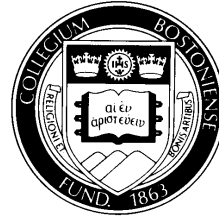


THE BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

August 1996



Prof. Robert McEwen, S.J.

Professor Emeritus Robert J. McEwen of the Society of Jesus died of a heart attack on May 15, 1996 in Cork, Ireland, where he was visiting relatives. He was 79. He had just completed his 50th year of teaching in the Boston College Department of Economics. McEwen received one of the first Ph.D.'s granted in economics at Boston College, and chaired the department from 1957 to 1970, playing a crucial role in its development. His area of expertise was consumer economics—a field in which he received recognition from President Lyndon Johnson and from state leaders. In 1963, he successfully lobbied the Massachusetts legislature to create the state Consumer Council, and served as its founding chair. The following remembrance of Bob McEwen was written by Prof. Francis McLaughlin, a colleague of Bob's for many years.



A remembrance

In mid-May Father Robert J. McEwen died suddenly while visiting relatives in Ireland. He had turned in grades and completed fifty years of teaching economics at BC just a few weeks earlier. Father McEwen was chairman of the department from 1957 to 1970, and a key player in the department's growth and development. In 1957 he received one of the first three Ph.D. degrees in economics awarded by Boston College. His thesis was on the "so-called" fair trade laws. He was "against them" according to Father Seavey Joyce, a member of his thesis committee. The following September Bob became chairman, taking over from Father Joyce. With the support of BC's president, Father Mike Walsh, Bob began the building of the department. He hired Alice Bourneuf in 1959. Alice was teaching at Berkeley, but she had lived in Chestnut Hill as a young woman and was enthusiastic about returning. I was in graduate studies at MIT at the time, and I heard of Bob's decision to hire Alice from Morrie Adelman. Morrie had known Alice at the Fed, and Bob asked Morrie what he thought of Alice as a prospective BC faculty member. Morrie was enthusiastic, but he cautioned Bob that he better be prepared to deal with a very strong personality. He evidently was. Alice came aboard, and she and Bob worked closely together over the next decade. Ed Kane, Ed Foster, and Albert Ando were brought over from MIT to teach mathematical economics. Leon Smolinski and Harold Petersen were two of five new faculty whom Bob and Alice hired during Alice's first year. In a volume of essays honoring Alice, Paul Samuelson wrote that "at AEA conventions, when Father McEwen and Alice Bourneuf appeared, department heads quaked for the ivory they were hoarding. The results are now history."

In his teaching, writing, and practical work Bob's economics was in the service of economic justice. The Jesuit economists of the late 17th century had concerned themselves with justice in economic life. Two of their major foci were the just price, and the conditions under which the payment of interest was morally legitimate. Bob carried this concern for justice into his work. The just price was described by his Jesuit forebears as the price reached by the actions of the community of buyers and sellers in the absence of monopoly, fraud, and collusion. Bob's interest in the consumer movement with its emphasis on information, consumer education, and vigorous exposure of collusion, and special interest lobbying was clearly in this tradition. Massachusetts Attorney General Edward McCormack appointed him as the first consumer representative in the Attorney General's office, and he was the first chairman of the Massachusetts Consumer Council when it was legislatively established. He was a close friend of late Speaker of the US House, John W. McCormack, and of the late Senator Paul Douglas of Illinois [of "Cobb-Douglas" fame]. He served on President Lyndon Johnson's Consumer Advisory Task Force, and at the

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Serena Ng

joins faculty

The latest addition to our economics faculty is Assoc. Prof. Serena Ng, formerly of l'Université de Montréal. Serena earned her Ph.D. at Princeton in 1993 and holds Masters' and Bachelors' degrees from Western Ontario. Her dissertation, "Essays in Time Series and Econometrics," was co-directed by Angus Deaton and Pierre Perron. While at Montréal, she served as a Research Associate at C.R.D.E. as well as holding an assistant professorship. Prior to completing the doctorate, Ng became the Head of the Special Studies Division of the Bank of Canada's Research Department in 1986-1990 after four years' experience in the division.

Serena Ng has a number of highly rated publications in macroeconomics and econometrics in journals including JASA, Journal of Applied Econometrics, Review of Economics and Statistics, Journal of Economic Dynamics and Control, and Journal of Time Series Analysis. A complete list of her recent and forthcoming publications is presented in Faculty News Notes (p. 7). She has been heavily involved with NBER's Empirical Macro, Economic Fluctuations, and Forecasting groups. She will be teaching half of the Time Series Econometrics graduate course this fall, along with the graduate Monetary Economics course, and will teach undergraduate econometrics in the spring. We are most pleased to welcome Serena Ng to our faculty, and we are sure that her research interests will prove most helpful to many students, graduate and undergraduate.

SPLIT SEMINARS

Splitting infinitives is not good, splitting seminars is. Specific designations allow instant recognition for topics of interest, and there was

time of his death he was still a major participant in consumer activities throughout the United States.

