

DOUG PURVIS

1947 - 1993

Queen's University as well as the broader community lost a giant of a man when Doug Purvis passed away suddenly in the second week of 1993. Doug had been vacationing in Mexico just before Christmas with his family when he suffered a serious back injury while body surfing. He was recovering from surgery at his home in Kingston when he was stricken with a pulmonary embolism. He leaves behind his wife Trish and two sons, Jaime and Josh, both of whom are students at Queen's.

Anyone who has passed through the QED in the last two decades will have been touched by Doug in one way or another. He took his first, and only, academic appointment at Queen's in 1971 when he finished his graduate training at the University of Chicago under the tutelage of two eminent Canadian-born economists, Harry Johnson and Robert Mundell. He brought with him some of their scholarly qualities, their intense interest in international economic issues and their devotion to the subject of economics and its broader applications. Like Harry Johnson, Doug took it as one of his missions the nurturing of young economists

and graduate students and helping them both intellectually and personally. It was one of his many characteristics which helped mold the congenial atmosphere around the QED over the past two decades.

Doug came to Queen's as part of the cohort hired when the Queen's Economics Department, like many others in Canada, was expanding rapidly. Contemporary appointees included Richard Lipsey, Peter Meiszkowski, Frank Flatters, John Baldwin and Vern Henderson, a formidable group indeed. Those with long memories will recall the original Purvis house in Gananoque, the former House of Horrors tourist attraction. Doug and Trish converted it rapidly into one of a series of "open houses" in which they lived; there seemed to be a perpetual standing invitation to any acquaintance (close or otherwise) to drop in. The last of the Purvis residences on Frontenac Street near the University came to be referred to as the Purvis Hilton, not without reason.

Doug's early work evolved from his combined interest in macroeconomics and growth. He studied the short- and medium-term responses of the economy to

macroeconomic policy changes. This work made him keenly aware of the trade-off that was involved between short-run objectives and longer-run consequences of fiscal policy. His studies led him increasingly to put more weight on the longer term consequences of macroeconomic policies, a view he pushed persuasively in his later work on the public debt. Like many other outstanding Canadian economists, his analysis was always tempered by a recognition of the importance of the openness of the Canadian economy as both a constraint on policy and as an opportunity to be exploited. He extended his work on medium term macroeconomic analysis to an open economy setting in a series of papers with his colleague and friend Richard Harris, and later with Peter Neary whom he enticed into a two-year visit to Queen's. It was, of course, a characteristic of Doug to work jointly with scholars whose interest were complementary with his own. His career was marked with many fruitful collaborative efforts, often with his colleagues here at Queen's, and sometimes with graduate students. One such effort with both a colleague, Ross Milbourne, and a graduate student, David Scoones, was awarded the Harry G. Johnson Prize for the best paper published in the Canadian Journal of Economics in 1991.

His interest in open economy macroeconomics quite naturally extended to multiple country set-

tings. He became interested in issues of policy coordination among countries, an interest which influenced his later thinking on the conduct of economic policy within the Canadian federal system. Over the years while scholarship flourished, he passed on his ideas to several cohorts of students through his teaching. He was a mainstay in the macroeconomics and international economics course sequences, and attracted some of the best graduate students of the times as his supervisees. In his lectures he was never content simply to survey the existing state of knowledge in the field. He used his lectures to expose the students to his own thinking about where the field should be going, and induced them to think that way for themselves.

His scholarship in open economy macroeconomics culminated in his delivery of the Harold Innes Memorial Lecture to the Canadian Economics Association in 1985. With the grandeur of Harry Johnson and the insights of Robert Mundell, his address summarized the state of the art of macroeconomic policy in an open economy. (It was characteristically titled: "Public Sector Deficits, International Capital Mobility, and the Domestic Economy: The Medium Term is the Message"; he was always fond of plays on words.) The lecture became required reading for graduate and undergraduate courses alike. Some of his ideas there fore-

shadowed his later work in the policy arena.

Doug eventually came to recognize two of his own special strengths — a skill at communicating ideas and an ability to distil policy implications from the current academic literature. His time was increasingly spent exploiting these skills. He found two perfect outlets for his communications skills. The first was the well-known principles economics textbook co-authored with Richard Lipsey. Doug put enormous amounts of energy and enthusiasm into each revision of the book, and turned it into the best selling textbook of its type in Canada. Despite the time devoted to the continual cycle of revisions demanded of an introductory text, it did not interfere with his other activities; indeed, he viewed the textbook as complementary to them.

The other way he communicated his ideas to the public was through economic journalism. For several years he wrote articles on the economic policies of the day, some of them joint with Richard Lipsey. Not surprisingly, they were marked by clear and concise analyses of complex public policy issues, put in a way which the readers could understand. For their efforts, in 1983 he and Dick were recognized by the Business Writers of Canada for the Best Column by Non-journalists. Doug also sat on the Community Editorial Board of the *Kingston Whig Standard* and wrote occasional editorials for them as well.

These efforts at print journalism were supplemented by countless appearances on the television and radio as well as speaking engagements in various forums, both academic and public.

In recent years, he probably became much better known as a policy advisor, taking up the Queen's tradition long established by the likes of W.A. Mackintosh, John Deutsch and Clifford Clark. His research was always ultimately motivated by policy concerns, but the shift from purely academic research to policy-oriented work was gradual. One can discern three distinct phases of policy intervention.

The first arose because of a series of papers he did with another Queen's economist Neil Bruce on the growing problem of the federal budget deficit and the stock of debt being accumulated in the 1980s. He was concerned foremost with the long term implications of this for the growth and development of the Canadian economy, especially since so much of the debt was accumulated to finance non-capital expenditures. Neil and he wrote a very influential paper for the Macdonald Royal Commission in the mid-1980s in which they advocated the move to a "prudent" deficit policy. It was characteristic of him not to reach for drastic remedies, but to move to the optimal policy gradually and with deliberation. This work helped to bring the problem of the federal deficit to the attention of the

public, where it has remained ever since.

Subsequent to that he spent two years as the Clifford Clark Visiting Economist in the Department of Finance (August 1985 until February 1987) advising the Minister and his Deputy. His influence spanned many different areas of economic policy, but he did devote special attention to a project on social policy, some recommendations of which became part of the federal government's reform of its system of transfers to persons. He also became a strong supporter of the Canada-U.S. Free Trade Agreement which was under negotiation at the time.

Shortly after his return to Queen's, he assumed the joint mantle of Head of the Economics Department and Director of the John Deutsch Institute for Policy Analysis. This allowed him to keep his hand simultaneously in the development of the Department as well as in the policy analysis community. He ran a number of successful conferences through the JDI and made it one of the most respected policy institutes in the country. Of particular recent interest was the set of conferences he ran on the issue of the Constitution, a debate to which he contributed greatly. He applied the various lessons he had learned from his studies of policy coordination and international economics to the constitutional reform debate and became a strong proponent of maintaining the integrity of the Canadian economic union as part of the consti-

tutional package. He participated directly in the process as the economic advisor on constitutional matters to the federal government and was undoubtedly largely responsible for the fact that the federal government put the economic union close to the top of their agenda.

At the time of his unfortunate accident he was completing a sabbatical leave and was looking forward to taking on again the two jobs of Head of Department and Director of the John Deutsch Institute. He did not flinch at the fact that these were two full-time jobs to be done while he continued with his other activities. But that is the kind of full life he preferred to live.

His tragic accident came as a great shock for all who knew him, not only those of us who had the pleasure to know him well, but also the many persons who came into contact with him while at Queen's and elsewhere. He was truly an unusual man: an extremely talented scholar, an effective teacher and communicator, a natural wit, and a completely unpretentious and likeable individual. We will miss his enormous presence greatly.

To honour Doug's many contributions to Queen's, a memorial fund has been established. No decision has yet been made by Doug's family and the QED as to how the fund will be used. The expectation is that it will serve to further the types of teaching and scholarship to which Doug devoted his career.

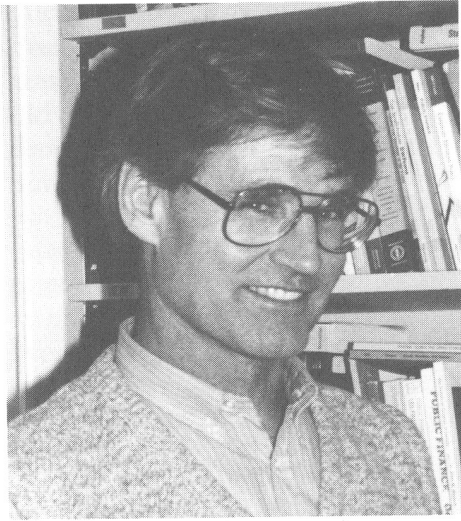
Should you wish to join us in honouring Doug's life and accomplishments, a contribution can be made by sending a cheque to the Department of Economics at Queen's University, Kingston, Ontario K7L 3N6, payable to

Queen's University-Purvis Memorial Fund. Instructions as to whom the receipt should be made out for income tax purposes should accompany the cheque.

Robin Boadway



A Message from the Head



Normally the QED Newsletter is a vehicle for celebration and good news, recounting accomplishments and events of the past year and welcoming fresh faces to the QED family. This year our joy is considerably muted by the sudden passing of Doug Purvis, whose personality has been so much a part of the QED over the past two decades. Those of you who have passed through the Department during that period will have known Doug in one or more of many capacities — teacher, supervisor, research collaborator, counsellor, conference participant, Head of Department, friend or colleague. His passing will leave a enormous hole in the Department, not only as its Head and as the Director of the John

Deutsch Institute, but also as a source of much energy and collegiality.

The filling of Doug's administrative positions will take some time. A search committee in the University is being set up to choose his successor. In the meantime, the management of the shop has been temporarily placed in the hands of myself as Acting Head until July of this year and of James MacKinnon from July 1993 to June 1994. Such is the reward for past experience. Fortunately for us, we have plenty of very capable assistance. Allan Gregory has agreed to stay on as Associate Head until July, 1994, a position he has been filling for the past two years. Allan has been an enormous help during the transition, taking time out only during the birth of his son Sam. This year Frank Lewis completes his second year as Graduate Coordinator and will be replaced by Frank Milne starting in the 1993-94 academic year. Gordon Sparks finishes as Undergraduate Coordinator this summer, when Mike Abbott will once again take over.

