



BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

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"All the news, print to fit"

June 1989

We've managed to make it through another year. As usual, the teaching was outstanding, the studenting great and even the administrating superb (is that an oxymoron?). Speaking of morons, I have to admit I've raised my opinion of administrators these past two years. Chairman Quinn did a pretty good job this year, for a rookie. And what about that director of graduate studies, is he wonderful or what? Don't answer that; it's much safer for all concerned to leave it as a rhetorical question.

Joe Peek has been promoted to full professor. Many find this somewhat surprising since he has long told us that his mama didn't raise no full. Asked for their response, a number of very senior faculty members indicated that they had always considered him full, of what they didn't say, so now it's just official. Professor Peek asks that he now be held in the same high regard and be treated with the same respect he has always shown to full professors. In an unrelated news item, President Monan invites each of you to the ground breaking ceremony for the Joe Bob Club and Spa on February 30. This luxurious facility has been funded by an extremely large donation by an anonymous economics faculty member this past October. Use of the facility will be reserved for senior administrators, members of the A&S promotion committee, and full professors in the economics department.

Jane Marrinan and **David Sunding** will be joining the faculty this fall as assistant professors. Jane is receiving her Ph.D. from the University of Minnesota, working with Joel Slemrod on "The Effects of Fiscal Policy on Savings and Investment in an Open Economy." Her fields are Open Economy Macro and Public Finance. Jane has spent the past year working in the Research Department of the Federal Reserve Bank of Boston. David is receiving his Ph.D. from the University of California, Berkeley, where he is working with Jeffrey Perloff. His dissertation is titled "Private Provision of

Public Goods Under Asymmetric Information" and his fields are Public Economics and Economic Theory.

Chris Maxwell has joined Charles River Associates. He will no longer be waking up at daylight moaning "time to get the donuts." He has been a great colleague and his "above and beyond the call of duty" contributions to both the graduate and undergraduate programs will be sorely missed. (We're not so sure about his Suffolk Downs tips).

Leon Smolinski is on disability leave while he continues a long fight back to good health from medical problems, including a recent stroke. If you would like to send cards addressed to Leon in care of our Economics Department, we will bring them to the hospital and read them to him.

We have some very sad news to report. **Father Robert Cheney, S.J.**, a member of the department since 1963, died suddenly of a heart attack last August, at the age of 61. He received an A.B. in classics and an A.M. in economics from St. Louis University, and was awarded the Ph.D in economics by Georgetown University in 1964. He also received a degree in theology from Weston College.

Bob's major interest in economics was in the history of economic thought. He had spent time in Germany following his theology studies, and had acquired a mastery of the German language. He combined his interest in economic thought and his command of German to write his doctoral thesis on the work of a German economist, Goetz Briefs, who was Professor of Economics at both Freiburg and the Technical University of Berlin. Bob left several unpublished papers on the thought of economists as diverse as Wickcell, Keynes, Adam Smith, and Nassau Senior.

Since joining the department in 1963, Bob regularly taught Principles of Economics and an elective course in the History of Economic Thought. He was a popular and approachable teacher and showed genuine love and affection for his students; his courses enrolled over 150 students each semester. He was a very cooperative colleague, and despite the fact that he regularly taught a large number of students, he was always ready to find a place in his class for a student who needed to be accommodated for good reason.

Bob enjoyed an active campus life, as a member of the University Chorale, as faculty advisor to the national Jesuit honor society Alpha Sigma Nu, and as faculty moderator to the Boston College Pro-Life Coalition. For many years he was faculty advisor to the Heights, and at various times he served on the Faculty Senate, the Faculty Review Panel, and the Faculty Grievance Committee.

Bob was dedicated to undergraduate education. In his memory, we plan to raise money for a permanent fund to honor one or more undergraduate economics majors--probably juniors.

Bob is greatly missed by many former students, by faculty colleagues, and by administrators and staff with whom he worked for so many years. May he rest in peace.

On a happier note, Bruce Mizrach, the new, young Mr. RIP, induced twenty-one speakers from other universities to add luster to the 1988-1989 series of RIP Seminars. Among the luminaries were Danny Quah, MIT, Larry Kotlikoff, Boston University, Jeff Miron, University of Michigan, Don Fullerton, University of Virginia, and Robert Moffitt, Brown University. Another new seminar series for members of the faculty, billed as *The Lunch Hour*, was instituted and will continue throughout the summer. The graduate students have also initiated their own student-run seminar series known as the Dissertations in Progress (DIP) Seminar. (Rumor has it they are contemplating a LBO of Lipton's).