I never heard Bob talk about his views on interest and money, but he once taught money and banking, and one of his former students told me that Bob was critical of the practice of fractional reserve banking. Alice once said that after she joined the department she told Bob to keep his views on money to himself, and evidently he did. But I think he never abandoned them completely. Thirty years ago I read a review by Bob of a book on interest by a Jesuit economist, Thomas Divine. I was interested in the review because the book originally had been Divine's University of London Ph.D. thesis directed by my MIT graduate professor, Paul Rosenstein-Rodan. Bob expressed strong dissatisfaction with Divine's views on money. A few years back I read Divine's book, along with several other books on the usury question. Divine concluded that the source of the usury prohibition was not a judgment that interest was intrinsically wrong, but a historically conditioned judgment that when those who had abundance charged interest on pure consumption loans to members of the community in distress, the solidarity necessary for community life was seriously damaged. I asked Bob what he had meant by his criticism of Divine. His reply was that he believed that Divine had not dealt adequately with usury in modern life. Bob's view was closer to that of another Jesuit, Bernard Dempsey, whose book *Interest and Usury*, published by Harvard Press, was written originally as a Ph.D. thesis under Joseph Schumpeter. Dempsey regarded usury as intrinsically wrong. He believed that the practice of fractional reserve banking was usurious and the root cause of the business cycle. What bankers were doing was charging for the loan of something that in reality they did not have to lend. This conversation led me to believe that Bob still held the opinion of fractional re-

May 20 in Alumni Stadium

It's always hot, isn't it? Sunny it was once again as our graduates happily received their just rewards. This year's class included Ph.D.'s Meral Karasulu, Kathleen Lang, David Richardson, Michael Salve and Kristian Uppenberg. While not all could be present, their presence was felt. Herewith are our graduates' thesis topics, defense dates, and directors: **Michael P. Salve**, "Effects of the EPA's Acid Rain Program on the Market for KWHs," June 2, 1995, Frank Gollop; **Meral Karasulu**, "Essays on the European Exchange Rate Target Zone," July 25, 1995, Kit Baum; **Kathleen M. Lang**, "The Incidence of an Employer Mandate: A Theoretical and Empirical Analysis," September 5, 1995, Peter Gottschalk; **David P. Richardson**, "A Dynamic Analysis on the Effects and Treatment of Fiscal Policy in a Federalist System," September 22, 1995, Richard Arnott; and **Kristian Uppenberg**, "Inflation in Post-Socialist Economies," April 10, 1996, Bob Murphy. Receiving M.A. degrees were Tammy Barlow, Can Erbil, Alev Hicsonmez, Michael Hansen, Anthony Hanson and Rev. Joseba Segura. Can Erbil and Michael Hansen are continuing in the Ph.D. program. Congratulations to all.

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Senior Honors Students Excel

The Economics Honors Program was once again a shining example of the results of hard work by both students and academic advisors alike. This year's students and their theses were: *John Andrews*, "The Effects of Technological Change on Unemployment and Wages," Peter Gottschalk; *Desmond Choong*, "Free Trade and the Environment," Bruce Hansen; *Mark English*, "Hysteresis and Unemployment in Spain," Chris Canavan; *Michael Hurley*, "The International Tobacco Industry: Privatization and Other Issues," Rev. Richard McGowan; *Ryan Kling*, "Regulation and Merger in the Airline Industry," Frank Gollop; *William Macey*, "The Effects of a Carbon Tax on the Carbon Dioxide Emission Rates of Electric Utilities," Frank Gollop; *Tony Mullin*, "The Salomon Brothers Treasury Market Squeeze: An Empirical Investigation of the April and May 1991 Two-Year Notes," Kit Baum; *Jim O'Connor*, "Derivatives: Their Use by Public Sector Institutions & the Possible Need to Regulate Such Use," Harold Petersen; *Amy O'Sullivan*, "Unemployment in Ireland," Kristen Butcher; *Matt Piersol*, "CEO Compensation: An Empirical Analysis," Harold Petersen; *David Quinn*, "Trade Policy and Economic Growth," Jim Anderson; *Chris Woodard*, "College Applications and the Success of the Football Team," Richard Arnott; *Jonathan Wright*, "The Quality of Nursing Home Care," Fabio Schiantarelli. *Tony Mullin* was the first winner of the annual Giffuni Family Fund Prize for the best senior thesis. Tony also topped the field of economics majors to win the Bourneuf Award. It is with pride that we note that eleven of the thirteen students graduated with Honors.

The Giffuni Family Fund was established by Vincent Q. Giffuni, '65. Its sole purpose is to support the undergraduate Economics Honors Program. Besides the monetary prize now awarded, a dinner is held for economics majors each fall and spring. This past fall's dinner speaker was Rev. Richard McGowan, S.J., who spoke on "The Economics of Gambling." The spring dinner's featured speaker was Dr. James Burrows, President, Charles River Associates, whose topic was "The Economics Consulting Industry."

