

ECONOMICS



AT NORTHWESTERN

Summer 1990, No. 20

Editor: Maryann Semer

This edition covers events and publications involving economists at Northwestern for the period of October 1, 1989, through April 30, 1990. Additional copies are available from the editor in Andersen Hall, G-174.

APPOINTMENTS, HONORS, AND GRANTS

KYLE BAGWELL was on the Faculty Honor Roll and was a Student Advisory Board nominee for an Outstanding Teacher Award.

RON BRAEUTIGAM received an appointment to a chaired Professorship: he is now the Harvey Kapnick Professor of Business Institutions. In addition, the International Telecommunications Society in Vienna elected Ron to its Board of Directors.

CHARLES W. CALOMIRIS received a grant from the Garn Institute of Finance (with Charles M. Kahn) to study "Banking Coordination in U.S. History: Social Efficiency, Collusion, or Coercion," and a grant from the Center for Economic Policy Research, Stanford University (with Oranzio Attanasio) to study "The Firm Life Cycle in Dividends and Returns."

IAN DOMOWITZ has received a two-year grant from the National Science Foundation to conduct an "Analysis of Automated Transactions Markets." He also has been appointed as a Research Associate of the Center for the Study of Futures Markets at Columbia University.

ROBERT EISNER received a Research Experience for Undergraduates Supplement to his NSF grant for "Collaborative Research on Adjusted and Extended Measures of Government Budgets, the Balance of Payments, Saving and Investment."

MICHAEL FISHMAN was awarded a Smith Breeden Prize by the American Finance Association for his paper "Preemptive Bidding and the Role of the Medium of Exchange in Acquisitions." He also received the Chicago Board of Trade Award from the Western Finance Association for his paper "Dual Trading in Futures Markets" (with F. Longstaff).

STUART I. GREENBAUM has received a grant from the Garn Institute of Finance, University of Utah, for a research paper entitled "Constructive Ambiguity in Financial Contracting" to be co-authored by Arnoud Boot and Anjan Thakor. In addition, he has contracted with Dryden Press to serve as editor of its series on financial institutions and to write a textbook on banking to be co-authored with Anjan Thakor.

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ROBERT J. HODRICK has been appointed the Tokai Bank Professor of International Finance. He also was appointed Associate Editor of the *American Economic Review* and the *Journal of International Money and Finance*.

BO HONORÉ was given a joint (courtesy) appointment in the Department of Statistics.

MATTHEW JACKSON received a grant from the National Science Foundation to study "Issues in Implementation Theory." He was appointed to the editorial board of *Social Choice and Welfare*.

ALEJANDRO MANELLI presented the paper "Core Convergence Without Monotone Preferences or Free Disposal" at the University of Toronto.

MICHAEL MARRESE has been appointed a member of The Atlantic Council of the United States' Task Force on Institutional Changes, which has been examining the overall impact that the fundamental changes in Eastern Europe could have on the OECD, EEC, IMF, and the World Bank.

EDWIN S. MILLS has been named Real Estate Man of the Year by the Chicago Real Estate Securities and Syndication Institute. He was also named Fellow of the Urban Land Institute.

JOEL MOKYR has been elected a trustee of the Economic History Association. He has also been named a co-winner of the International Joseph A. Schumpeter award. In addition, he is an invited participant and session chairman at the Annual Cliometrics Conference.

ROBERT PORTER has been elected as a Fellow of the Econometric Society.

THOMAS RIETZ received a grant from the Dispute Resolution Center to undertake "An Experimental Study of Polls, Voting Rules, and Election Paradoxes" (with Roger Myerson, Robert Weber, and Robert Forsythe).

MARK WATSON was a visiting professor at the University of Chicago during the Fall and Winter Quarters.

BURTON WEISBROD, who joined the Economics Department in July, 1990, as John Evans Professor, was elected Fellow of the American Association for the Advancement of Science. He was also appointed to the governing board of the National Center for Charitable Statistics, which develops data on donations, volunteerism, and related matters,

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and was reappointed by the new President of the American Economic Association, as Chair of the Committee on Political Discrimination.

TRAVELS

LAWRENCE AUSUBEL spent the Spring Semester visiting the economics department at New York University. He presented "Bargaining and the Right to Remain Silent" (co-authored with Raymond Denekere) at the Midwest Mathematical Economics Meetings, at New York University, Columbia University, the State University of New York at Stony Brook, the University of Illinois, and the University of North Carolina. He gave "Insider Trading in a Rational Expectations Economy" at the Western Finance Association Meetings and Indiana University. He presented "The Failure of Competition in the Credit Card Market" at Princeton University, New York University, and the University of Delaware.

KYLE BAGWELL presented papers at Duke University, Princeton University, and Southern Methodist University.

RON BRAEUTIGAM participated in the Bellcore Seminar on Telecommunication Infrastructure in Washington, D.C. He also attended the Brookings Institution Micro-BPEA meetings in Washington in December.

