long-Run Properties of Stationary Time Series" (with Michael Sampson) both in the *Journal of Business and Economic Statistics*; "The Effect of Sampling Error on the Time Series Behavior of Consumption Data: A Comment" (with Tony Wirjanto) in the *Journal of Econometrics*; "Estimating Linear Quadratic Models with Integrated Processes" (with Adrian Pagan and Gregor Smith), University of Rochester Working Paper No. 247 (1990), forthcoming in Peter Phillips (ed.), *Essays in Honour of A.R. Bergstrom*; "The Term Structure of Interest Rates: Departures from Time-Separable Utility" (with Graham Voss) in the *Canadian Journal of Economics*; and "Synthesis of Money-Demand and Indicator Models" (with Gregor Smith and Tony Wirjanto) in *The Bank of Canada Monetary Seminar*, May, 1990, Proceedings.

Allan's current research program involves "Testing for Cointegration in Linear Quadratic Models." He holds memberships in the Econometric Society, the Canadian Economics Association and the American Statistical Association. He continues as Director of the



Summer Research Institute in the department.

**Jon Harkness** had his paper, "Marshal, Lerner and Botha: Canada's Economic Sanctions on South Africa," published in *Canadian Public Policy* (Vol. XVI, No. 2) as well as a review of Greg and Paul Davidson's *Economics for a Civilized Society* in the *Annals of the American Academy of Political and Social Science* (Vol. 506).

Jon is currently working on research programs related to disincentives in Canada's unemployment insurance program and to employment and earnings of the disabled. He has been the MA Thesis Co-Ordinator for the Department and is in charge of the Departmental Working Paper Series and the Reading Room. He is a member of the American Economic Association and the Canadian Economic Association.

**John Hartwick** gave his paper, "Natural Resources, National Accounting and Economic Depreciation," at the Canadian Economics Association Annual Meeting in June in Victoria. He attended the European Economic Association Annual Meeting to present, "Degredation of Environmental Capital and National Accounting Procedures," in September. In October he talked on "Extraction of Perfectly Durable Exhaustible Resources" at the Natural Resource Modeling Association Conference at Cornell University. He presented his paper, "Mining Gold for the Currency in the Sidrauski Model," at the GREEN Group Workshop at Laval

University in November.

John published an article on research done with Perry Sadorsky entitled, "Duopoly in Exhaustible Resource Exploration and Extraction," in the *Canadian Journal of Economics* in August. His paper, "Natural Resources, National Accounting and Economic Depreciation," has been published in the *Journal of Public Economics*. An additional research paper, "Degradation of Environmental Capital and National Accounting Procedures," was published by the Economic Council of Canada as Discussion Paper #11. Work accepted for publication includes: "Patent Races Optimal with Respect to Entry" in the *International Journal of Industrial Organization*, "The Exhaustible Resource Exploring-Extracting Firm and the  $r\%$  Rule" in the *Journal of Resources and Energy*, and "Degradation of Environmental Capital and National Accounting Procedures" in the *European Economic Review*. These articles have been requested for publication in new books: one on investing exhaustible resource rents, one on the Henry George Rule and one on Malthus' "ratios."

John's current research interests include research and development and investment spillovers. He was awarded a research grant from the Economic Council of Canada for work on "National Accounting and Natural Resources." John is a Board Member for the Institute for Research on Environment and Economy at the University of Ottawa.

**Beverly Lapham** currently has research interests in "Growth in

Open Economies," and "Tariffs in Dynamic, Strategic Markets." She has received funding from the Queen's Advisory Research Council for her project entitled, "Exit, Entry and Product Obsolescence." Beverly has a number of ongoing collaborative projects with colleagues including: "Costs of Flexible Exchange Rates Under Costly Price Adjustment" with Mick Devereux; "Interpolation With Non-negativity Constraints" with John Chipman; and "Growth and Innovation in Open Economies" with Allen Head.

