

BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

Vol. XIII, No. 1

"All the news, print to fit"

May 1990

We have several items of special interest which we'd like to share with you. Unfortunately, the crack Boston College legal staff is insisting that we do not do so. Because Dean White refuses to increase our budget line item for the defense of libel suits, we will try to be careful. Since we all know that this rag wouldn't be worth reading without at least a little slander, we have sneaked in some juicy stuff here and there. However, for those of you with inquiring minds who really want to know, the inside story is hidden in the text. Just take this with you to the grocery store and read it backwards while standing in the checkout line.

We are finally learning something from the Boston College undergraduate students--party, party, party. We are planning a Boston College party at the ASSA annual meetings in Washington, D.C. This location is particularly appropriate to institute a tradition such as this, since we have so many graduates living and working in the D.C. area. At this stage, our tentative plans are to hold the party the first night of the meetings, December 28. Rather than renting a room with a cash bar, we hope to have the party in our interview suite and provide the party goods ourselves (knowing what big spenders you are). Contact Chairman Quinn, or any current faculty member, as soon as you get to the meetings to find out the details. We will try to remember to post a notice on the message board under the B's. Finally, note that neither rain, sleet, hail, hurricanes, blizzards, tornadoes, earthquakes, locust plagues, nor gloom of night will prevent our having this party. However, there is no clause stating that the party will occur in the case of a sand storm. Why, you ask? Because there is no sandy clause. (Hold it right there. This is my last newsletter and Mary promised me she would let me put in a joke before she completely took over.)

Retaining and strengthening the zeal for the mathematical nature of the department is of prime concern in the graduate program. Everyone here must know how important it is

to stick to the basics. For example, one and one make two. We have proven once again that we are successful in instilling this doctrine as we announce the engagement of two of our Ph.D. candidates: *Mary Joyce* and *P.J. Nigro*. Mary and Peter follow a tradition of mathematically successful economics couples, such as, *Helen Brooks* and *John O'Keefe*, *Pam Megna* and *Mark Klock*, *Marilena Furno* and *Tullio Jappelli*, *Ana Aizcorbe* and *Bob Koopman*, *Pat Lasonde* and *Ercan Kumcu*, and *Jane Gilligan* and *Don Richter*, to name a few. Given our success and that same departmental entrepreneurial spirit that brought you the NCAA pool, we have decided to franchise our concept as *Economics Doubles*.[©] (Of course, this should always be an elective). If interested in purchasing a franchise for your area, please remember the basic principles of the concept: to keep the math and sports orientations of the department in proper perspective, to maintain integrity, and to make the program seem ever so much more appealing (than it could be without the concept). Mary and P.J. are planning an August wedding. We wish them much happiness, and we wish continued happiness to all the others. (Perhaps we should include this item in our Ph.D. brochure.)

Marvin Kraus has been promoted to full professor. Upon receiving the news, he caught a plane to Florida for spring training (he had been working so hard, he didn't realize it had been cancelled). When we finally reached him by phone for his reaction to the news, he emphasized the importance of this promotion to his career. By his calculations, it should increase his batting average 30 points and extend his career by three years. "This is better than the DH rule," he exclaimed. *Don Cox*, an associate professor, was granted tenure in his office (Don already had tenure in the hallways), and *Bob Murphy* was promoted to associate professor with tenure. Both were unavailable for comment. Don was vacationing in Europe, and Bob was busy resigning from committees.

Leonardo Felli and **Toni Whited** will be joining the faculty this fall as assistant professors. Leonardo's thesis is titled "Essays in Search Theory and Theory of Organizations." He is receiving his degree from M.I.T., where he is working with Jean Tirole. His primary fields are Advanced Theory and Industrial Organization and Regulation. Toni worked with Ben Bernanke at Princeton on her thesis, "An Empirical Analysis of the Interaction Between Corporate Capital Structure and Investment." Her primary fields are Macroeconomics, Finance and Econometrics. She spent the past year as an economist at the Federal Reserve Board in Washington, D.C.