CHARLES CALOMIRIS presented the paper "Deposit Insurance: Lessons From the Record" at the American Economic Association meetings. He also presented "Do Vulnerable Economies Need Deposit Insurance? Lessons From the U.S. Agricultural Boom and Bust of the 1920s" at the Sequoia Institute Conference on Financial Risk and Regulation in Commodity-Exportation Economies, the Federal Reserve Board of Governors Conference on Deposit Insurance Reform, the Wharton School of Finance, Queens University, and the University of Western Ontario. In addition, he presented "A New Interpretation of the Panic of 1857: Origins and Regional Responses" (with Larry Schweikart) at the Federal Reserve Bank of Richmond. Also presented was "The Origins of Banking Panics: Models, Facts, and Bank Regulation" (with Gary Gorton) at the National Bureau of Economic Research Conference on Financial Markets and Financial Crises, in Key Biscayne, Florida. Finally, he presented "Historical Perspectives on Deposit Insurance and Deposit Insurance Reform" to the Senate Banking Committee.

ROBERT EISNER participated in a panel discussion on "University Relations in New Alliances" at the Fifth Kenan Convocation in Chapel Hill, North Carolina. He also spoke on "Public Spending: A Progressive Blueprint" to a dinner meeting of a group of independent Democrats in Chicago. Other speaking engagements that he has participated in include a luncheon address to an investors conference in Chicago, a lecture and two

seminars given at the University of Utah, a lecture delivered on "Myths and Facts About the Real Federal Deficit" at the University of Notre Dame, and a public lecture and a seminar at Southern Methodist University. In addition, Professor Eisner participated in a conference on "International Economic Transactions: Issues in Measurement and Empirical Research" sponsored by the Conference on Research in Income and Wealth. He also attended the American Economic Association Executive Committee meetings in Atlanta where he presented "The Real Rate of National Savings." In addition, he presented "Budget Deficits: Rhetoric and Reality" as a Public Policy Lecture, at the Woodrow Wilson School of Public and International Affairs, Princeton, New Jersey. He also served on Rhodes College Seidman Award Board in Washington, chaired a session and presented a paper on "Deficits and Capital and Banking" in a session on Commercial Banking and Capital Markets: an Overview at The Conference on International Financial Markets, The Center for Japan-U.S. Business and Economic Studies. Finally, he attended the American Economic Association Executive Committee meeting in Washington, D.C.

MICHAEL FISHMAN presented "Insider Trading and the Efficiency of Stock Prices" (with K. Hagerty) at the University of California at Berkeley, the University of California at Los Angeles, Stanford, and the University of Chicago. He presented "Dual Trading in Futures Markets" (with F. Longstaff) at the University of British Columbia, University of Illinois at Chicago, the Winter Econometric Society Meetings, and the Western Finance Association Meetings.

ROBERT J. GORDON participated in the NBER conference on "Reducing the Risk of Economic Crisis" in Cambridge, and in New York attended a meeting of the Economic Advisory Committee of the Boston Company Economic Advisors. During December he attended a Program Meeting of the NBER Productivity group in Cambridge, presented "What are the Computers Doing in the Service Sector?" at the Tenth Annual International Conference on Information Systems in Boston, and attended the ASSA meetings in Atlanta. In February and March conferences attended included the NBER Economic Fluctuations Research Meeting at Stanford, the NBER Conference on Macroeconomics in Cambridge, and the NBER Workshop on Price and Output Measurement in Washington. In April, he discussed a paper on the welfare costs of inflation by L. Ball and S. Cecchetti at the Brookings Panel in Washington, and two papers on deflationary expectations during 1929-33 by J. Hamilton and D. Nelson at the NBER Workshop on Macroeconomic History in Cambridge. In April, he also presented "What is New Keynesian Economics?" at the University of Michigan in Ann Arbor, and in June served as co-chair of the 13th annual International Seminar on Macroeconomics in Manheim, Germany.

STUART I. GREENBAUM was a panelist in the session entitled, "Federal Deposit Insurance in the 1990s" in Chicago, during the U.S. League of Savings Institutions Annual Convention. He also spoke on "The Thrift Industry in the Post-FIRREA Setting" at the 34th Annual Savings and Loan Conference, at the Harris Bank in Chicago. In addition, he spoke

in Tokyo, on "Banking in the United States" before the Northwestern University Alumni Association of Japan. Stuart also taught for three weeks in February and March 1990, at the Sasin Institute, Chulalongkorn University, in Bangkok, Thailand.

ROBERT HODRICK presented "Dividend Yields and Expected Stock Returns: Alternative Procedures for Inference and Measurement" at the University of Pennsylvania, the State University of New York at Albany, the University of Illinois at Chicago, Michigan State University, the American Finance Association meetings in Atlanta, Arizona State University, and the University of Virginia.

BO HONORÉ presented "Trimmed LAD and Least Squares Estimation of Truncated and Censored Regression Models with Fixed Effects" at the University of Wisconsin, the University of Minnesota, Indiana University, Carnegie Mellon University, Princeton University, and the Winter Meetings of the Econometric Society.

EHUD KALAI presented lectures on strategic complexity and learning in repeated games at: Indiana University, San Luis University, University of Buenos Aires, Cornell University, York University, Louvain-La-Neuve, Tel Aviv University, The Hebrew University, Institute of Management and Information Systems of the Academia Sinica, and the The National University of Defense Technology in Hunan. He delivered lectures on the same topics at: the European Conference on Economic Behavior in Imperfect Environments, Tilburg, the Netherlands; the Meeting of the Economic Policy Group of the German Society of Economics and Social Sciences, Koblenz; the Second International Conference of Economics and Artificial Intelligence, Paris; the International Conference on Game Theory and Economics, Stony Brook; and the Edwin Smart Symposium on Games and Economic Behavior.