H. Michael Mann Fund

It's wonderful to report that Sr. Beth Anne Tercek is the first recipient of the H. Michael Mann Summer Thesis Award. Sr. Beth Anne would like to express her gratitude and appreciation to all who have contributed to the fund. She will be spending the summer working on her thesis, "North-South Technology Transfer in the Context of International Returns to Scale."

Economics & Antitrust Policy, edited by Robert J. Lerner and James W. Meehan, Jr., (Ph.D. 1967) Quorum Books, 1989, has been published in memory of H. Michael Mann. The contributors to the volume knew and worked with Mike at some time in his career. They include Robert J. Lerner, James W. Meehan, Jr., Kenneth G. Elzinga, Charles A. Holt, David T. Scheffman, F.M. Scherer, Lawrence J. White, Donald I. Baker, and Timothy J. Waters. Any royalties from the sales of this volume will be contributed to the H. Michael Mann Fund.

We hope that the fund will continue to grow each year as it has since it was instituted. It is very satisfying to realize that graduate students in our own program will benefit from our support in memory of Mike. This is a good way to contribute to Boston College and at the same time see that the funds go to the Economics Department. As most of you know, the lack of summer thesis support is a major deficiency in our graduate program. This first award is a great step forward in strengthening our overall program. But it is only a start. Keep those checks rolling in. For those of you who have not yet contributed, Karen McCormick Blanford asked me to let you know that she knows who you are and where you live. We also request that your contributions should not be a one-time event, but part of your annual charitable giving. The instructions for mailing contributions remain the same, just make your check payable to Boston College, with a notation in the corner, "H. Michael Mann Fund." We will see that the checks reach the Development Office and are properly credited. Thanks.

FACULTY RESEARCH AND ACTIVITY

Jim Anderson attended the NBER Summer Institute in Cambridge, August 1988, where he presented "Optimal Taxation and Debt in an Open Economy." In October 1988, Jim attended the Midwest International Economics Meetings and presented "The Coefficient of Trade Utilization: Back to the Baldwin Envelope," co-authored with Peter Neary. This article will appear in *The Political Economy of International Trade Policy*, R. Jones and A. Krueger, eds. Basil Blackwells, forthcoming. Jim's current research is "International Trade and Income Distribution," with Peter Gottschalk.

Jim will be on sabbatical for the 1989-1990 academic year. For part of the fall, he will be in Washington, D.C., at the World Bank. In the spring he will be spending some time at the Institute for International Economic Studies in Stockholm.

Richard Arnott joined the faculty in September after spending many years (although he claims to be only 29) at Queen's University in Canada. His principal areas of research interest are urban economics, public finance, and the economics of uncertainty. He is serving on the editorial boards of *Regional Science and Urban Economics*, the *Journal of Regional Science*, the *Journal of Real Estate Finance and Economics*, and the *Journal of Public Economics*. He is also the urban and regional economics editor for the *Encyclopedia of Economics*. Richard recently gave seminars on his research at Harvard, Laval, L.S.E., McGill, Montreal, Princeton, Saskatchewan, and Stanford.

When not busy editorializing, Richard has been actively engaged in writing and has had the following articles published: "Implicit Contracts, Labor Mobility and Unemployment," with Arthur Hosios and Joseph Stiglitz, *American Economic Review* 78:1046-1066, 1988; "Randomization with Asymmetric Information," with Joseph Stiglitz, *Rand Journal of Economics*, 19:344-362, 1988; "The Basic Analytics of Moral Hazard," with Joseph Stiglitz, *Scandinavian Journal of Economics*, 90:383-413, 1988; "Essai sur le Risque Moral," *L'Actualité*

Economique, 63:74-97, 1988; "Introduction, Rent Control: The International Experience," *Journal of Real Estate Finance and Economics*, 1:203-215, 1988; "Congestion Pricing to Improve Air Travel Safety," with Joseph Stiglitz, L. Moses and I. Savage, eds., *Transportation Safety in an Age of Deregulation*, Oxford: Oxford University Press, 1988; "Housing Vacancies, Thin Markets, and Idiosyncratic Tastes," *Journal of Real Estate Finance and Economics*, 2:5-30, 1989.