The 1989-90 RIP Seminar Series continued to provide a steady stream of impressive seminars. Included among this year's presenters were Stephen Coate, Harvard; Graziella Bertucci, Brown; Neil Gandall, Boston University; Stephen O'Connell, Penn/World Bank; Jean Tirole, MIT; Jeff Wooldridge, MIT; Glenn Rudebush, Board of Governors; Michael Gavin, Columbia; Ben Bernanke, Princeton; George Jakobson, Cornell; Thomas Lemieux, MIT; Andy Lo, MIT; Mike Whinston, Harvard; Beth Allen, Penn; and Andrew Oswald, Dartmouth/LSE. The Lunch Hour Series featured the usual star-studded cast of locals from the Department as well as Wally Mullin (B.A. 1987), who is currently a graduate student at MIT, and Noel Gaston, Toronto.

ROBERT J. CHENEY FUND

Fund raising for the scholarship fund, established by the Department in memory of **Father Bob Cheney**, who died unexpectedly in August of 1988, began last August. We are happy to report that we have already received gifts of over \$15,000. To make this a permanently endowed fund, we must raise at least \$25,000. **Cathy Schneider** has worked assiduously to get this fund started and to ensure its success.

Our hope is to make annual awards to juniors who have demonstrated excellence in economics and service to the university community. We see the Cheney Fund as a won-

derful opportunity to honor Father Cheney's many years of service to Boston College and his commitment to undergraduate education in general. He was never too busy to talk with a student or colleague--about an economic issue or anything else. We want to be able to give to future students some of what he gave to all of us.

If you would like to join us in this tribute, please send a check payable to Boston College, with a note specifying that your gift is for the Cheney Fund, to the Economics Department. We will make sure that it is credited to the appropriate account with the Development Office.

H. MICHAEL MANN FUND

Sincere thanks to all of you who have contributed to the fund, established in **Mike's** memory. It is important to remember that this fund is on-going and that your contributions supporting it each year are most welcome and most appreciated. Please remember to keep this in mind as you plan your annual list of charitable donations. We know how pleased Mike would be to know that money contributed in his name enables graduate students to receive a helping hand in support of their efforts to complete their dissertations. This year we are happy to announce that **Kumiko Powell** has been selected as the recipient of the H. Michael Mann Summer Thesis Award.

Karen McCormack Blanford and **Pat Lasonde** deserve a special word of praise for working so hard to achieve success in this venture.

Please send your checks, as before, to the Department of Economics, noting "H. Michael Mann Fund" in the corner. We will forward them to the Development Office so that they will be sure to be credited properly.

FACULTY RESEARCH AND ACTIVITY

Jim Anderson has proved that *man lives not by cheese alone* with the publication of "The Coefficient of Trade Utilization: Back to the Baldwin Envelope," with Peter Neary, in R. Jones and A. Krueger eds, *The Political*

Economy of International Trade, Oxford: Basil Blackwell, 1989.

Jim presented his paper (also without cheese) "Domino Dumping, I," at the Midwest International Economics Conference, St. Louis, in October, 1989, and at seminars at the NBER, the World Bank, Iowa State and the University of Oklahoma during February, 1990. At the NBER Conference on Empirical Trade Issues, March, 1990, Jim presented "The Coefficient of Trade Utilization: the Cheese Case." (A slight case of withdrawal is evident.) At the March, 7, 1990, Harvard Seminar, Jim presented "A New Approach to Evaluating Trade Reform." Jim was a discussant at the November, 1989, NBER Conference on Strategic Trade Policy.

Jim is spending April and May in Sweden, where he received an appointment from the Institute for International Economic Studies at the University of Stockholm.

Richard Arnott escaped the summer heat, visiting U.B.C., the University of Alberta and Stanford University. He continues to serve on the editorial boards of several journals in public economics and urban economics, and to act as editor of the regional and urban economics volume of the *Encyclopaedia of Economics*.