MICHAEL MARRESE presented "Implicit Trade Subsidies within the CMEA: A Hungarian Perspective" at Duke University's Fugua School of Business and at the Twelfth US-Hungarian Economics Roundtable in Budapest. He gave the paper "Entrepreneurship, Liberalization, and Social Tension" at the conference on Attempts at Liberalization: Hungarian Economic Policy and International Experience, in Budapest, the first US-Romania Roundtable Conference in Bucharest, and the US State Department, Washington, D.C. At the 1989 AAASS Meetings in Chicago, he spoke on "Hungarian Agriculture: Lessons From the Soviet Union" and organized the panel "The Enterprise Under Reform." He gave seminars on "Macroeconomic Stabilization Options For Hungary" at the OECD in Paris; "The Process of Economic Change in Romania" at a Congressional Staff Seminar in Washington, D.C.; and "Dilemmas in East European Agricultural Reform" at the World Bank's Colloquium for Executive Directors on Socialist Economic Reform, Westfield, Virginia. At the Midwest Slavic Conference, he gave the paper, "Common Economic Problems: US-USSR" and chaired two sessions. He was a panel moderator at the International Press Institute's Conference on "The Revolution in Eastern Europe: What it

Means and Where Its Going." In April, he presented the paper "Indicative Planning in Hungary" at the conference on "Indicative Planning," Brookings Institute, Washington, D.C.

STEVEN MATTHEWS presented "Counteractive Advertising Signals of Product Quality" (with D. Fertig), at the University of British Columbia, University of Pennsylvania, University of Rutgers-Belcore, and Cornell University in the fall, and at an invited session of the Winter Econometric Society Meetings in Atlanta in December, and at the Games and Market Behavior Conference at the University of Western Ontario in the spring.

KIMINORI MATSUYAMA presented "Increasing Returns, Industrialization, and Indeterminacy of Equilibrium," at Columbia University, and the University of Michigan. He gave two lectures as a part of Economics 718, "Topics in Economic Dynamics," offered by the Economics Department at the University of Pennsylvania. He also participated in NBER Macroeconomics Annual Conference at Cambridge, Massachusetts.

BRUCE D. MEYER presented "Workers Compensation and Injury Duration: Evidence From a Natural Experiment" at the National Council on Compensation Insurance Conference on Economic Issues in Workers' Compensation at Stanford University, the University of California at Los Angeles, and the National Bureau of Economic Research Labor Studies group. He also presented "An Event Study Approach to the Effects of Unemployment Insurance," at the University of Washington, Harvard University, The University of Chicago, and McMaster University.

JOEL MOKYR presented "Punctuated Equilibria and Technological Progress" to the Social Science History Association, and "Evolutionary Biology, Technological Change, and Economic History" at the American Economic Association, Carleton College and the University of Kansas.

ROBERT PORTER presented papers at the Econometric Society meetings in Atlanta, the University of Western Ontario, and the University of Illinois. He also attended the following conferences: the RAND corporation workshop on the Economics of Defense Procurement, the Brookings Institution meeting on Microeconomics, the NBER conference on Firm and Industry Dynamics, and the Rand conference on Health Economics.

THOMAS RIETZ presented "Controlling Risk Preferences in Sealed Bid Auctions: Some Experimental Results" at the October Economic Science Association Meetings.

ALDO RUSTICHINI presented a talk at a seminar at the University of Toronto on "Alternative Models of Large Economies." He also presented a talk on "Innovation and Product Differentiation," at the University of Chicago. In addition, at the Society for Economic Dynamics and Control, he presented a talk on "A Vintage Model of Investment and Growth." At the Institute for Mathematics and its Applications, he attended a one

month conference on Functional Differential Equations. Finally, he traveled to the University of Utrecht in the Netherlands.

DAN VINCENT presented "Bilateral Monopoly, Non-Durable Goods and Dynamic Trading Relationships" at the California Institute of Technology, the U.S. Department of Justice, University of California at San Diego, University of Iowa, Penn State University, and the Canadian Economic Theory Conference. He will spend one month in Israel at the Industrial Organization workshop in Tel Aviv.

MARK WATSON presented "A Simple of MLE of Cointegrating Vectors in Higher Order Cointegrated Systems" at the University of Chicago, Columbia University, and M.I.T. In addition, he presented "Measures of Fit for Calibrated Models" at the University of Chicago, the University of Michigan, the University of Minnesota, and the Chicago Federal Reserve Bank. Finally, he was a guest speaker discussing the NBER's Leading Indicators at the Cleveland Federal Reserve Bank's Business Roundtable.

BURTON WEISBROD presented "Nonprofit versus For-Profit Organizations: Does Institutional Form Matter?" at the University of Wisconsin at Madison Department of Agricultural Economics. He presented "Tax Treatment of Non-profit Organizations -- a Ten Count Survey" at the Research Forum of Independent Sector, in Boston. His paper, "Partial Versus Total Effects of Institutional Form," was presented at the Public Choice Society Meetings by his co-author, Elizabeth Mauser.

PAPERS AND PUBLICATIONS

Center for Mathematical Studies in Economics and Management Sciences (CMSEMS) discussion papers may be obtained by writing to the Math Center, 3-014 Leverone Hall, Northwestern University, Evanston, IL 60208. Banking Research Center (BRC) discussion papers are available from the Banking Research Center, 5-209 Leverone Hall. National Bureau of Economic Research (NBER) working papers and reprints may be obtained by writing to Publications Department, NBER, 1050 Massachusetts Avenue, Cambridge, MA 02138. For working papers not in these series, contact the author directly.

