

ECONOMICS DEPARTMENT NEWSLETTER

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A university planning document has selected the economics department graduate program as one of several to be developed in the interest of "selective excellence". It is too early for the operational meaning of this to have emerged, but we are more optimistic than we have been in some time. On a somewhat related front, the university has received a Mellon Foundation faculty development grant of \$400,000.00 to be spent in the next 4 years. We hope and expect that this will fund some excellent research in economics.

A major upgrading of computer facilities for economics is nearly complete. A number of people share credit, but Kit Baum should be given the major share. We now have an office in the department devoted to terminals (in the near future it will have 2 scope terminals and an LA 120 which effectively can act as a small printer), and interactive capability. When a new highspeed time-sharing machine (VAX 11/780) devoted exclusively to research use is in place this spring, we will have truly competitive facilities. Kit Baum's energy and talent have also supplied users with outstanding software.

Frank Gollop (Ph.D. Harvard) of Wisconsin was appointed associate professor (with tenure) over the summer. His work has been in applied production theory and industrial organization. He will greatly strengthen our applied micro and I-O fields. He will join the faculty in fall 1980 (formally, he is on leave this year).

We are in the market for two money-macro types, and one public finance person. We hope to make at least one appointment at the senior level.

Finally, a major overhaul of the undergraduate program is well under way. The explosion in enrollments (5-10% annual growth over the last 8 years) until recently had destroyed the small class intensive study environment of the late 60's. We now have an honors program with intensive seminars of around 15 students. The preliminary to them is success in honors intermediate micro and macro theory. The seminars are designed to introduce students to clear thinking and research in areas of faculty research activity, while avoiding the nastier mathematics. This spring the seminars are Topics in Microeconomics, Consumer Economics, Energy Alternatives, and Social Security.

I. FACULTY RESEARCH AND ACTIVITY

James E. Anderson

"The Optimal Policies for Restricting Trade Under Uncertainty", with Leslie Young, Review of Economic Studies, forthcoming.

NSF grant "Measurement of Tariffs' Superiority to Quotas", June 1980-June 1981.

"Identification of Interactive Behavior in Airline Markets", August 1979.

"The Heckscher-Ohlin and Travis-Vanek Theorems Under Uncertainty", January 1980.

Christopher F. Baum

"On the Sensitivity of Optimal Control Solutions", forthcoming in Journal of Economic Dynamics and Control.

"An Evaluation of Postwar Economic Stabilization Policy", with E.P. Howrey, submitted to Journal of Economic Dynamics and Control.

"The Effects of Federal Loan Guarantees on Small Entrepreneurs", research sponsored by Congressional Budget Office, to be presented at CBO Conference on Federal Credit in Washington, April 1980.

"The Effects of Electric Vehicle Loads on Electric Utility Companies", with E.T. Kendall, prepared for Purdue University, Institute for Interdisciplinary Engineering Studies, September 1979.

David A. Belsley

Page proofs are now returning for Belsley, Kuh and Welsch, Regression Diagnostics. Wiley is gearing for April 1980 publication.

"On the Computational Competativeness of Full-Information Maximum-likelihood and Three-Stage Least Squares in the Estimation of Nonlinear, Simultaneous-Equations Models", Journal of Econometrics, 9, pp. 315-342, February, 1979.

David A. Belsley (cont.)

"Statistical Analysis of Econometric Models: Comment," with E. Kuh, Journal of the American Statistical Association, 74, September, 1979.

"Collineanty: Diagnosing its Presence and Accessing the Damage it Causes Least-Squares Estimation," presented to the Meetings of the Eastern Economic Association, Boston 1979.

"On the Efficient Computation of the Nonlinear Full Information Maximum likelihood Estimator," presented to the European Meetings of the Econometric Society, Athens, 1979, and currently under revision for publication.

"The Nature of the Statistical Harm Associated with Collineanty and a Test for its Presence," paper to be delivered to the Symposium on Model Reliability, Sponsored by G.S. Maddala, University of Florida, Tallahassee, April 18-20, 1980.

Belsley, Kuh and Welsch, Regression Diagnostics, has been selected by the program committee of the American Statistical Association to be presented as a short course prior to the ASA Meetings in Houston, September 1980.

This material will also be presented to a Symposium at IBM, Armenk, New York, May 1, 1980.

In conjunction with his research at MIT, Professor Belsley has been appointed Visiting Professor at the MIT Center for Computational Research in Economics and Management Sciences.