His principal research projects are moral hazard, transportation, and housing. Relating to the moral hazard project: "The Welfare Economics of Moral Hazard," with Joseph Stiglitz, was published in *Risk, Information and Insurance: Essays in the Memory of Karl H. Borch*, H. Loubergé, ed., Kluwer; "Moral Hazard and Non-Market Institutions: Dysfunctional Crowding Out or Peer Monitoring?," with Joseph Stiglitz, is to appear in the *American Economic Review*; and "Moral Hazard and Competitive Insurance Markets" is forthcoming in *Contributions to Insurance Economics*, G. Dionne, ed., Kluwer. Relating to the transportation project: "Schedule Delay and Departure Time Decision with Heterogeneous Commuters," with André de Palma and Robin Lindsey, was published in *Transportation Research Record*, 1197:56-67, 1989. "The Economics of a Bottleneck," with André de

Palma and Robin Lindsey, is to appear in the *Journal of Urban Economics*, "Departure Time and Route Choice for the Morning Commute," with André de Palma and Robin Lindsey, in *Transportation Research B*, and "Signalized Intersection Queuing Theory and C.B.D. Auto Congestion," in *Economics Letters*.

During the year, he gave research seminars at the University of Alberta, the University of Calgary, U.B.C., Simon Fraser University, Wayne State University, Northwestern University, Harvard University, GTE Labs and the University of Virginia.

Richard will be on sabbatical during the 1990-91 academic year. He will be spending the fall at Stanford University, writing a book on moral hazard with Joseph Stiglitz, and for the rest of the year he will be in France and Australia.

Kit Baum's latest published work is "Structural Change and Economic Development in Southern Italy," with J. Munro and G. Schachter, *Journal of Development Studies*, forthcoming, July, 1990. His review of *Feedback: A New Framework for Economic Policy*, by D.A. Kendrick, appeared in the March *Journal of Economic Literature*. He has been named an associate editor of *Computer Science in Economics and Management*.

In 1989 Kit traveled to the IFAC/SEDC conference at Heriot-Watt University, Edinburgh, to present "Testing the Stability and Reliability of U.S. Money Demand Functions." He presented "The Pricing of Railroad Bonds: 1925-30," with Clifford Thies, at the Eastern Finance Association meetings, April, 1990.

It is interesting to note that Kit leaves his mainframe at home when he travels, in an effort to control expenses.

David Belsley's four months as an invited scholar at the Rheinisch-Westfälisches Institut für Wirtschaftsforschung in Essen, West Germany, were delightful and productive: five papers and a monograph. Three of the papers have been accepted for publica-

tion, one in German, two in English. The monograph, *Conditioning Diagnostics: Collinearity and Weak Data in Regression*, is now in press with John Wiley & Sons. In addition, the econometrics package he has written for *Mathematica* is to be published as part of a paper he has written for *The Mathematica Journal*. Dave's summer research continues at MIT, and in June he will be chairing one of the special *Computer Science in Economics and Management* sessions at the meetings of the *Society for Economic Dynamics and Control* in Minneapolis.

Don Cox has been seen burning the midnight oil and the results are in: "Male-Female Wage Discrimination in Nineteenth Century France," with John Nye, *Journal of Economic History*, December, 1989; "Intergenerational Transfers and Liquidity Constraints," *Quarterly Journal of Economics*, February, 1990; "Credit Rationing and Private Transfers: Evidence from Survey Data," with Tullio Jappelli, *Review of Economics and Statistics*, forthcoming; "The Relative Effectiveness of Private and Public Schools: Evidence from Two Developing Countries," with Emmanuel Jimenez, *Journal of Development Economics*, forthcoming; and "Social Objectives through Private Transfers: A Review," with Emmanuel Jimenez, *World Bank Research Observer*, forthcoming.

Don presented "Credit Rationing and Private Transfers," at the Western Economic Association meeting at Lake Tahoe, June 1989; "Private Transfers in a Developing Country: Evidence for Peru," at the World Bank in September, 1989; and "Motives for Intergenerational Transfers," at Robert R. Nathan Associates, Washington, D.C., June, and at the College of Wooster in September, 1989.