LAWRENCE AUSUBEL published "Partially-Revealed Rational Expectations Equilibrium in a Competitive Economy" in *The Journal of Economic Theory*, February 1990.

KYLE BAGWELL's paper, "Advertising and Pricing to Accomodate Entry When Demand is Unknown" (with Garey Ramey) appeared in the *International Journal of Industrial Organization*, March 1990. Another paper, "The Sensitivity of Strategic and Corrective R&D Policies in Oligopolistic Industries" (with Robert Staiger) is available as CMSEMS no. 869. Other papers by Professor Bagwell include: "The Sensitivity of Strategic

and Corrective R&D Policies in Battles for Monopoly" (with Robert Staiger), available as CMSEMS no. 868; "Risky R&D in Oligopolistic Product Markets: (with Robert Staiger), available as CMSEMS No 872; "Capacity, Entry, and Forward Induction" (with Garey Ramey), available as CMSEMS no. 888; and "Optimal Export Policy for a New-Product Monopoly" available from the author.

RON BRAEUTIGAM published "Diversification Incentives Under 'Price Based' and 'Cost-Based' Regulation" with John Panzar, *The Rand Journal of Economics*, vol. 20, no. 3, Autumn 1989, pp. 373-391. He also published "Regulatory Reform: Lessons From Natural Gas Pipelines" in *Contemporary Policy Issues*, vol. 13, no. 2, April 1990, pp. 122-141. Finally, he published "The Role of Technological and Market Structure in Regulatory Reform" in *The Journal of Financial Services Research*, vol. 2, no. 3, 1989, pp. 189-203.

CHARLES CALOMIRIS published "Firm Heterogeneity, Internal Finance, and Credit Rationing" (with R. Glenn Hubbard) in *The Economic Journal*, March 1990; In addition, "Is Deposit Insurance Necessary? An Historical Perspective" in *Journal of Economic History*, June 1990; "Alexander Hamilton" in *Encyclopedia of American Business History: Banking and Finance to 1913*, published in 1990.

IAN DOMOWITZ published "Interpreting An Error Correction Model: Partial Adjustment, Forward-Looking Behavior, and Dynamic International Money Demand" (with Craig Hakkio) in the March 1990 issue of *Journal of Applied Econometrics*.

ROBERT EISNER published *The Total Incomes Systems of Accounts*. He also published "Taxes, Budget Deficits and Capital Formation" in *Public Finance and Performance of Enterprises*. He also published "Learning about Economics and the Economy" in *The Principles of the Economics Course*. Other publications include "Public Policy and Manufacturing: Back to the Basics" in *American Manufacturers in a Global Market*; "Comment" on chapter by Boskin, Robinson, and Huber in *Government Saving, Capital Formation, and Wealth in the U.S.*; "Government Saving: Managing the Trust Fund Portfolio" in Public Policy Institute, American Association of Retired Persons, *Social Security Trust Funds: Issues for the 1990's and Beyond*; "More on Pussycats and Termites" in *The Brookings Review*; "Dollars and Deficits Walk the High Wire Together" in *The New York Times*; "Low U.S. Savings Rate: A Myth" in *The New York Times*; "Commentary" in *Northwestern Perspective*; "Employer Approaches To Reducing Unemployment" in *Rethinking Employment Policy*; and "Interview with Robert Eisner" in *Research*.

MICHAEL FISHMAN's paper "The Optimal Amount of Discretion to Allow in Disclosure" (with K. Hagerty) appeared in the *The Quarterly Journal of Economics*, May 1990.

ROBERT J. GORDON's monograph *The Measurement of Durable Goods Prices* was published by the University of Chicago Press (for NBER) in April. "U. S. Inflation, Labor's Share, and the Natural Rate of Unemployment" was published in Heinz König, ed., *Economics of Wage Determination*, Berlin and New York: Springer Verlag, 1990, pp. 1-34. His comment on Toshiaki Tachibanaki and Atsuhiko Taki, "Wage Determination in Japan: A Theoretical and Empirical Investigation" appeared in the same volume, pp. 65-9.

STUART I. GREENBAUM edited *Capital Issues in Banking*, published in 1990; this volume is composed of the proceedings of a conference held at the Allen Center in December of 1988, sponsored by the Association of Reserve City Bankers and the Banking Research Center. His paper, "Bank Capital Regulation" (with L. Benveniste and J. Boyd), appears in the volume. In addition, he is the managing editor of the *Journal of Financial Intermediation*, the first issue of which appeared in June of 1990. Finally, he has co-authored "Is Fairly Priced Deposit Insurance Possible?" (with Y.S. Chan and A.V. Thakor), a paper conditionally accepted by the *Journal of Finance*.

ROBERT HODRICK published "On Testing for Speculative Bubbles" (with Robert Flood), in the *Journal of Economic Perspectives*, Spring 1990.

BO HONORÉ's paper "Simple Estimation of a Duration Model with Unobserved Heterogeneity" appeared in *Econometrica*, vol. 58, no. 2, pp. 453-473.

