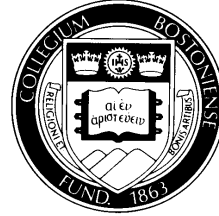


THE BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

August 1995



New PhD Curriculum to debut in 1996-97

Following the recommendations of last year's External Review Committee, the graduate faculty have adopted a set of revisions to the PhD curriculum which will streamline and strengthen the presentation of core topics. The review committee, chaired by MIT's Robert Solow, felt that coursework for the PhD could be completed within two years, with theory sequences completed in the first year. A set of ad hoc committees coordinated by Marvin Kraus considered these recommendations and a number of associated topics, such as the need to improve sequencing of mathematical economics and theory and the timing of comprehensive examinations, and presented a draft package of revisions to the full faculty in April. Current PhD students played an important role in the redesign process as well. The full set of revisions will come into effect in the 1996-1997 academic year.

The most significant changes will involve the treatment of micro and macro theory, which have each been taught for many years in three-semester sequences. In the last several years, many of these courses have been "modularized" into half-semester offerings to best utilize the expertise of the faculty. The first year curriculum has also included a two-semester sequence of mathematical economics, one semester of mathematical statistics, and one semester of introductory econometrics. Second-year PhD students have completed their theory sequences in the fall and taken an applied econometrics course in the spring semester. With 18 courses being required for the doctorate, students have taken an additional seven electives from the various fields in the second year, with their last two or three courses completed in the third year.

To enable reduction in course requirements to 16 semester courses (four per semester for two years), all four core sequences have been reduced by half a semester, with innovative timing of first-year courses permitting mathematical economics required in theory offerings to be presented before it is applied. This is achieved by delaying the start of what is now a 2.5 semester statistics/econometrics sequence to mid-fall; the econometrics sequence is completed with a combined econometrics/applied econometrics offering in the fall of the second year. Second-year students may then complete all seven elective courses, or may choose to delay one or more to their third year if they wish.

Under the new regime, micro and macro theory comprehensive examinations will be offered in June and September, with up to three attempts permitted. Since students will complete theory in the first year, those taking the comps in June (and September if necessary) will be able to clear this hurdle before the start of second-year coursework, enabling better concentration on field courses and the development of a research plan for the dissertation.

While these curricular revisions should strengthen the PhD curriculum, the new scheme does not lend itself well to a terminal Master's program. The department will continue to offer the Master's degree in course, and to those who complete the required coursework and examinations and decide not to pursue the PhD, but will not actively promote the terminal Master's degree in future years.

Bentley MacLeod Joins Senior Faculty

Ongoing efforts to strengthen the department's senior faculty ranks have met recent success in the hiring of **Bentley MacLeod**, an applied microeconomic theorist with impressive credentials. MacLeod comes to BC from Université de Montréal, where he has served as Associate Professor, Professor and most recently Deputy Director of the university's Center of Research and Development in Economics. He received his undergraduate degree from Queen's University, earning a Masters in applied mathematics from that institution in 1979 and his doctorate in economics from British Columbia in 1984, studying "Perspectives on Oligopoly Theory." MacLeod has also served as a faculty member at Queen's; as a research fellow at CORE, in Louvain; and as a visiting professor at Universidad Autonoma de Barcelona and Princeton.

MacLeod states that his research interests lie in the areas of "labour economics, incentives and organisations." He has published widely, with more than two dozen articles in refereed journals such as *Canadian Journal of Economics*, *Journal of Labor Economics*, *A.E.R.*, *E.E.R.*, *Economic Journal*, *International Economic Review*, *Q.J.E.* and *Econometrica*, and serves on the editorial board of *Journal of Comparative Economics*. His presence will surely enhance our department's considerable strengths in applied microeconomics and labor economics.

Cecchetti not to stay; Spolaore returns

Last year, we reported that Prof. **Stephen G. Cecchetti**, a noted macro- and monetary economist, had joined the department in the capacity of a visiting professor, with the intention of remaining at Boston College. Although Steve's year at BC was mutually agreeable, his wife was unable to secure an appropriate position in mathematics in the area, and they regretfully left this summer. We wish Steve and Ruth well.