Graduate Student Awards Conferred

Excellence rewarded: *Susan Bellers* and *Can Erbil* received the Teaching Excellence Awards

Cheney Scholarship Recipients

John Andrews, *Matthew Blecha*, *Ryan Kling*, and *Andrea Leblond*, all seniors in the College of Arts & Sciences, received Cheney scholarships to help with senior year expenses.

John was a member of both the A&S Honors Program and the Economic Honors Program. His thesis, "Technology as Scapegoat: A Study of Technology's Effect on Unemployment and Wage Inequality," was written under the direction of Peter Gottschalk. John was co-chair of the UGBC Programming Council, which is responsible for all the major UGBC-sponsored events on campus.

Matthew completed his BC course requirements in three years, with a major in economics and pre-med. At the end of the semester, he was on waiting lists for admission to several medical schools.

Ryan, like John, was in both the college and department Honors Programs. His thesis, written under the guidance of Frank Gollop, focused on deregulation in the airline industry. Ryan's extracurricular activities included playing trombone in the pep band at basketball games and being a member of BCBoP.

Andrea was an RA, a student interviewer and tour guide for the Admissions Office, an orientation advisor for the First Year Experience program, and an officer of the Gold Key Honor Society. She also participated in the Appalachia Volunteer Program. Although she completed all the courses for the pre-med program, she hopes to work for Americorps*VISTA next year.

Jim Anderson's "A New Approach to Evaluating Trade Policy, with Peter Neary, was published in the *Review of Economic Studies*, 63:107-125, February 1996. "Tariff Index Theory" appeared in the June 1995 *Review of International Economics*, 3:156-173.

Richard Arnott wrote "Financing Capacity in the Bottleneck Model" (coauthored by Marvin Kraus) which was published in the *Journal of Urban Economics*, 38:272-290, 1995. "Information and Usage of Free-Access Congestible Facilities with Stochastic Capacity and Demand," written with André De Palma and Robin Lindsey, was published in *International Economic Review*, 37:181-203, 1996. "On Comparative-static Analysis in Numerical Nonlinear Economic Models," with John Rowse, was published in *Computational Economics*, 8:95-105, 1995. Richard presented "Are Brokers' Commission Rates on Home Sales Too High? A Conceptual Analysis," written with Paul Anglin, at the AEA/AREUEA Meetings in San Francisco, January 1996. He was a Visiting Fellow at Lusk Center, USC, May-June 1995, and was named in *Who's Who in Economics*, 1996.

Kit Baum took some time off from managing the department's World Wide Web pages for joint research with Meral Karasulu (Ph.D. '96), "Modelling Federal Reserve Discount Policy," presented at the Second International Conference on Computing in Economics and Finance at the University of Geneva in June. The paper was presented in a session on interest rate modelling organized by Baum, which also included Basma Bekdache (Ph.D. '94) presenting "The Time-Varying Behavior of Real Interest Rates: A Re-evaluation of the Recent Evidence." Meral and Kit also presented their paper at the European Economic Association meetings this August at Bogaziçi University in Istanbul. Baum has also been working on sev-

eral projects with current visitor John Barkoulas (Ph.D. '94), including "Essential Nonparametric Prediction of U.S. Interest Rates" (presented at the European Meetings of the Econometric Society in Istanbul this August), "Risk Premia in the Foreign Currency Futures Basis," forthcoming this fall in *Journal of Futures Markets*, and "A Re-examination of the Fragility of Evidence from Cointegration-Based Tests of Foreign Exchange Market Efficiency," forthcoming in *Applied Financial Economics*. Baum's joint work with Mark Klock (Ph.D. '83) and Clifford Thies (Ph.D. '82), "Tobin's Q, Intangible Capital and Financial Policy," which he presented at the 1996 ASSA Meetings in San Francisco, will appear in *Journal of Economics and Business* this fall.

Dave Belsley was heavily involved with the Second International Conference on Computing in Economics and Finance at the University of Geneva in June, having organized several sessions and presented "A Small-Sample Correction for Testing for gth-Order Serial Correlation with Artificial Regressions" at the meetings. Dave was also elected to the initial Advisory Council of the Society of Computational Economics. He edited a special issue of *Computational Economics*, Vol. 9 No. 3, devoted to "Computational Economics and Statistics at the Certosa" in which his paper "The Relative Power of Zero-Padding when Testing for Serial Correlation using Artificial Regressions" appeared.

Don Cox's "The Connection Between Public Transfers and Private Interfamily Transfers," with George Jakubson, was published in *Journal of Public Economics*, 57:1, 129-167, May 1995. "Private Transfers and the Effectiveness of Public Income Redistribution in the Philippines," written with Emmanuel Jimenez, appeared in *Public Spending and the Poor; Theory and Evidence*, D. van de Walle and K. Nead, eds., The Johns Hopkins University Press, Baltimore 1995. Don is working on "The Demon-

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stration Effect in Intergenerational Transfers” in conjunction with Oded Stark, under a grant of approximately \$520,000, 1996-99, from the National Institutes of Health.