We are fortunate to have a number of first-class persons as administrators and staff in the Department. Marcia Jones has been the Senior Administrative

Assistant for the past year, replacing Jane Baldwin who left to join the newly-formed University internal audit office. Marcia has been in the University community for many years now, most recently as coordinator for the Queen's Sesquicentennial Year celebrations, which included running the Learned Societies conference at Queen's in 1991. Ellen McKay, who worked with Doug for many years, continues as Departmental Assistant to the Head of Department, and Dorothy MacKenzie continues as Editorial Assistant to the Canadian Journal of Economics. Theresa Brennan remains Graduate Studies Assistant responsible for the Graduate program, aided by Juanita Hamilton. Sharon Sullivan does the same for the John Deutsch Institute. Jennine Ball is Undergraduate Secretary and seems to take on more and more responsibilities each year. Many of the staff have taken on challenging new roles as opportunities arise in the Department. Angie Dunphy has been seconded to the CIDA project (described elsewhere in the Newsletter) as Project Administrator. Julie McCarthy coordinates all our computing services, and Elaine Constant runs the reading room as well as helping out with the Canadian Journal of Economics from time to time. Since the last Newsletter we have lost the familiar face of Charlotte David, who retired in 1992 after ten years in the Department. Heather Tighe regrettably has

been lost to us by disability. We have, however, been joined by two capable new secretaries, Marie Corriveau and Elvira Pacheco. All in all, we could not ask for a better and more congenial support staff.

As usual, the past year has been an active one in the QED. Our three weekly workshops have attracted a large number of visitors, some of whom are listed later. The Mackintosh Lecture was delivered by Brian Arthur of Stanford and was entitled "Learning and Adaptation in the Economy." The 1993 Lecture was to have been given by Harvard economic historian Claudia Goldin in January, but had to be postponed on account of Doug Purvis' passing. Marcél Coté of Group Secor Inc. in Montreal delivered the annual Walwyn Lecture on "Economic Growth in the Years Ahead: What Does It Mean for Kingston?"

The John Deutsch Institute, to which Doug devoted a great deal of his time, has also been very active with its usual mix of policy forums and conferences. Of particular note are a 1991 Conference on the economics of constitutional reform and a subsequent one-day forum on the federal government's constitutional proposals. Both were said to be influential in shaping the subsequent debates. As well, the first of the annual conferences funded by Bell Canada was launched in September, 1992 on the theme of competitiveness. The proceedings will form the first issue of the Bell Papers and will be edited by Tom

Courchene, who has recently been named to fill the Deutsch-Jarislowsky Chair. Despite being on sabbatical, Tom has taken on many of the chores that Doug would have handled as Director of the Institute.

The list of discussion papers and the summary of activities of the members of the Department indicate that research continues to flourish. However, the faces in the Department continue to change. Since the last Newsletter, three new persons have joined us permanently. They include Debra Holt and Bart Lipman, both of whom graduated from Michigan and held positions at Carnegie Mellon, and Allen Head who has completed his PhD from Minnesota. As you can see, they are already prominent contributors to our scholarly output. At the same time, we have lost some long standing members. Neil Bruce has left us to take up a position at the University of Washington, while John Baldwin has joined

Statistics Canada in Ottawa. We have had our usual diverse mix of shorter term and visiting professors. Three SSHRCC Postdoctoral Fellows chose to reside at Queen's — Vicky Barham, David Scoones and Chris Telmer. Visitors included Donald George (Edinburgh), Nick Hanley (Stirling), Judith Dunkerly (Heriot-Watt), Dov Monderer (Technion), Baldev Raj (Wilfrid Laurier), Raghendra Jha (Delhi), Dan Rees (Cornell), Fazley Siddiq (Dalhousie), and Isao Horiba (Tokyo).

As you can see, the QED remains as active as ever. The years 1993 and 1994 will undoubtedly involve some rebuilding. What has been most gratifying to us is the extent to which persons have joined together and pitched in to take on the various tasks that Doug used to perform. Doug clearly left the Department in good shape.

Robin Boadway

Undergraduate Program

In 1991-92 a total of 490 students were registered in Arts and Science with a BAH program concentration in Economics. The Department of Economics granted a B.A. Honours Major Degree to 62 students and a B.A. Honours Medial Degree to 32 students in 1992. Twenty-four Economics majors and medials at all levels were placed on the Dean's List in 1992. Students in all programs at Queen's University take economics courses as electives, with the majority taking our first-year and second-year courses. The total enrolment in all undergraduate economics courses in 1991-92 was 2209.

Departmental Prizes and Scholarships

Scholarships

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

1991 - Kim Haaland
1992 - Todd Mattina

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

1991 - Gerett Rusnak
1992 - Brett House
(deferred to 1993)

Awards

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

1991 - Aleksander F. Weiler
"Children as Pension Plans: David and Sundstrom's Old-Age Security Motive and Quebec's Fertility Rate Drop, 1980-1930"

Written for Economics 332192 - Simon Adell

"The Link Between American Turn-of-the-Century Antitrust Policy and the Great Merger Wave of 1890-1910"

Written for Economics 332



Jennine Ball: our dedicated Undergraduate Senior Secretary

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

1991 -David Saettone
"Gender Differences in the
Incidence of Job Separation"
Supervisor: M. Abbott

1992 -Took B. Whiteley
"Testing for Customer Dis-
crimination in the Market for
Hockey Cards"
Supervisor: A. Gregory

Chancellor C.A. Dunning Prize
(Departmental Medalist
awarded to first-class
honours degree graduate
with the highest standing)

1991 - Edward Iacobucci
1992 - Frederic Stupart

**W.M.O. Lohead Prize in
Economics**
(highest standing in Econom-
ics history course: 231/232)

1991 - Leah Anderson
1992 - Frederic Stupart

Professor F.A. Knox Prize
(highest standing in Econom-
ics history course: 331/332)

1991 - Frederic Stupart
1992 - Scott Henshaw

**Palmer Hoar Memorial Book
Prize in Intermediate Micro
Theory**

(outstanding performance in
Economics 212)

1991 - Joshua Kleban
1992 - S. Ross Ezzeddin

**Edith Whyte Memorial Book
Prizes in Intermediate Macro
Theory**

(outstanding performance in
Economics 222)

1991 - W. Daniel Robertson
- John Dykstra
- Michael Hilliard
1992 - Max Chee
- Bruce Ing
- Michael Bowen

**The M.C. Urquhart Book Prize
in Economics 110**

(outstanding performance in
Economics 110)

1991 - Ian Petrie
- Alastair Cairns
- Brian Doyle
- Todd Mattina
- Brian Poff
- Laurie Sargent
1992 - Andrew Dick
- Che-Kit Cheung
- Mark Dolfato
- Kevin White

Queen's PhD's Hit the 170 Mark

As of the Spring Graduate Convocation in May 1993, Queen's will have graduated its 170th PhD in Economics. The 170th PhD will be awarded to Richard Guay for his thesis on "Asset Pricing: The Risk-Free Rate and Risk Premium Across Time and Countries" supervised by Gregor Smith.

The 1991 C.A. Curtis Prize was awarded to Julian Betts for his thesis on "Technological Change

and the Labour Market: Explorations in the Theory of Human Capital" supervised by Charles Beach, Lorne Carmichael and Tom McCurdy.

The 1992 C.A. Curtis Prize was awarded to Christopher Telmer for his thesis on "Intertemporal Asset Pricing Theory and Incomplete Markets" supervised by Allan Gregory, Gregor Smith and Dave Backus.

"NEXT 15" Queen's Economics PhD's

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|--|---|
| 156 Paula PEARE 1991
University of Otago,
New Zealand | 163 David SCOONES 1992
University of Texas |
| 157 Peter KENNEDY 1991 ✓
University of Victoria | 164 Christopher TELMER 1992
Carnegie Mellon |
| 158 Dale CHUA 1991 ✓
University of Laval | 165 Nicolas MARCEAU 1992
University of Laval |
| 159 Gordon TARZWELL 1991
Caribou College,
British Columbia ✓ | 166 Michel NORMANDIN 1992
University of Quebec |
| 160 Michael SHANNON 1991 ✓
Lakehead University | 167 Fiona ROBERTSON 1992
University of Seattle |
| 161 Maurice ROCHE 1991 ✓
St. Patrick College,
Ireland | 168 David LOVE 1992
Brock University |
| 162 Muruesu
SIVASANGARAM 1991
Government of Ontario | 169 Dominique SIMARD 1992
Rutgers University |
| | 170 Richard GUAY 1993
University of Montreal |

Queen's Graduate Program Advances in Reputation

The PhD program has continued to yield bumper crops of new doctorates. Since our last newsletter, fifteen students have graduated, bringing the total number of Queen's PhD's in economics to 170. And like their predecessors they have continued to excel on the job market in Canada and, significantly, in the U.S. as well. Of the latest group, three are currently teaching south of the border: Chris Telmer at Carnegie Mellon, Fiona Robertson at the University of Seattle, and Dominique Simard at Rutgers. David Scoones, who completed his degree in 1992, but stayed at Queen's on a post-doc, will be taking an appointment at the University of Texas, Austin.

We have also been attracting large numbers of excellent MA students. This year's class was the largest in our history, due in the main to an exceptionally high rate of acceptance of our offers. The recession played some part in boosting applications, but the response was due largely to Queen's having become the program of choice for Canadian undergraduates who go on in economics. Of course we continue to attract good students from the rest of the world; notably Australia, Africa (especially

Ghana), the U.K., Ireland, India, and China.