MATTHEW JACKSON has published "Optimal Innovation of Futures Contracts" (with Darrell Duffie) in the *Review of Financial Studies*, vol. 2, no. 3, 1989. He also published "Optimal Hedging and Equilibrium in a Dynamic Futures Market" (also with Darrell Deffie) in the *Journal of Economic Dynamics and Control*, February, 1990. Finally, his paper "Implementing a Public Project and Distributing Its Costs" (with Hervé Moulin) is CMSEMS DP #882.

EHUD KALAI's "The Complexity of Eliminating Dominated Strategies," (with I. Gilboa, E. Zemel) and "Rational Learning Leads to Nash Equilibrium," (with E. Lehrer), are two new CMSEMS discussion papers.

MICHAEL MARRESE's "Entrepreneurship, Liberalization, and Social Tension" appeared in *Jahrbuch de Wirtschaft Osteuropas* (Yearbook of East European Economics). Another paper, "The CMEA's Dilemma: More Intra-CMEA Trade or More Trade with the West" was published in Michael Kraus and Ronald D. Liebowitz (eds.), *Perestroika and East-West Economic Relations: Prospects for the 1990s*.

KIMINORI MATSUYAMA published "Sunspot Equilibria in a Model of Money-in-the-Utility-Function" in *Journal of Monetary Economics*, January 1990. Another paper, "Residential Investment and the Current Account" appeared in *Journal of International*

Economics, February, 1990, whose mathematical appendix is available as CMS-EMS Discussion Paper #875.

STEVEN MATTHEWS published "Managerial Incentives in an Entrepreneurial Stock Market Model" (with Richard Kihlstrom) in *The Journal of Financial Intermediation*, March 1990.

BRUCE D. MEYER published "The Impact of the Potential Duration of Unemployment Benefits on the Duration of Unemployment" with Lawrence Katz, in *Journal of Public Economics*, vol. 41, February 1990, pp. 45-72.

EDWIN S. MILLS's published works include: "An Evaluation of Community Controls," "What makes Metropolitan Areas Grow?", "Do Metropolitan Areas Mean Anything?", "The Housing Tenure Choice," "An Evaluation of Community Growth Controls," "Low Income Housing in the 1980s," "Housing Economics: A Synthesis."

JOEL MOKYR published "Twenty-five Centuries of Technological Change: An Historical Survey," a volume in the section *Economics of Technological Change*, edited by F.M. Scherer, which is part of the series *Fundamentals of Pure and Applied Economics*, edited by Hugo Sonnenschein and Jacques Lesourne, Chur-London-Paris-New York-Melbourne: Harwood Academic Publishers, 1990. Also published was *The Lever of Riches: Technological Creativity and Economic Progress*, New York and London: Oxford University Press, 1990; "Punctuated Equilibria and Technological Progress" in *American Economic Review*, vol. 80, no. 2, May 1990, pp. 350-54; "The Great Conundrum: A Review Essay" (with John Nye), *Journal of Modern History*, vol. 62, March 1990, pp. 78-88; "La Grande Quantification" (with John V. Nye) in *Journal of Economic History*, vol. 50, March 1990, pp. 172-76; a review of Brian Mitchell's, *British Historical Statistics*, in *Journal of Economic History*, December 1989, pp. 1016-18; "The Height of Irishmen and Englishmen in the 1770s" in *Eighteenth Century Ireland*, (with C. O'Grada) vol. 4, 1989, pp. 74-83.

ALDO RUSTICHINI published "A New Class of Solutions for Dynamic Programming Problems Arising in Growth Theory and Applications to Dynamic Games" (with J. Benhabib) C.V. Starr Center for Applied Economics, New York University, March 1990, no. 90-12. He also published "Vintage Capital, Investment, and Growth" (with J. Henabib) Northwestern University Math Center, April 1990, DP #886. Other publications include "Cournot-Nash Equilibrium Distributions for Games with Differential Information" (with M. Ali Kahn), Northwestern University, Math Center, July 1989, DP#857; "A General Theory of Games of Entry" (with P.K. Dutta) June, 1990; and "Innovation and Product Differentiation" (with P.K. Dutta and S. Lach), Northwestern University, Math Center, DP #894.

DAN VINCENT's paper, "Delayed Agreements and Nonexpected Utility" (with Chaim Fershtman and Zvi Safra) was accepted by the *Journal of Games and Economic Behavior*.

BURTON WEISBROD published "Technological Change, Medical Malpractice and Learning-By-Doing" (with Mark Schroeder) in R.M. Sheffler and L.F. Rossiter (eds.), *Advances in Health Economics and Health Services Research*, Volume II, (Greenwich, CT: JAI Press, 1990).