Frank Gollop attended the NBER Productivity Conference in February, 1990, and presented "Measuring Diversification in U.S. Manufacturing." He delivered this paper at a seminar at the University of Massachusetts -Amherst, also. In November 1989 he presented "Modeling Productivity Growth for an Open Economy" and

"Application of Economic Principles to Environmental Policy" at two seminars at the U.S. Department of State. Frank also participated as a commentator at the AEA meetings.

Two papers which Frank has recently completed are: "Productivity Measurement and Earnings Analysis: Dollars and Sense," and "Measuring Diversification in U.S. Manufacturing."

Peter Gottschalk's momentum is a force unto itself. "Trend and Cycle in Family Income and Male Earnings Inequality: Recent U.S. Experience," in a volume to be published by the International Institute of Public Finance, is forthcoming. Peter has commented on "Effects of Cohort Size on Post High School Training," by Datcher-Loury in *A Future of Lousy Jobs*, Brookings Institution, edited by Gary Burtless. His review of *The Great U-Turn: Corporate Restructuring and the Polarizing of America*, by Harrison and Bluestone, is forthcoming in the *Journal of Economic Literature*. He gave testimony before the Joint Economic Committee, U.S. House of Representatives in May, 1989, on "Increased Inequality in the Current Recovery." Reports to the U.S. Department of Health and Human Services last year include: "Issues in Measuring Intergenerational Welfare Participation," and "Family Structure, Family Size and Family Income: Accounting for Changes in the Economic Well-Being of Children, 1968-1986."

Peter presented a paper at the European Society for Population Economics, Bouray, France, June, 1989, and at the annual meeting of the Association for Public Policy and Management, held in Arlington, Virginia, November, 1989. He was a participant in a workshop on "The Distributive Aspects of Health Care Policies," sponsored by the European Economic Community, Lyons, France, September, 1989, and in a round table on "Crime, Drugs and the Urban Poor," sponsored by the Joint Center for Political Studies, Washington, D.C., November, 1989. He also participated in a conference on "Poverty and Public Policy in the U.S. and Europe," sponsored by the Joint Center for Political Studies, Paris, France, December,

1989, and took part in a working group on "Hispanic Participation in Means-Tested and Other Benefit Programs," sponsored by the Social Science Research Council, New York, December, 1989.

Topics on which Peter is currently working include: "Do Increases in Inequality Reflect More than Increased Instability of Incomes--An Errors Component Model"; "Material Gains from Marriage: The Role of Transactions Costs"; "Impact of Changes in Fertility on the Distribution of Education and Earnings"; "Does Inter-generational Correlation of Welfare Participation Reflect Correlated Tasks or Constraints?"; "Work-Welfare Transitions--A Grouped Data Approach"; and "Impact of Increased Trade and Technological Change on the Distribution of Earnings."

Peter's research on "Trends in Poverty and Family Income" has been funded by a grant from the U.S. Department of Health and Human Services through the Institute for Research on Poverty. He has received support for his study of "Earnings Mobility and Earnings Inequality," with Robert Moffitt, through the NBER and the U.S. Department of Labor.

Perhaps, someday, Peter will tell us which brand of vitamins he takes.

Marvin Kraus presented "The Ramsey Problem for Congestible Facilities," a paper written with Richard Arnott, at the recent meetings of the Econometric Society in Atlanta.

Jane Marrinan's article, "Exchange Rate Determination; Sorting Out Theory and Evidence," was published in the *New England Economic Review*, November-December, 1989.

Scott Mayfield has been awarded a Boston College Instructional Research Development Laboratory Grant, which will keep him busy this summer. In May, Scott attended the NBER conference on "Asset Pricing and Financial Markets."

Last August, Scott was married to Margaret Redfield. They spent their honeymoon bicycling through Nova Scotia.

Robert J. McEwen, S.J., continues his work to protect consumers. Father spoke at the Allstate Management Seminar on the Consumer View of the Auto Insurance Industry in Northbrook, Illinois, in August, 1989. In October, Father moderated a panel on Lifeline Telephone Programs for Low Income Consumers at a meeting sponsored by the Consumer Federation of America, Washington, D.C. In November, he presented a paper at the convention of the Professional Insurance Agents of America, which was held in Boston.