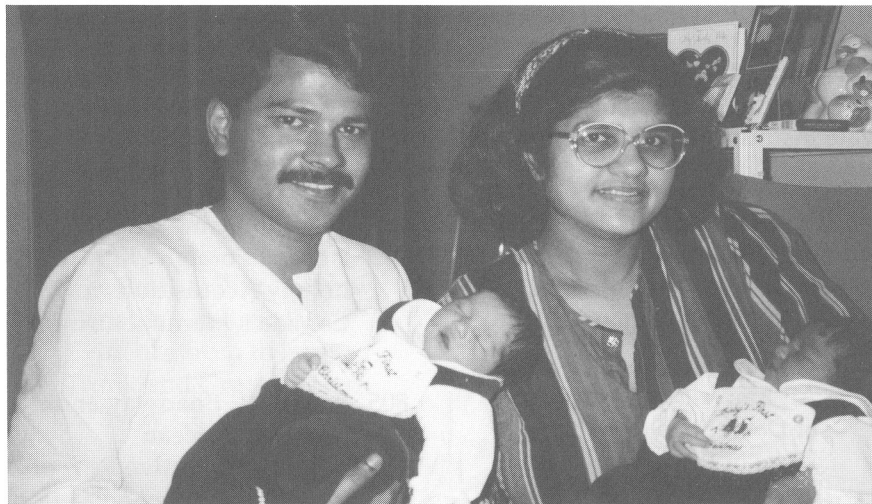
The appeal of Queen's is in part the cohesion of our department. We hold an annual Christmas party that attracts over a hundred students, faculty, and staff. Entertainment is provided in the guise of faculty and student skits. Last year, the faculty made some rowdy predictions of what would happen if our current home, Dunning Hall, were demolished; as part of the library expansion program, and in one of several skits, the students tested their knowledge of trivia in a game of Jeopardy involving the Queen's faculty.

But the department likes to recognize not just our students' thespian abilities. Each year we award the C.A. Curtis prize for the best doctoral thesis. The growing prestige of the award is reflected in the quality of the two most recent recipients. Julian Betts, currently teaching at the University of California, San Diego, won in 1991 for "Technological Change and the Labour Market: Explorations in the Theory of Human Capital". His supervisors were Charles Beach, Lorne Carmichael and Tom McCurdy. Last year's winner was Chris Telmer, (now at Carne-

gie Mellon University), with a thesis on "Intertemporal Asset Pricing and Incomplete Markets", supervised by Allan Gregory, Gregor Smith, and Dave Backus. Julian and Chris were much in demand on the academic job market, and both accepted positions at top universities.

As the reputation of our graduate program spreads, we have be-

come increasingly selective in the admission of new students. This has led to disappointment for some, in not being admitted, but those who do enter our MA or PhD programs find themselves with colleagues as bright and committed to economics as graduate students anywhere.



A PhD first! Twin girls born to PhD candidates Urvashi Dhawan and Bagal Biswal. Congratulations!

Institute for Economic Research

Discussion Paper Series, 1991 and 1992

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 these publications receive wide distribution to academic, government and private institutions.

- 796 **Robin Boadway and Maurice Marchand**
The Use of Public Expenditures for Distributive Purposes
- 797 **Beverly J. Lapham**
An Empirical Examination of Deviations from the Laws of 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 C. Head and Beverly J. Lapham**
Strategic Innovation and Economic Growth
- 802 **Jon Harkness**
Labour Force Participation by Canada's Disabled
- 803 **Peter J. Dolton and Michael P. Kidd**
Occupational Access and Wage Discrimination
- 804 **John R. Baldwin and Paul Gorecki**
Distinguishing Characteristics of Foreign High Technology Acquisitions in Canada's Manufacturing Sector
- 805 **Robin W. Boadway and Nicolas Marceau**
The Redistributive Role of Minimum Wage Legislation and Unemployment Insurance
- 806 **Chris Telmer**
Asset Pricing Puzzles and Incomplete Markets
- 807 **Ruqu Wang**
Strategic Behaviour and Informations Revelation in Dynamic Auctions
- 808 **Christopher Ferrall**
Promotion and Incentives in Partnerships: Theory and Evidence

- 809 **Devon Garvie and Roger Ware**
Public Firms as Regulatory and Auditing Instruments
- 810 **Jonathan Thomas and Dan Bernhardt**
Job Search Strategy, Expected Wages, and Sectoral Movers and Stayers
- 811 **Allan W. Gregory**
Testing for Cointegration in Linear Quadratic Models
- 812 **Ruqu Wang**
Auctions Versus Posted-Price Selling
- 813 **Graham M. Voss**
Monetary Integration, Uncertainty and the Role of Monetary Policy
- 814 **Ann Carlos and Frank Lewis**
The Profitability of Early Canadian Railroads: Evidence from the Grand Trunk and Great Western Railway Companies
- 815 **Dominique M. Demougin and Devon Garvie**
Contractual Design with Correlated Information Under Limited Liability
- 816 **Anthony A. Smith, Jr.**
Solving Stochastic Dynamic Programming Problems Using Rules of Thumb
- 817 **Dan Bernhardt and David Scoones**
Promotion, Turnover and Preemptive Wage Offers
- 818 **John M. Hartwick**
Notes on Economic Depreciation of Natural Resource Stocks and National Accounting
- 819 **Ravi Kanbur and Michael Keen**
Jeux Sans Frontieres: Tax Competition and Tax Coordination When Countries Differ in Size
- 820 **Michael Devereux, Michael Keen and Fabio Schiantarelli**
Corporation Tax Asymmetries and Investment: Evidence from UK Panel Data
- 821 **Sofia Delipalla and Michael Keen**
The Comparison Between Ad Valorem and Specific Taxation Under Imperfect Competition
- 822 **Michael Keen**
Needs and Targeting
- 823 **Beverly J. Lapham**
Tariffs in a Dynamic Differentiated Duopoly
- 824 **Devon Garvie**
Regulatory Auditing and Ramsey Pricing
- 825 **Aly F. Jiwan**
Cointegration, Error Correction and the Dynamics of Canadian M2 and M2+ Demand
- 826 **Allan W. Gregory and Gregor Smith**
Calibration in Macroeconomics

- 827 **Allan W. Gregory and James M. Nason**
Testing for Structural Breaks in Cointegrated Relationships
- 828 **Robin W. Boadway and Michael Keen**
Public Goods, Self-Selection and Optimal Income Taxation
- 829 **Michael B. Devereux and Gregor W. Smith**
International Risk Sharing and Economic Growth
- 830 **Vicky Barham, Robin Boadway, Maurice Marchand and Pierre Pestieau**
Education and the Poverty Trap
- 831 **Robin Boadway and Nicolas Marceau**
Publicly Provided Unemployment Insurance and Commitment
- 832 **Allen C. Head**
Cross-Country Variations in Aggregate Volatility: Evidence from 56 Countries
- 833 **Nicolas Marceau**
Unemployment Insurance and Market Structure
- 834 **Klaus Stegemann**
The International Regulation of Dumping: Protection Made Too Easy
- 835 **Roger Ware and Brad Barham**
A Sequential Entry Model with Strategic Use of Excess Capacity
- 836 **Roger Ware and Jeffrey Church**
The Role of Limit Pricing in Sequential Entry Models
- 837 **Roger Ware**
Entry Deterrence
- 838 **John W. Maxwell**
Testing a Signalling Theory of Advertising
- 839 **Donald A.R. George**
The Political Economy of Wage-Earner Funds: Policy Debate and Swedish Experience
- 840 **Donald A.R. George**
Funding Self-Management
- 841 **Dan Bernhardt and Eric Hughson**
Intraday Trade in Dealership Markets
- 842 **Nick Hanley**
Efficiency and Distributional Aspects of Market Mechanisms in the Control of Pollution: An Empirical Analysis
- 843 **Thomas H. McCurdy and Thanasis Stengos**
A Comparison of Risk-Premium Forecasts Implied by Parametric Versus Non-parametric Conditional Mean Estimators
- 844 **David R.F. Love**
Exhaustible Resources in an Overlapping Generations Economy
- 845 **Thomas H. McCurdy and Ieuan G. Morgan**
Single Beta Models and Currency Futures Prices

- 846 **Nicholas Ricketts and Thomas H. McCurdy**
An International Economy with Country-Specific Money and Productivity Growth
- 847 **J. Bergin and D. Bernhardt**
Anonymous Sequential Games with General State Space
- 848 **Nick Hanley and Munro Alistar**
The Effect of Information in Contingent Markets for Environmental Goods: A Survey and Some New Evidence
- 849 **Nick Hanley and Robin Ruffell**
The Valuation of Forest Characteristics
- 850 **Jeannine M. Farazli**
Risk Premia in the Sovereign Loan Market
- 851 **Sugato Bhattacharyya and Barton L. Lipman**
Ex Ante versus Interim Rationality and the Existence of Bubbles
- 852 **Barton L. Lipman and Duane J. Seppi**
Partial Provability in Communication Games
- 853 **Robin Boadway, Maurice Marchand and Pierre Pestieau**
Towards a Theory of the Direct-Indirect Tax Mix
- 854 **W. Brian Arthur**
Mackintosh Lecture 1992
On Learning and Adaptation in the Economy
- 855 **Christopher N. Ferrall**
Earnings Inequality Within and Between Levels of Responsibility in Engineering
- 856 **John M. Hartwick**
The Tragedy of the Commons Revisited
- 857 **John M. Hartwick**
A Differential R & D Duopoly Case
- 858 **Barton L. Lipman**
Limited Rationality and Endogenously Incomplete Contracts
- 859 **Douglas D. Purvis**
Economic Integration, Currency Areas, and Macroeconomic Policy
- 860 **Robin Boadway**
Investment in Education and the Time Inconsistency of Redistributive Tax Policy
- 861 **James G. MacKinnon**
Approximate Asymptotic Distribution Functions for Unit Root and Cointegration Tests

Faculty Activities

Mike Abbott completed a two-year term as Chair of Undergraduate Studies in August, 1991 and spent the following year on sabbatical leave. During that time, he completed the editing and wrote the introduction to *Pay Equity: Means and Ends*. Mike presented a paper, co-authored with Charles Beach, on how Canadian women's wages change when they change jobs. Mike and Charlie also published a paper using a more general specification to look at immigrant earnings in Canada. Mike's longer-term project, with Charlie and Stephan Kaliski, is to characterize employment adjustment and stability using the Labour Market Activity Survey.