In October, Beverly gave her paper, "A Dynamic General Equilibrium Analysis of Deviations from the Law of One Price," to the Canadian Macro Study Group in Vancouver. She also gave a seminar at Queen's in December entitled, "Strategic Innovation and Economic Growth." Beverly attended the American Economic Association Meetings in Washington in December. She is a member of the American Economic Association, the Econometric Society and the Committee on the Status of Women in the Economics Profession.

**Frank Lewis** was an organizer of the Economic History Workshop in the Department as well as a member of the Departmental Library Committee. He is on the Advisory Board of McGill-Queen's Press.

Frank published "Australia: an Economical Prison? A Reply" in the *Economic History Review* (Vol. 43). His chapter written with Ann Carlos entitled, "The Profitability of Early Canadian Railroads: Evidence from the Grand Trunk and

Great Western Railway Companies," is forthcoming in Claudia Goldin and Hugh Rockoff (eds.), *Strategic Factors in Nineteenth Century American Economic History*.

Frank presented his paper co-authored with Ann Carlos, "Depletion in the Lands of the Hudson's Bay Company, 1700-1770," at a workshop at the University of Illinois and to the 17th Conference on Quantitative Methods in Canadian Economic History. He gave a seminar on "The Profitability of Early Canadian Railroads: Evidence from the Grand Trunk and Great Western Railway Companies" to the Queen's Economic History workshop. He presented his paper (with Richard Harris), "The Impact of the National Policy on Canadian Manufacturing, 1880 to 1890," at the Canadian Economic Association Meetings in Victoria in June. He is currently working on two projects with Ann Carlos. The first entitled, "Financing of Railways," is an essay to be included in John Eatwell *et al* (eds.) *The New Palgrave Dictionary of Money and Finance*; the second is entitled, "Information and Securities Prices: Evidence from the Grand Trunk and Great Western Railway Companies."

Frank is a member of the following professional societies: American Economic Association, Canadian Economic Association, Economic History Association and the Cliometric Society.

**James Mackinnon** returned from sabbatical at the University of California, San Diego, to take up a number of administrative responsibilities, as Chair of the Appoint-

ments Group, Graduate Placement Officer, Chair of the Research Policy Committee, member of the Computing Committee, and Co-ordinator of the Quantitative Workshop. After having been an Associate Editor of the *Journal of Applied Econometrics* for two years, he moved on to become the Software Review Editor for that journal at the end of 1990. In December, James was elected a Fellow of the Econometric Society, a distinction shared with only seven other economists affiliated with Canadian universities.

James' current research program involves model specification testing, artificial regressions, and computationally-intensive econometric methods. He is also writing a graduate econometrics text with Russell Davidson (Queen's University and the University of Aix-Marseille). During 1990, he published "Specification Tests Based on Artificial Regressions" with Russell Davidson in the *Journal of the American Statistical Association* (Vol. 85) and "Transforming the Dependent Variable in Regression Models" with Lonnie Magee in the *International Economic Review* (Vol. 31). Various papers were accepted for publication, most notably a survey article entitled "Model Specification Tests and Artificial Regressions," which is to appear in the *Journal of Economic Literature*. During 1990, James presented seminars at the University of Southern California, U.C.L.A., the University of Montreal, the University of Indiana and McGill University.

**Tom McCurdy** participated in various workshops and confer-

ences during 1990. He presented a paper, "A Comparison of Risk Premium Forecasts implied by Parametric versus Nonparametric Conditional Mean Estimators," at the Canadian Econometrics Study Group, University of Guelph. He also chaired sessions at the John Deutsch Institute Policy Forums on "Canadian Transportation Policy" and on "Europe 1992 and the Implications for Canada." Further afield, he participated in conferences in Boston on "Asset Pricing and Financial Markets", San Diego on "Statistical Models for Financial Volatility," and the Canadian Macroeconomics Study Group in Vancouver.

