

Economics Department Newsletter



Vol. I, No. 1

May 4, 1978

This semi-annual journal will be devoted to horn-blowing. It will inform B.C. economists and others of noteworthy professional activity by the B.C. faculty and students. The editor (Anderson) reserves the privilege of indulging in an occasional jeremiad.

Section I below relates accomplishments of B.C. faculty and is reasonably complete. Section II gives some information on our graduates and is quite skimpy. In future issues the editor hopes to improve on this record with the help of alumni renewing their contacts with B.C. Despite high turnover and numerous changes in recent years, we remain the department that Alice Bourneuf built. We look forward to renewed acquaintance.

Alice retired last year amidst a shower of honors, one of which involved the establishment of a senior economics student prize fund. The award (a cash grant of \$200 and a commemorative medal) is to be given to an outstanding senior who exemplifies those traditions of scholarship so strongly seen in Alice. Royalties from the Bourneuf festschrift provide the bulk of the endowment, but gifts from friends and alumni have also helped. If you have not yet given, should you desire to do so, it would be a fine way to renew contact.

New faculty appointments for 1977-78 were Christopher Baum from Michigan and Rusdu Saracoglu from Minnesota, both strengthening our money and macro offerings, and Ronald Trosper from Harvard, strengthening our labor and economic development fields. Geoffrey Woglom and Marvin Kraus were promoted to tenure this year but Woglom has decided to move to Amherst College. His replacement (beginning in September 1978) is Joseph Peek, one of Robert Gordon's outstanding students from Northwestern. We remain in the market for an applied micro and public finance person at the junior or senior level.

In many ways the department is stronger than it has ever been. The loss of senior stars like Kane, Friedlaender and Yamamura in the early 70's has been compensated for by a large group of very productive junior scholars. The volume of high quality research has never been greater. In addition, an imbalance between theoretical and applied work that some have perceived is now largely redressed with the changing composition of faculty and their interests. Finally, we have just completed an innovative overhaul of our Ph.D. course of study which we feel will increase success in the program greatly. (For details, write us for a description of the program.)

I. Faculty Research and Activity

James E. Anderson

"A Theoretical Foundation for the Gravity Model of Factor Flows," January 1978.

"Optimal Trade With International Payments Uncertainty," Southern Economic Journal, January 1978.

Review of: National Monetary Policies and International Financial Markets by R.J. Herring and R.C. Marston, Journal of Finance, forthcoming.

Review of: A Generalized Theory of International Trade by H. Peter Gray, Southern Economic Journal, forthcoming.

"A Theoretical Foundation for the Gravity Equation," American Economic Review, forthcoming.

"Qualities of Service and Regulation in Air Passenger Transportation," research in progress funded by a \$56,000 grant from DOT.

"Tariffs vs. Quotas Under Uncertainty," delivered to Econometric Society, New York, December 1977.

Christopher F. Baum

"A Multi-Country Simulation of the Employment and Exchange Rate Effects of Post-Kennedy Round Tariff Reductions," with A. Deardorff and R. Stern, in Akrasanee et. al., Trade and Employment in Asia and the Pacific, U. Press of Hawaii, 1977.

"A Logit Analysis of the Factor Content of West German Foreign Trade," with D. Coe, Weltwirtschaftliches Archiv, forthcoming.

"Evidence on Structural Change in The Demand for Aggregate U.S. Imports and Exports," with R. Stern and M. Greene, resubmitted following revisions to Journal of Political Economy.

"The Evaluation of Historical Policies via Suboptimal Control," under consideration for American Economic Association meetings, August 1978.

"Optimal and Suboptimal Control for Macroeconomic Policy Analysis," with E. Philip Howrey, under consideration for Econometric Society meetings, August 1978.

"An Evaluation of Postwar Economic Stabilization Policy," work in progress with E. Philip Howrey.

Barry Bluestone

AFDC Caseload and Benefit Dynamics - New York City, (Boston College: Social Welfare Regional Research Institute, 1977) 279 pps.

"Economic Development, The Public Sector, and Full Employment" in Marcus Rashin (ed.), The Federal Budget and Social Reconstruction, (New Brunswick, N.J., Transaction Press, 1978).

Testimony on the FY 1979 Federal Budget Before the House Budget Committee, U.S. Congress (February 28, 1978).

"Unemployment and the Economy," Third World Report, WCVB-TV (Ch. 5), April 1, 1978.

Robert J. Cheney, S.J.

Textbook on History of Economic Thought (in progress).

Book of Readings in History of Economic Thought, (about ready for publication).

Dictionary of Economists (in preparation).

Article in Adam Smith (in preparation).

Workbook for Principles Course (in progress).

John H. Ciccolo

"Money, Income, Equity Values - Tests For Exogeneity," JMCB, February 1978.

Invited paper: "q and The Theory of the Firm," AEA/AFA meetings, August 1978; to be published in Journal of Finance.

NSF grant on "Flow-of-Funds Model" has run for 3 years and we have submitted renewal proposal for another 18 months starting June 1978.