Vicky Barham joined the department in December 1991 as a Post-Doctoral Fellow and received her title of Doctor in May 1992 from the Centre for Operations Research and Econometrics at the Université Catholique de Louvain. Since arriving at Queen's, Vicky has pursued her research interests in the private provision of public goods, club theory and competitive equilibrium, and the taxation of the family. Her newest interest is in mechanism design in the health field. Vicky's life changed dramatically when she gave birth to

a happy baby boy in the fall of 1992. She finds being a working mother is less exhausting than being a full-time caregiver.

Charles Beach was busy with a number of joint projects in empirical labour economics. He was a founding member of the Canadian Employment Research Forum (CERF). Charlie has also written papers on wage and job changes with Mike Abbott and on the earnings differentials of immigrant women with Chris Worswick of UBC. He also continues to work with Mike Abbott and Stephan Kaliski on employment adjustment and stability. Recently, Charlie has returned to his old interest of income distribution resulting in two papers with George Slotsve. He is also a member of the advisory panel for a random assignment welfare/labour market experiment for Employment and Immigration. As well, he developed a proposal with Paul Bernard of the University of Montreal for a Canadian Household Panel Survey (CHPS). However, funding was denied and Charlie lost the chance to be known as Mr. CHPS. Charles consoled himself by buying a recreational farm on a lake. He proudly named it Rancho Beach.

James Bergin has current research projects which reflect his on-going interest in game theory. In particular, Jim continues to work on problems of implementation in generic and incomplete information environments with Arunava Sen. As well, Jim and co-author Bentley MacLeod had two papers (on renegotiation and continuous time games) accepted at the *Journal of Economic Theory* and the *International Economic Review*. The *Journal of Mathematical Economics* accepted a paper with Dan Bernhardt on anonymous sequential games and a paper on strategic behavior in continuous time repeated games.

Dan Bernhardt interests are eclectic and broad. They encompass theoretical and empirical market microstructure issues in finance, takeovers, labour economics and the structure of the firm, industrial organization, microeconomic models of money, and development. These interests resulted in two papers with M. Engineer accepted in the *Journal of Political Economy* and the *Journal of Monetary Economics*. Dan also has had a paper with David Scoones on promotions and preemptive wage offers accepted in the *American Economic Review* and a paper with Jim Bergin on anonymous sequential games accepted in the *Journal of Mathematical Economics*. Dan visited Caltech on sabbatical in 1992. A recent personal highlight was that one of the wrestlers that Dan

coaches made the 1992 Canadian Olympic team.

Robin Boadway focused in on Canada's constitutional debate during the last two years with the publication of a study for the Economic Council of Canada, *The Constitutional Division of Powers: An Economic Perspective*. In addition, Robin published five other papers on the constitutional situation in Canada. These works, often written with various co-authors such as Doug Purvis, added significantly to the understanding of Canada's constitutional issues during 1991 and 1992. In addition, Robin kept up his interest in taxation with his joint authorship of articles on optimal tax subsidies for industry adjustment, income tax with occupational choice, tax harmonization between the U.S. and Canada. In addition, Robin also wrote an article on equity considerations in passenger transport systems, an article on public debt and co-authored an article on pay-as-you-go social security systems.

Robin also performed administrative duties by being managing editor of the *Canadian Journal of Economics* and sitting on a number of boards. For his work, Robin was appointed the Sir Edward Peacock Professor of Economic Theory and received the Queen's University Prize for Excellence in Research (1991).

Craig Burnside has co-authored a paper with Martin Eichenbaum

and Sergio Rebelo on labour hoarding and the business cycle. It is forthcoming in the *Journal of Political Economy*. As well, Craig has a paper on the consistency of method-of-moment estimators based on solutions to asset pricing models which will appear in the *Journal of Econometric Theory*. He wrote "The Equity Premium Puzzle" with Tom McCurdy which has appeared in the *New Palgrave Dictionary of Money and Finance*. He also has written a paper on Hansen-Jagannathan bounds as classical tests of asset pricing models. Craig is currently on leave at the University of Pittsburgh.

Lorne Carmichael presented his work on Japanese labour relations at a Bell Canada/John Deutsch Conference on International Competitiveness in September and at Osaka University in November. Lorne has worked with Bentley MacLeod in looking at how Japanese firms use multiple skill training to adapt to technological change. He also presented an evolutionary model of gift-giving customs at the University of Toronto and at UBC. Lorne was also a member of the SSHRCC research grant selection committee and helped organize a conference on incentives and contracts.

Jang-Ok Cho has current research interests in money, labour and business cycles. His recent work is a paper on the relationship between labour hoarding

and the response pattern labor-productivity as well as a paper modelling the business cycle with government and nominal wage contracts. These articles were written with L. Phaneuf. As well, he has a paper forthcoming with M. Bils on cyclical factor utilization and a solo paper on business cycles, nominal contracts and money in the *Journal of Monetary Economics*. His interest in money was shown with his paper on an optimal money supply rule in an international setting and with his paper on inflation, welfare and monetary union. Both papers were co-authored with T.F. Cooley. A paper on money and the business cycle with one-period nominal contracts will appear in the *Canadian Journal of Economics*.

Thomas Courchene was an active participant in many policy debates over the last two years. On the constitutional front, he wrote a book *In Praise of Renewed Federalism*, articles such as "The Community of Canadas", served as editor (with colleagues Doug Purvis and Robin Boadway) of *Economic Dimensions of Constitutional Change* and appeared as a witness before the various Parliamentary commissions. Tom also made contributions to social policy in *Financing Social Policy: Observations and Challenges* (with Art Stewart), to aboriginal rights issues in *A First Nation's Province* (with Lisa Powell), and to European integration in *Reflections on Canadian Federalism: Are There Im-*

plications for European Economic and Monetary Union? Some of these papers appear in his recent book *Re-arrangements*. With Doug Purvis, Tom edited the inaugural volume of the Bell Canada Papers on Economic and Public Policy. As President-Elect of the Canadian Economics Association, he organized the meetings at Queen's in 1991 and his Presidential Address *Mon Pays C'est L'hiver: Reflections of a Market Populist* appears in the November 1992 Canadian Journal of Economics. He has stepped down from his position as Director of the School of Policy Studies and currently holds the Jarislowsky-Deutsch Chair in Economic and Financial Policy.

Russell Davidson finished up his graduate-level econometrics textbook with co-author James MacKinnon. *Estimation and Inference in Econometrics* was published by Oxford University Press in late 1992. Russell feels deprived that he failed to get a "publisher's luncheon" out of the experience. However, he managed to overcome his disappointment enough to publish, with James as co-author, a series of econometric articles in *Economics Letters*, *Econometrica* and the *Journal of Econometrics*. Russell, with co-authors W. Schorm and C. R. Blackorby, published an article on implicit separability and consumer demand in the *Journal of Economic Theory* and an article on the validity of piecemeal second-best policy in the *Journal of Public*

Economics. He also published an article on the integration of agricultural-industry markets and the politics of the agricultural community in Europe. Russell divides his time between Canada and France but was recently summoned back to his native Scotland for a family celebration of his father's 90th birthday.

Mick Devereux took leave in 1992 to go to the University of British Columbia. However, he did manage to find the time to publish a number of papers. "The Trade-Off Between Flexibility and Precommitment in Trade Union Wage Setting" with Simon Anderson was published in *Oxford Economic Papers* in 1991. In 1992, Mick published "International Fiscal Policy Coordination and Economic Growth" with Arman Mansoorian in the *International Economic Review*. His current research is a project with Beverly Lapham and Allen Head on imperfect competition and real business cycle theory.

Chris Ferrall spent the summer of 1991 at the Mitsui Research Institute in Tokyo. In the Fall of 1992 he began a one-year visiting position at Carnegie Mellon University. He presented papers at several universities and the following conferences: the Canadian Econometrics Study Group and "Incentives and Contracts: Theory and Evidence," held at the University of Montreal. Currently, he is doing research on unemployment insurance, demo-

graphics and wages within firms, firm size and wages in Japan, and empirical models of incentives.

Frank Flatters continues his work in the Far East, in connection with his role as Project Director of two CIDA-funded projects. The John Deutsch Institute was recently awarded contracts for Phase II of its collaboration with the Malaysian Institute of Economic Research (\$4.5 million) and for similar work with the Thailand Development Research Institute (\$5.5 million). Frank has been working on theories of administrative corruption, issues in the design of tax incentives for investment, and the problems of trade policy reform in these countries. He has also been continuing his work on issues of taxation and management of natural resources in developing countries.

Devon Garvie was welcomed to the department in 1991. Her interests lie in regulation, contractual design and Bayesian economics. These interests led Devon to publish a paper on contractual design with correlated information under limited liability in the *Rand Journal of Economics*. Devon also has a series of joint research projects including ones on optimal constitutional design, optimal contract design with competing principals, endogenous regulatory choice with incomplete enforcement and the dynamic theory of public firms. She and her husband, Roger Ware, cele-

brated the birth of their first daughter Harriet Norah in 1992.

Alan Green has found his time consumed in chairing endless meetings for the new Stauffer Library Building Committee. On-time completion in 1994 looks like a distinct possibility, he reports. Not all time for research has been lost as Alan dug into several topics involving immigration with his son, David Green. They wrote an article on Canadian labour force needs and immigrant skills before World War I as well as two other articles on the effect of recent immigration policy on the composition of immigration. The father-son team is now focusing on the formation and effects of immigration policy. Alan is also starting to look at the historical origins of Canadian immigration restrictions. On other topics, Alan and his wife Ann completed two monographs on the mining industry. Finally, Alan continued his long labours on a survey on 20th century Canadian economic history. If things don't speed up, Alan fears it will be retitled "The Economic History of Canada in the 21st Century".