Continued, p.3

Kristin Butcher Strengthens Labor/Development Field

The Economics Department's introduction of graduate coursework in development economics, drawing upon the cognate fields of labor, industrial organization and monetary economics, will be further strengthened by the addition of Prof. **Kristin Butcher** to the faculty this fall. Butcher, a 1993 PhD from Princeton, comes to us from VPI, where she has taught since 1992 at both undergraduate and graduate levels. She also received a M.Sc. in Economics from London School of Economics in 1987, doing her undergraduate degree in economics at Wellesley College. Her work at Princeton was under the supervision of David Card, Anne Case and Angus Deaton, and led to joint papers with Case in *Q.J.E.* ("The effect of sibling sex composition on women's educational attainment and earnings") and with Card in the *A.E.R. Papers and Proceedings*. Her research interests include labor economics, development economics, and applied microeconometrics. Butcher will work with Profs. Doug Marcouiller, Jim Anderson, Chris Canavan and Don Cox in designing a full two-semester PhD sequence in development economics and strengthening undergraduate offerings in this field. Despite the sizable foreign contingent in our graduate population, we have not offered graduate coursework in this field in recent memory, depending on the consortium arrangement with B.U., Brandeis and Tufts to provide courses. With several faculty having interest and expertise in this field and the fusion of development economics as a field with several established fields, the time is ripe for development to be added to our elective fields. Offerings will commence in Fall 1995, with a one-semester course in economic development team-taught by Profs. Marcouiller and Anderson. A full sequence should be in place for the 1996-97 academic year.

Changing of the Guard

Last year's BC•EC indicated that the post of department chair was open. Seasoned veteran Dick Tresch was unable to resist another tour of duty; although he protested that his Principles text was already in need of revision following the Republican takeover of Congress, he was unable to resist Joe Quinn's persuasive powers, and took over the chair from Joe in January 1995. Joe, meanwhile, has moved up (literally, to the palatial fifth floor of McGuinn Hall) to the newly created post of Faculty Representative to the NCAA, and chairs the Athletic Advisory Board, working closely with Fr. Monan and athletic czar Chet Gladchuk to ensure that BC's student-athletes live up to that title. A recent *New York Times* story on graduation rates of student-athletes and the general undergraduate population mentioned BC favorably in two categories. Although it is too soon to attribute any of this success to Joe's efforts, we are certain that his work along these lines will bring the same good judgment to BC's athletic efforts as was evident in his six years in the chair.

Meanwhile, on the second floor, Kit Baum relinquished direction of the graduate program to another veteran—Marvin Kraus—in June 1995. Kit spent five years in the role, during which time many of the graduate program's functions were computerized, permitting administrative secretary Mary Foley to better handle an increasing flow of PhD applicants (and in recent

Continued, next column

Spolaore...from page 2

This column also reported that **Enrico Spolaore**, visiting the department in 1993-94, had left for Brussels. The lure of the Boston area has apparently overwhelmed the lack of good local chocolate (and Belgian beer!), and Enrico will be returning for another visiting stint in 1995-96. This is very welcome news to us all, especially to several PhD students who found his research interests very much in line with theirs. We are very pleased to welcome Enrico back to the Heights.

years, a larger number of graduates as well!) Marvin coordinated the efforts of several ad hoc committees concerned with graduate program revisions, and is thus the logical candidate to oversee transition of the program to the new curriculum in 1996-1997. One change in the job description: at Marvin's request, the aspects of the job relating to print and electronic publications (including this newsletter) have been placed in the technology portfolio, and will continue to be supervised by Baum.

Cheney Scholarships Awarded

Last fall, the Department announced that David Casanova and Ellen Dorsey had been awarded Cheney scholarships to help cover expenses for their senior year. That they were both students in the College of Arts and Sciences and that both were members of the Department's honors program was not surprising. That they both chose to write theses under the direction of Don Cox is! Don had a busy year! David, who was also a member of the College Honors Program, wrote a thesis entitled "The Effects of Expected Future Pension Benefits on the Saving Decisions of Households." Ellen's thesis was "The Decline in Economics Majors at BC"; as a result of her thesis work, Ellen became somewhat of an expert in survey design.



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our mailing list current, and please send any news of
your activities and accomplishments—or what you'd like
to see in the newsletter—for the next issue!

Edited by Kit Baum and Mary Foley

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Carney Hall Renovation Plans Unveiled

After many years of indecision, the University administration revealed plans for the complete renovation of Carney Hall before the turn of the century. An architectural analysis of the 45-year-old building led planners to propose a course of action for the redevelopment of this section of Middle Campus which would entail the demolition and replacement of McElroy Commons and substantial changes to Carney Hall. The proposals, complete with architect's renderings of the area, include the construction of three new buildings—one on the site of McElroy, and two extending along College Road towards Lyons Hall. Two of these buildings would be used to house many of the faculty and staff now crammed into Carney offices. Under the current scheme, the departments of economics, history and mathematics would be tenants in a renewed Carney, along with some elements of Information Technology. This plan entails removing all Carney occupants in May 1997, with completion of renovations in time for September, 1999 occupation. (If this schedule can be adhered to, it will—barely!—prove wrong those doubters who claim the millenium will be upon us before our space needs are met). These plans are welcome news indeed to economics faculty, staff and student populations. Last year's External Review Committee judged space needs to be the one aspect of University support for the economics department which was clearly found wanting, and at that time lacking a concrete plan for relief. Although there are many hurdles before these construction plans can be acted upon and our space needs addressed, these plans for action are indicative of University concern about the clearly inadequate facilities provided to our department and a number of other academic units. We hope to soon have facilities on a par with our colleagues in the Carroll School of Management, who moved into the extensively renovated and enlarged Fulton Hall this last January.