John S. Hekman

Research Associate, Joint Center for Urban Studies, Harvard University and Massachusetts Institute of Technology.

"The Product Cycle and Regional Decline in New England's Industrial History," February 1978.

"An Analysis of the Changing Location of Iron and Steel Production in the Twentieth Century," American Economic Review, March 1978.

"Unemployment Effects of Restricting Chicago Growth," in Tolley, Graves and Gardner, eds., Urban Growth Policy in a Changing Economy, New York: Academic Press, forthcoming.

Marvin Kraus

"A Theoretical Justification of the 'Disutility' Model of Travel Demand," International Journal of Transport Economics, August 1977.

"On Pareto-Optimal Time Allocation," Economic Inquiry, April, 1978.

"The Welfare Costs of Nonoptimum Pricing and Investment Policies for Freeway Transportation" which was previously published in the American Economic Review is being translated into Japanese for publication in the journal Kosokudoro to Jidosha (Expressways and Automobiles).

H. Michael Mann

"Advertising and Oligopoly: Correlations in Search of Understanding," (with J.A. Henning) forthcoming (Spring, 1978) in Issues in Advertising: The Economics of Persuasion, AEI.

"Market Structure and Excess Capacity: A Look at Theory and Some Evidence," (with James Meehan and Glen Ramsay), forthcoming R.E. Stat.

Review of Richard Posner's Antitrust Law: An Economic Perspective, forthcoming Vanderbilt Law Review, April 1978, (with Teresa Amott).

Managing Editor (U.S.A.), Journal of Industrial Economics, May, 1977 -

Invited to NYU Conference on "Deregulation of Banking and Securities Industries: Impacts, Interactions, and Implications," May 18-19, as a discussant.

Cited by Kidder, Peabody & Co., Report, January 5, 1978 as the expert witness in economics for Berkey Photo v. Kodak - identified as from Boston College and "credited" with being "... a solid witness concerning basic economic theory ..." (Berkey won).

J. Huston McCulloch

"The Austrian Theory of the Marginal Use and of Ordinal Marginal Utility," Zeitschrift fur Nationalokonomie, December 1977.

"Continuous Time Processes with Stable Increments," has been accepted for publication in the Journal of Business, University of Chicago.

Translation (from the French) "The Production of Security," by Gustave de Molinari, Center for Libertarian Studies, May 1977.

"Misintermediation and Macroeconomic Fluctuations" presented at the American Economic Association Meetings in New York, December 1977.

Money and Inflation: A Monetarist Approach, Academic Press, 1975, is going into a third printing.

Robert J. McEwen, S.J.

Co-author, Handbook For Consumer Participation in Health Care Planning, published by Blue-Cross Association.

Consultant, Office of Technology Assessment, U.S. Congress.

Vice-Chairman, Conference of Consumer Organizations.

Member of Massachusetts Consumer's Council.

Francis M. McLaughlin

Andrew Sum, Katherine Mazzeo, Francis McLaughlin, and Jeffrey Zornitsky, Evaluating the Performance of Employment and Training Programs at the Local Level, (U.S. Dept. of Labor, Employment & Training Administration, Region 1, Boston, 1978, 1256 pages)

Volume I: The Role of Program Evaluation at the Local Level.

Volume II: The Use of Process, Outcome, and Benefit Cost Evaluation Techniques.

Volume III: The Design and Implementation of Local Follow-up Evaluation Systems.

Mary J. Oates

"Women's College and Women Achievers," (with Susan Williamson), Signs, 3, No. 4 (Summer, 1978), forthcoming.

"Organized Voluntarism: The Catholic Sisters in Massachusetts, 1870-1940," American Quarterly (September 1978), forthcoming.

Abstract of Paper: "Organized Voluntarism: The Catholic Sisters in Massachusetts, 1870-1940," 1977 Yearbook, American Philosophical Society, (April 1978), forthcoming.

Harold Petersen

Participated in a Random House Conference on new directions for textbooks in principles of economics.

Served as an outside reader for two senior honors theses at Bates College.

Served as a panelist for the Boston College Management Development Seminar.

Served on the Planning Committee for an Andover Workshop on Educational Development.

Gave an address on Economic Forecasting to the National Convention of the Newspaper Publishing Members Association, May 1978.

Elected Trustee and Treasurer of the Chestnut Hill School, Hamond Street and Essex Road.

Joseph F. Quinn

Visiting Assistant Professor, Institute for Research on Poverty, University of Wisconsin-Madison, Fall 1977.

"The Microeconomic Determinants of Early Retirement: A Cross Section View of White Married Men," Journal of Human Resources, Summer 1977. (Also, Institute for Research on Poverty Series Reprint, forthcoming.)

"The Early Retirement Decision: Evidence from the 1969 Retirement History Study," Social Security Administration Staff Paper No. 29 (HEW Publication No. (SSA)78-11855), 1978.

"Pay Differentials Among Mature Workers in the Public and Private Sectors," Institute for Research on Poverty Discussion Paper #445-77, October 1977 (submitted for publication).

"Job Characteristics and Early Retirement," Institute for Research on Poverty Discussion Paper #454-77, November 1977 (submitted for publication).