Tom holds a SSHRCC grant with Ieuan Morgan for their research project, "Time-Varying Risk Premia in Futures Markets." They were invited to present their paper "Single-Beta Models and Currency Futures Prices" at the International Conference on Futures Markets held in Australia in December. Their joint work is on-going with several papers in progress. Some of Tom's other collaborative research projects include: "A Conditional Markov Econometric Model for Multi-Regime Time Series" with Michael Durland; "An International Growth Model with Country-Specific Real and Nominal Shocks" with Nicholas Ricketts, and "Interest Rate Risk Management: An Empirical Investigation" with Stuart Turnbull.

Tom's recent publications include: "Tests for a Systematic Risk Component in Deviations from Uncovered Interest Rate Parity" with Ieuan Morgan, *Review of*

*Economic Studies* (forthcoming); "A Comparison of Risk Premium Forecasts implied by Parametric versus Nonparametric Conditional Mean Estimators" with Thanasis Stengos, *Journal of Econometrics* (forthcoming); and "Evidence of Rick Premia in Foreign Currency Futures Markets" with Ieuan Morgan, *Review of Financial Studies* (forthcoming).

Tom organized the Macroeconomic Workshop in the Spring and Fall terms of 1990. He also presented papers in the Summer Workshop and the Quantitative Workshop. Tom participated in six PhD examinations including two for which he was co-supervisor and two for which he was an external examiner. He continues as Departmental Library Representative and is on several University Committees including the Studies in Communication and Information Technology Board.

**Marvin McInnis** was pleased to see the publication this year of Vol. III of the *Historical Atlas of Canada*, Donald Kerr and Deryck W. Holdworth (eds.), University of Toronto Press. He has been with this project from its inception, as a member of the editorial board that had planned and organized the volume. Marvin contributed 9 Plates and a considerable amount of the text. Another paper that Marvin saw published was, "A Perspective on Quebec Agriculture in the Latter Half of the 19th Century", appearing in the proceedings of the Tenth International Economic History Congress, Erik Aerts et al, (eds.) *Structures and Dynamics of Agricultural Exploita-*

*tions*, (Leuven University Press). Accepted to be published next year are two related papers: "The Early Ontario Wheat Staple Reconsidered" and "Ontario Agriculture at Mid-Century."

Marvin is continuing to write on "Agriculture in Nineteenth Century Ontario and Quebec," and is preparing a paper on "The Population Dynamics of Settlement Frontiers," for an international demography conference in 1992 celebrating the 500th anniversary of Columbus' first voyage to America. He is also writing a chapter on 19th century Canada for a planned *Cambridge Economic History of the United States*. Marvin's newest research interest is "The Forest in North American Economic Development." In August, Marvin presented his paper on Quebec agriculture in the later 19th century at the Tenth International Congress of Economic History in Leuven, Belgium, where he was also the Canadian representative on the Council of the International Economic History Association. In September, he was an invited discussant at the annual conference of the Economic History Association (US), held this year in Montreal. Later in the fall he attended a conference in Halifax on the Economic History of the Maritimes where he presented a paper on "Some Demographic Aspects of the Economic Development of the Maritimes." In November, Marvin attended a conference held at Queen's on "Quantitative Methods in Canadian Economic History." He acted as rapporteur and his digest of the proceedings will appear in the Newsletter of the

Cliometric Society.

Marvin was awarded a two-year SSHRCC grant for his project on "The Development of the North American Forest Industries, 1825-1925." That will take him away from teaching part of the time. He continues his involvement with the International Union for the Scientific Study of Population. This year he completed his term as Chair of the Committee on Awards of the Faculty of Arts and Science.

**Martin Prachowny** is a member of the University Senate Budget Review Committee and a member of Graduate Council. He chairs the Curriculum Committee for the Faculty of Arts and Science and has acted as an Academic Advisor and Graduate Admissions Officer in the Department.

Martin edited the *Policy Forum on the February 1990 February Budget* which was published by the John Deutsch Institute. He also published "International Comparisons of Macroeconomic Performance" in *Applied Economics* Vol. 22. His paper, "What is the Speed Limit Along the US Phillips Curve?," has been accepted for publication in the *Journal of Macroeconomics*.

Martin organized the John Deutsch Institute conference on the 1990 Federal budget which was held at Queen's. He also attended the American Economic Association Meetings in Washington. He is a member of the Canadian Economics Association and the Royal Economic Society.