VISITING SPEAKERS

ANDREW ABEL, The Wharton School, University of Pennsylvania, "Financing Losers in Competitive Markets"

KATHARINE ABRAHAM, University of Maryland, "Firms' Use of Outside Contractors: Theory and Evidence"

JASMINA ARIFOVIC, University of Chicago, "Learning by Genetic Algorithms in Economic Environments"

RICHARD J. ARNOTT, Boston College, "Park in Metropolis"

ORAZIO ATTANASIO, Stanford University, "Consumption Over the Life Cycle and the Business Cycle"

ABHIJIT BANERJEE, Princeton University, "A Simple Model of Herd Behavior"

DAVID BARON, Stanford University, "Spatial Bargaining Theory of Government Formation in Parliamentary Systems"

CHARLES BATES, Johns Hopkins University, "Accumulating Sample Path Estimation with Applications to Testing for Unit Roots in GNP"

MARIANNE BAXTER, University of Rochester, "Explaining Saving/Investment Correlations"

DAN BLACK, University of Kentucky and Chicago, "Job Matching and the Division of Match Specific Rents"

RICHARD BLUNDELL, University College London, "Investment and Tobin's Q: Evidence from Panel Data"

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JOHN BOND, University of Michigan, "Disability Transfers and the Labor Force Attachment of Older Men: Evidence From the Historical Record"

ARNOUD BOOT, Indiana University, "Why Hang on to Losers: Divestitures and Takeovers"

DAVID BOYCE, University of Illinois, Chicago, "Comparison of Alternative Hypotheses Concerning Urban Location and Travel Choices"

RALPH BRAID, Wayne State University, "Spatial Growth and Redevelopment with Perfect Foresight and Durable Housing"

S. LAEL BRAINARD, Harvard University & Council of Economic Advisers, "Last One Out Wins: Trade Policy in an International Exit Game"

CHARLES BROWN, University of Michigan, "Cheaper by the Dozen"

JAN BRUECKNER, University of Illinois, Champaign-Urbana, "Growth Controls and Land Values in an Open City"

LASZLO BRUSZT, a Hungarian sociologist, "The Polish and Hungarian Roundtables Between the 'Government' and the Opposition(s)"

DAVID CANNING, Cambridge University, "Convergence to Equilibrium in a Sequence of Games with Learning"

DENNIS CAPOZZA, University of Michigan, "Valuing Long-Term Leases"

DAVID CARD, Princeton University, "Deregulation and Labor Earnings in the Airline Industry"

SUSAN CARTER, Smith College, "The U.S. Labor Markets in the 1890s"

DAVID CASS, University of Pennsylvania, "The Indeterminacy of Equilibrium Allocation with Imperfect Financial Markets"

ZHIWU CHEN, Yale University, "Intertemporal Substitution, Risk Aversion and Asset Pricing When Taste Formation Depends on Wealth"

HANFENG CHEN, University of Wisconsin, Madison, "The Analysis of Transformed Data"

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BARRY CHISWICK, University of Illinois, Champaign-Urbana, "Speaking, Reading and Earnings"

VINCENT CRAWFORD, University of California, San Diego, "An Evolutionary Explanation of Experimental Results on Coordination"

ANDREW F. DAUGHETY, University of Iowa, "Search Equilibrium with Endogenous Recall"

AVINASH DIXIT, Princeton University, "Irreversible Investment with Price Ceilings"

ISTVAN DOBOZI, Visiting Professor, Department of Mineral Economics, Colorado School of Mines (Director of Center for Development Research, Institute of the World Economy, Budapest, Hungary), "The Response of Private and State-Owned Enterprises to Market Fluctuations: An Empirical Study of the Copper Industry"

STEVEN DURLAUF, Stanford University, "Locally Interacting Systems, Coordination Failure, and the Behavior of Aggregate Activity"

ZVI ECKSTEIN, Tel Aviv and Boston University, "Estimating an Intertemporal Model of Consumption, Money Demand, and Seigniorage"

CHARLES L. EVANS, University of South Carolina, "Productivity Shocks and Real Business Cycles"

HENRY FARBER, Massachusetts Institute of Technology and the Center for Advanced Study in the Behavioral Sciences, Stanford, CA, "Role of Uncertainty in the Arbitration Process"

EDUARDO FERNANDEZ-ARIAS, University of California, Berkeley, "International Debt Negotiations: A Game-Theoretic Approach"

FRANCOISE FORGES, Center for Operations Research and Econometrics, Universite Catholique de Louvain, "Trading Games with Asymmetric Information"

ROBERT FRANK, Cornell University, "Winner-Take-All Markets"

KENNETH FRENCH, University of Chicago, "Are Japanese Stock Prices Too High?"

ALEXANDER FRIDMAN, Central Economic and Mathematical Institute of the USSR Academy of Sciences, roundtable discussion of "Economists' Perspectives of Current Developments in the Soviet Union"

- ALEXANDER FRIDMAN, Central Economic and Mathematical Institute of the USSR Academy of Sciences, "Optimal Embedding Problems in Utilization of Discrete Resources"
- BEN FRIEDMAN, Harvard University, "Economic Implications of Extraordinary Movements in Stock Prices"
- KEN FROOT, Harvard University, "Exchange Rates and Foreign Direct Investment: An Imperfect Capital Markets Approach"
- DREW FUDENBERG, Massachusetts Institute of Technology, "A Theory of Learning Experimentation and Equilibrium in Games"
- TIM FUERST, University of Chicago, "Liquidity, Loanable Funds, and Real Activity"
- IAN GALE, University of Wisconsin, Madison, "Sequential Trade and Information Revelation"
- ROBERT GALLMAN, University of North Carolina, Chapel Hill, "War-to-War Growth: Change in the Scale and Structure of the American Economy, 1774-1860"
- GERARD GENNOTTE, University of California, Berkeley, "Marketing Liquidity, Hedging and Crashes"
- MARK GERTLER, University of Wisconsin, Madison, "Developing Country Borrowing and Domestic Wealth"
- RON GIAMMARINO, University of British Columbia, "Asymmetric Information and the Medium of Exchange in Takeovers: Theory and Tests"
- ROBERT GIBBONS, Massachusetts Institute of Technology, "Optimal Incentive Contracts in the Presence of Career Concerns: Theory and Evidence"
- CHRISTIAN GILLES, Carleton College, "Bubbles and Charges"
- MARVIN GOODFRIEND, University of Chicago and Federal Reserve Bank of Richmond, "Early Development"
- GARY GORTON, The Wharton School, University of Pennsylvania, "Self-Generating Trade and Rational Fads: The Response of Price to New Information"