Allan Gregory is Associate Head of the Department and has served as Recruiting Chairman and Graduate Placement Officer of the Department. Research activities over the past year include two papers with David Backus. The first looks at the theoretical relationship between risk premiums and conditional variances and

will appear in the *Journal of Business and Economic Statistics*. The second, with Chris Telmer as a third co-author, concerns forward rates in foreign currency markets. It will appear in the *Journal of Finance*. Among Allan's other papers were two papers that he wrote with Gregor Smith; the first is on the statistical aspects of calibration in macroeconomics while the second concerns the estimation of linear quadratic models with integrated processes. The former article will appear in the *Handbook of Statistics* while the latter, co-authored with Adrian Pagan, will appear in *Models, Methods and Applications: Essays in Honour of R.A Bergstrom*. Allan was also appointed a member of the editorial board of *Journal of Applied Econometrics* and continues on the board of the *Canadian Journal of Economics*. He was also appointed Publications Chair of the Business and Economic Statistics Section of the American Statistical Association. However, the most significant event is that Allan and his wife Tina Roeder had a baby boy named Sam.

John Hartwick has kept busy academically on several fronts: adapting national accounting to incorporate resource depletion and degradation, resource use modelling, endogenous growth theory, differential games modelling and writing about economics for non-specialists. National accounting of resources resulted in five articles published in such journals as the *European Economic*

Review and the *Journal of Public Economics*. His differential game modelling involves papers on R&D and competition by firms for market share and on procreation by competing "tribes" and over population. His popular writing has resulted in the book *A Brief History of Price*, which was published by Macmillian-St. Martins Press.

Allen Head, a visiting professor for two years, has an article forthcoming in *Economics Letters* on monopolistic competition, technological shocks and aggregate fluctuations. In addition, he has written a paper on the entry and exit of firms during the business cycle when there are increasing returns to specialization. These papers were co-authored with Michael Devereux and Beverly Lapham. Allen and Beverly also produced a paper on strategic innovation and economic growth. Allen has also written a paper on the relationship between country size, international risk sharing and business cycles as well as a paper on measuring world business cycles. The latter was co-authored with Allan Gregory.

Debra Holt, who joined the Department in 1991, has her primary research interest in the simulation of experimental games in order to design experiments which maximize the power of the statistical tests. She has written a working paper about detecting learning in experimental games as well as a paper about coherent revision of

beliefs in games. In addition, she authored a paper involving an empirical model of strategic choice which contained an application to co-ordination games.

Beverly Lapham continued her work in trade, industrial organization, and macroeconomics. She co-authored two papers on endogenous growth and economic integration with Mick Devereux. She also co-authored a paper with Allen Head on strategic innovation and economic growth. She and the above two authors wrote two business cycle papers examining the roles of entry, exit, and increasing returns to specialization in analyzing economic fluctuations. In addition, Beverly wrote two papers incorporating dynamics into models of strategic trade policy, one of which was co-authored with Roger Ware. In another paper, she and Roger examined the properties of dynamic Markov games.

Frank Lewis has been the coordinator of graduate studies for two years and an advisory board member for McGill-Queen's Press. Recently, he has been working with Ann Carlos on research relating to the fur trade as well as the financial aspects of railways in Canada. Their paper on fur depletion by the Hudson's Bay Company was delivered to meetings of the American Economic Association and the Canadian Economic History Conference. The article is forthcoming in the *Journal of Economic History*. They

also published a paper on the profitability of early Canadian railroads and completed a second paper entitled "The Creative Financing of an Unprofitable Enterprise: The Grand Trunk Railway of Canada." Frank and Ann also contributed "Railway Financing" to the *New Palgrave Dictionary of Money and Finance*.

Bart Lipman continued his investigation of bounded rationality after arriving from Carnegie Mellon in the fall of 1991. His paper "Deciding how to Decide How to...: Modeling Limited Rationality" was published in *Econometrica* in 1991. Bart also had two other papers accepted for publication; one paper was on the common knowledge of rationality and the other paper was on the private provision of public goods. The second was co-authored with Mark Bagnoli. He has also written an invited paper on information processing and bounded rationality for the *Canadian Journal of Economics*. Bart has also been busy attending a series of international conferences on game theory and spending his summers in Tel Aviv.

James MacKinnon has been very busy during the last two years. In 1991, James became the first Sir Edward Peacock Professor of Econometrics. For all of 1992, he was the Acting Head of the Department while Doug Purvis was on sabbatical. During both years, James spent a great deal of time writing and typesetting his graduate-level econometrics textbook

with Russell Davidson. The authors are almost as proud of the appearance of the book as they are of its contents. The book, *Estimation and Inference in Econometrics*, finally rolled off the presses of Oxford University Press in late 1992.

James' research interests include model specification testing, unit root and cointegration tests, and computationally intensive econometric methods. During 1991 and 1992, he published five papers, one of them in a book and the others in the *Journal of Economic Literature*, *Economics Letters*, *Econometrica*, and the *Journal of Econometrics*. The last three were joint papers with Russell Davidson. James also presented seminars at the University of Rochester, Cornell University, Wilfred Laurier University, and Laval University. Since January 1991, James has been the Software Review Editor of the *Journal of Applied Econometrics* and, since January 1992, he has been the Associate Editor of the *Journal of Econometrics*.

Tom McCurdy has been researching, among other projects, the sources of volatility in asset prices. This is reflected in his work with Ieuan Morgan analyzing various aspects of risk premiums in foreign currency spot and futures markets. This project has produced five recent publications including those in the *Review of Economic Studies*, *The Economic Record* and the *Review of Financial Studies*. Other 1992 publications

resulted from his paper with Thanasis Stengos on forecasting Japanese stock market returns which appeared in the *Journal of Econometrics*, and his review of the "equity premium puzzle", co-authored with Craig Burnside, which was published in *The New Palgrave Dictionary of Money and Finance*. In addition, Tom has several recent papers dealing with various aspects of output and employment growth. His paper with Julian Betts, which focuses on the information economy and other sources of growth in employment by occupation and industry, is forthcoming in *Relations Industrielles*. Tom's current working papers include one with Nick Ricketts analyzing interactions between countries which have different productivity growth rates and different monetary policies, and one with Mike Durland investigating regime-switches and asymmetric growth cycles.

Marvin McInnis continued to direct the undergraduate honours thesis class over the past year. Two dozen more theses were added to the Reading Room shelf, he notes. It was also a year in which he saw some long standing research come to fruition in a book entitled *Perspectives on Ontario Agriculture, 1815-1930*. He also explored some newer territory in an article on "Women, Work and Childbearing: Ontario in the Second Half of the Nineteenth Century," which appeared in *Histoire Sociale* in 1991. Marvin presented a paper on Maritime

economic development in Halifax and two papers on demography to a conference in Mexico to recognize the 500th anniversary of the Columbus landfall. He looks forward with keen anticipation to a sabbatical leave in 1992-93.

Frank Milne continues his interest in microeconomic finance with an article, co-authored with Chris Jones, in *Mathematical Finance* on equilibrium with tax arbitrage and bounded tax rebates. Frank published a paper with Dilip Madan on option pricing in *Mathematical Finance*. The same authors also wrote two papers, the first on contingent claims and the second on incomplete diversification and asset pricing. Robert Elliott also co-authored the latter paper. Frank and co-author David Kelsey wrote a paper on the joint existence of an exchange equilibrium for share and a voting equilibrium for internal firm decisions. Another paper by the same authors looked at arbitrage pricing with non-expected utility preferences. Frank was also the keynote speaker in various European workshops and symposia.

Martin Prachowny has been busy working on two projects this year. One is a prospective textbook, *Advanced Macroeconomics*, that countless Econ 320 students have been consumer testing. Martin reports that, apparently, they still don't like the flavour. The second project is a monograph entitled *The Goals of Macroeconomic Policy*.

Martin also co-edited *The February 1992 Federal Budget* with Thomas Courchene.

David Scoones became a Post-Doctoral Fellow in 1991 after doing his doctoral work at Queen's. David has one paper on promotions, turnover and preemptive wage offers forthcoming in the *American Economic Review*. A second paper on sequential auctions has been invited for re-submission at the same journal. Both papers were co-authored with Dan Bernhardt. A third paper, co-authored with Doug Purvis and R.D. Milbourne, appeared in the *Canadian Journal of Economics* and later won the Canadian Economics Association prize for the best article published in the CJE in 1991.

Gregor Smith began 1991 with the publication of an article on stochastic process switching in *Econometrica*. Gregor also wrote, with M.G. Spencer, an article on process switching and exchange rate target zones for a book edited by P. Krugman and M. Miller. Gregor's interest in business cycles was shown when he co-authored, with Allan Gregory and Mick Devereux, an article on realistic cross-country consumption correlations in a business-cycle model. Gregor's work with Allan on calibration continued with their article on inference in simulated macroeconomic models. Currently, they are working on a project to measure business cycles using business-cycle

models. Gregor was promoted to Associate Professor in 1992 and chaired the Queen's Senate Committee on Scholarship and Student Aid. He continued teaching introductory graduate macroeconomics and supervising a great many M.A. and PhD. students.

Tony Smith has been working on numerical techniques for solving and estimating equilibrium business cycle models. In this area, his papers include one using rules of thumb to solve dynamic programming problems and another using simulated vector autoregressions to estimate nonlinear time series models. The latter is forthcoming in the *Journal of Applied Econometrics*. He is also exploring the robustness of standard business cycle models to small perturbations. In econometrics, Tony's current projects, with various co-authors, include evaluating the impact of coupon exposure on market share, developing methods for the estimation of discrete/continuous response models, and analyzing the dynamics of sports playoffs. He is also conducting research on ways to improve the small sample performance of econometric estimators using estimation by simulation. Tony is currently visiting the Graduate School of Industrial Administration at Carnegie Mellon and the Institute of Empirical Macroeconomics at the Federal Reserve Bank of Minneapolis.

Gordon Sparks completed the fourth edition of *Macroeconomics* with his co-authors Roger Dornbusch and Stanley Fischer in 1992. It appeared in March 1993. As well, Gordon presented a paper with Alan Green entitled "A Macro-model of Canada, 1870-1939: A Cointegration Error Correction Approach." Gordon also kept busy with his responsibilities as chair of undergraduate studies and chair of social sciences and professional programs of the School of Graduate Studies.