Father McEwen has been elected chairman of the AT&T Consumer Advisory Panel, which is headquartered in New Jersey, and has been appointed to the National Steering Committee and the Board of Directors of the "New Start Auto Insurance" project in Washington, D.C.

Frank McLaughlin lectured on "Economic Justice" to two sessions of a conference held in March at the Jesuit Urban Center in Boston's South End. The conference was sponsored by *Connecting*, a group of post-college young adults interested in exploring what it means to be a Catholic today.

Bob Murphy has written "Macroeconomic Adjustment Under Alternative Lending Arrangements," which will be published in the *Journal of Economic Dynamics and Control*, forthcoming, 1990. Bob presented "The Terms of Trade, Investment, and the Current Account" at the International Workshop at the Department of Economics, Columbia University, in New York, September, 1989.

Joe Peek's paper, "A Call to Arms: Adjustable Rate Mortgages in the 1980s," appeared in the March/April, 1990, *New England Economic Review*. His "Aggregate U.S. Private Saving: Conceptual Measures and Empirical Tests," with Patric Hendershott, in Lipsey and Tice, eds., *The Measurement of Saving, Investment and Wealth*, in the NBER Studies in Income and Wealth Series, was published last year. In

addition, their "Interest Rates in the Reagan Years" will soon appear in Sahu and Tracy, eds., *The Economic Legacy of the Reagan Years: Euphoria or Chaos?*, Praeger Publishing Company.

Joe managed to rack up a few frequent flier miles in the fall semester, presenting "Treasury Bill Rates in the 1970s and 1980s" at Penn State, the University of Kentucky, and the Southern Economic Association Meeting in Orlando. As a grand finale, he will present it again at the 7th International Meeting on Monetary Economics and Banking in Caen, France, in June. Joe also received a Boston College Teaching/Advising Grant to develop a real estate finance course. He plans to use what he learns to invest his winnings and skimings from the NCAA pool fruitfully. (Could it be time for an audit?)

Harold Petersen presented his paper, "Estimating the Real Interest Rate: Some Evidence from International Markets," this past December in Atlanta at the annual meeting of the National Association of Forensic Economists, a group of economists with a particular interest in issues of valuation as applied in cases of law. Harold has worked with attorneys on a number of cases and testifies from time to time as an expert witness.

As the faculty advisor to the Investment Club at Boston College, Harold was actively involved with students who participated in the second annual AT&T Investment Challenge (a mock portfolio game contested on a nationwide basis). Among schools, Boston College finished eighth this year, in the top ten for the second year in a row. In the professor's division, Harold placed eighth, also.

Steve Polasky is spending the spring semester, 1990, as a Visiting Scholar at M.I.T. He is the recipient of a Boston College Faculty Fellowship for this semester, also. Steve has received a spring/summer 1990 Marine Policy Fellowship from the Woods Hole Oceanographic Institute. He also was awarded a Boston College Teaching/Advising grant to develop a new interdisciplinary course with Marc Landy (Political Science Department).

Steve is wearing many hats these days. Not content to sit and ponder economic theories, Steve is into recycling paper: fifteen tons, so far! As the coordinator of the *Boston College Recycling Program* he has made a giant contribution to our environment and has raised our consciousness. (We no longer use Styrofoam cups for our coffee in the department.) We wish him continued success.

Steve has budgeted his time economically and has found time to make presentations at the Western Economic Association and at the Econometric Society meetings in June, 1989.

Joe Quinn continues at the helm of the department and is keeping the ship on even keel. His article, "Poverty in the Extremes: The Young and the Old in America," appeared in *The Gerontologist*, November, 1989. Joe has written a book, *Passing the Torch: The Influence of Economic Incentives on Work and Retirement*, with Richard V. Burkhauser and Daniel A. Myers, Kalamazoo, MI: The Upjohn Institute, forthcoming.

Joe presented his paper, "The Nature of Retirement: Survey and Econometric Evidence," at the National Academy of Social Insurance Annual Conference, in Washington, D.C., January, 1990.