**Doug Purvis** continues as Head of the Department and, this year,

as Director of the John Deutsch Institute for the Study of Economic Policy. He also performs other administrative duties for the University by holding positions on the Board of Directors of the School of Policy Studies as well as on the various advisory boards of some of the constituent units in the School of Policy Studies.

Doug presented papers at a number of the conferences this year. He presented "Much Ado About Zero: The Bank of Canada and the Pursuit of Price Stability" at the PEAP Conference on "Monetary Policy, International Financial Developments, and the Economic Outlook" at the University of Toronto in May. In October, he attended the 25th Anniversary Conference of the Research Department of the Library of Parliament in Ottawa where he gave his paper, "Government and the Economy: Uncomfortable Partners." In November, Doug presented summary comments to the Joint Canada Germany Symposium held at the University of Toronto.

Doug spoke at the inaugural conference of the Cormier Center for International Economics at Bishop's University in March where his topic was "The Bank of Canada and the FTA." In June, he addressed the House of Commons Standing Committee on Finance on the topic, "Much Ado About Zero: The Bank of Canada and the Pursuit of Price Stability." In September, Doug was especially busy attending a variety of conferences and meetings including: the Moneco-Econtro Annual Meeting in Kingston; a Conference on the "Role of Wealth Taxes in Canada,"

in Toronto; a Conference on Global Competition and Canadian Federalism at the Faculty of Law, University of Toronto; the NBER Executive Committee Meeting and Board of Directors' Meeting in Boston; and the Economists Advisory Meeting, Department of Finance in Ottawa. Doug attended a Canada Consulting Cresap meeting on "Understanding Canada's Relative Cost of Capital" in Toronto, a Conference convened by the Institute of Intergovernmental Relations at Queen's on "Canada and Quebec After Meech Lake," and a project of the Centre for International Relations in the School of Policy Studies entitled, "Japan, the United States and Canada: The Political Economy of System Change" in October. In November, Doug spoke on "The Policy Mix and the "R" Word" to the Canadian Economic Policy Review Board Meeting in Montreal. He was also a guest speaker at the Liberal Policy Committee of the House of Commons in Ottawa; a member of the Task Force on Rule 53-09 for the Appeals Court of Ontario in Toronto; and an organizer of the John Deutsch Institute Policy Forum, "Europe 1992 and the Implications for Canada." In December, he organized a second John Deutsch Institute Policy Forum, "Economic Developments in Eastern Europe and the Soviet Union, and Implications for Canada." He also attended the annual meetings of the American Economics Association in Washington.

The 9th US Edition of *Economics*, co-authored with R.G. Lipsey, P. Courant and P.O. Steiner (Harper Collins Publishers) was published

this year. Doug's paper written with Mick Devereux, "Fiscal Policy and the Real Exchange Rate," appears in *European Economic Review*, Vol. 34. He also published "Risk and Economic Policy" with Jack Mintz in *Canadian Public Policy*, Vol. XVI:3.

Doug had a number of chapters in books published this year including: "Exchange Rate Management and International Coordination," which was presented at the European University Institute in Florence in April of 1987, conference volume edited by Emil Claassen; "The Bank of Canada and the Pursuit of Price Stability," in *Zero Inflation: The Goal of Price Stability*, R.G. Lipsey (ed.), C.D. Howe Institute publishers; "A Comment" in *Taking Aim: The Debate on Zero Inflation*, R.C. York (ed.), C.D. Howe Institute publishers; "Rapporteur's Comments" in *Policy Forum on the 1990 Federal Budget*, M. Prachowny (ed.), John Deutsch Institute for the Study of Economic Policy publishers; "Comments on Reform of the International Monetary System," *Global Disequilibrium Volume*, J. McCallum and R. Mundell (eds.), supplement to *Rivista di Politica Economica*; and "Some Modest Comments on a Proposal for International Nominal Targeting" in *International Policy Coordination and Exchange Rate Fluctuations*, J. Frankel, M. Goldstein and P. Masson (eds.), NBER and University of Chicago Press.