Klaus Stegemann published a chapter in *Policy Implications of Antidumping Measures* edited by P. K. M. Tharakan in 1991. As well "The International Regulation of Dumping: Protection Made Too Easy" was published in *The World Economy*. He also gave seminars at Constance and Freiburg Universities in Germany and at Trent in Ontario. His book, *Price Undertakings to Settle Anti-Dumping Cases*, was published in 1992 by the Centre for Trade Policy and Law in Ottawa. In October, 1991, Klaus and his wife Helga moved to Barriefield from Albert Street where they had been living for over 20 years.

Stuart Turnbull is studying credit risk in derivative markets. The two aspects of credit risks that he is considering are, firstly, derivatives written on assets that might default and, secondly, derivatives that are subject to the additional risk that the writer of the derivative might default. This research

has direct relevance to swap and over-the-counter markets. Stuart has also developed a quick way of pricing certain types of path dependent options. Recent publications have appeared in the *Journal of Econometrics*, *Review of Financial Studies*, *Review of Futures Markets*, and the *Canadian Journal of Economics*. He presented invited papers on interest rate risk management and credit risk at the Atlanta Federal Reserve Conference, Chicago Board of Trade Conference and the American Finance Conference. Stuart is the Bank of Montreal Professor of Banking and Finance.

Malcolm Urquhart completed his book, *Gross National Product, Canada 1870-1926; the Derivation of the Estimates*. The large volume will be published by McGill-Queen's in the spring of 1993. The book, which has contributions from other authors, is the cumulation of a large project designed to get a consistent set of Canadian GNP figures from 1870 to the start of official government figures in 1926. The book also contains previously unpublished supplementary tables. In 1991, he was given an honorary LL.D. as part of the Queen's sesquicentennial convocation. To commemorate this degree, the reading room of the Queen's economics department was named the Malcolm C. Urquhart Reading Room.

Dan Usher completed *The Welfare Economics of Markets, Voting and Predation* while on sabbatical at

the University of British Columbia in 1991. It is a longish book on topics that have concerned Dan for some years. Recently, Dan's interests have turned to "law and economics" which he taught in an undergraduate course upon returning to Queen's last fall. He also wrote a number of papers on diverse subjects: eminent domain ("Victimization, Rent-seeking and Just Compensation"), real income ("Income and the Hamiltonian") and a third on crime and education. Dan also published "The Hidden Cost of Public Expenditure", in *More Taxing than Taxes* and "The Design of a Government for an English Canadian Country" in *Economic Dimensions of Constitutional Change*.

Ruqu Wang published "Common Value Auctions with Discrete Private Information" in the *Journal of Economic Theory*. In 1992, Ruqu continued his work with auctions with the acceptance of "Auctions versus Posted-Price Selling" in the *American Economic Review*. *Economic Theory* accepted his paper on strategic behavior in dynamic auctions. As well, the *Canadian Journal of Economics* accepted his paper with Robert Rosenthal on buy-and-hold strategies in financial markets. Ruqu is currently working on such topics as rational addiction as well as bargaining and posted-price selling. However, the biggest event in his life was his marriage to Shiao-Jing Yuan in 1991. Together, they welcomed Meemie, a cute little kitten, into their Kingston home.

Roger Ware worked on two projects (co-authored with Beverly Lapham). In the first, "Markov Puppy Dogs and other Related Animals", they derive new results for Markov Perfect equilibria of linear quadratic games and propose a new general classification scheme for these equilibria. The second paper studies trade policies in a dynamic political

economy model where interest groups vote on trade policies yielding the highest returns to the group's income. Roger also had a chapter on entry deterrence published in *New Developments in Industrial Economics*. The most spectacular addition to his c.v. was the birth of baby girl Harriet Norah in 1992 (co-authored with Devon Garvie).



Our illustrious faculty at the 1992 Annual Christmas Party.

Mac Urquhart Honoured by Queen's

As part of the Queen's Sesquicentennial, the Queen's Department of Economics named its reading room after one of its most distinguished professors, Malcolm C. Urquhart. Queen's also gave an honorary LL.D. to the long-serving professor who came from a small town in east central Alberta.

Mac, as he is known to his friends, was born in a log house. In the winter, Mac and his brothers travelled 2.5 miles in a horse-drawn sleigh to attend their one-room school. He would later teach in the same type of school to earn money to attend the University of Alberta. There, he had the good fortune to be taught by one of Canada's finest economists, G.A. Elliot, whose reputation also helped him enter the University of Chicago. During the Second World War, Mac found himself in Ottawa working with the long-standing head of the Queen's Political Science and Economics faculty, W.A. Mackintosh. Mackintosh, temporarily in Ottawa, had a great influence on Mac. Mackintosh, later a principal of Queen's, was "a person of great judgement on public and other affairs. He never talked without thinking. He never got carried away. He was looked up to by everyone for judgement,"

Mac recalled. In Ottawa, Mac and others helped organize the national accounts. As well, Mac and a colleague put together the first data on public investment and capital formation in Canada. This would be the first of many projects on Canadian historical data that he would complete.

In 1945, Mac came to a Queen's that was far different from what it is now. There were only three economics professors including himself, little graduate work, and about three or four honours undergraduate students in each year of economics. Mac recalls his first years at Queen's as extremely busy. With a small faculty, Mac had a lot of classes to teach. In 1946, he started teaching summer classes before he had completed marking papers from the previous term. He was still marking those papers when regular classes began in the fall. "By the time 1947 arrived, I was dragged down by the burden of teaching," Mac recalled. Teaching loads continued to be high, even in the 1950s. To teach extension courses, Mac would travel by car to Peterborough, give a two-hour lecture Friday evening, then go to Belleville to give another lecture Saturday morning. During the earliest years, he taught mostly returning veterans who

were only slightly younger than himself. "I took great pleasure in my association with them," Mac recalled. Many of the students went on to most distinguished careers.

Between the classes, research work was done. For example, Mac and his co-author Ken Buckley produced the largest and most complete set of historical statistics that has ever been produced in Canada. Mac fondly recalls the Institute for Economic Research which brought scholars from all over Canada to do summer research at Queen's. Though the institute paid tiny honorariums, it produced excellent work and established links between professors that lasted a lifetime.

Mac served as department head between 1964 and 1968 when the baby boom generation started to come to Queens. In the 1960's, graduate classes swelled, and eventually, so did the faculty, and the Department started to take the shape that it is today. Mac was acting department head in 1970-71. Then in 1975, Mac began work on a large joint project to construct estimates of Canadian GNP and its components from 1870 to 1926. The resulting book, written by Mac and supported by a number of co-authors, was completed recently and will appear in April, 1993. Now, Mac has stopped teaching but still continues to do research.



The Sir Edward Peacock Award

The Sir Edward Peacock Chairs, recently awarded to Queen's economic professors James MacKinnon and Robin Boadway, were named after a person who towered over the world financial markets of his day. Yet, this self-effacing "Elder Statesman of Finance" began his life in illiterate poverty in rural Ontario. Though he couldn't read until he was a teenager, Sir Edward became a confidante to four monarchs, director of the Bank of England and a major influence on drastic restructuring of the British economy in the four decades following the First World War.

In 1871, Sir Edward was born in a modest house in St. Elmo, Ontario, near Cornwall. His father, a Congregational minister, kept the young boy out of school. When his father died in 1883, the twelve-year-old boy was plunged both into poverty and into high school. Sir Edward overcame the former by excelling at the latter. In 1894, he graduated "magna cum laude" from Queen's and entered the world of finance. He rose to become manager of Dominion Securities and, later, manager of the elite London financial firm, Barings.

Sir Edward's rapid advancement was due, in part, to his skill in financial restructuring of loans and troubled firms. For example, he combined more than one hundred cotton mills into a single corporation to prevent disaster for the firms and their banks. He was instrumental in transforming the Bank of England into a modern central bank as it attempted to cope with the Great Depression, the devaluation of the pound and the Second World War. Through all this, Sir Edward found time to become the monarchy's chief financial advisor. However, Sir Edward also gave more personal advice during his long conversations with Edward VIII when the king was about to abdicate in order to marry divorcee Wallace Simpson. Here he used the same tact and clarity of thought which had served him well throughout his distinguished financial career.

By the end of his life, he had collected many awards and honours; Knight Grand Cross of the Royal Victorian Order, directorships, honorary degrees and others. He died in 1962, leaving a large donation to Queen's that led to the establishment of the Sir Edward Peacock Chairs.

Frank Flatters Directs Links with Research Institutes in South East Asia

Frank Flatters is currently Project Director (PD) of two Canadian International Development Agency (CIDA) funded projects in South East Asia; one with the Thailand Development Research Institute (TDRI), and another with the Malaysian Institute of Economic Research (MIER). Frank was appointed Project Director for Phase I of the MIER Project in 1987, and continued as PD for Phase II in 1992. In 1992, he also became PD for Phase II of the TDRI Project when the John Deutsch Institute (JDI) was selected as the Canadian Partner Organization as a replacement for the now-defunct Economic Council of Canada. Currently Frank is an Associate Director of the JDI, and among other things, has worked previously as an advisor on a wide range of projects in South East Asia, including work in Indonesia with the Harvard Institute for International Development. Frank's research interests include trade, industrial and tax policies, largely within a development framework.