SHANE GREENSTEIN, University of Illinois, Champaign-Urbana, "The Market for Bids: Determining Procedures in Federal Mainframe Computer Procurement"

JEREMY GREENWOOD, University of Western Ontario, "Financial Development, Growth, and the Distribution of Income"

VITTORIO GRILLI, Yale University, "Financial Integration, Liquidity and Exchange Rates"

ANNE GRON, Massachusetts Institute of Technology, "Capacity Constraints and Cycles in Property Casualty Insurance Markets"

GENE GROSSMAN, Princeton University, "Explaining Japan's Innovation and Trade: A Model of Quality Competition and Dynamic Comparative Advantage"

ROBERT HALL, Stanford University, "Invariance Properties of Solow's Productivity Residual"

KOICHI HAMADA, Yale University, "International Trade and Investment Under Different Rates of Time Preference"

C. KNICK HARLEY, University of Western Ontario, "The Antebellum American Tariff: Structure and Welfare"

DAN HEADRICK, Roosevelt University, Chicago, "Technological Upheavals and Commercial Rivalries"

CAROL HEIM, University of Massachusetts, "The British Treasury as a Capitalist"

PATRICK HENDERSHOTT, Ohio State University, "Household Formation and Homeownership of American Youth"

DAVID HENDRY, University of California, San Diego, "Testing the Lucas Critique: A Review"

G.M. HENKIN, Central Economic and Mathematical Institute of the USSR Academy of Sciences, "Schumpeterian Dynamics as Nonlinear Diffusion Theory"

AYMAN HINDY, Massachusetts Institute of Technology, "An Equilibrium Model of Futures Markets Dynamics"

BENGT HOLMSTROM, Yale University, "Multi-Task Principal-Agent Problem"

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GLENN HUBBARD, Columbia University, "Corporate Taxation, Capital Structure and Aggregate Fluctuations"

AYSE IMROHORGLU, University of Southern California, "The Welfare Cost of Inflation"

ROBERT INMAN, University of Pennsylvania, "Political Institutions and Fiscal Policy: The U.S. Historical Record"

PHILIP JEFFERSON, University of Virginia, "Inflation, Nominal Debt and Aggregate Supply"

STEPHEN JONES, McMaster University, "Alternative Implications of a Structural Model of Job Search"

CHARLES KAHN, University of Illinois, Champaign-Urbana, "The Good, the Bad, and the Ugly: Coalition Proof Equilibrium with Infinite Strategy Spaces," and "Decentralized Exchange and Efficiency Under Moral Hazard"

STEVEN KAPLAN, University of Chicago, "Outside Directorships, Reputations of Managers and Corporate Performance"

JAMES KAU, University of Georgia, "Economic Effects of Mortgage Securitization"

PATRICK KEHOE, University of Minnesota, "International Borrowing and World Business Cycles"

TIM KEHOE, University of Minnesota, "Debt Constrained Asset Markets"

T. JOHN KIM, University of Illinois, Champaign-Urbana, "Three Dimensional Urban Activity Model of Land Use Intensity and Transport Congestion"

ROBERT G. KING, Rochester University, "The Liquidity Effect in General Equilibrium"

DR. ALEXEI B. KUPRIYANOV, USSR Academy of Sciences of Moscow and Leningrad, roundtable discussion of "Current Aspects of Soviet Perestroika"

YUM-KEUNG KWAN, University of Chicago, "Determining the Number of Instruments for GMM Estimation"

ED LAZEAR, University of Chicago, "The Concept of a Job"

JOHN LEAHY, Columbia University, "State-Dependent Pricing and the Dynamics of Money and Output"

BLAKE LeBARON, University of Wisconsin, Madison, "Some Relations Between Volatility and Serial Correlation in Stock Returns"

JOHN LEDYARD, California Institute of Technology, "Interim Efficient Public Good Provision and Cost Allocation"

JONATHAN LEONARD, University of California, Berkeley, "Career Paths of Managers and Executives"

MARGARET LEVENSTEIN, Yale University, "The Feasibility and Stability of Collusion: A Study of the Pre-World War I Bromine Industry"

JIM LEVINSON, University of Michigan, "Distance, Demand and Oligopoly Pricing"

TRACY LEWIS, University of California, Davis, "The Boundary of the Firm: Self-Provision vs. Sub-Contracting"

GARY LIBECAP, University of Arizona, "Consumer Quality Guarantees and Antitrust"

PETER LINDERT, University of California, Davis, "Modern Fiscal Redistribution"

ANDY LO, Massachusetts Institute of Technology, "Data Snooping Biases in Tests of Financial Asset Pricing Models"

GEORGE LOEWENSTEIN, University of Chicago, "Anomalies in Intertemporal Choice: Evidence and an Interpretation"

ROBERT LUCAS, University of Chicago, "The Effect of Monetary Shocks when Prices Are Set in Advance"

