

ECONOMICS DEPARTMENT NEWSLETTER

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Here is what has been happening in the Department:

- Mike Mann has succeeded Dick Tresch as Chairman. Dick's term as Chairman was truly outstanding.
- Barry Bluestone and Don Richter have been promoted to Full Professor.
- We have the following new faculty:

Scott Freeman, Ph.D., U. of Minnesota, 1983. Scott's fields are Money and Macrotheory. His thesis is "Transactions Costs and the Optimal Quantity of Money."

Christopher Maxwell, Ph.D., Harvard University, 1983. Chris is a microtheorist with a specialty in the Economics of Uncertainty and Information. His thesis is "Auctioning Divisible Commodities."

Graciela Kaminsky, Ph.D., M.I.T., 1982. Graciela, who is a Visiting Assistant Professor, is a specialist in International Finance and Macroeconomics. Her thesis was entitled "Essays on Expectations and Real Exchange Rate Variability."

Catherine Schneider, Ph.D., Johns Hopkins U., 1980. Cathy is a Visiting Assistant Professor and an economist with the Transportation Systems Center in Cambridge. Her work at TSC has focused on the impacts of alternative highway user tax systems, the effects of waterway expansion on railroads, and the effectiveness and benefits of Coast Guard programs.

- Bruce Smith, who was with the faculty in 1981-82, has moved to the Federal Reserve Bank of Minneapolis.

We would like very much to expand our coverage of graduate student and alumni activity. Please send your newsnotes to me (Marvin Kraus) in the Department.

I. FACULTY RESEARCH AND ACTIVITY

James E. Anderson

Research

"Optimal Exchange Rate Policy under External and Internal Disturbance," with L. Young, Nov. 1982.

"An Econometric Model of Imported Cheese Demand," Oct. 1982.

"The Relative Inefficiency of Quotas: The Dairy Case," Oct. 1982.

Christopher F. Baum

Publications

"Activist Policy and Macroeconomic Instability," with E. P. Howrey, forthcoming in Economics Letters.

Conferences and Presentations

"Use of a Multiregional Input-Output System to Assess the Role of Structural Change in Regional Development in Italy," with G. Schachter, J. Munro, and E. Shea, presented at European Congress, Regional Science Association, Netherlands.

David A. Belsley

Publications

"Assessing Harmful Collinearity and Other Forms of Weak Data through a Test for Signal-to-Noise," Journal of Econometrics, forthcoming.

Conferences and Presentations

"Forecasting and Collinearity" was delivered at the last meetings of the American Statistical Association and has been revised and circulated as B.C. working paper 113.

Research

"Centering, the Constant Term and Assessing Collinearity" appears as MIT-CCREMS working paper 33. It shows the conventional wisdom of centering data to reduce collinearity is ill-conceived and incorrect.

David is currently writing an invited paper "Assessing Data Conditioning When There are Nonlinearities" for an IFAC/IFORS Conference on model reliability.

Marvin Kraus

Publications

"Highway Pricing and Capacity Choice Under Uncertain Demand, " Journal of Urban Economics, July 1982.

Michael Mann

Publications

Comments on E. Pagoulatis & R. Sorenson, "The Competitive Impact of Advertising in U.S. Food Processing Industries: A Simultaneous Equation Approach" and on J. M. Anderson, D. T. Scheffman, and J. T. Whitten, "Advertising and Quality in Food Products: Some New Evidence on the Nelson Hypothesis" will be coming out in Advertising and the Food System, 1982.

"Collective Ratemaking: A Victim of Traditional Antitrust Doctrine?" was presented at the conference on Collective Ratemaking and Consensual Decisionmaking in Washington in August and will be coming out in the American University Law Review in 1983.

Robert J. McEwen, S.J.

Publications

The Senate Banking Committee Hearings printed during the summer contain the statement submitted by Father McEwen to the hearing on "Delayed Availability of Check Deposits," March 30, 1982.

Conferences and Presentations

Fr. McEwen delivered a paper on the history and prospects of the U.S. consumer movement to an international consumer leader dialogue meeting in Tokyo, Japan, on June 22, 1982.