Technology Improvements Underway; BC • EC on the World Wide Web

A University-wide project to update desktop workstations kicked off in Carney Hall this last February, when six departments (including Economics) received more than 50 new workstations for faculty and staff. The new desktop system for most faculty and staff is now the Macintosh Quadra 630, well-equipped with RAM, a large hard disk and that essential CD-ROM player for grooving to the tunes—oops, we meant performing keyword searches on the *Journal of Economic Literature*, CD-ROM edition. Each workstation is directly connected to the Internet via a built-in Ethernet port. A few faculty with “special needs” received more powerful Power Macintosh systems.

The advent of these new systems—14 for economics—allowed many of the existing faculty workstations to be “recycled” for graduate student and part-time faculty use. Shared systems in graduate student spaces are now more capable systems, enhancing teaching fellows' and research assistants' work. Moving beyond the desktop, two technology developments are worthy of note. In mid-1994, an IBM RS/6000 UNIX workstation released by the chemistry department became available for economics and mathematics departments' use. Since that time, the system—which is co-managed by Math Prof. Richard Jenson and Kit Baum—has been equipped with a number of useful packages unavailable elsewhere, including the Stata statistical package, GAUSS, and the GAMS modelling language. It also supports Mathematica “remote kernel” usage and the RATS econometrics language. The machine is accessible via telnet from any on-campus workstation, or via dialup, and has been receiving heavy use, especially by Stata and GAUSS users. A request for its upgrade to a newer model has been submitted, and has received the support of the academic administration. Economics has also been in the front line of BC academic departments' development of World Wide Web (WWW) materials. At press time, we are in the process of installing a new, more powerful Web server to be shared by Economics and other Carney departments. By late September you should be able

Continued, p.5

Graduate Student Awards Conferred

Congratulations to all the winners in the strong competition for graduate student awards. Teaching fellow *Michael Salve* was selected as the outstanding teacher of the year, while *Martin Konan* garnered the teaching assistant prize. *David Mishol* and *Mark Sarro* received the H. Michael Mann summer dissertation award and *Neslihan Ozkan* received a GSAS Summer Dissertation Award. *Susan Bellers* and *Kristian Uppenberg* received GSAS Dissertation Fellowships, allowing each a semester to speed development and completion of their thesis research.

World Wide Web. from p.4

to reach the department's home page on the Web by pointing your Web browser (Netscape Navigator preferred) at <http://infoeagle.bc.edu> and following links to the Economics offerings. A prototype version of the department's home page contains considerable information about the department, including a roster of faculty, descriptions of the undergraduate program, honors program, and graduate programs, syllabi for last semester's course offerings, and a list of recent faculty publications by field. The home page also presents detailed information on recent working papers (mirroring the entries available to Web-crawlers world wide via the *NetEc* service at <http://netec.wustl.edu/NetEc.html>), and will soon contain full curriculum vitae for the faculty. The full text of selected working papers should also be accessible soon via the Internet (again, check the *NetEc* site). We will eventually make BC•EC accessible on-line, probably as an Adobe Acrobat document, and will provide HTML forms for the request of program information and the submission of news items. Please contact us (at the masthead address) with any suggestions for how we might improve the Department's presence on the World Wide Web.

The Class of 1995

Conte Forum served once again as host for the May 22 Commencement exercises at Boston College, setting the stage for the awarding of nine Ph.D. and ten M.A. degrees in economics. For Ph.D. recipients *José Hernandez-Garcia*, *James W. Monks, Jr.*, *Van A. Newby*, *John T. Barkoulas*, *Basma Z. Bekdache*, *Michael K. Fenollosa*, *Alpay O. Filiztekin*, *M. Serif Sayin* and *Gülcan Unal* it was the culmination of years of preparation and perseverance to achieve their goals (and finally get out of Carney!) What had to precede graduation? The ubiquitous thesis, of course!

The topics, defense dates, and advisors of our Ph.D.'s follows: *M. Serif Sayin*, "Fiscal Consequences of Information Rents in the Public Sector," October 29, 1993, Jim Anderson; *Basma Z. Bekdache*, "Essays on the Term Structure of Interest Rates," June 13, 1994, Kit Baum; *John T. Barkoulas*, "Essays in Applied Economics and Finance," January 6, 1994, Kit Baum; *Alpay O. Filiztekin*, "Essays on Macroeconomic Fluctuations and International Capital Mobility," July 25, 1994, Bob Murphy; *Michael K. Fenollosa*, "Three Essays in Macroeconomics," July 29, 1994, Bob Murphy; *Gülcan Unal*, "Efficiency in Research Joint Ventures and Sequential Adoption of Innovations: Two Essays in Research and Development," September 28, 1994, Chong-En Bai; *Van A. Newby*, "Essays on Exchange Rates," December 12, 1994, Bob Murphy and Kit Baum; *James W. Monks*, "Determinants of College Timing, and The Impact of Timing on Earnings," December 28, 1994, Peter Gottschalk; *José M. Hernandez-Garcia*, "Essays on the Theory of Industrial Organization," February 14, 1995. M.A. degrees were awarded to Scott R. Browne, Stephanie C. Cappiello, Thomas E. Duggan, Michael J. Kozy Jr., Brendan K. Lowney, Steven M. Gandt, Cigdem Kogar, Anthony F. Pacione, Claudio Piron and Laura L. Stone.