"Wage Determination and Discrimination Among Older Workers," Institute for Research on Poverty Discussion Paper #468-78, December 1977 (submitted for publication).

"Labor Force and Retirement Status of the Self-Employed," presented at NBER Workshop on Policy Analysis with Social Security Research Files, Williamsburg, Virginia, March 1978.

"Wage Determination and Discrimination Among Workers of Early Retirement Age," presented at Western Economics Association annual meetings, Anaheim, California, June 1977.

"Potential Users of Retirement History Study Data," presented at Longitudinal Retirement History Survey Workshop, Center for the Study of Aging and Human Development, Duke University, February 1977.

Grant from Social Security Administration, DHEW, to study retirement patterns of the self-employed, 1977-78.

Donald K. Richter

"Existence and Computation of a Tiebout General Equilibrium," Econometrica (forthcoming).

"The Computation of Urban Land Use Equilibria," Journal of Economic Theory (forthcoming).

"The Computation of a General Equilibrium in a Public Goods Economy," Mathematical Programming (forthcoming).

"Games Pythagoreans Play," Public Finance Quarterly, 5, October 1977.

Rusdu Saracoglu

"A Two-Sector Macroeconomic Model and the Relative Potency of Monetary and Fiscal Policy," Studies in Development, Middle East Technical University Press, Summer 1976.

"Seasonality and Portfolio Balance Under Rational Expectations," with Thomas J. Sargent, Journal of Monetary Economics, forthcoming.

"The Maximum Likelihood Estimation of the Parameters of Mixed Auto-Regressive Moving - Average Multivariate Models," Staff Report #56, Federal Reserve Bank of Minneapolis, April 1977.

Leon Smolinski

Research Grant: Department of State, for research on the future outlook of the Soviet economy, resulted in a paper, "Recent Changes in the Long-Range Future Image of the Soviet Economy," published by the Russian Research Center, Harvard University, 1977; and also "The Economics of Natural Resource Utilization: A New Soviet Frontier," (just published).

Research Grant: Department of Commerce, "The Impact of Soviet Industrial Mergers on the East-West Trade."

Chairman, Economics Section, 1977 Conference of the Regional Conference of the American Association for the Advancement of Slavic Studies, Harvard University, Spring 1977.

Chairman and Discussant, International Conference on Polish-Ukrainian Relations, McMaster University, Hamilton, Ontario, Canada, October 1977.

The long-standing project remains a book on "The Origins of Economic Planning." I work on it mainly at the Russian Research Center at Harvard, of which I've just been reappointed an Associate. Two articles are in the pipelines.

Richard W. Tresch

Chairman elect; Undergraduate Educational Policy Committee.

Graduate Text in Public Finance (in progress)

Ronald L. Trosper

"American Indian Relative Ranching Efficiency," has been accepted for publication by the American Economic Review.

II. Student Research and Activity

- Dalton, James (Ph.D., Boston College, 1969) and E.J. Ford (Ph.D. Boston College, 1971), "Concentration and Labor Earnings in Manufacturing and Utilities," Industrial and Labor Relations Review, October 1977.
- Ducnesneau, Thomas (Ph.D., Boston College, 1969) (on leave from the University of Maine - Orono) to the Division of Policy Research and Analysis, National Science Foundation, Fall 1977.
- Markusen, J.R. (Ph.D., Boston College, 1973) Associate Professor of Economics, University of Western Ontario, 1977. Author of numerous technical papers in international economics published in leading academic journals, and recently co-author with David Scheffman, Speculation and Monopoly in Urban Development: Analytical Foundations With Evidence For Toronto, U. of Toronto Press, 1977. This book blames the dramatic inflation in land and housing prices in the Toronto area on government regulation instead of on monopoly and speculation by developers. It has received both academic praise and popular notice in Canadian newspapers.
- Mullineaux, Donald (Ph.D., Boston College, 1971) Federal Reserve Bank of Philadelphia. "On Testing For Rationality: Another Look at the Livingston Price Expectations Data," Journal of Political Economics, April 1978.
- Pelzman, Joseph, (Ph.D., Boston College, 1976) Assistant Professor of Economics at the University of South Carolina. Author of "Trade Creation and Trade Diversion in the Council of Mutual Economic Assistance, 1954-1970," American Economic Review, September 1977.
- Perkins, George (Ph.D., Boston College, 1976) Assistant Professor of Economics, College of the Holy Cross, "The Demand for Local Public Goods," accepted for publication in the National Tax Journal.

III. Graduate Student Placement

The job market in economics this year was stronger than it has been in over a decade, and our students' success reflects this as well as their own merit. The strong non-academic market is apparently going to continue indefinitely as the use of technical economics in advocacy rises. Unlike other academic disciplines, well-trained economists apparently will always be in demand.

Teresa Amott - Wellesley College

James Buszuwski - Bureau of Labor Statistics

Jean Corbo - The Urban Institute

David Hall - Kenyon College

Charles Mueller - Simmons College

Ed Shih - Bowling Green University

James Sumrall - Rider College