Francis M. McLaughlin

Research

Frank McLaughlin spent six weeks this past summer at Boston University's Institute for Employment Policy working with a team of economists and other social scientists from Boston University, MIT, and Northeastern University on a study of the possible economic impact of changes in U.S. fishing rights on Georges Bank on the fishing communities of Gloucester, New Bedford, and Chatham. The team's report was submitted to the U.S. State Department in July.

Joe Peek

Publications

"Capital Gains and Personal Saving Behavior,"
Journal of Money, Credit and Banking, forthcoming
February 1983.

Joseph F. Quinn

Publications

"Compensation in the Public Sector: The Importance of
Pensions," in Robert Haveman, ed., Public Finance and
Public Employment, Wayne State Press, 1982.

"Pension Wealth of Government and Private Sector Workers,"
American Economic Review, May 1982.

"The Effect of Pension Plans on the Pattern of Life-Cycle
Compensation," with Richard Burkhauser, in The Measurement
of Labor Cost (NBER Conference Series in Income and Wealth),
University of Chicago Press, 1982 (forthcoming).

Conferences and Presentations

Participant, Emory University Legal Institute for Economists,
Captive Island, Florida, May/June 1982.

Discussant, NBER Conference on Social Accounting for Trans-
fer Payments, Madison, Wisconsin, May 1982.

Panelist, Conference on Employment Policy Analysis, National
Commission for Employment Policy, Washington, D.C., April
1982.

Moderator, Symposium on Mandatory Retirement Policy in
Higher Education, Brookings Institution, Washington, D.C.,
March 1982.

Barbara Spencer

Publications

"Second Best Pricing of Publicly Produced Inputs: The
Case of Downstream Imperfect Competition," with James A.
Brander, Journal of Public Economics, forthcoming.

"Asymmetric Information and Excess Budgets in Government
Bureaucracies: A Principal and Agent Approach," Journal
of Economic Behaviour and Organization, forthcoming.

Barbara Spencer (Cont.)

Conferences and Presentations

"International R & D Rivalry and Industrial Strategy," with James Brander, presented at the Canadian Economic Association Meetings in Ottawa in June and at the NBER Mini-Conference on Strategic Behaviour and International Trade in Cambridge in August.

"Tariff Protection and Imperfect Competition," with James Brander, presented at the Conference on Monopolistic Competition and Product Differentiation in International Trade in Geneva in June and at the NBER Summer Workshop in International Studies.

II. GRADUATE STUDENT AND ALUMNI ACTIVITY

Gilbert Becker

Gil, who is a Ph.D. candidate, has taken a faculty appointment at Purdue University - Indiana University at Indianapolis.

Normand Bernard

Normand, who received his Ph.D. from the Department in 1965(?), is presently a special assistant to the Board of Governors of the Federal Reserve System. As one of his responsibilities, Normand is serving as Secretary of the Open Market Committee.

Barry Blenner

Barry defended his thesis "Energy Market Modeling: A General Equilibrium Computational Approach" this past summer. Barry is on the faculty at Mt. Holyoke.

James Breece

Jim, who is on the faculty at Clarkson, received his Ph.D. degree in September. His thesis was entitled "A Walrasian Approach to International Adjustment with Diversified Currency Holdings."

Edward Kienzle

Ed, a 1976 Ph.D. currently on the faculty at Stonehill College, has recently published the following:

"Post-Fisc Distributions of Income: Measuring Progressivity with Application to the United States," Public Finance Quarterly, July 1982.

Review of Redistribution Through the Financial Sector: The Grants Economics of Money and Credit, Southern Economic Journal, April 1982.

"Can Colleges and Universitite Be Marketed Through a Consumer Goods Classification Approach?: Comment," Proceedings of the Ninth Annual Conference, New England Business and Economic Association, November 1981.

James Lesage

Jim, who is a Ph.D. candidate, has taken a faculty appointment at Bowling Green State University.

Karen McCormick

Karen defended her thesis "Firm Size and Political Expenditures: An Analysis of Business Lobbying in California" this past summer. Karen is on the faculty at the University of Lowell.