Do you think it's time for Joe to shift gears to the other end of the age spectrum? Joe's research up to now has been on pension plans and retirement, and research may be as close as he'll come to them. Perhaps it's time to switch to research on kindergarten-college tuition plans!

Dave Sunding has received an adjunct appointment at the Law School, beginning in September, 1990. A native Californian, it didn't take Dave long to realize the importance of law in Massachusetts.

Dick Tresch's paper, "Fundamentals Relating to the Economic Functions of Government," was published last year in W. Samuels, ed., *Fundamentals of the Economic Role of Government*, Greenwood Press.

THE GRADUATE PROGRAM

We have some good news and some bad news. However, there seems to be a great deal of controversy about which is which, so you will have to decide for yourself. *Joe Peek* is ending his tour of duty as director of graduate studies with a bang this spring (that's a bang, not a gunshot), and the halls are echoing with sighs of regret, . . . or are those sighs of relief? Seriously, Joe has done a great job and will be sorely missed. The cracking of his whip alone has kept everyone on his/her toes for the past three years. You didn't realize it had been that long? See how quickly time flies when you're having fun. Joe will be handing over the whip, oops, title, to *Kit Baum* so, instead of hearing whips cracking, we'll be seeing computer chips flying throughout the department. In preparation, Kit has been hard at work on his artificial intelligence software programs. Kit has a tough act to follow. We wish him well.

Michael Allen, a current Ph.D. candidate, has been awarded a \$15,000 Rural Policy Fellowship for 1990-91 by The Woodrow Wilson National Fellowship Foundation, Princeton, New Jersey. The Graduate Office has instituted a thesis fellowship award, and this spring *Celia Cabral* and *Michael Kane* were the first teaching fellows in our department selected as winners. These awards released them from their teaching duties, enabling them to devote full time to their dissertations. *Zekeriya Eser* and *Atreya Chakraborty* have won the honors for fall semester 1990-91. *Michael Gallaher* has been chosen as the Department Summer Thesis Award winner, and *Sarah Lyn Glavin* was selected to receive the Graduate A&S Summer Dissertation Development Stipend award. *Kumiko Powell* (as previously noted) has been awarded the H. Michael Mann Summer Thesis Award. Teaching Excellence awards for this year have been won by *Michael Allen* and *Rachel Ward*. At the awards ceremony, Mike was selected to give the acceptance speech for all the winners. His speech was admirable, and reflected the values one would hope to find in a teacher at Boston College. Congratulations to all!

Again this year we have had six Ph.D. thesis defenses. *Ron Norton* defended his thesis, "An Econometric Analysis of Input Markets: The Fish Processing Industry in Portland, Maine," in June. Ron lives in the Portland area and works for the State of Maine, Fishing Industry. In September, *Karen Palmer* defended her thesis "A New Test for Cross-Subsidies in Regulated Industries with Application to a Local Telecommunications Monopoly." Karen moved to Washington, D.C., where she is working for Resources for the Future. Also defending in September was *Daniel Swaine*. His thesis title was "Assessing the Effects of the 1979 OPEC Shock and Counteractive Government Policies with a Computable General Equilibrium Model with Indivisibilities." Dan plans to stay in the local area. "Applications of Integration, Cointegration, and Seasonal Differencing to Corporate Earnings Models" was the thesis defended by *Chuck Anderson* in October. Chuck now lives in Chicago and works for O'Connor and Associates, located in the Board of Trade Building. He has promised to rent a sky box and fly Joe Bob out for some Bears' games as soon as he makes his fortune as a trader. Returning from Washington, where she is employed at the Congressional Budget Office, *Connie Rhind* successfully defended her thesis, "Retirement in the Dual Worker Family," in October. A voice from the past came alive in March when *Jay Jones* returned to defend his thesis, "The Restructuring of the U.S. Brewing Industry and Small Firm Survival."