At the present time, Richard's major research projects are a book on moral hazard with Joseph Stiglitz, the construction of a housing simulation model with Alex Anas, and the investigation of the economics of congestable facilities emphasizing the time-of-use decision with André de Palma, Robin Lindsey, Marvin Kraus and Don Richter. He has also started work on the economics of downtown parking with André de Palma and Robin Lindsey, and on thin markets.

Kit Baum has been appointed Secretary-Treasurer of the Society for Economic Dynamics and Control by SEDC President Thomas J. Sargent. The SEDC, founded in 1978, sponsors an annual conference as well as sessions at the ASSA meetings on a broad variety of research topics. The North-Holland *Journal of Economic Dynamics and Control* is the Society's official publishing platform. SEDC members will meet this June in Edinburgh, Scotland, as cosponsors of the Sixth IFAC Symposium on Dynamic Modelling and Control of National Economies. Professors Mizrach and Baum will attend and present papers. Those interested in SEDC membership (and the option of a reduced-rate subscription to the *JEDC*) should contact Baum (email: BAUM@BCVMS.BITNET). Kit, you should have learned by now that there's no such thing as a free ad. Please pay Joe Bob \$100 (cash), plus 10% of membership dues collected.

"Computational Aspects of Robust Estimators for Linear Regressions" by Marilena Furno (Ph.D. 1988) and Kit Baum will appear in an upcoming issue of *Computer Science in Economics and Man-*

agement. Kit also presented "Diagnosis of Time-Series Regression Equations via Bounded-Influence Instrumental-Variables Estimation," coauthored by Marilena, at the TIMS/ORSA Joint Conference in Denver last October.

"The Term Structure of Interest Rates and the Demand for Money during the Great Depression," coauthored by Kit and Clifford Thies (Ph.D., 1982), will appear in the October *Southern Economic Journal*. This March, Kit presented "The Effects of Capital Market Imperfections on Manufacturing Firms' Capital Investment and Financing Behavior" at the Eastern Economic Association conference in Baltimore, in a session including papers by BC Ph.D.'s Clifford Thies and Mark Klock.

Don Cox has presented several papers: "Credit Rationing and Private Transfers: Evidence from Survey Data," at the Econometric Society Meetings, Bologna, Italy, August 1988; "Intergenerational Transfers and Liquidity Constraints," at SUNY--Stonybrook, October 1988; and "The Connection between Public Transfers and Private Interfamily Transfers," co-authored with George Jakubson, at UCLA, June 1988, and at the NBER Conference on Social Insurance at Cornell, April 1989. Don has just finished a preliminary study of intergenerational transfers, using a new data set--the Peruvian Living Standards Survey.

Tim Erickson's paper "Proper Posteriors from Improper Priors for an Unidentified Errors-in-Variables Model" is forthcoming in *Econometrica*. To get away from it all, Tim reports that he spent an exciting, fun-filled weekend at the University of Missouri in Columbia, Missouri, attending the 38th NBER-NSF Seminar on Bayesian Inference in Econometrics. California people really know how to enjoy life.

Peter Gottschalk continues his buzz of activity. "How the Rich Have Fared, 1978-1987" with Sheldon Danziger and Eugene Smolensky, will appear in the *American Economic Review*, May 1989. "Increasing Inequality in the U.S.: What We Know and What We Don't Know," with Sheldon

Danziger, is forthcoming in the *Journal of Post Keynesian Economics*. Also forthcoming is "A Random Effects Logit Model of Work-Welfare Transitions" in the *Journal of Econometrics* (special issue on Econometric Issues in Measuring Inequality). Peter's "Reducing Gender and Racial Inequality--The Role of Public Policy," will appear in a volume being edited by K. Abraham and R. McKersie.

Reports by Peter include "Anti-Poverty Policy in the United States--What Works?" with Barbara Gottschalk, to the Commissariat General du Plan of the French Government, 1987 (he forgot to include last spring), and "Correlation Between Mothers' and Daughters' Welfare Experiences," to U.S. Department of Health and Human Services, 1988.

Peter has received the following grants: Russell Sage Foundation (1988-89) to write a book on inequality of income, with Sheldon Danziger; the U.S. Department of Health and Human Services (1988-89) to study the causes of intergenerational welfare participation; the U.S. Department of Health and Human Services through the Institute for Research on Poverty (1988-89) to document changes in the distribution of income; the Russell Sage Foundation (1988-89) to hold a conference on the causes of increased earnings inequality and to edit a volume of conference papers with Sheldon Danziger.