Peter Gottschalk was cited in *The New York Times* Economic Scene, by Peter Passell, April 25, 1996. Peter argued against the conclusions drawn by Dallas Federal Reserve researchers Michael Cox and Richard Alm, who claim that despite the concern over growing income inequality, there is nothing to fear: “Most Americans struggling to make ends meet are on the fast track to affluence.” Not so, said Peter. “Cox and Alm ask the wrong question and give a misleading answer to the question they ask.” Peter has co-authored “America Unequal” (Russell Sage Foundation). The Cox-Alm study was published in the Dallas Federal Reserve’s 1995 annual report.

Bruce Hansen’s “Regression with Non-Stationary Volatility” was published in *Econometrica* 63:1113-1132, 1995, and “Are Seasonal Patterns Constant over Time? A Test for Seasonal Stability,” written with Fabio Canova, appeared in the *Journal of Business and Economic Statistics*, 13:237-252, 1995. “Inference When A Nuisance Parameter Is Not Identified under the Null Hypothesis” appeared in *Econometrica*, 64:413-430, and “Erratum,” in the *Journal of Applied Econometrics*, 11:195-198, both 1996. Several of Bruce’s articles are forthcoming in 1996: “Approximate Asymptotic p-Values for Structural Change Tests,” *Journal of Business and Economic Statistics*; “Tests for Cointegration in Models with Regime and Trend Shifts,” with Allan Gregory, *Oxford Bulletin of Economics and Statistics*; “Methodology: Alchemy or Science? A Review of Econometrics: Alchemy or Science by David Hendry,” *Economic Journal*. Since September 1995, Bruce has been a co-editor of *Econometric Theory*, and beginning July 1996, he will be an associate editor of *Econometrica*. He served as the keynote speaker at the March 1996 meetings of the Society for Nonlinear Dynamics and Econometrics in Bos-

ton. Currently Bruce is on the committee organizing the Winter 1997 program of the Econometric Society.

Marvin Kraus visited the Economics Department at Ben-Gurion University, Beer Sheva, Israel, for two weeks in December, where he taught a graduate course on urban transportation economics and presented a seminar on the Arnott-Kraus paper, “When Are Anonymous Congestion Charges Consistent with Marginal Cost Pricing?” “Financing Capacity in the Bottleneck Model,” written with Richard Arnott, appeared in *Journal of Urban Economics*, 38:272-290, November 1995. Forthcoming in *Topics in Public Economics*, is “Self-financing of Congestible Facilities in a Growing Economy,” also with Richard Arnott, in David Pines, Efraim Sadka and Itzhak Zilcha, eds., Cambridge University Press.

Bentley MacLeod has two publications forthcoming: “Decision, Contract and Emotion: Some Economics for a Complex and Confusing World,” *Canadian Journal of Economics*, November 1996; and “Gift Giving and the Evolution of Co-operation,” written with Lorne Carmichael, *International Economic Review*, July 1997. Bentley presented the former paper as the 1996 Harold Innis Memorial Lecture to the Annual Meeting of the Canadian Economics Association.

Doug Marcouiller’s “Putting in Politics: A Review of Economic Models with Endogenous Determination of Policy,” appeared in *Forum for Social Economics*, 25:1:37-52, Fall 1995; also in *Forum for Social Economics* was “The God of the Poor: Economics and Religion in Latin America,” Spring 1996. “Formal Measures of the Informal Sector Wage Gap in Mexico, El Salvador, and Peru,” written with Veronica Ruiz de Castilla and Christopher Woodruff, will be published in the October 1996 issue of *Economic Development and Cultural Change*. Doug presented “The God of the Poor: Eco-

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nomics and Theology in Latin America," at the Allied Social Science Associations meeting in San Francisco on January 5, 1996. He served as a panel discussant on: Latin American Labor Market Reform and Performance, Latin American Studies Association, Washington, DC, September 19, 1995; the Social Costs of Adjustment in Latin America, Allied Social Science Associations, San Francisco, January 7, 1996; and Schumpeterian Growth in the World Economy, Eastern Economic Association, Boston, March 15, 1996. He is a consultant to the Ford Foundation, Office for Mexico and Central America for 1996. Doug taught a macro theory and policy course for third-year MBA students at the Jesuit university in San Salvador during the first part of his summer vacation. After a brief stop in Boston, Doug flew to the Hebrew University in Jerusalem, where he presented "The Predatory State and the Informal Economy," at the 7th Jerusalem Summer School in Economic Theory "Political Economy," held June 10-19, sponsored by The Institute for Advanced Studies at the Hebrew University of Jerusalem, with the participation of the Center for Rationality and Interactive Decision Theory.

Frank McLaughlin's "The Establishment of the ILA in the Port of Boston: The Boston Longshoremen's Strike of 1912," is forthcoming in the *Historical Journal of Massachusetts*. Frank has written a paper, "Economics and the Common Good," for a conference next year at the Gregorian University in Rome, and he has been invited to write a paper for a symposium devoted to theologian Bernard Lonergan's essay, "Moral Theology and the Human Sciences." Frank devoted most of a spring sabbatical to the study of industrial relations in Ireland. In May he traveled to Ireland for a month and met with Industrial Relations faculty at UCD, Limerick, and the National College of Industrial Relations, union leaders, employer representatives, and government officials.

