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ECONOMICS DEPARTMENT NEWSLETTER

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May 1983

Professor John Kenneth Galbraith will be here on Thursday, September 29, 1983, to give the third annual Alice E. Bourneuf lecture. The lecture will be at 8:00 p.m. in the Boston College Theatre, with a reception following. We hope very much that a good many of our graduates and friends will join us for the evening. Ken Galbraith and Alice were good friends for years, and it should be fun to see each other and reminisce together. Do plan to be with us.

Although there are no new faculty appointments to report, we do have two new tenured faculty. Kit Baum was promoted to Associate Professor with tenure, while Barbara Spencer, already an Associate Professor, was tenured. The main area of Kit's research has been the analysis of macroeconomic stabilization policy via optimal control techniques. Among his numerous other contributions are analyses of financial institutions' deregulation and of regional development. Barbara's research has spanned public finance, industrial organization, and international trade. She has been particularly concerned with developing the theory of trade policy in the presence of imperfect competition and with the theory of bureaucracy.

Although this year's graduate student placement activity is still underway, I can report the results to date. Of the four students we had on the market, two--Pat Lasonde and Ercan Kumcu--have now accepted offers. Pat, whose dissertation is entitled "A Test of the Hecksher-Ohlin-Vanek Theorem," will be going to the Food and Drug Administration. Ercan will be an Assistant Professor at Eastern Michigan University. His recently-completed dissertation is entitled "Exchange Rate Determination and Welfare Implications of Commercial and Monetary Policies."

We are pleased to learn that Michael Naughton, a third-year graduate student, has been awarded a Richard D. Irwin Foundation Grant in Economics. The grant will support Michael's dissertation "The Effectiveness and Equity of Price Regulation in the Electric Utility Industry."

Finally, on a sorrowful note, we have learned that Joseph T. White, who received his Ph.D. in the Department in 1966, died of cancer on April 17. Professor White was on the faculty at Georgetown University.

I. FACULTY RESEARCH AND ACTIVITY

James E. Anderson

Publications

"The Optimality of Tariff Quotas under Uncertainty," a paper co-authored with Leslie Young, appeared in the November 1982 Journal of International Economics.

Research

"Optimal Exchange Rate Policy under Internal and External Disturbances: Monetary Aspects," with Leslie Young.

"Optimality and Quota License Pricing under Uncertainty."

"Optimal Quantity Policy on Fixprice Markets."

Christopher E. Baum

Publications

"Changes in the Balance Sheet of the U.S. Manufacturing Sector, 1926-1977," with John Ciccolo, in The Changing Roles of Debt and Equity, Volume II, Benjamin Friedman, ed., NBER/University of Chicago Press, forthcoming 1983. Presented at NBER Conference on Corporate Capital Structures in the United States, January 1983.

"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 (BC Ph.D. '80), in A Multiregional Input-Output System for Italy, G. Schachter and F. Pilloton, eds., Libra, Rome, forthcoming 1983.

"The Evaluation of Historical Policy via Optimal Control Techniques," in Econometric Decision Models, A. Hughes-Hallett and J. Paelinck, eds., Martinus Nijhoff, forthcoming 1984.

Conferences and Presentations

"The Effects of an Activist Policy on Macroeconomic Stability," with E. P. Howrey, to be presented at the Fourth IFAC/IFORS Conference on the Modelling and Control of National Economies/1983 SEDC Conference, Washington, June 1983.

"Assessing Industrial Structure for Italian Regional Development," with G. Schachter, J. Munro and E. Shea, to be presented at the 1983 Canadian Regional Science Association Meetings, Vancouver.

Frank M. Gollop

Publications

"Environmental Regulations and Productivity Growth: The Case of Fossil-Fueled Electric Power Generation," with M. Roberts, Journal of Political Economy, forthcoming.

Research

"Modeling Aggregate Productivity Growth: The Importance of Intersectoral Transfer Prices and International Trade," January 1983.

"Developing an Index of Diversification," February 1983.

Michael Mann

Publications

Comments on "Benefits and Costs of the Federal Trade Commission's Line of Business Program," by W. F. Long et al., in Economic Report on Benefits and Costs of the Federal Trade Commission's Line of Business Program, Volume III, forthcoming.

Conferences and Presentations

"Recent Antitrust and the Dominant Firm," presented at the Charles River Associates conference "Economists' Perspectives on Antitrust Today," Boston, April 1983.

Joe Peek

Publications

"The Postwar Stability of the Fisher Effect," with James A. Wilcox, Journal of Finance, forthcoming (probably December 1983).

Joseph F. Quinn

Publications

"Is Mandatory Retirement Overrated? Evidence from the 1970s," with Richard Burkhauser, Journal of Human Resources, forthcoming.