MIER and TDRI were both established in the mid-1980's as independent, non-profit economic policy research institutes, and have already made substantial contributions to the level of pol-

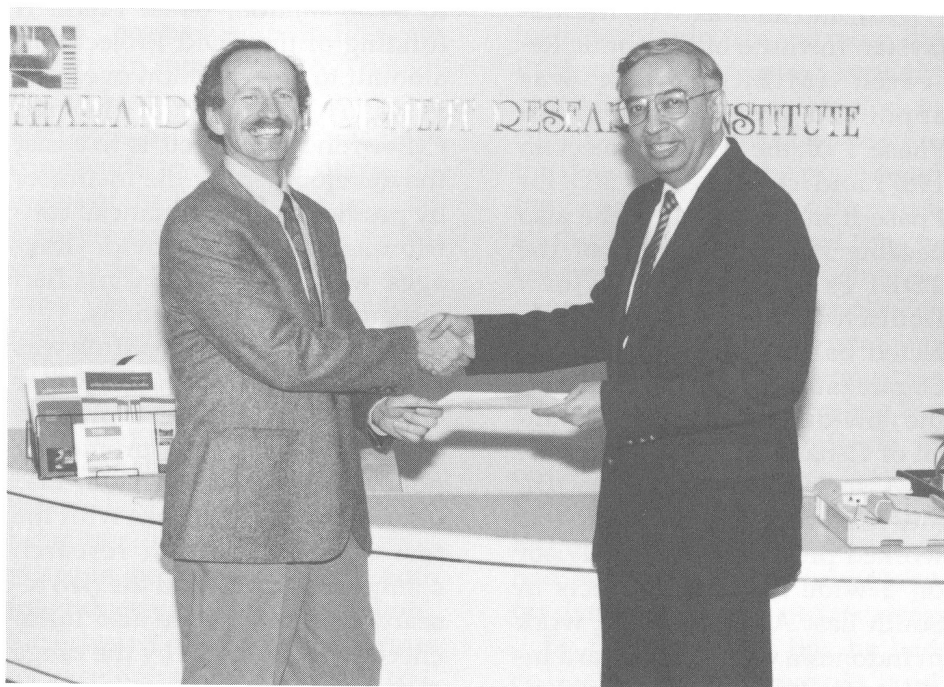
icy analysis and debate in their respective countries. CIDA's assistance has been instrumental in permitting this to happen. Over seven years, funding for Phase II of the MIER Project will amount to \$4.58 million, while Phase II funding of the TDRI Project will amount to \$5.47 million over five years. The purpose of the two CIDA-funded projects is to assist the development of the institutes by providing direct financial contributions, and to provide linkages with prominent Canadian researchers and institutions.

The John Deutsch Institute was selected as the Canadian Partner Organization for these projects due to its success in promoting policy research in Canada, and because of its close links with the rest of the Canadian research community. CIDA and the two research institutes were also influenced in their choice by the range of experience in policy research in developing countries, especially in South East Asia, among members of the Queen's community.

Funding for these projects has strengthened the JDI's work in international and development studies, which has served as an increasingly strong attraction to faculty and students interested in research in this area. Several

Queen's economics and business faculty and graduate students have already been involved in linkages with these institutes. A number of BA, MA and PHD students have also been involved through thesis or MA essay related work. These projects also provide funding for Queen's graduate students, and for Malaysian and Thai students to un-

dertake graduate studies at Queen's and at other Canadian universities. In addition, funds have been allocated for the publication of a series of International and Development Studies papers and monographs from the JDI, which will permit wider dissemination of the results of this work in Canada and abroad.



*Frank Flatters and Dr. Ammar Siamwallo, President of TDRI,
at the TDRI office in Bangkok.*

Department of Economics Workshop Series 1991 and 1992

The Department runs a series of four workshops: Microeconomics, Macroeconomics, Quantitative and Economic History. 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.

Microeconomic Workshops

Lorne Carmichael and Dan Bernhardt organized the Microeconomic workshops in 1990-92. In 1992, Bart Lipman and Roger Ware assumed the role of organizers. The following were some of the invited speakers:

Robin Cowan (Columbia)
"Life on a Lattice"

Peter Smith (Dartmouth and Australian National University)
"Modelling International Asset Pricing"

Michael Keen (Queen's and Essex)
"Tax Competition and Tax Cooperation in the Absence of Border Controls"

Dan Vincent (Northwestern)
"Price Regulation and Quality of Service"

Lorne Carmichael (Queen's)
"Multiskilling, Technical Change and the Japanese"

Douglas Bernheim (Princeton)
"A Theory of Conformity"

Leo K. Simon (University of California at Berkeley)
"The Political Economy of Transition in Eastern Europe: Packaging Enterprises for Privatization"

Nicolas Marceau (Queen's)
"Publicly Provided Unemployment Insurance and Commitment"

Geir B. Asheim (Norwegian Research Centre in Organization and Management/Norwegian School of Economics and Business Administration)
"Individual and Collective Time Consistency"

Prajit Dutta (Columbia)
"Dynamic Insider Trading"

Ruqu Wang (Queen's)
"Auctions versus Posted-Price Selling"

Dominique Demougin (University of Toronto)
"Regulation of Environmental Quality under Asymmetric Information"

Brian Arthur (Stanford)
"Learning and Adaptation in the Economy"

Debra J. Aron (Northwestern)
"Diversification as a Strategic Weapon"

Aloysius Siow (University of Toronto)
"Managerial Husbandry and Firm Dynamics"

Geoffrey Heal (Columbia)
"Options and Price Uncertainty"

Ed Green (University of Minnesota)
"Can a 'Credit Crunch' be Efficient"

Barbara Spencer (UBC)
"High Cost Domestic Joint Ventures and International Competition: Do Domestic Firms Gain?"

George Baker (Harvard School of Business)
"Incentives and Interdependence in Work Groups"

George Malaith (Pennsylvania)
"Learning Mutation and Long Run Equilibria in Games"

Chongen Bai (Harvard)
"Wage Contracts and Specific Human Capital Investment under Uncertainty"

Tom Ross (Carleton)
"Cooperation without Reputation: Experimental Evidence from Prisoners' Dilemma Games"

Bart Lipman (Queen's)
"Partial Proofability in Communication Games"

Franklin Allen (Pennsylvania)
"Limited Market Participation and Volatility of Asset Prices"

Jim Bergin (Queen's)
"Bayesian Implementation in Incomplete Information Environments"

Bart Lipman (Queen's)
"Decision Theory with Impossible Possible Worlds"

Michael Berliant (Rochester)
"On the Political Economy of Income Taxation"

Michael Waldman (Cornell)
"Eliminating the Market for Second Hand Goods: An Alternative Explanation for Leasing"

Nicholas Economides (Columbia)
"The Benefits and Pitfalls of Network Interconnections"

Dov Monderer (Queen's and Technion)
"Potential Games"

Klaus Schmidt (MIT)
"Reputation and Equilibrium Characterization in Repeated Games of Conflicting Interests"

Monika Schnitzer (MIT)
"Breach of Trust in Takeovers
and the Optimal Corporate
Charter"

**Benjamin Hermalin (Univer-
sity of California at Berkeley)**
"Heterogeneity in Incentive
Contracts as a Function of
Product Market Competition"

Raaj Sah (Chicago)
"Selective Abortion of
Females: An Analysis of Some
Emerging Patterns"

David Scoones (Queen's)
"Turnover and Human Capi-
tal Acquisition"

Huw Lloyd-Ellis (Queen's)
"Enterprise, Inequality, and
Economic Development"

Jean-Francois Wen (Queen's)
"Tax Holidays in a Business
Climate"

Macroeconomic Workshops

Tom McCurdy and Gregor Smith organized the Macroeconomic workshops in 1990-91, **Beverly Lapham, Gregor Smith and Craig Burnside** organized them in 1991-92 and **Tom McCurdy** and **Jang-Ok Cho** were organizers in 1992. The following were some of the invited speakers:

**R. Tiff Macklem (Bank of
Canada)**
"Terms-of-Trade Disturbances
and Fiscal Policy in a Small
Open Economy"

Rene Stulz (Ohio State)
"Global Financial Markets
and the Risk Premium on U.S.
Equity"

Jang-Ok Cho (Queen's)
"Nominal Contracts and the
Business Cycle"

**Wolfram Richter (University
of Dortmund)**
"The Domar Musgrave Phen-
omenon in a General Equilib-
rium with Adverse Selection"

Toni Braun (Virginia)
"Seasonality and Equilibrium
Business Cycle Theory"

James Nason (UBC)
"The Permanent Income Hy-
pothesis When the Bliss Point
is Stochastic"

Mick Devereux (Queen's)
"International Fiscal Policy
Coordination and Economic
Growth"

Ellen McGrattan (Duke)
"Estimating the Stochastic
Growth Model with House-
hold Production"

Karen Lewis (Warton School)
"Do Excess Returns Contain
Stochastic Trends? Risk Pre-
mia, Noise Traders and Peso
Problems"

Tom McCurdy (Queen's)
"Evidence of Risk Premia in
Foreign Currency Futures
Markets"

**Abhijit Banerjee (Princeton
and Harvard)**
"A Semi-Walrasian Theory of
Barter and Money"

Jang-Ok Cho (Queen's)
"An International Business
Cycle Model with Money"

John Heaton (MIT)
"Evaluating the Effects of In-
complete Markets on Risk
Sharing and Asset Pricing"

Per Krusell (Northwestern)
"Macroeconomic Implications
of Capital Embodied Techni-
cal Change"

Nick Ricketts (Queen's)
"An International Growth
Model with Money and
Country-Specific Forcing
Processes"

Craig Burnside (Queen's)
"Hansen-Jagannathan
Bounds as Classical Tests of
Asset Pricing Models"

Tony Smith (Queen's)
"Costly Implementation and
Equilibrium Decision Rule
Selection in Stochastic
Growth Models"

Robert Kollman (Université
de Montréal)
"The Structure of Interna-
tional Capital Markets and
Trend Behaviour in Consump-
tion Data"

Peter Stemp (Queen's)
"Price Stabilization: The Im-
pact of a Central Bank An-
nouncement on Fiscal
Authority Behaviour"

David Love (Queen's)
"Taxes in a Model of Endoge-
nous Growth"

Jeremy Greenwood (Univer-
sity of Western Ontario)
"On the Existence and
Uniqueness of Equilibria in
Dynamic Stochastic Econo-
mies"

Alberto Giovannini
(Columbia)
"Monetary Policy, Liquidity
and Foreign Exchange Rates:
An Exploration"