Bob Murphy has just returned from Washington, DC, where he served for the past year as a Senior Economist at the Council of Economic Advisers. Bob edited and contributed to the Weekly Economic Briefing of the President. (Yes, he did see the President in person, actually was in the same room with him (and a few other people); no, he didn't ask for his autograph.) He has been named Chair of the Committee of Examiners for the Graduate Record Examination Economics Test for 1996-98.

Serena Ng had several publications in 1995: "Unit Root Tests in ARMA Models with Data Dependent Methods for the Truncation Lag," with P. Perron, *Journal of the American Statistical Association*, 429:268-281; "Testing for Ho-

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THE LABOR FRONT I
JOB MARKET CANDIDATE. Three words that all Ph.D students look forward to having placed beside their names. It means that the end is near: relief in one sense; apprehension in another. It's time to look for a job, and this can be a daunting task, particularly in an era of downsizing. Fortunately, our candidates fared well. *Mustafa Caglayan* (September '96) has accepted a one year appointment at the Fletcher School of Public Policy at Tufts University. *Kelly Chaston* (ABD) has accepted a one-year appointment at Wellesley College. *John Jordan* (September '96) ended his job search at the Federal Reserve Bank of Boston, where he will be working alongside Joe Peek. *Dave Richardson* (December '95) has accepted a position at the Office of Tax Analysis in Washington, DC. *Kristian Uppenberg* (May '96) joined the London office of DRI/McGraw-Hill in July (and got married). *Tim Murphy*, who switched to the M.A. program midyear, began work in July at MCR, a consulting firm located in the nearby Billerica/Bedford area.

(More news from the Labor Front, p. 11)

It was nice to hear from several alumni in December. *Chuck Anderson* (Ph.D. '90) and his wife Margaret were pictured on a Holiday Greetings card with their sons, Christopher and Grant. Also sending Christmas wishes and a nice note was *Karen McCormick* (Ph.D. '83) and her husband Mike Blanford. Karen and Mike hid from the camera, but their children, Tom and Kate, looked very special. Karen returned to DRI to work on a special project for six weeks last summer, but has opted to be a full-time mother until both children are full-time students. *Dave Richardson* (Ph.D. '95) and his wife Kristen's card gave us an updated look at Macon and Jake, thriving in their Southern atmosphere. *John Barkoulas* (Ph.D. '95) is a Visiting Assistant Professor in our department this year, ensuring that those econ majors don't get by easy just because JoeBob is out of the fall lineup for macro theory. *Serhan Ciftcioglu* (Ph.D. '89) dropped by to deliver copies of "The Choice of Exchange Rate Regime," published in the Institute of Forecasting SAS *Journal of Economics* (a Slovak publication) in 1995, and "Short-Run Stability of a Small, Open Economy under Exchange Rate Indexation Rule," from Bocconi University's *International Review of Economics and Business*, 1995. *Eugene Coyle* (Ph.D. '69) appeared in Sacramento, California, on February 28, before the Legislature's Joint Oversight Committee on Lowering the Costs of Electric Service. Gene appeared in April at the New York Public Service Commission Competitive Opportunities Forum. Gene's numerous invited speaking engagements include: N. California Solar Energy Society, Berkeley, January 28; Utility Energy Forum, Lake Tahoe, California, on May 4; and in September at the Competition and the Public Interest Conference in Gatlinburg, Tennessee, sponsored by NARUC, U.S. DOE and National Council on Competition and the Electric Industry. Gene was an invited debater at the U.S. DOE/NARUC 4th Annual Natural Gas Conference in Orlando, Florida, February 15. *Richard Hohman* (M.A. '65) is President/CEO of Impact Marketing USA, Inc., headquartered in Tampa, Florida. Richard informed us that his company provided consultant services to Fortune 500 food companies for its first seven years. Four years ago, they repositioned themselves to market and contract Southern Afri-

can processing and packaging of frozen seafoods for restaurant and supermarket clients in the United States. They are niche marketers and pioneers in developing products that uniquely fit the client's needs, setting themselves apart from traditional marketing companies. They are now expanding processing to Southeast Asian countries. *Meral Karasulu* (Ph.D. '96) presented "Testing Target Zone Credibility with a Limited Dependent RE Model" at the Computing in Economics and Finance conference, University of Geneva, in June. She and *Alpay Filiztekin* (Ph.D. '95, teaching at Koç University) are heavily involved with the organization of two international conferences at her institution, Istanbul's Bogaziçi University, this August. *Mark Klock* (Ph.D. '83) was promoted to Professor of Finance at George Washington University last year; he has a publication with Clifford Thies (Ph.D. '82) and Kit Baum forthcoming in *Journal of Economics and Business*. *Jim Monks* (Ph.D. '95) has decided to stay at Mt. Holyoke College for another year, foregoing a stint at Wellesley.