John S. Hekman

"Income and Urban Residence," forthcoming in American Economic Review, 1980.

"The Product Cycle and New England Textiles," forthcoming in Quarterly Journal of Economics, 1980.

"The Future of High Technology Industry in New England: A Case Study of Computers" forthcoming in New England Economic Review, February 1980.

John S. Hekman (cont.)

"Can New England Hold Onto Its High Technology Industry?" forthcoming in New England Economic Review, April 1980.

"Regions Don't Grow Old, Products Do" The New York Times Sunday Business, November 4, 1979.

"Household Income, Labor Supply and Urban Residential Location," presented at the meetings of the Econometric Society, December 1979.

Marvin Kraus

"Scale Economics Analysis for Urban Highway Networks," Journal of Urban Economics, forthcoming (presented to the Econometric Society meetings, Atlanta, December 1979)

H. Michael Mann

"An Appraisal of Model Building in Industrial Organization" with J.A. Henning, forthcoming in Research in Law and Economics

Contribution, "Concentration of Industry" for Encyclopedia of Economics, McGraw-Hill Book Co., 1981.

Presentation of "Firm Attributes and the Propensity to Influence the Political System", with Karen McCormick, January 18, 1980 at Conference on "The Economics of Firm Size, Market Structure and Social Performance" (Bureau of Economics, FTC, Washington, D.C.) to be published in conference volume.

Francis M. McLaughlin

"CETA and the Private Sector: The Skills Training Improvement Program in Massachusetts" paper presented to the Seventh Annual New England Business and Economics Conference, Boston, Massachusetts, November 1, 1979

Harold Petersen

Participated in two professional programs this past fall. Commented on a paper entitled "Options Pricing Estimates of Betas Using Nonsynchronous Data," annual meeting of the Financial Management Association, October, 1979, and commented on a paper entitled "The Small Loans Industry in Massachusetts: Competition, Regulation, and Public Policy," New England Business and Economic Conference, November, 1979.

Joseph F. Quinn

Visiting Assistant Professor, Department of Economics,
University of Wisconsin, Madison, Spring 1979.

Visiting Assistant Professor, Institute for Research
on Poverty, University of Wisconsin, Madison, Summer
1979.

"Wage Determination and Discrimination Among Older
Workers," Journal of Gerontology, September 1979,
pp. 728-735.

"Wage Differentials Among Older Workers in the Public
and Private Sectors," Journal of Human Resources, Winter
1979, pp. 41-62 (Also, Institute for Research on Poverty
Series Reprint #334)

"Postal Sector Wages," Industrial Relations, Winter
1979, pp. 92-96.

"The Impact of Changes in Mandatory Retirement Rules
on the Labor Supply of Older Men," (with Richard V.
Burkhauser), Annual Meeting of the Gerontological
Society, Washington, D.C., November 1979. Also
presented at Econometrics Society meetings, Atlanta,
December 1979.

"Longitudinal Analysis of the Retirement Decisions of
the Self-Employed," Annual Meeting of the Gerontological
Society, Washington, D.C., November 1979.

Donald K. Richter

"A Computational Approach to Resource Allocation in
Spatial Urban Models," Regional Science and Urban
Economics (forthcoming)

Have become an Associate Editor of Regional Science
and Urban Economics.

GRADUATE STUDENT AND ALUMNI ACTIVITY

Teresa Amott (Wellesley) won a grant from the Mellon Foundation to aid in developing a course on women in the economy. She defended her thesis, "Three Essays on Occupational Segregation", on December 5, 1979

Jean Corbo (Ph.D. 1979), has moved from the Urban Institute to Abt Associates.

Barbara Fraumemi delivered a paper at the AEA Meetings in December, 1979.

Deke Hall (Kenyon) defended his thesis, "Beta as a Predictor of Risk During Inflation", on January 10, 1980.

Karen McCormick, with Mike Mann, delivered a paper "Firm Attributes and the Propensity to Influence the Political System" at the Bureau of Economics, FTC on January 18, 1980. The paper will be published in a conference volume.

Don Mullineaux (Ph.D. 1971), has been appointed vice president of the Philadelphia Federal. In December he came back to Boston College to deliver a talk on measuring expectations, based on a forthcoming AER paper.

Ahmet Tekiner (Ph.D. 1974), has an article "Need Achievement and International Differences in Income Growth: 1950-1960" in Economic Development and Cultural Change, January 1980.