Peter has been traveling far and wide to meet commitments on other professional activities. He presented a paper at the International Workshop on "Problems in Income Distribution," Gatlinberg, Tennessee, July 1988 and organized and chaired a conference on "Changes in Inequality," at Russell Sage Foundation, September 1988. Also in September 1988 he was a participant in a workshop on "The Distributive Aspects of Health Care Policies," sponsored by the European Economic Community, Lisbon, Portugal. He was a participant in a Roundtable on "Inner City Males: Research and Policy Implications," sponsored by the Joint Center for Political Studies, Washington, D.C., October 1988. Peter presented a paper at the Industrial Relations

Research Seminar, MIT, in November 1988. He was a participant in a conference on "Rural Poverty," sponsored by the Ford Foundation, Wye Plantation, Maryland, and was a participant in a Roundtable on "Neighborhoods: Research and Policy Implications," sponsored by the Joint Center for Political Studies, Washington, D.C., both in November 1988. He presented a paper at an invited session of the American Economic Association Meeting in New York, December 1988.

In February 1989 Peter presented a college-wide lecture on "Changes in Poverty," at Smith College. He was a discussant at the French-American Colloquium on "Wealth, Poverty and Family Size," at New York University, February 1989 and at a conference on "Future Job Prospects," The Brookings Institution, March 1989. Also in March, he was Guest Lecturer on "Intergenerational Welfare Participation," University of Michigan. Peter presented a paper and participated in an invited panel on "Author Meets Critics: *Dollars and Dreams*," March 1989. He participated in a panel at a conference in honor of Robert Lampman, Madison, Wisconsin, April 1989. May 1989 found Peter at a Michigan State University Workshop where he presented another paper. Peter is keeping the airlines in business and has promised to donate all his frequent flier awards to the director of graduate studies.

Professor Hossein Kazemi, of Stonehill College, a member of our part-time faculty, was both moderator and a commentator for a conference on International Debts held at Stonehill College in March. Anna J. Schwartz gave the keynote address. Rachel McCulloch and Allen Sinai joined Hossein as commentators.

Marvin Kraus' article, "The Welfare Gains from Pricing Road Congestion Using Automatic Vehicle Identification and On-Vehicle Meters," will be published in the *Journal of Urban Economics*, May 1989. "Discomfort Externalities and Marginal Cost Transit Fares" has been accepted also for publication in the *Journal of Urban Economics*. Marvin presented "Discomfort Externalities, and Marginal Cost Transit

Fares," at the Western Economic Association Meetings in Los Angeles, July 1988. He also attended the Harvard Urban Economics Seminar, April 1989, where he presented "The Ramsey Problem for Congestible Facilities," co-authored with Richard Arnott.

Scott Mayfield continues his investigation into the effect of asymmetric information on financial markets and their ability to allocate resources efficiently. Most of his time during the last year has been devoted to the study of complicated nonlinear dynamics (chaos) in high frequency financial market data. He developed his interest in chaos from observing activity in the department and studying the pioneering works of Maxwell Smart. Scott attended the NBER conference on Financial Markets and Macroeconomic Stability in December 1988. In April he traveled with Bruce Mizrach to the Ilya Prigogine Center for Statistical Mechanics, Austin, Texas, to attend the International Symposium on Evolutionary Dynamics and Nonlinear Economics, where they jointly presented "Learning, Asset Prices and Nonlinear Dynamics." Bruce and Scott have also won a Boston College Summer Research Incentive Grant to study "Information Flows and Market Efficiency," and were also awarded 100 CPU hours of vector processing time at the IBM Cambridge Science Center as part of the IBM Research Support Program.

Reverend Robert J. McEwen, S.J., heads the Council on Consumer Organizations (COCO). Together with James L. Brown, Director of the Center for Consumer Affairs, University of Wisconsin-Milwaukee, he has founded Project NEW START. Because of high consumer interest, they have formed a coalition to commission a study on the costs vs. benefits of no-fault insurance.

Frank McLaughlin visited Washington, D.C., to participate in the National Labor Management Conference, sponsored biennially by the U.S. Federal Mediation Service, June 1988. In February, Frank attended a weekend conference on Canadian-American Labor Relations at Harvard's Center for International Studies. As he has

done for several years, Frank taught in the Harvard Trade Union Fellows Program at Harvard this spring. Representatives of labor unions from the United States, Australia, Canada, and the Federal Republic of Germany attended his weekly lectures.