Doug has a number of publications scheduled for publication in 1991, including: "Unemployment Insurance and Unemployment Dynamics" (with Ross Milbourne

and David Scoones) in *The Canadian Journal of Economics*; the 7th Canadian Edition of *Economics*, co-authored with R.G. Lipsey and P.O. Steiner; "James Tobin's Contributions to Economics," in *Essays in Honour of James Tobin*, William Brainard, William Nordhaus and Donald Hester (eds.), MIT Press; and "Government and the Economy: Uncomfortable Partners", presented to the 25th Anniversary Conference, Research Department, Library of Parliament, Ottawa, is forthcoming in *Policy Options*.

**Anthony Smith** joined the Department as Assistant Professor in June, 1990. Tony came to us from Duke University and completed his PhD in September; his dissertation is titled, "Three Essays on the Solution and Estimation of Dynamic Macroeconomic Models."

Currently, Tony is collaborating with Per Krusell of the Federal Reserve Bank of Minneapolis on a project entitled, "Costly Computation and Equilibrium Decision Rule Selection in the Stochastic Growth Model." He gave a seminar at the University of Montreal on this work in February, 1991.

He attended a number of workshops and conferences this year. He presented his paper, "Econometric Evaluation of a Real Business Cycle Model Using Simulation Methods," at the Annual Meetings of the Society for Economic Dynamics and Control held in Minneapolis in June. He attended the Fifth World Congress of the Econometric Society in Barcelona and presented his paper, "Solving Nonlinear Rational Expectations

Models: A New Approach," to the Fifth Annual Meetings of the European Economic Association in Lisbon in August. Tony was a discussant of the paper, "Finite Sample Econometrics: A Unified Approach," given by Aman Ullah at the Canadian Econometrics Study Group Meetings at the University of Guelph in September. He gave his paper, "Solving the Stochastic Growth Model Using Rules of Thumb," at the Canadian Macroeconomic Study Group Meetings at the University of British Columbia in October and at the American Economic Association Annual Meetings in Washington in December. He presented a seminar, "Econometric Evaluation of a Real Business Cycle Model Using Simulation Methods," at Queen's in November.

**Gregor Smith** was awarded a SSHRCC grant with Michael Devereux and Allan Gregory for their research on "Numerical Models of the International Economy." He is also working on "International Macroeconomics of Non-traded Goods" with David Backus (New York University); "The Integrated Linear-Quadratic Model of Inventory Investment" with Allan Gregory and Adrian Pagan (Rochester); "Time Series Tests of Sustainable Debt Growth for Canada, the UK and the USA" with Jeremy Rudin (University of British Columbia); "Calibration and Estimation by Simulation," a chapter for Volume 10 of the *Handbook of Statistics*: North-Holland (with Allan Gregory); and "Predictable Gold Convertibility in the Greenback Era" with Todd Smith (Alberta).

In July, Gregor attended the CEPR/NBER Conference on Exchange Rate Targets in Warwick where he presented his paper "Estimation and Testing in Models of Exchange-Rate Target Zones and Process Switching" written with Michael Spencer. He attended the Canadian Econometrics Study Group meetings in Guelph in September and presented a discussion of target-zone exchange rate models at the Canadian Macroeconomics Study Group meetings in Vancouver in October. Gregor also gave various seminars including "Stochastic Process Switching and the Return to Gold, 1925," presented at McMaster and Guelph in March and at McGill in April; "Synthesis of Money-Demand and Indicator Models," presented at the Bank of Canada, Ottawa, in May; and "Intertemporal Government Budget Balance Since Confederation," presented at Queen's in September.