Four ABD's have been successful in the job market and will be embarking on long-awaited careers. Straying not too far from Boston College, *Celia Cabral* will begin a two-year appointment at Wellesley College this fall. *Rosemarie Emanuele* has accepted a tenure-track position at John Carroll University, Cleveland, Ohio, where she will begin life as a faculty member in September. She is receiving a great deal of pressure from Marvin Kraus to buy season tickets to the Cleveland Browns' games and invite him out to give seminars on the Fridays preceding home games. *John Griffin* will be joining

the faculty at Worcester Polytechnic Institute in September in a tenure-track slot. (see, John *does* know that there is something west of Dorchester.) *Michael Kane* has accepted a tenure-track appointment at Fordham University, New York, whereby he will be returning to his undergrad stomping grounds.

GRAD STUDENT AND ALUMNI NEWS

Jim Breece, (Ph.D. 1982) the Maine entrepreneur, is belying the belief that nothing ever happens in Maine. He served as associate dean of the College of Social and Behavioral Sciences this past year. Currently, he is working on a grant from the Maine State Planning Office, and this past December, he presented a paper at the Atlanta meetings. In the coming year Jim and his family will be heading for Australia, where Jim will be a Visiting Research Fellow at the Impact Project, associated with the University of Melbourne and other universities and government agencies.

Emily Blank's (Ph.D. 1984) "Job Mobility and Wage Growth of Male Household Heads" appeared in *Applied Economics*, 21 (4):475-85, April, 1989; "Changes in On-the-Job Training Stocks, Race and Wage Growth" was published in *Review of Black Political Economy*, 17 (4):47-57, Spring, 1989. Emily's article, "On-the-Job Training and Wage Growth," was published in the Proceedings of the Twentieth Modeling and Simulation Conference, May, 1989. Emily presented "Past Hours of Work and Current Wages" at the Eastern Economic Association Economic Association meetings in Orlando this past November.

Joe DiMasi (Ph.D. 1984) has had two publications recently: "The Notion of 'Acceptable Risk': Comment," *Journal of Clinical Epidemiology*, Vol. 41, 9:939-41, 1988, and "The Economic and Social Impact of Drug Innovation on the Delivery of Health Care: Recent Trends," *Private Practice*, Vol. 20, November, 1988.

Joe presented "New Drugs: Estimated Development Times and Costs" at the American Society for Clinical Pharmacology

and Therapeutics Annual Meetings, Nashville, Tennessee, March, 1989. In June of 1989, he presented "Supplemental Indication R & D: Recent Trends," at the Drug Information Association Meetings, Boston, MA.

Rosemarie Emanuele, a current Ph.D. candidate, attended conferences on Nonprofit Governance at Indiana University-Purdue University, Indianapolis, in October, 1989, and April, 1990.

Michael French (Ph.D. 1986) is amazing. While working on three grants, publishing papers, and giving presentations, Mike still found time to enter the Department's NCAA pool. Judging from this year's results, he should spend a little less time doing economic analysis and a little more time analyzing basketball teams. Mike, you've got to break that emotional attachment to ACC teams. Remember, statistics is a science.

Mike's publications are "Racial Differences in Exposure to On-the-Job Hazards," with G.A. Zarkim, *American Journal of Public Health*, 1989, and three forthcoming articles, including: "Estimating the Full Cost of Workplace Injuries," *American Journal of Public Health*, "Conceptual Framework for Estimating the Social Cost of Drug Abuse," with J.V. Rachal and R.L. Hubbard, *Journal of Health and Social Policy*, and "Does Drug Abuse Treatment Affect Employment and Earnings of Clients?," with J.V. Rachal, H.J. Harwood and R.L. Hubbard, *Benefits Quarterly*.

Mike's many presentations last year included: "The Value of Safety for Railroad Workers," at the Western Economic Association meetings at Lake Tahoe, June; "Estimating the Value of Avoiding Morbidity and Mortality from Foodborne Illnesses," at the Association of Environmental and Resource Economists Workshop, June; "Labor Force Participation, Employment, Work Effort, and Earnings of Drug Abusers Admitted to Federally Funded Treatment Programs," at a National Institute on Drug Abuse Conference, September; "Estimating Disutility of Occupational Injuries," at the American Public Health Association Annual

Conference, October; "An Improved Conceptual Framework for Estimating the Social Cost of Drug Abuse," at the American Public Health Association Annual Conference, October; "Using Benefit-Cost Analysis in Drug Abuse Treatment Studies," at a National Institute on Drug Abuse Workshop, November; and "Using Wage-Risk Models to Estimate the Value of Reducing Job Risk," at the Southern Economics Association Conference, November.