Following the unexpected death of Father Bob Cheney last August, Frank agreed to teach the course in History of Economic Thought that Bob has taught for the past twenty-five years. In March, Frank presented a paper, "Economists, the Catholic Bishops, and Adam Smith," at a meeting of the Kress Society for the Study of the History of Economic Thought held at the Harvard Business School.

Frank's major area of research on Adam Smith has resulted in three papers: "Adam Smith's *Theory of Moral Sentiments*: An Expository Essay," "Adam Smith, Self-Interest, and the Common Good," and "Moral Rights vs Legal Rights: A Comment." In addition, Frank has written "The Establishment of the ILA in the Port of Boston: The Boston Longshoremen's Strike of 1912," and "Boston Longshoremen and the Weight of the Sling Load: A Case Study of Resistance to a Work Rule Change."

Bruce Mizrach has had a busy spring. In addition to his trip to Austin to present a paper with Scott, he attended the Finance Association Meetings in Philadelphia, where he presented a paper "Learning and Efficient Markets." Bruce will be journeying to Stockholm this summer to attend a two-week workshop on Dynamic Sciences at the Industrial Institute for Economic and Social Research. While there he will present a paper, "Ergodic Theory for Dynamic Systems." Shortly after this, he will present a paper, "Non-Convergence to Rational Expectations and Optimal Monetary Policy in Models with Learning," at the Institute for Automatic Control/Society for Economic Dynamics and Control meetings in Edinburgh.

Bob Murphy's "Stock Prices, Real Exchange Rates and Optimal Capital Accumulation" appeared in *International Monetary Fund Staff Papers*, 1989. "Import

Pricing and the Trade Balance in a Popular Model of Exchange Rate Determination" will be published in the *Journal of International Money and Finance*, forthcoming, 1989. He has also written "Inside Money and the Open Economy," with Scott Freeman, which will be published in the *Journal of International Economics*, forthcoming, 1989.

Bob presented his paper, "Import Pricing and the Trade Balance in a Popular Model of Exchange Rate Determination," at the Australasian Meeting of the Econometric Society, Canberra, Australia, in August 1988. He also presented this paper at the National Bureau of Economic Research meetings, Cambridge, MA, September 1988. In March 1989, Bob presented "Stock Prices, Real Exchange Rates, and Optimal Capital Accumulation" at the International Workshop, Department of Economics, University of Pennsylvania, Philadelphia.

Bob is a recipient of a Boston College Teaching/Advising Grant for summer 1989.

Joe Peek has recently published two papers with Patric Hendershott, "Household Saving in the United States: Measurement and Behavior," *Journal of Business and Economic Statistics*, January 1989, and "Determinants of U.S. Treasury Bill Rates," *Financial Markets and Portfolio Management*, 1989. They have just completed another paper, "Interest Rates in the 1970s and 1980s: Puzzles and Solutions" and are working furiously to complete another paper to be presented at a conference on "The Economic Legacy of the Reagan Years" in late June.

Joe presented "Is the Fisher Hypothesis Really Inverted?" (coauthored with Kathryn Dorman, Ph.D. 1988) at the European Finance Association Meetings in Istanbul, Turkey, (Ercan Kumcu, Ph.D. 1983, served as his discussant) in September 1988, and at the Southern Economic Association Meetings in San Antonio, Texas, in November. While at the European Finance Association Meetings, Joe served as the discussant for "Black Markets for Foreign Currency." Jim Wilcox and Joe also presented their paper "Pitfalls in Fisher Model Building: Evidence

from the Interwar Period" at the Western Economic Association Meetings in July 1988. Joe also gave Economic Outlook talks at the Holyoke, MA, Rotary Club in July 1988 and at the Boston Office of the U.S. Small Business Administration in March 1989. "Monetary Policy Regimes and the Reduced Form for Interest Rates," written with Jim Wilcox, that appeared in the *Journal of Money, Credit and Banking* is being reprinted in a readings book edited by Thomas Mayer and in *Monetary Theory* as part of the series International Library of Critical Writings in Economics published in England. Finally, Joe has just received a grant from the Federal Home Loan Bank Board for a project titled "The Interaction of Credit and Interest Rate Risk."

Harold Petersen is having loads of fun now that he has moved out of the corner office. He continues to work on housing and has even taken a fling at local politics. He ran for Town Meeting Member on an avowedly conservative ticket in Mike Dukakis' home town of Brookline. He was endorsed by, among other groups, the "Coalition Against Unfair Taxation" and the "Selectmen for Responsible Government." We can only imagine where this leaves the opposition. Wonder of wonders, he won. Harold is also a member of the town's Economic Advisory Council which, as we understand it, is number 994 of the thousand points of light.