Accolades to all and our sincere wishes for happiness and success! (The better you may honor those fund entreaties, we might add!)

Jim Anderson's "Domestic Distortions and International Trade," coauthored with Peter Neary, was published in the *International Economic Review*, February 1995, 36: 139-158. "Tariff Index Theory" will be forthcoming in the *Review of International Economics*. Jim presented several papers this year: "Effective Protection Redux," Recent Developments in International Economics, at the European Economic Association in Prague, September 1995; "Trade Restrictiveness Benchmarks", at the ADRES/GREQAM in June 1995; and "Effective Protection Redux" Midwest International Economics Conference, October 1994. Jim has been appointed to the Board of Editors for the *American Economic Review*, serving from 1995-98. He continues to serve on the Board of Editors for the *Journal of International Economics*, his appointment spanning the years 1994-1997.

Richard Arnott's publications include: "The Welfare Effects of Congestion Tolls with Heterogeneous Commuters," with André de Palma and Robin Lindsey, *Journal of Transport Economics and Policy*, 139-161, 1994; "Information and Economic Efficiency," with Bruce Greenwald and Joseph Stiglitz, *Information Economics and Policy* 6:77-88, 1994; "Reflections on Optimal Tax Theory," in *Modern Public Finance: The Break-Musgrave-Peckman Tradition*, J. Quigley and E. Smolensky, eds., Cambridge: Harvard University Press, 257-81, 304, 1994; "The Economics of Traffic Congestion," with Kenneth Small, *American Scientist* 82:446-455, 1994; "The Chicago Prototype Housing Market Model with Tenure Choice," with Alex Anas, *Journal of Housing Research* 5:23-90 1994; "Time for Revisionism on Rent Control?," *Journal of Economic Perspectives* 9, 99-120, 1995. This article was cited in "Surely not rent controls?," an Economics Focus feature published in *The Economist*, April 8, 1995. Richard's presentations included "Alleviating Traffic Congestion: Alternatives to Road Pricing," Taxation, Resources, and Economic

Development (TRED) Conference on "Alternative Strategies for Managing Externalities," Lincoln Institute of Land Policy, Cambridge, MA, September 1994; "The Chicago Prototype Housing Market Model with Tenure Choice," with Alex Anas, AEA/AREUEA Annual Meetings, Washington, D.C., January 1995; "Self-Financing of Congestible Facilities in a Dynamic Environment," with Marvin Kraus, Topics in Public Economics Conference, Tel-Aviv, Israel, January 1995. Richard spent May-June 1994 in Marseille at GREQAM and June-July 1994 at the University of Munich as a Visiting Professor.

Kit Baum and Olin Liu (Ph.D. '94) presented joint work, "An Alternative Strategy for Estimation of a Nonlinear Model of the Term Structure of Interest Rates," to the European Meetings of the Econometric Society in Maastricht last August. A revised version was presented at the October 1994 Meetings of the Financial Management Association, St. Louis and the 1995 Winter Meetings of the Econometric Society, Washington, DC, in January. Kit also participated in the international conference on financial constraints organized by Fabio Schiantarelli in Bergamo, Italy in October. Last May, Kit and Basma Bekdache (Ph.D. '95) presented "Modeling Returns on the Term Structure of Treasury Interest Rates" at the First International Conference of the Society for Computational Economics at University of Texas-Austin; this paper is under consideration for a conference volume. His joint paper with John Barkoulas (Ph.D. '95), "Risk Premia in the Foreign Currency Futures Basis," was also presented at the St. Louis FMA Meetings. He is serving on the Program Committee for the next conference of the Society for Computational Economics.

Kit also played a major role in planning and expediting the technology overhaul that took place last February. He has been involved with acquainting colleagues with the Internet and

Continued, p.7

Faculty News... from p.6

the World Wide Web, participating in workshops for CSOM faculty organized by librarians Pearl Alberts and Barbara Mento, and presented two sessions on Research Computing and Effective Use of the Internet to a University-wide technology workshop for faculty and administrators last May, organized by the Academic Technology Committee, on which he serves. He has also been active in the newly-formed Mass. Tech Corps, an initiative aimed at helping K-12 schools use technology effectively. In his spare time, Kit enjoys no longer having to sign all those grad registration forms!