Gregor has published a number of papers this year. "Stochastic Process Switching and the Return to Gold, 1925" (with Todd Smith) appears in the *Economic Journal*, Vol. 100. With Richard Guay, Ross Milbourne and Glen Otto, Gregor has published "Estimation du PIB Mensuel Canadien: 1962 à 1985 [Estimates of Canadian GDP, Monthly, 1962 to 1985] in *L'Actualité Économique*, Vol. 66. "Calibration as Estimation," written with Allan Gregory, appears in *Econometric Reviews*, Vol. 9(1) and "Solution to a Problem of Stochastic Process Switching" has been published in *Econometrica*, Vol. 59. Gregor has also had a number of papers accepted for publication

including: "Estimating Linear Quadratic Models with Integrated Processes" (with Adrian Pagan and Allan Gregory), University of Rochester Working Paper No. 247 (1990), forthcoming in Peter Phillips (ed.), *Essays in Honour of A.R. Bergstrom*; "Synthesis of Money-Demand and Indicator Models" (with Allan Gregory and Tony Wirjanto), forthcoming in a volume published by the Bank of Canada, David Longworth (ed.); "Estimation and Testing in Models of Exchange-Rate Target Zones and Process Switching" (with Michael Spencer), forthcoming in Paul Krugman and Marcus Miller (eds.), *Exchange Rate Targets and Currency Bands*, (1991), Cambridge University Press; "Persistent Deficits and the Market Value of Government Debt" (with Stan Zin) will appear in the *Journal of Applied Econometrics*; and "Calibration as Testing: Inference in Simulated Macroeconomic Models" (with Allan Gregory) is forthcoming in the *Journal of Business and Economic Statistics*.

Gregor ran the Macroeconomics Workshop Series in the Winter term and was a member of the Graduate Studies committee in the Department.

**Gordon Sparks** returned from a sabbatical leave in Edinburgh in the summer of 1990. While away, Gordon presented his seminar, "Natural Resource Prices and the Value of the Canadian Dollar," at Edinburgh University, the Canadian Studies Conference, and the University of Wales (Swansea). In November 1990, Gordon attended the Conference on the Use of Quantitative Methods in Canadian

Economic History at Queen's where he presented "A Macro Model of Canada, 1870-1939: A Cointegration Error Correction Approach", a paper written with Alan Green.

Gordon is currently doing research on "Natural Resource Prices and the Determination of Exchange Rates" and, with Alan Green, he is studying "An Econometric Model of Canada, 1870-1939." His departmental administrative duties include undergraduate advisor and membership in the undergraduate studies committee. He is Chair of Division V of the School of Graduate Studies and Research.

**Klaus Stegemann** published his paper, "E.C. Anti-Dumping Policy: Are Policy Undertakings a Legal Substitute for Illegal Price Fixing?" in *Weltwirtschaftliches Archiv*, Vol. 126(2). He also contributed a Chapter on "Settlement of Anti-Dumping Cases by Price Undertaking: Is the E.C. More Liberal than Canada?" in P.K.M. Tharakan (ed.), *Policy Implications of Antidumping Measures* (Amsterdam: Elsevier/North Holland).

Klaus was a discussant and member of a panel for a conference entitled, "Due Process and Transparency in Trade: International Rules and Domestic Procedures" at the University of Ottawa Faculty of Law in May. He also attended a conference sponsored by the Centre for International Relations at Queen's on "Japan, The United States and Canada: The Political Economy of System Change." In November, he was involved with the John Deutsch Institute's Policy

Forum on "Europe 1992 and the Implications for Canada" and, in December, he attended the Institute's Policy Forum on "Economic Developments in the Soviet Union and Eastern Europe: Implications for Canada."

Klaus' current research interest is in the area of "Trade-Related Issues of Intellectual Property." He has been Chair of the University Senate Ad Hoc Committee on Intellectual Property since July, 1989.

**Dan Usher** was awarded a SSHRCC Strategic grant this year which will enable him to complete his book, *The Welfare Economics of the Liberal Society: A Study of Markets, Voting and Predation*, to be published by Manchester University Press.