It was nice to hear from *Peter Nigro* (Ph.D. '92) after a long interval. Peter was named a senior financial economist at the office of the Comptroller of the Currency in May 1995. His refereed publications are: "Failed Bank Acquisitions and Lending Activity," written with Kevin Jacques, *Business Economics*, 57-62, July 1995; "Securitization of Small Business Loans," with Chris Beshouri, *Journal of Small Business Finance*, 4:1, 1-30, 1995; and "Mutual Fund Investing through the Pension Channel: Investor Knowledge and Policy Implications," *Managerial Finance*, forthcoming 1996. Peter's other publications include: "How Did Banks React to Risk-Based Capital Standards," Comptroller of the Currency, *Quarterly Journal*, 13:4, 11-16, December 1994; "Failed Bank Acquisitions and Lending Activity," written with Kevin Jacques, Comptroller of the Currency, *Quarterly Journal*, 13:2, 11-17, June 1994; and "Mutual Fund Shareholders: Characteristics, Investor Knowledge, and Sources of Information 1996, Report issued jointly by OCC and SEC. *John O'Keefe* (Ph.D. '87) published "Understanding the Experience of Converted New England Savings Banks," with Jennifer Eccles, in the Winter 1995 *FDIC Banking Review*. *Pat O'Neill* (Ph.D. '87) will be program chair for the Omicron Delta Epsilon sessions at the 1997 ASSA meeting. *Anthony Pacione* (M.A. '95) recently accepted a position as a cur-

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rency analyst for AIG Global Investment. Karen Palmer's (Ph.D. '90) publications include: "Tightening Environmental Standards: The Benefit-Cost or the No-Cost Paradigm?" with Wallace E. Oates and Paul R. Portney, *The Journal of Economic Perspectives*, 9:4, Fall 1995; "Social Costing of Electricity in Maryland: Effects on Pollution, Investment and Prices," with Alan Krupnick, Hadi Dowlatabadi and Stuart Siegel, *The Energy Journal*, 16:1-26, 1995; "Environmental Regulation and Innovation: A Panel Data Study," with Adam Jaffe, *Review of Economics and Statistics*, forthcoming; and "How Should An Accumulative Toxic Substance Be Banned?" with Michael Toman, *Environmental and Resource Economics*, forthcoming. Karen received a promotion at Resources for the Future last year to "Fellow with indefinite appointment" (their version of tenure).

A . B . D . News

Gürcan Gulen's thesis essay, "Is OPEC a Cartel? Evidence from Cointegration and Causality Tests" appeared in *The Energy Journal*, 1996. He has relocated to Houston and is searching for a position in the oil business. Gurkan S. Oguz and Oivind A. Nilsen presented "Financial Constraints, Capital Heterogeneity and Investment: A q Model Approach Using Norwegian Firm Level Data," at the 65th annual conference of the Southern Economic Association, New Orleans, November 1995. Oivind, from the Norwegian Research Centre in Organization and Management, came to the department as visiting student in 1994-1995, working on his thesis with Fabio Schiantarelli. Gurkan's review, "Recent Industrialization Experience of Turkey in a Global Context," was published in the *American Journal of Economics and Sociology*, July 1995. Wenjie Fan survived the research department cuts involved with combining Chase and Chemical Banks in the Big Apple, and will soon be defending his thesis. Jim Fetzer is teaching at BC in the fall, pinch hitting in International Trade.

WEDDING ANNOUNCEMENTS

John Jordan and Ann Lewis, Summer 1995; Gurcan Gulen and Rachel Hitchcock, September 1995; Kelly Chaston and Masoud Ameri, December 1995. John and Ann met as University of Lowell undergraduates. Gurcan and Rachel, as well as Kelly and Masoud, met in the Ph.D. program at BC. Prof. Bentley MacLeod and Janet Currie (University of California at Los Angeles) were married in May.

Serena Ng...from p.7

mogeneity in Demand Systems with Integrated Regressors," *Journal of Applied Econometrics*, 10:147-164; "Testing for Unit Roots in Flow Data Sampled at different Frequencies," *Economics Letters*, 47:237-242; and "Review of Coint 2.0 by P.C.B. Phillips and S. Ouliaris," *Journal of Applied Econometrics*, 10:205-210. Serena's forthcoming publications include: "The Risky Spread, Investment, and Monetary Policy Transmission: Evidence on the Role of Asymmetric Information," with Huntley Schaller, *Review of Economics and Statistics*; "Looking for Evidence of Speculative Stockholding in Commodity Markets," *Journal of Economic Dynamics and Control*; and "The Exact Error of the Spectral Density at the Origin," with Pierre Perron, *Journal of Time Series Analysis*.