Dave Belsley delivered papers in Siena, Italy and Berkeley, California. He has declared, "A more ideal site for a scholarly conference would be difficult to find than the Certosa di Pontignano, just north of Siena in Italy. The paper I gave there, *The Relative Power of Padded Zeros in Tests of Serial Correlation Using Artificial Regressions: a Monte Carlo Study*, did not appear to influence the outcome of the Palio, which we were privileged to observe a few days later, but the converse may be true." If Dave can get the authors in line, he plans to edit a volume of papers from this conference. Dave adds, "The Berkeley conference, an annual Econometrics affair led by Dan McFadden and Paul Ruud entitled the NSF Simulation and Estimation Symposium, made gallant efforts to compete. It was a week-long affair broken in the middle by a few days' trip to Yosemite. It is not clear whether the paper I delivered there, "Monte Carlo Sampling Methods Using Mathematica," had any effect on the height of El Capitan, but there are some who were nice enough to say it was possible (although the direction of change was left unspecified). In any event, a variant of this paper will appear as a chapter in Hal Varian's second volume of *Economic and Financial Modeling with Mathematica*." In May Dave delivered "Generating Random Numbers in Mathematica" at the second annual conference of the Society for Computational Economics in Austin, Texas. In addition to Kit Baum, several

BC students or alumnae were also on this program: *Basma Bekdache* (Ph.D. '94), now on the faculty of Wayne State University, delivered the paper "Explaining Term Premia Using Multiprocess Mixture Models: Evidence from the Term Structure," and *Meral Karasulu* (Ph.D. candidate) delivered "Modelling Expected Realignments."

Peter Gottschalk's latest work includes the following articles: "Welfare Dependence: Concepts, Measures, and Trends," with Robert Moffitt, *American Economic Review* May 1994; "Growth in Earnings Instability in the U.S. Labor Market," with Robert Moffitt, *Brookings Papers on Economic Activity*, 1994; "The Effect of Cohort Composition on Human Capital Accumulation across Generations," with Rachel Connelly *Journal of Labor Economics*, January 1995. Also published was "The Impact of Technological Change, Deindustrialization and the Internationalization of Trade on Earnings Inequality: An International Perspective," with Mary Joyce, in *Poverty, Inequality and the Future of Social Policy: Western States in the New World Order*, edited by K. McFate, R. Lawson and W. J. Wilson, Sage Press, 1995. Peter has received two grants from the Russell Sage Foundation: one to hold a conference on demand side factors affecting earnings inequality and to edit a volume of conference papers, with Richard Freeman; the other, to examine whether college educated workers are crowding out less educated workers. Peter worked with Kathy Lang to acquire industry data under a Research Expense Grant from Boston College in 1994. He lectured at the 1994 Luxembourg Income Study Summer Workshop, held in Luxembourg in July 1994; he presented a paper, joint with Robert Moffitt, at the Brookings Panel On Economic Activity, in Washington DC in September 1994; he presented a commissioned paper, joint with Pat Ruggles, to the Board of Directors of the Panel Study of Income Dynamics, University of Michigan, November 1994. In 1995 Peter was a discussant at the Allied Social Sci-

Continued, p.8

Faculty News... from p.7

ence Association, Washington, DC, in January; he presented a paper, joint with Robert Moffitt, at the Economics Workshop at Yale University in February 1995; he was a discussant at a Conference on "The Impact of Growing Up Poor," in March and at the Institute for Research on Poverty Small Grants Workshop in May, both held in Washington, DC. Also in May in Washington, he lectured at the Luxembourg Income Study workshop at the Bureau of Labor Statistics.

Bruce Hansen authored "Asymptotic Theory for the GARCH (1,1) Quasi-Maximum Likelihood Estimator," with Sang-Won Lee, published in *Econometric Theory*, 10:29-52, 1994 and "Autogressive Conditional Density Estimation," published in *International Economic Review*, 35:705-730, 1994. "Regression with Non-stationary Volatility" is forthcoming in *Econometrica*. Bruce received two grant awards in the past year: the Alfred P. Sloan Foundation Research Fellowship and a National Science Foundation Grant, "Testing for Unit Roots and Cointegration Using Covariates." Bruce gave seminars at Harvard University in October 1994 and at the University of Virginia in March 1995.

Marvin Kraus has written "Financing Capacity in the Bottleneck Model," with Richard Arnott, which has been accepted for publication in the *Journal of Urban Economics*. An earlier paper of Marvin's which appeared in the same journal, "Scale Economies Analysis for Urban Highway Networks," is one of the forty-one papers that make up *The Economics of Transport*, Edward Elgar, 1994, a two-volume set of transportation classics edited by Herbert Mohring.