"Financial Incentives and Retirement in the United States," with Richard Burkhauser, in The Arne Ryde Symposium on Social Insurance, Lars Soderstrom, editor, North Holland Press, forthcoming.

Joseph F. Quinn (cont.)

"The Importance of Social Security and Pension Rights in the Wealth Portfolios of Older Americans," in Economic Resources for the Elderly: Prospects for the Future, Christopher Garbacz, editor, Westview Press, forthcoming.

"Barriers to Work in Old Age: A Review of the American Retirement System," with Richard Burkhauser, in Economic Resources for the Elderly: Prospects for the Future, Christopher Garbacz, editor, Westview Press, forthcoming.

"The Work Ethic and Retirement," in The Work Ethic - An Analytic View, Jack Barbash, editor, Industrial Relations Research Association Research Volume, 1983 (forthcoming).

"Do Retirement Dreams Come True? An Empirical Analysis of Planned and Actual Retirement," with Richard Burkhauser, in Current Perspectives on Aging and Life Cycles: Theory and Research, Zena Smith Blau, editor, JAI Press, forthcoming.

Appointments

Member of the Editorial Board, Social Sciences Section, Journal of Gerontology.

Barbara Spencer

Publications

"International R&D Rivalry and Industrial Strategy," with James A. Brander, The Review of Economic Studies, forthcoming.

"Strategic Commitment with R&D: The Symmetric Case," with James A. Brander, The Bell Journal of Economics, Vol. 14, No. 1, Spring 1983, forthcoming.

"Tariff Protection and Imperfect Competition," with James A. Brander, in Monopolistic Competition and Product Differentiation in International Trade, Henryk Kierzkowski, ed., Oxford University Press, forthcoming.

Conferences and Presentations

"Export Subsidies and International Market Share Rivalry," with James A. Brander, presented at the NBER Conference on "Trade Policy, Technology and Industrial Organization," November 1982.

Discussant for a paper by J. Ordover and R. Willig at the NBER Conference on Strategic Behavior and Trade Policy, Princeton University, March 1983.

Barbara Spencer (cont.)

Awards and Appointments

Awarded the Harry Johnson Prize (together with co-author James A. Brander) for the best article in the 1981 volume of the Canadian Journal of Economics. This was for the article "Tariffs and the Extraction of Foreign Monopoly Rents Under Potential Entry."

Appointed as a Faculty Research Fellow at the National Bureau of Economic Research, September 1983.

II. GRADUATE STUDENT AND ALUMNI ACTIVITY

Gilbert Becker

Gil defended his thesis "The Capture Theory of Regulation: A Re-examination of Theory and the Evidence in Two Case Studies" in January. Gil is in his first year on the faculty at Purdue University - Indiana University at Indianapolis.

James Breece (Ph.D. 1982)

Jim is leaving Clarkson to take an Assistant Professorship at the University of Maine at Orono.

Bill Danahy

Bill defended his thesis "An Economic Model of Budgeting for the State of Massachusetts" in December. Bill is on the faculty at Merrimack College.

Ann Davis

Ann defended her thesis "A Study of Marxian Theory of the Business Cycle" in December. Ann is on the faculty at Marist College.

Ercan Kumcu (Ph.D. 1983)

A paper authored by Ercan, "Are Exchange Rate Movements a Random Walk?", has been accepted for publication in Economics Letters and is scheduled to appear in Volume 12, No. 3 or 4.

James Lesage

Jim defended his thesis "A Rational Expectations Model of Local Payroll Tax Regimes" in March. Jim is in his first year on the faculty at Bowling Green State University.

James W. Meehan, Jr. (Ph.D. 1967)

Jim has been appointed Chairman of Colby's Economics Department and promoted to Full Professor.

Joseph Pelzman (Ph.D. 1976)

Joe is now tenured at George Washington. His recent publications include "A Note in Uncertain Lifetimes: A Comment," with Don Rousslang, Journal of Political Economy, February 1982.

Joseph F. Sinkey, Jr. (Ph.D. 1971)

Joe's new book Commercial Bank Financial Management will be published by Macmillan later this year. Joe is an Associate Professor, Department of Banking and Finance, College of Business Administration, University of Georgia. He is Book Review Editor of the Journal of Banking and Finance and an Associate Editor of the Journal of Financial Research.

John A. Walgreen (Ph.D. 1965)

John returned to Wheaton in September after two years as a policy analyst/economist in the Office of the Secretary of Transportation. He worked on a variety of transportation regulation issues, but mainly on motor carrier deregulation (regulatory reform). The principal fruit of his efforts is the Bus Regulatory Reform Act of 1982 which eased entry barriers and economic regulation of the intercity bus industry.