Moving from politics to sociology, Harold recently engaged the sociologist, Amitai Etzioni, in a discussion of Etzioni's new book, *The Moral Dimension: Toward a New Economics*. Etzioni is concerned that the economic imperialists may be invading sociology and psychology, having already captured political science through work on public choice. Harold said, "Why stop at social science? With a bit of extension, our model provides a framework for all of human behavior." From all reports, it was a spirited exchange.

Harold has been awarded a teaching grant by Boston College to rethink his approach to Economics in the Core, particularly in its relationship to social science at large, as well

as to theology and ethics, in preparation for teaching to a class of 300 this approaching fall. The awarding of the grant did not specify just why it might be valuable for him to rethink what he is doing in the area.

Steve Polasky has attended several conferences: the University of Michigan, October 1988; the Eastern Economic Association Meetings, February 1989; GTE Labs, March 1989; and at the Woods Hole Oceanographic Center, April 1989.

Steve's current research has produced three working papers: "Knowledge-based Growth," with Scott Freeman; "Market Structure and Exhaustible Resources: An Empirical Test of Oligopoly Theory in the Oil and Gas Industries," and "Information Acquisites and Revelation in an Oligopolistic Exhaustible Resource Market." Steve has been awarded a Faculty Fellowship to pursue his research next year.

Joe Quinn's busy schedule as chairman has not prevented him from writing. "American Patterns of Work and Retirement," with Richard V. Burkhauser, appeared in *Redefining the Process of Retirement from an International Perspective*, Winfried Schmahl, editor, Springer-Verlag, Berlin, 79-101. "Work and Retirement," with Richard V. Burkhauser, is forthcoming in *Handbook of Aging and the Social Sciences*, 3rd edition, Robert Binstock and Linda George, eds., Academic Press. Also forthcoming are "An Economy Wide View of Changing Mandatory Retirement Rules," with Richard V. Burkhauser, in *Uncapping Mandatory Retirement: Effects on Higher Education*, Karen C. Holden and W. Lee Hansen, eds., Jossey-Bass Series, New Directions in Higher Education, and a review of "Academic Freedom and Catholic Higher Education," by James John Annarelli, *Economics of Education Review*, Vol. 8, No. 4.

Joe presented a paper, "Exit Patterns from Career Jobs and New Careers Late in Life," at the Western Economics Association meetings in Los Angeles, July 1988, and was a discussant at the Association of Public Policy and Management Annual Meetings in

Seattle in October 1988. In December, he was an invited participant at the inaugural meeting of the National Academy of Social Insurance, Washington, D.C.

Grad Admissions Committee: The End of an ERA

Prof. Marvin Kraus is no longer pitching for the department. The new admissions committee is composed of Richard Tresch and Peter Gottschalk. Professor Kraus was removed from the committee as a consequence of an NCAA investigation into illegal recruiting practices. Among the NCAA allegations were that our applications had replaced GRE scores with batting averages, fielding percentages, and earned run averages, that we asked applicants their desired field of specialization (right, center, or left), and that three letters of reference from former coaches were required. Furthermore, two alumni (Bob Koopman and Pat Lasonde) were holding illegal tryout camps in Washington, D.C., and team members were caught scalping their allocation of complimentary tickets to Professor Rich-ter's Math for Economists class. We have signed a consent agreement whereby we do not admit guilt but must adhere to the sanctions imposed by the NCAA. These include: (1) Professor Kraus is no longer allowed to have any contact with potential recruits, (2) alumni may no longer provide star athletes with free bicycles, (3) comprehensive exams will not be shown on live TV for two years (however, ESPN will carry them on a taped delay basis at midnight), (4) no participation in the world series will be allowed for three years.

As a consequence, the triumphs of our softball team have been tainted. Even so, we are proud that they made it to the final round of playoffs in the BC summer league last year and made the final 8 (out of 32) in the fall BC intramural tournament. Among the stars were Michael Allen, who led the team in runs batted in, home runs and slugging percentage (I don't think this has anything to do with hitting umpires who called him out in close plays). Mike McDonald led all nonringers in batting average and on base percentage. Marvin Kraus led the base-on-balls category

(I presume this refers to his batting, not his pitching) and triples (many of which would have been home runs a few, perhaps quite a few, years ago). In honor of Professor Kraus' contributions to our program, a statue of Marv with his glove held high over his head has been placed in the dustbowl near the entrance to Carney Hall. The inscription says, "Give us your hitters, your fielders, your base runners yearning to be safe."