Doug Marcouiller's "The Black Hole of Graft: The Predatory State and the Informal Economy," with Leslie Young, appeared in *The American Economic Review*, June 1995. His review of *Economies of Exclusion: Underclass Poverty and Labor Market Change in Mexico*, is forthcoming in the *Journal of Development Economics*.

Doug's presentations include: "The Black Hole of Graft" The Predatory State and the Informal Economy, at the University of Massachusetts-Amherst in February; "Formal Measures of the Informal Sector Wage Gap in Mexico, El Salvador, and Peru," at the LACEA panel on Labor Markets in Latin America, at the Allied Social Science Associations meetings in Washington, DC, in January; "The Economics of Informality: Mexico, El Salvador, and Peru," at the Workshop on States, Markets, and Civil Society, sponsored by the Center for International Affairs and the Committee on Latin American and Iberian Studies at Harvard University in October 1994. Doug was a discussant of "Trade Liberalization and Schumpeterian Growth," by Elias Dinopoulos and Constantinos Syropoulos, at the meetings of the Allied Social Science Associations in January, participating in the NAEFA session on Dynamic Trade Theory and Policy. He was a participant in the Economic Advisory Meeting, Inter-American Dialogue, also in Washington in January.

Frank McLaughlin presented "Remarks on Michael White's Pluralism and Secularism in the Political Order: St Augustine and Theoretical Liberalism," at the Boston College Institute on Religion and Politics in January 1995. For the tenth straight year Frank participated in the Trade Union Fellows Program at Harvard University from January to March. Frank was the keynote speaker at the Hudson, MA, High School graduation in May, emphasizing the importance of friendship and community to the assemblage.

Robert Murphy's "Managing Colombia's Oil Find," an editorial page article, was published in the *Journal of Commerce*, September 21, 1994. Bob presented "Macroeconomic Policy Implications of Oil in Colombia" at the Conference on "Colombia: An Opening Economy?" at Lehigh University, in October 1994. He continues serving as a member of the Committee of Examiners for the Graduate Record Examination.

Continued, p.9

Faculty News... from p.8

tion Economics Test. We've saved the best till last: Bob has been appointed a Senior Economist on the President's Council of Economic Advisers and has left the academic milieu at Boston College to spend a year in the bureaucrat ambience of Washington (unless Newt and friends succeed in zeroing out the CEA budget).

Joe Peek's "*The Capital Crunch: Neither a Borrower Nor a Lender Be*," with Eric Rosengren, has a publishing date of August 1995 in the *Journal of Money, Credit, and Banking*. "*Bank Real Estate Lending and the New England Capital Crunch*," with Eric Rosengren, appeared in the Spring 1994 *Journal of the American Real Estate and Urban Economics Association*, 22:1. "Bank Regulatory Agreements in New England," with Eric Rosengren, is forthcoming in *New England Economic Review*.

Joe Quinn's review of *The Future of Pensions in the United States*, edited by Ray Schmitt, appeared in the *Industrial and Labor Relations Review*, April 1995. Forthcoming in 1995 is "Towards Pro-Work Policies and Programs for Older Americans," with Scott Bass and Richard Burkhauser, in *Active and Aging: dimensions of Productive Engagement Among Older Americans*, Scott Bass, editor, New Haven: Yale University Press. Joe visited Ann Arbor in May 1995 to present "The Roles of Part-time Work and Self-employment in the Retirement Transition: A Preliminary View from The Health and Retirement Survey" at the HRS Early Results Workshop. He was a participant at the NCAA Annual Conference held in San Diego in January 1995. Joe continues as co-chair of the Technical Panel on Trends and Issues in Retirement Savings for the Social Security Advisory Council for 1994-1995. He is NCAA Faculty Athletics Representative at Boston College, and Chair of the Boston College Athletics Advisory Board, 1994-present. He is a member of the Editorial Board, *The Review of Income and Wealth*, 1992-present and a member of the Governor's Coun-

Job Market Fluctuations

This year's job candidates encountered a slowdown in the market place, but there were some jobs out there. *Michael Salve* had a strong preference for nonacademic positions and was fortunate when he found a match with Christensen Associates in Madison, Wisconsin. Michael left BC in mid-June to assume his duties. *Gulcan Unal* completed her work at BC last September and left immediately for Turkey to begin a tenure-track position at Middle East Technical University in Ankara. *José Hernandez-Garcia* has a tenure-track assistant professorship in the Department of Economics at Zaragoza University in Spain as well as a position in Zaragoza with an extension of the B.U. Business School. *Meral Karasulu*, who defended in July, has accepted a tenure-track assistant professorship in the Department of Economics at Bosphorus University in Istanbul. *Dave Richardson* has been offered another one-year appointment at Davidson, while *Jim Monks* has received a one-to-possibly-three-year appointment at Mount Holyoke College. *Van Newby* has received a one, possibly two, year visiting appointment to the faculty at University College, Cork. He and his family are looking forward to experiencing life in Ireland.

cil on Economic Growth and Technology, 1991-present.