Obviously, Mike has discovered Peter Gottschalk's secret and poses a definite threat to Peter for our opportunity cost award.

Marilena Furno, (Ph.D. 1988) presented her paper "Adaptive Estimation in the Presence of Heteroskedastic Errors" at the European Meeting of the Econometric Society, 1989, and attended a conference on Robust Estimation in Reischensburg.

Tullio Jappelli's (Ph.D. 1988) "Who is Credit Constrained in the U.S. Economy?" was published in the *Quarterly Journal of Economics*, February, 1990. Tullio wrote "Consumption and Capital Market Imperfections: An International Comparison," with Marco Pagano, which was published in the *American Economic Review*, December, 1989. He has also written "Credit Rationing and Private Transfers: Evidence from Survey Data," with Don Cox, *Review of Economics and Statistics*, forthcoming.

Alan Kessler (Ph.D. 1984) has been granted tenure at Providence College.

Ercan Kumcu (Ph.D. 1983) is still at the Central Bank of Turkey; that is, when he is not traveling around the world for them. His paper, "The Savings Behavior of Migrant Workers: Turkish Workers in West Germany," recently appeared in the *Journal of Development Economics*.

Jim Lesage (Ph.D. 1983) has been promoted to associate professor with tenure at Bowling Green State University, Ohio.

Michael McDonald (Ph.D. 1989) presented "Issues in Corporate Capital Gains Estimation" at the Atlanta meetings. More important is his news that he had a .703 batting average last summer in a Washington, D.C., summer slow-pitch softball league. Under intense cross-examination, he revealed that he was his team's scorekeeper. Realizing my skepticism, he quickly blurted out, "Trust me, I work for the government." Sure, Mike. Remember your NCAA pool winnings? The check is in the mail.

Jim Meehan (Ph.D. 1967) wrote in the fall that his article, "Vertical Integration in the U.S. Auto Industry: A Note on the Influence of Transactions Specific Assets," with Scott Masten and Ted Snyder, University of Michigan, was to be published in the *Journal of Economic Behavior and Organization* later in the year.

Michael Ozog reports from Boulder, Colorado, that he will be married in Chicago in May.

Karen Palmer, (Ph.D. 1989), **Connie Rhind** (Ph.D. 1990), and **Sister Beth Anne Tercek** (ABD) each will be presenting papers at sessions sponsored by the Committee on the Status of Women in the Economics Profession at the 1990 meetings, which will be held in Washington, D.C.

Ted Shepard (Ph.D. 1987) has accepted a tenure-track position at Le Moyne College, Syracuse, NY.

Clifford Thies (Ph.D. 1982) has been promoted to associate professor with tenure in the Department of Economics and Finance at the University of Baltimore.

Janet Thomas' (Ph.D. 1987) paper, "An Empirical Investigation of Product Differentiation and Pricing Strategy: An Application of the Household Goods Motor Carrier Industry," was published in the *Southern Economic Journal*, July, 1989.

RECENT WORKING PAPERS

(copies of one or two papers available on request)

198. Don Richter, John Griffin, Richard Arnott: Computation of Dynamic User Equilibria in a Model of Peak Period Traffic Congestion with Heterogeneous Commuters (4/90)
197. E. Scott Mayfield: Secured Loan Contracts, Endogenous Credit Rationing and the Business Cycle (2/90)
196. Donald Cox & E. Jiminez (World Bank): Motives for Private Intergenerational Transfers: An Analysis Framework and Preliminary Evidence from Peru (7/89)
195. Donald Cox & E. Jiminez (World Bank): The Connection Between Social Security and Private Transfers in Peru (7/89)
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