Joe Peek's recent publications are: "The Effects of Interstate Branching on Small Business Lending," with Eric Rosengren, in *The New Tool Set: Assessing Innovations in Banking*, Proceedings of the 31st Annual Conference on Bank Structure and Competition, Federal Reserve Bank of Chicago, 314-31, 1995; "Is Bank Lending Important for the Transmission of Monetary Policy" an Overview," with Eric Rosengren, *New England Economic Review*, November/December, 3-10, 1995; "Bank Lending and the Transmission of Monetary Policy," with Eric Rosengren, in Joe Peek and Eric Rosengren, eds., *Is Bank Lending Important for the Transmission of Monetary Policy?*, Federal Reserve Bank of Boston Conference Series No. 39:47-68, 1995; "Bank Regulatory Agreements and Real Estate Lending," with Eric Rosengren, *Real Estate Economics*, 55-73, Spring 1996; "Small Business Credit Availability: How Important is Size of Lender?" with Eric Rosengren, in Anthony Saunders and Ingo Walter, eds., *Universal Banking: Financial System Design*, 628-55, Irwin Professional Publishing, 1996. Joe's most recent presentations include: "Bank Lending and the Transmission of Monetary Policy," FRB of Boston Conference No. 39, North Falmouth, MA, June 1995; "Prompt Corrective

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Action Legislation: Does It Make a Difference?" Federal Reserve System Committee on Financial Structure and Regulation Meeting, Portland, Oregon, August 1995; and "Early Identification of Problem Banks for Prompt Corrective Action," Eastern Finance Association Meetings, Charlotte, NC, April 1996. Joe received a faculty fellowship for spring 1996 semester and a contract from the U.S. Small Business Administration to conduct research on the effect of bank consolidation on small business credit availability.

Fabio Schiantarelli's "Capital Market Imperfections Before and after Financial Liberalization: An Euler Equation Approach to Panel Data for Ecuadorian Firms," with F. Jaramillo and A. Weiss, is forthcoming in 1996 in the *Journal of Development Economics*. Published in the June 1996 revised version of *Is Bank Lending Important for the Transmission of Monetary Policy?* J. Peek and E. Rosengren, eds., conference volume of the Federal Reserve Bank of Boston, is Fabio's "Financial Constraints and Investment: A Critical Review of the Methodological Issues and of the International Evidence." While on sabbatical this coming year, Fabio can be found at The World Bank. He is residing in Washington, DC, while his wife, Lisa Lynch, continues as the Chief Economist of the U.S. Department of Labor.

Dick Tresch continues as Department of Economics Chairman. Dick's *Public Finance* (Revised Edition), Richard D. Irwin, is forthcoming. On March 6, 1996, Dick presented "Welfare Reform: Shared Views and Disagreements," at the Alex G. McKenna Economic Education Series, Saint Vincent College.

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Editors' note:
 Updates on faculty publications, working papers and current research can be found on the "Faculty Profiles" and "Working Papers" sections of the department's World Wide Web site, <http://fmwww.bc.edu/EC/>, which is continuously updated. Please stop by often and check it out!

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IN MEMORIAM

Prof. Vincent Dunfey
 Eulogy delivered by Harold Petersen at
 Vin's funeral service, January 6, 1996

I first met Vin when I arrived at Boston College as a young instructor in 1960. We shared an office and developed a rather special bond. Vin taught statistics and enjoyed it, and so did I. There aren't too many of us like that. Vin was a tennis player, and so was I, and we all know tennis players are different. Vin loved camping, and I can't stand it. Oh well, two out of three is not bad.

The 1960s was an era of tremendous growth at Boston College when the institution made its first strides toward becoming a national university. We hired a lot of young hotshots and gave them reduced teaching loads so they could pursue research and put us on the map. Vin was one of the foot soldiers who taught a lot of students and did it well. Vin took a lot of pride in the contribution he was making toward that growth. Then in the seventies Boston College went through a severe financial crisis. Too much growth, too fast, without the money to pay for it. I was chairman of economics by this time and Vin was in my department. We were under severe pressure from the administration to take cuts and to teach more students. The administration was telling me we had to teach more students and my young hotshots were telling me we had to sustain the promises given them in the sixties. It was a bit like trying to manage a ball club in Milwaukee, with limited resources and with your stars as free agents. I went to Vin and asked him if he would be willing to teach four courses per term—well above the norm—so that we could cut some slack for others to pursue their research. He said sure, and he did so for years.

This was invaluable to me and to his department. I could go to the administration and tell them that we are teaching more, but we are doing it as a team. I challenged the deans to show me one other department that had someone teaching four courses per term.

Boston College survived the crisis of the seventies and has gone on to further growth. Your father, your grandfather, your husband, and your friend, played a vital role in this growth. Vin was a foot

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soldier who taught many students and did it well. There was great goodness in this man Vin Dunfey, and this goodness touched a lot of people. You can take great pride in the role he played in making Boston College what it is today. I am here to say thanks to Vin, personally for being a friend, and on behalf of Boston College for what you gave us. Thanks, old buddy. May God bless you.