Fabio Schiantarelli, with Marzio Galeotti, Università di Bergamo, and Marco Pagano, Università Bocconi and CEPR, organized a conference on International Perspectives on the Macroeconomic and Microeconomic Implications of Financing Constraints, held in Bergamo, Italy, from October 6-8, 1994. Fabio presented "A Switching Regression Approach to Investment and Financing Constraints: Panel Data Evidence for the U.S.," with *Xiaoqiang Hu*, Claremont McKenna College (Ph.D. '94). Joining Fabio at the conference were *Kit Baum*, session chair; *Don Cox* and *Steven Cecchetti*, Boston College and NBER, discussants; and *Tullio Jappelli* (BC Ph.D. 1988), presenter. Fabio will be doing some commuting to the DC area this fall, as his wife *Lisa Lynch* will be taking over the Chief Economist's position with the US Department of Labor.

Stork Market Soars

Who knows whether the Dow Jones is up or down. Something has been happening in economics, and we're not talking Keynes. What could it be? Could it be contagious? Could it be floating through the air? No, none of the above. The stork has established residence! Chong-en Bai and his wife Hua Yang have become the proud parents of Eric, born on June 16, 1995. Chris Canavan and his wife Kim welcomed a daughter Zoe to their family on June 25. Zoe joins her brother Nicholas at home. Still to come in August is a baby girl for Fabio Schiantarelli and his wife Lisa Lynch, and November is the month for a baby boy to arrive at Jean Feinschreiber's and her husband Steven's house (we're clairvoyant).

News from present and past graduate students indicate that the soaring market continues to spread beyond the walls of Carney. We received Christmas greetings from Rachel Ward Plaksa and her husband J.P. letting us know that they had become the proud parents of a son, Benjamin. Elizabeth Dorothy Nigro was born October 8 to Mary Joyce (Ph.D. '93) and P.J. Nigro (Ph.D. '93). Mark Klock (Ph.D. '84) and Pam Megna (M.A. '83) became the parents of Ethan Brian and Justin James on October 19. Cigdem Kogar (M.A. '95) gave birth to a baby girl in November. David and Kristen Richardson and daughter Macon, welcomed Jacob Evans Richardson on January 26. Michael Ozog (Ph.D. '91) and wife Amy had a new baby boy, Gus, on July 5. Karen Palmer (Ph.D. '90) and her husband Phil were expecting in June, but we haven't received the details as we go to press. Kathy Lang (Ph.D. candidate) and her husband are expecting a Christmas bundle of joy. Jim (Ph.D. '95) and Karin Monks are expecting a baby in January. Jim hid this fact from us for quite a while, but the news lends itself to our theory of rampant contagion in the first-floor inner hallway of the department.



Alumni News Notes

We regret to inform you of the death in March of *Rev. Michael J. Lavelle, S.J.*, Ph.D. 1966. Father Lavelle was also a graduate of Loyola University, Chicago, and the Harvard Institute for Educational Management. In 1968 he was ordained a priest, and in 1969 he began his career as an economics professor at John Carroll University in Cleveland, Ohio. He left John Carroll in 1977 to become provincial for the Detroit Jesuits, 350 in all. He followed this by returning to John Carroll as academic vice president in 1984, and in 1988 was appointed president.

Serhan Ciftcioglu (Ph.D. '89) has been appointed the Chair of the Department of Business and Economics at Eastern Mediterranean University, located on Turkish Cyprus. *Eugene Coyle* (Ph.D. '69) has appeared before the California Public Utility Commission in San Francisco as an expert witness, and in Sacramento before a full-panel hearing on Electric Industry Restructuring. During 1994 he spoke at the Los Angeles City Council; the Infocast Conference in San Francisco; the Cross Border Conference at Carmel; the DSM/Low Income Advocates Conference in Phoenix; the Independent Energy Producers Annual Conference in Lake Tahoe; and the Energy & Equity Roundtable in Washington, DC. In January 1995 he spoke at the U.S. DOE Conference held in San Francisco in January 1995. *Michael French* (Ph.D. '87), has relocated to the Washington branch of the Research Triangle Institute. He has also joined Georgetown's Graduate School of Public Policy as an adjunct professor. *Mark Kazarosian* (Ph.D. '92) has written "Precautionary Savings—A Panel Study," which is forthcoming in *The Review of Economics and Statistics*. *Charles Sullivan* (Ph.D. '57) and his wife Mary were the subjects of an article printed in the *Bangor Daily News*, January 26, 1995, which was brought to our attention by Frank McLaughlin. Charlie and Mary met at Boston College when Charlie was a graduate assistant and Mary was the only female in Boston College's economics department. Charlie went on to get a law degree, and Mary went on to Harvard to do research after her graduation. Among many other positions, Charlie served on the Bangor School Board. Mary and Charlie have had