F. Canova (Brown and Euro-
pean University Institute)
"Sources and Propagations of
International Business Cycles"

E. Fisher (Cornell)
"National Debt in a Neo-
Classical Growth Model in
Which the Economy Really
Does Grow"

J. Farazli (Queen's)
"Risk Premia in the Sovereign
Loan Market"

D. Xie (Université de
Montréal)
"Divergence in Economic
Performance: Transitional
Dynamics with Multiple
Equilibria"

S. Ambler (Québec)
"Stochastic Depreciation and
the Business Cycle"

J. Greenwood (Rochester)
"On the Cyclical Allocation of
Risk"

Quantitative Workshops

James MacKinnon organized the
Quantitative workshops in 1990-
91, **Charles Beach** and **Allan**

Gregory were organizers in 1991-92 and **Allan Gregory** and **James MacKinnon** are organizers in 1992-93. The following were some of the invited speakers:

Allan Brunner, (Federal Reserve Board)
"Are Higher Levels of Inflation Less Predictable? A State-Dependent Conditional Heteroskedasticity Approach"

John Rust (Wisconsin)
"U.S. Social Security Policy: A Dynamic Analysis of Incentives and Self-selection"

Paul Ruud (UBC)
"Estimation by Simulation"

Fallaw Sowell (Queen's)
"Modelling Long-Run Behaviour with a Fractional ARIMA Model"

Tim Bollerslev (Northwestern)
"Price Volatility, Spread Variability and the Role of Alternative Market Mechanism"

Christopher Ferrall (Queen's)
"Empirical Analysis of Occupational Hierarchies"

Craig Burnside (Queen's)
"Revisiting the Equity Premium Puzzle Using Two-Step GMM Estimator"

Koon Park (University of Toronto)
"Instrumental Variable Estimation of Simultaneous Cointegrated Models"

Steve Stern (University of Virginia)
"Semiparametric Estimates of the Supply and Demand Effects of Disability on Labour Force Participation"

Jean-Marie Dufour (Université de Montréal)
"Testing Causality Between Two Vectors in Multivariate ARMA Models"

Bart Hamilton (McGill)
"Does Entrepreneurship Pay? An Empirical Analysis of the Distribution of Returns on Self-Employment"

Robert Miller (Carnegie-Mellon)
"Managerial Compensation and the Cost of Moral Hazard"

Chris Skeels (ANU)
"A Monte Carlo Investigation of the Performance of Conditional Moment Tests in Tobit and Probit Models"

Dale Poirier (University of Toronto)
"Window-Washing Bayesian LM Test"

James MacKinnon (Queen's)
"Approximate Distributions for Unit Root and Non-Cointegration Tests"

Pierre Perron (Princeton and C.R.D.E.)
"A Test for Changes in a Polynomial Trend Function for a Dynamic Time Series"

W. Newey (MIT)
"Instrumental Variable Sectioning for Non-Parametric Models"

Bruce E. Hansen (Rochester)
"Testing the Conditional Mean Specification in Parametric Regression Using the Empirical Score Process"

Peter Kuhn (McMaster)
"Gender Differences in Displacement Costs: Evidence and Implications"

John W. Galbraith and Victoria Zinde-Walsh (McGill)
"Simple Estimators for MA Models Based on Approximations Evaluated Using Hilbert Distances"

Baldev Raj (Wilfred Laurier)
"Nonlinearities in Output Data: Some International Evidence"

Werner Ploberger (Technical University of Vienna)
"A Frame of Reference for Bayesian Time Series Analysis: General Theory"

Gregor Smith (Queen's)
"Defining Trends and Cycles with Business Cycle Models"

René Garcia (Université de Montréal)
"Asymptotic Null Distribution of Likelihood Ratio Test in Markov-Switching Models"

Andy Snell (UBC and University of Edinburgh)
"Trading Volumes and Stock Market Prices"

Robert G. Ehrenberg (Cornell)
"Do Doctoral Student's Financial Support Patterns Affect Their Times-to-Degree and Completion Probabilities?"

Economic History Workshops

Frank Lewis and Alan Green organized the Economic History workshops in 1991-92 and **Frank Lewis** retained the role for 1992-93. The following were some of the invited speakers:

Neil Quigley (Western and Victoria University of Wellington)
"Shareholder Liability Regimes and Principle-Agent Relationships: Evidence from Scottish Banking"

Michael Huberman (Trent)
"Cotton-Spinning Lists in Lancashire: A Case Study of Efficiency Wages"

Knick Harley (University of Western Ontario)
"The State of the Industrial Revolution"

John Lyons (Queen's and Miami University, Ohio)
"Handicrafts in the Transition to Modern Industry"

E. A. (Tony) Wrigley (Cambridge and Oxford)
"Hajnal's European Marriage Pattern 25 Years On"

Cormac O'Grada (University College, Dublin)
"Health, Work and Heights in Ireland"

Frank Lewis (Queen's)
"Creative Financing of an
Unprofitable Enterprise: The
Grand Trunk Railway of
Canada"

David Eltis (Department of
History, Queen's)
"Productivity in the Slave
Trade: A Comparative Assess-
ment"

Angela Redish (UBC)
"The Evolution of the Gold
Standard in Nineteenth Cen-
tury France"

Jurgen Miller (DIW, Berlin
and Centre for International
Studies, University of Toronto)
"Post-Socialist Problems in
the Governance of Firms: The
Experience of East Germany"

Naomi Lamoureaux (Depart-
ment of History, Brown
University)
"Banks and Insider Lending
in Early 19th Century New
England: Issues of Equity,
Safety and Efficiency"

Nick Crafts (University of
Warwick)
"The Industrial Revolution in
Britain in an International
Context"

Paul Boothe (University of
Alberta)
"A Fiscal History of Alberta:
1905-1989"

Alan Green (Queen's) and
Mary MacKinnon (McGill)
"The Canadian Labour Mar-
ket in the Great Depression"

Lance Davis (California Insti-
tute of Technology)
"One Market, Two Markets,
Three Markets, Four? The Net-
work of Finance: Capital Mar-
ket Integration — the U.S.
and the U.K., 1965-1913"

John Deutsch Institute Conferences

Policy Forum Series

Policy Forum on the February 1991 Federal Budget, held April 12, 1991, organized by Martin Prachowny and Douglas Purvis.

Policy Forum on the North American Free Trade Area, held October 25, 1991, organized by William Watson.

Policy Forum on the Economic Aspects of the Federal Government's Constitutional Proposals, held November 29, 1991, organized by Robin Boadway and Douglas Purvis.

Policy Forum on the February 1992 Federal Budget, held April 10, 1992, organized by Thomas Courchene and Martin Prachowny.

Roundtable Series

Economic Dimensions of Constitutional Change, held June 5-6, 1991, organized by Robin Boadway, Thomas Courchene and Douglas Purvis.

Bell Canada Paper Series

Canada's International Competitiveness, Inaugural Conference for the Bell Canada Papers on Economic and Public Policy, held September 18 and 19, 1992, organized by Thomas Courchene and Douglas Purvis.

Walwyn Lecture Series

Marcel Côté speaks on "Economic Growth in the Years Ahead: What Does it Mean for Kingston", held October 21, 1992.

John Deutsch Institute Publications

Policy Forum Series (\$5.00 a copy)

- F23. The February 1991 Federal Budget, Martin F.J. Prachowny and Douglas D. Purvis, 1991.
- F24. North American Free Trade Area, William G. Watson, 1992.
- F25. Economic Aspects of the Federal Government's Constitutional Proposals, Robin W. Boadway and Douglas D. Purvis, 1992 (**\$12.00**).
- F26. The February 1992 Federal Budget, Thomas J. Courchene and Martin F.J. Prachowny, 1992.
- F27. Tax Effects on the Financing of Medium and Small Public Corporations, Roy D. Hogg and Jack M. Mintz, 1992.

Roundtable Series (\$20.00 a copy)

- R8. Economic Dimensions of Constitutional Change, Thomas J. Courchene, Robin W. Boadway and Douglas D. Purvis (eds.), 2 Volumes, 1991 (**\$25.00 for both volumes**).

Walwyn Lecture Series (\$5.00 a copy)

- W4. Economic Growth in the Coming Years: What it Means for a Community, Marcel Côté, 1992.

QED List of Lists

PhD Recipients

1991 - MAY CONVOCATION

Peare, Paula

A Welfare Analysis of Banks as
Creators of Liquidity
Supervisor: B. MacLeod

1991 - NOVEMBER
CONVOCATION

Chua, Dale

Essay on Public Finance in
Developing Countries
Supervisors: R. Boadway and
F. Flatters

Kennedy, Peter

Essays in Industrial Organiza-
tion: Unobservable Product
Quality, Scale Economies in
Club Good Provision, and
Costly Information Processing:
Implications for Firm Behaviour
Supervisors: B. MacLeod and
D. Bernhardt

Roche, Maurice

Fiscal Policy and the Interna-
tional Business Cycle
Supervisors: M. Devereux,
J-O. Cho and D. Purvis

Shannon, Michael

The Impacts of the Minimum
Wage on Employment Wages,
A Microdata Analysis
Supervisors: C. Beach and
M. Abbott

Tarzwell, Gordon

Intergovernmental Transfers
and the Growth of the Govern-
ment Sector
Supervisors: R. Boadway and
F. Flatters

1992 - MAY CONVOCATION

Scoones, David

Essays on Turnover in the
Labour Market
Supervisors: D. Purvis and
D. Bernhardt

Sivasangaram, Murugesu
Deposit Insurance and Banks'
Risk-Taking Incentives with
Forebearance and Uncertain
Insolvency Resolution
Supervisors: G.W. Smith and
L. Gagnon

Telmer, Christopher

Intertemporal Asset Pricing
Theory and Incomplete Markets
Supervisors: A. Gregory, G.
Smith and D. Backus

1992 - OCTOBER CONVOCATION

Marceau, Nicolas

Four Essays on Unemployment
Insurance

Supervisor: R. Boadway

Normandin, Michel

Precautionary Saving Due to
Labour Income Uncertainty: An
Explanation for Excess Smooth-
ness and Excess Sensitivity of
Consumption

Supervisor: G.W. Smith

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