Dan's publications for 1990 are: "The Hidden Cost of Public Expenditure" in R. Bird (ed.), *More Taxing than Taxes: Implicit Taxes in Developing Countries*, I.C.S. Press; "The Rise and Fall of the Public Sector in the Estimation of the Economists" in Asimakopulos, Cairns and Green (eds.), *Economic Theory, Welfare and the State. Essays in Memory of Jack Weldon*, MacMillan Press; "The Concept of Neutrality as a Basis for Identifying and Classifying Tax Expenditures" in Neil Bruce (ed.) *Tax Expenditures and Government Policy*, John Deutsch Institute; "The Birth of the Liberal Society," Queen's Discussion Paper #770, and "The Significance of the Probabilistic Voting Theorem," Queen's Discussion Paper #785. Dan also did several articles on the Meech Lake debate for the Saturday newspaper of the Kingston newspa-

per, *The Whig Standard Magazine*. In March, he published "Meech Lake: The Risk to English Canada"; in September, "Does English Canada Need Provinces?"; and in October, "Preparing for the Worst".

Dan was Vice-President of the Canadian Economic Association and a member of the American Economic Association.

**Ruqu Wang** did his post-graduate work at Boston University and joined the department as an Assistant Professor in the summer of 1990. His PhD dissertation entitled, "Essays on Common-Value Auctions," was supervised by Robert Rosenthal and Andrew Weiss.

Ruqu holds memberships in the American Economic Association, the Chinese Young Economist Society and the Society for the Promotion of Economic Theory.

Ruqu's current research interests include "Auctioning Mechanism and its Applications in Financial Markets" and "Aggressive Advertising and Recessions." He is also working on "Inefficiency in Financial Markets" with Robert Rosenthal of Boston University and "Dynamic Sorting Models in Labor Markets" with Andrew Weiss of Boston University. He has had his paper, "Common-Value Auctions with Discrete Private Information," accepted by the *Journal of Economic Theory*.

In April Ruqu attended the Canadian Conference in Labor Economics at Queen's and in July he presented two papers: "Common-Value Auctions with Discrete Private Information" and "An Explanation of Inefficiency in Markets and a Justification for Buy-and-Hold Strategies," at the World Conference in Game Theory in Stony Brook, NY. He also gave his paper, "Strategic Behavior and Information Revelation in Dynamic Auctions," at seminars at Queen's, the University of Toronto, and the University of Western Ontario.



# Department of Economics Workshop Series 1990

The Department runs a series of four Workshops: Microeconomics, Macroeconomics, Economic History and Quantitative. These are weekly seminars offered during the fall and winter terms which are organized by members of the department. They provide a forum for speakers from inside and outside the department to present papers on their current research projects.

## Microeconomics Workshops

This year **Lorne Carmichael** and **Dan Bernhardt** organized the Microeconomics Workshops and the following were some of the invited speakers to their series:

**Sanjay Srivastava** (Carnegie Mellon)  
"Implementation Via Backward Induction"

**Robert Gibbons** (MIT and NBER)  
"Does Unmeasured Ability Explain Inter-Industry Wage Differences?"

**Drew Fudenberg** (Harvard University)  
"Evolution and Co-operation in Noisy Repeated Games"

**Jacques Cremer** (Virginia Polytechnic Institute and State University)  
"Employee Control and Oligopoly in a Free Market Economy"

**Eric Maskin** (Harvard University)  
"Credit and Efficiency in Centralized and Decentralized Economies"

**Ken Hendricks** (UBC)  
"Auctions of Off-Shore Oil Leases: Theory and Estimation"

**Tracy Lewis** (University of California, Davis)  
"Selecting Agents by Ability and Knowledge"

**Ariel Pakes** (Yale)  
"Industry Dynamics: Theory and Estimation"

## Macroeconomics Workshops

**Gregor Smith** and **Mick Devereux** organized the Macroeconomics Workshop Series. The following were some invited speakers:

**Maurice Otstfeld** (UBC, NBER and CEPR)  
"Dynamic Seigniorage Theory: An Exploration"

**Pamela Labadie** (Columbia)  
"Stock Prices, Interest Rates and Inflation in a General Equilibrium Model"

**Sergio Rebelo** (Northwestern)  
"Transitional Dynamics and Economic Growth in the Neoclassical Model"

**Robert Hodrick** (Northwestern)  
"Dividend Yields and Expected Stock Returns: Alternative Procedures for Inference and Measurement"