Pilar Velasco

We received the sad news that Pilar died suddenly in late August 1995 of cardiac arrest. Pilar was at home in Ecuador at the time of her death. It was particularly shocking, since her roommate had spoken with her three weeks earlier and everything had been fine at that time. Pilar attended the Ph.D. program during the fall semesters of academic years 1992 and 1993. She changed her plans

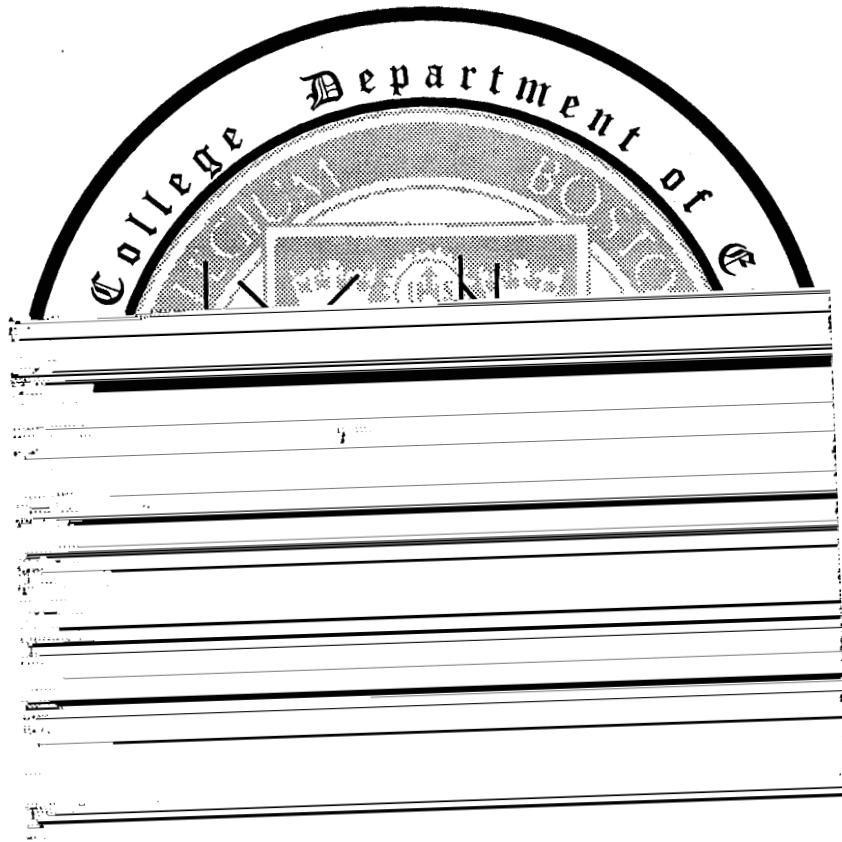
BC Econ on the Web

Last year in these pages, we noted that work was underway to create a departmental home page on the World Wide Web. Since last October, that home page has been up and running at <http://fmwww.bc.edu/EC> on the FMRC's Macintosh WebSTAR server. It has been expanded to include contact information for faculty and staff; seminar schedules; course schedules and listings, with downloadable full-text syllabi; and graduate program information, including a complete description of the new graduate curriculum and a form by which applicants may request materials. The "Faculty Profiles" section takes you to each faculty member's personal home page, with photograph, research interests, CV, and links to working papers, computer programs, etc. A list of recent faculty publications is also presented, organized by field of research, as well as the most recent issue of this publication.

The most notable break with past practice has been in terms of the working paper series, where what was a twice-a-year effort to generate and circulate a list of recent faculty papers has become a continuous-flow process. Papers are now submitted to the EC WP series electronically, whenever the author(s) have a completed draft, and their title and abstract is posted on the Web, with a link to the full-text version in Acrobat (PDF) format. A link is also placed on the author's home page. This process has greatly streamlined the dissemination of faculty research results, and reduced the cost of satisfy-

THE LABOR FRONT II

Incoming data suggests that production continues at a steady pace among our graduates. The graduate-infant cycle has unlimited parameters, and we see no reason to doubt that it will hold forth into the foreseeable future. The latest facts support our hypothesis. *Karen Palmer* (Ph.D. '89) and her husband Phil became parents to Josie Palmer Twomey on June 30, 1995. *Jean Feinschreiber* (M.A. History '89) and her husband Steve (M.S. Finance '93) welcomed Alexander Patrick on October 31, 1995. Christmas came a little late to *Kathleen Lang* (Ph.D. '95) and her husband Nick as Victoria Rose entered the world on December 30, 1995; *Celia Cabral* (Ph.D. '91) and her husband Mario became the proud parents of Tomás on February 8, 1996; *Jim Monks* (Ph.D. '95) and his wife Karen announced Katherine Helen's arrival on February 25, 1996. On Saturday, March 16, Leanne Linda Klock was born to *Mark Klock* (Ph.D. '84) and *Pam Megna* (M.A. '83). *Sarah Lyn Glavin* (Ph.D. '92) and her husband Don spent long hours at Holy Cross Hospital in Silver Spring, MD, awaiting the birth of their son, Robert, who arrived on April 22. (After all this labor, working on a thesis probably doesn't seem so bad now.)



Boston College
Department of Economics
Chestnut Hill, MA 02167-3806

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