Continued, p. 11

Alumni News... from p.10

interesting careers, with Mary becoming the first female mayor of Bangor, and then on to the State House of Representatives. *Clifford Thies* (Ph.D. '82), who holds the Durrell Chair at Shenandoah University, informed us of two journal articles: "Bank Capital and Bank Failure, 1921-1932: Testing the White Hypothesis," *Journal of Economic History*, 908-14, December 1993; and "Testing the Stulz Overinvestment Hypothesis," with *Mark Klock* (Ph.D. '83) *Financial Review*. He has written an introductory chapter for *Money and Banking: The American Experience*, Durrell Institute, 1995. He has written magazine articles "Bring Back the Bridewell," *World & I*, forthcoming September 1995; "the U.S. Trade Deficit with Japan," *St. Croix Review*, 30-35, June 1995; "Balancing the Budget and Stabilizing Prices," *Durrell Journal of Money and Banking*, forthcoming. Cliff chaired a panel on Free Trade and Monetary Union at Cato Institute's 13th Annual Monetary Conference, May 25, 1995. He presented "Flat Tax: Pro" at the Ripon Society's annual meeting, March 1995 and "Where We Are in the Global Economy" at the Winchester, VA chapter of National Association of Purchasing Managers, May 23, 1995.

Senior Honors Theses Reach New Heights

The Economics Honors Program continued to prosper, almost tripling in volume this year with fourteen students writing honors theses. Here is the list of students, their thesis topics, and their advisors: *David Flynn* wrote "Urban Renewal," Richard Arnott; Sarah Sullivan, "Agricultural Trade Liberalization in France," Harold Petersen; Ellen Dorsey, "The Decline in Economics Majors," Don Cox; Mary Hines, "Managing the Contingent Workforce," Frank McLaughlin; Manuel Orejuela, "The End of Peru's Hyperinflation," Chris Canavan; Melody Huang, "Does Comparative Advantage Theory Predict Japan's Trade Pattern?," Michael Salve; David Guerrero, "Economic Liberalization in China," Chong-en Bai; Robert Grande, "The Competitiveness of the U.S. Auto Industry," Harold Petersen; Margaret Enis, "The Effects of NAFTA on the Mexican Economy," Jim Anderson; Brendon Donellan, "The Economic Loss from Conscription in South Africa,"

Continued, next column

Swamped with Seminars!

Competition remained strong to attract an audience to the many seminars offered this year, but a sense of sanity and calm prevailed as the opposing forces armed their camps with a strong field of participants. The micro group invited Brigitte Madrian, Harvard University; Robert Rosenthal, Boston University; Michael Murray, Bates College; Preston McAfee, University of Texas at Austin, visiting M.I.T.; John Leahy, Harvard University; Alberto Bisin, M.I.T.; Rebecca Henderson, Sloan School; Mariano Tommasi, UCLA; Edwin Lai, Vanderbilt University; and Gary Biglaiser, University of North Carolina.

Lining up on the macro side were: Jim Stock, Kennedy School of Government; Steve Cecchetti, BC and NBER; Andrea Gavosto, Bank of Italy and NBER; Ricardo Faini, University of Brescia and CEPR; Steve Parente, Northeastern University; Orazio Attanasio, Stanford University; Jonathan Eaton, Boston University; Shang-Jin Wei, Kennedy School of Government; Michael Klein, Fletcher School and NBER; Patrick Asea, UCLA; and Alberto Alesina and Roberto Perotti, Harvard and Columbia Universities.

Econometrics sallied forth with: Doug Holtz-Eakin, Syracuse University; Douglas Staiger, Kennedy School of Government; Fabio Canova, Pompeu Fabra; Serena Ng, University of Montreal; Ishaq Nadira and Theofanis Mamuneas, NYU; and Louis Maccini, Johns Hopkins.

Sandwiched among the contenders was the Brown Bag Seminar, fielding: Jim Anderson, Peter Gottschalk, Chris Canavan, Bruce Hansen and Chong-en Bai, all of BC; Riccardo Faini, University of Brescia and CEPR; Herbert Mohring, University of Minnesota; and Gordon Hanson, University of Texas.

Chris Canavan; Maria Orejuela, "Cocaine and Dollarization in Latin America," Bob Murphy; Bridget Shannon, "Poverty and Welfare in the United States," Peter Gottschalk; Anthony Maragno, "Explaining the Quality of Life in Small Cities," Don Cox; David Casanova, "The Effect of Expected Pension Benefits on Current Saving," Don Cox. Brian Foerster wrote "Materialism & Freedom: The Problems of Sustenance and Wealth in Modernity" as a Scholar of the College, with Frank McLaughlin as director. Please note that some thesis titles may have been revised as work progressed, but are not available to us. Congratulations to all involved.