**Gary Hansen** (UCLA and Minnesota)  
"Taxes in a Cash-in-Advance Model: Revenue Versus Welfare Costs"

**Deborah Lucas** (Northwestern)  
"Incomplete Markets in the Lucas Model"

**Monica Hargreaves** (Brown University)  
"Real Effects of Intermediation Problems in a Model with Productive Collateral"

## Quantitative Workshops

**Allan Gregory** and **James MacKinnon** organized the Quantitative Workshops with the following invited speakers highlighting the year:

**Thanasis Stengos** (University of Guelph)  
"A Test of Functional Form Against Weakly Specified Alternatives: An Approach Based on Semiparametric Regression"

**James Hamilton** (Virginia)  
"Was the Deflation During the Great Depression Anticipated? Evidence From the Commodity Futures Markets"

**Dan Nelson** (Chicago GSB)  
"Filtering and Forecasting with Misspecified ARCH Models"

**Harry Paarsch** (University of British Columbia)

"Deciding Between the Common and Private Value Paradigms in Empirical Models of Auctions"

**Kenneth Wolpin** (Minnesota)  
"The Determinants of Black-White Differences in Early Employment Careers: Search, Layoffs, Quits and Endogenous Wage Growth"

**Nicholas Kiefer** (Cornell)  
"Bayesian Notes on Inference on Chaotic Dynamics"

**Neil R. Ericsson** (Board of Governors of the Federal Reserve System)  
"Modelling the Demand for Narrow Money in the United Kingdom and the United States"

## Economic History Workshops

**Alan Green** and **Frank Lewis** coordinated the speakers for the Economic History Workshop Series. Some invited speakers included:

**Stanley Engerman** (University of Rochester)  
"Slavery, Economic Development and Economic Theory"

**Elizabeth Hoffman** (University of Arizona, Tucson) Queen's Scholar-in-Residence  
"Experimental Methods to Advance Historical Investigation: An Examination of Cartel Compliance by Large and Small Firms"

**Gregory Clark** (University of California, Davis)  
"Factory Discipline and Self Control: The Rise of the Factory in the 19th Century"

# QED List of Lists

## PhD Recipients

1990 – MAY CONVOCATION

**Smith, R. Todd**

Essays in the interpretation of Some  
Macroeconomic Regularities  
Supervisors: D. Bernhardt,  
M. Devereux and G. Smith

1990 – OCTOBER CONVOCATION

**Betts, Julian**

Technological Change and the  
Labour Market: Explorations in the  
Theory of Human Capital  
Supervisors: C. Beach,  
L. Carmichael and T. McCurdy

**Cromb, Ian J.**

Competitive Insurance Markets  
Characterized by Asymmetric  
Information  
Supervisors: R. Boadway and  
R. Arnott

**Henriques, Irene**

Four Essays on Research and  
Development and Spillovers  
Supervisors: C. Beach, D. Usher  
and J. Hartwick

**LeBlanc, Gregory**

Essays on Market Signalling  
Supervisors: L. Carmichael,  
D. Bernhardt and R. Harris

**McKenzie, Kenneth**

Essays on Taxation and Investment  
Under Uncertainty  
Supervisors: R. Boadway and  
J. Mintz

**Sadorsky, Perry A.**

Three Essays on the Exploration for  
Non-Renewable Resources  
Supervisors: J. Hartwick and  
A. Gregory

**Thomas, Jonathan**

A Theoretical and Empirical  
Analysis of Mover/Stayer  
Unemployment in Canada  
Supervisors: C. Beach and  
D. Bernhardt

## Special Awards, Honours and Appointments

Robin Boadway

Sir Edward Peacock Professor of Economic Theory

James MacKinnon

Sir Edward Peacock Professor of Econometrics  
Fellow of the Econometric Society

**EDITOR**

Jane Baldwin

**WRITERS**

Jane Baldwin, Kathy Meredith

**GRAPHIC DESIGN**

Queen's Graphic Design Unit



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