THE GRADUATE PROGRAM

Rosemarie Emanuele, a current Ph.D. candidate and Teaching Fellow, has been awarded a \$12,000 dissertation fellowship from the Indiana University Center on Philanthropy. She was one of ten Fellows chosen in this year's national competition. Rosemarie also received a dissertation scholarship from the Irwin Foundation. Two of the department's Teaching Fellows, Rachel Ward and Joanne Doyle, were the winners of this year's Teaching Excellence Awards. Sr. Beth Anne Tercek won the H. Michael Mann Summer Thesis Award and Michael Allen has been awarded the Graduate A&S Summer Dissertation Development Stipend.

We have had six Ph.D. candidates complete their theses this year. Michael McDonald defended his thesis "Congestion Pricing in an Urban Environment with Heterogeneous Incomes: A Simulation Approach," and he is working in Washington for the U.S. Treasury Department. Shamim Shakur defended his thesis "Price Support, Commercial Policy and Buffering Activity: A Simulation Approach to World Sugar Trading," and he is currently living and working in Canada. Kathryn Dorman defended her thesis "Asset Risk and the Fisher Effect." Kitty is teaching at the College of the Holy Cross in Worcester, Massachusetts. Kevin Daly defended his thesis "Public Policy and the Formation of Firms: A General Equilibrium Approach," and he is working for the State of Massachusetts, Tax Department.

Serhan Ciftcioglu defended his thesis "The Macroeconomic Stability of a Small, Open Economy under Fixed & Flexible

Rates" and has returned to Cyprus. **Christakis Hassapis**, also a citizen of Cyprus, defended his thesis "The Theory of Bureaucracy as It Applies to the Provision of AFDC in the State of Rhode Island." Christy has been spending this past semester at Boston College.

Again this year, our ABD's were successful in the marketplace. **Robert Hoffman** has accepted a position at the University of Wisconsin, Whitewater. **Karen Palmer** has accepted a position with Resources for the Future in Washington, D.C., and will begin work there this summer. Beginning next fall, **Connie Rhind** will be working at the Congressional Budget Office, Washington, D.C., on education and labor issues in the Human Resources and Community Development Division.

GRAD STUDENT AND ALUMNI NEWS

Emily Blank (Ph.D. 1984) had her paper, "Layoffs and Wage Growth of Male Household Heads," published in the *Eastern Economic Journal*, July-September 1988.

Celia Cabral's (current Ph.D. candidate) review of "Store Choice, Choice Location and Market Analysis," was published in *Small Business Economics*, Neil Wringley (ed.), Vol. 1, November 1989.

James Cosgrove (Ph.D. 1987) will be leaving Marquette University this summer to begin a new position with the Economic Analysis Group of the Human Resources Division of the U.S. General Accounting Office. James' paper, "Hedonic Prices, Identification, and the Demand for Public Safety," coauthored with David Clark, has been accepted in the *Journal of Regional Science*. He and David Clark presented their paper, "Amenities versus Labor Market Opportunities: Choosing the Optimal Distance to Move," at the Midwest Economic Association's annual meeting.

Eugene P. Coyle's (Ph.D. 1969) article, "An Historical Perspective on the Time Necessary to Develop Geothermal Power in the United States," with Dr. M.C.

Erskine, Jr., a geophysicist, was published in the *Bulletin* of the Geothermal Resources Council, Vol. 17, No. 8, August 1988.

Rosemarie Emanuele (current Ph.D. candidate) attended the Conference on the Commercial Activities of Nonprofits at New York University, November 15-16, 1988. She presented her paper, "The Market for Volunteer Labor under Impure Altruism" and was also a discussant, at the 1989 Eastern Economics Association meetings in Baltimore, March 3-5.

Tullio Jappelli (Ph.D. 1988) has had two papers accepted for publication recently: "Consumption and Liquidity Constraints: A Direct Estimation Approach," *Quarterly Journal of Economics*, forthcoming; and "Consumption and Capital Market Imperfections: An International Comparison" (With Marco Pagano), *American Economic Review*, forthcoming.

Mark Klock (Ph.D. 1983) has obviously managed to publish rather than perish; his recent papers include: "Tobin's 'q' and Dividend Determination," in the Spring 1989 *Review of Business and Economic Research*, with John Carter and Clifford Thies; "Promoter Liability and In Pari Delicto Under Section 12(1): Pinter v. Dahl," *Journal of Securities Regulation Law*, Spring 1989; and "The Behavior of Respondents in Contingent Valuation: The Evidence on Starting Bids," with Jonathan Silberman, *Journal of Behavioral Economics*, Spring 1989.

Ercan Kumcu (Ph.D. 1983) is the vice-governor of the Central Bank of Turkey and was featured in an article in a British publication, *The Banker*. (By the way, did you know that Ercan is now "Mr. Pat Lasonde"?)

Patricia Lasonde (Ph.D. 1984) has taken a one-year leave-of-absence from the FDA to join the faculty at the Department of Economics at Bilkent University in Ankara, Turkey. She commutes to school with **Fatma Taskin** (Ph.D. 1987). While one drives, the other communicates with their fellow drivers using the standard international

driver's sign language. In unrelated news, the Ankara Police Department reports a dramatic, unexplained increase in automobiles crashing into trees and ditches along the highway leading to Bilkent University.

Michael C. Naughton (Ph.D. 1984) continues at San Diego State University where he has just been promoted to associate professor with tenure. Why would they do such a wild and crazy thing? Some say because his uncle is president of the university. He says it's due to his recent publication record. You be the judge: "The Effectiveness of Electricity Price Regulation," in *The Impact of Deregulation and Market Forces on Public Utilities: The Future Role of Regulation*, edited by Patrick C. Mann and Harry M. Trebing, Michigan State University, Institute of Public Utilities, 1985; "The Efficiency and Equity Consequences of Two-Part Tariffs in Electricity Pricing," *The Review of Economics and Statistics*, Vol. 68, August 1986; "The Determinants of Regulators' Preferences: Discrimination in Electricity Pricing," *Journal of Behavioral Economics*, Vol. 17, Winter 1988; "Regulatory Preferences and Two-Part Tariffs: The Case of Electricity," *Southern Economic Journal*, Vol. 55, January 1989; "A Note on the Disinterest in Deregulation" (with Roger Frantz), *Journal of Regulatory Economics*, 1989. If you agree with the university's decision call 1-900-999-1111. If you disagree, dial 1-900-999-2222. You will be charged \$500 for each call.

Constance Rhind (current Ph.D. candidate) presented a paper, "Analysis of the Retirement Decision in the Dual Worker Family," at the Eastern Economic Conference in Baltimore in March. She was also a discussant for two papers, including Rosemarie Emanuele's paper on volunteerism. At Woods Hole this summer, she will be attending a workshop in Life Course Research Methods, sponsored by the Henry A. Murray Research Center of Radcliffe College.

Richard Sheehan (Ph.D. 1978) has left the Federal Reserve Bank of St. Louis to join the faculty at the Notre Dame School of

Business Administration. Rich's recent and forthcoming publications include, "The Efficient Markets Hypothesis and Weekly Money: An Econometric Critique," *Journal of Business and Economic Statistics*, July 1987. "A Model of OECD Aggregate Supply and Demand Using Vector Autoregressive Techniques," *European Economic Review*, forthcoming; "A Note on the Temporal Stability of the Interest Rate-Weekly Money Announcement Relationship," *Review of Economics and Statistics*, forthcoming; "On the Sensitivity of VAR Forecasts to Alternative Lag Structures," *International Journal of Forecasting*, forthcoming.

Clifford Thies (Ph.D. 1982) has been very prolific in print. "Tobin's q and Dividend Determination," joint with 1983 Ph.D. Mark Klock, will appear in the *Review of Business and Economic Research*; "Deposit Insurance: A History of Failure," with Dan Gerlowski, is forthcoming in the *Cato Journal*. His work on the inter-war demand for money, joint with Kit Baum, will appear in the October *Southern Economic Journal*. Cliff's recent publications include "The Pension-Augmented Balance Sheet," joint with Tom Sturrock, *Journal of Risk and Insurance*, September 1988; "Grocers' and Shoppers' Price Expectations," with Mark Klock, in *Midwestern Journal of Business and Economics*, Spring 1988; "Price Control with Competition in Quality," with Phil Manger, *Northeast Journal of Business and Economics*, Spring/Summer 1988; "The (New) Economics of Price Controls," *Journal of Business and Economic Perspectives*, Spring 1988; and "Direct Voting on Milk Price Control," in the January 1988 *Social Science Journal*.

Dorothea Fonseca Werneck (M.A. 1975) has been named Brazil's Minister of Labor.