THOMAS MaCURDY, Stanford University, "An Empirical Approach for Analyzing Taxes and Labor Supply," and "The Influence of Unemployment Insurance on the Unemployment Experience of Young Workers"

CHARLES MANSKI, University of Wisconsin, "Path Utility Analysis of Schooling Choice"

RAMON MARIMON, University of Minnesota, "Money as a Medium of Exchange in an Economy with Artificially Intelligent Agents"

JIM MARKUSEN, University of Western Ontario, "Endogenous Market Structure in International Trade"

MICHAEL MASCHLER, Hebrew University of Jerusalem, "Are Game Theorists Smarter than High School Kids: A Normative Evaluation of Smart Students' Behavior"

G. FRANKLIN MATHEWSON, University of Toronto, "Property Rights in Franchise Contracts"

FRED McCHESNEY, Emory University, "Government as a Definer of Property Rights"

DONALD McCLOSKEY, University of Iowa, "Economic Stories and the Demand for Moral Reasoning"

JOHN McDONALD, University of Illinois, Chicago, "Optimal Road Capacity and the 'Uneconomic' Region of Production"

MARY McKINNON, McGill University, "Working for the Railroad: Maintenance of Equipment Employees at the Canadian Pacific Railway, 1903-1939"

IAN McLEAN, University of Adelaide and Harvard University, "No Flash in the Pan: Resource Abundance and Economic Growth in California, 1848-1910"

DAVID MESSICK, University of California, Santa Barbara, "Equality as a Decision Heuristic"

WILLIAM MOSKOFF, Lake Forest College, "The Soviet Enterprise and Perestroika: An Assessment of the New Soviet Cooperatives"

SOLOMON MOVSHOVICH, Central Economic and Mathematical Institute of the USSR Academy of Sciences and Visiting Fellow at Northwestern University, "Global Convergence of a Price Adjustment Process in Rationed Economy," and roundtable discussion of "Economists' Perspectives of Current Developments in the Soviet Union"

ANTOIN MURPHY, Trinity College, Dublin, "John Law: Economist and Financier"

CHARLES NELSON, University of Washington, "Are Stock Returns Predictable?"

DAN NELSON, University of Chicago, "Filtering and Forecasting With Misspecified ARCH Models"

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- MASAO OGAKI, University of Rochester, "A Cointegration Approach to Estimating Preference Parameters"
- MASAHIRO OKUNO-FUJIWARA, University of Tokyo, "Social Norm in Random Matching Games"
- DR. BORIS OVSIEVICH, USSR Academy of Sciences of Moscow and Leningrad, roundtable discussion of "Current Aspects of Soviet Perestroika"
- PETER PASHIGIAN, University of Chicago, "Can Price Uncertainty Explain Why and When Products are Sold on Sale?"
- BRUCE PETERSEN, Chicago Federal Reserve Bank, Research and Development, "Physical Investment and Internal Finance: A Panel Data Study of Small High-Tech Firms"
- CHRIS PHELAN, University of Chicago, "Exploring the Quantitative Implications of Dynamic, Incentive-Constrained Optima"
- JOSEPH PORAC, University of Illinois, Champaign-Urbana, "The Subjective Organization of Industries"
- JIM POWELL, University of Wisconsin, Madison, "Semiparametric Estimation of Censored Selection Models with a Nonparametric Selection Mechanism"
- DANIEL RAFF, Harvard Business School, "The Puzzling Profusion of Compensation Schemes in the Inter-War Automobile Industry"
- GAREY RAMEY, University of California, San Diego, (joint with Kyle Bagwell, Northwestern University), "Capacity, Entry and Forward Induction"
- JENNIFER F. REINGANUM, University of Iowa, "Search Equilibrium with Endogenous Recall"
- PHIL RENY, University of Western Ontario, "Bargaining Without Procedures"
- ANDREW ROSE, University of California, Berkeley, "An Empirical Assessment of Non-Linearities in Models of Exchange Rate Determination"
- SHERWIN ROSEN, University of Chicago, "Cattle Cycles"

JOSHUA ROSENBLOOM, University of Kansas, "Institutional Innovation in U.S. Labor Markets"

JEAN-LAURENT ROSENTHAL, University of California, Los Angeles, "Credit Markets in Southeastern France, 1650-1788"

JULIO ROTEMBERG, Massachusetts Institute of Technology, "Oligopolistic Pricing and the Effects of Military Purchases on Economic Activity"

ANDRZEJ RUDKA, Economist from the Polish Foreign-Trade Institute, "Poland: A Way Out of Its Economic Crisis"

ZVI SAFRA, Tel Aviv University and University of Pennsylvania, "Existence of Nash Equilibrium with Non-Expected Utility Preferences"

BARBARA SANDS, University of Arizona, "Beyond Malthus: Economic Growth, Land Concentration and Income Distribution in Early Twentieth Century Rural China"

JOSE SCHEINKMAN, University of Chicago, "Modelling the Term Structure"

PAUL J. H. SCHOEMAKER, University of Chicago, "Strategy, Complexity, and Economic Rent"

DUANE SEPPI, Carnegie-Mellon University, "Information and Index Arbitrage"

MATTHEW SHAPIRO, University of Michigan, "Capacity in Macroeconomic Fluctuations"

ANDREA SHEPHARD, Massachusetts Institute of Technology, "Price Discrimination in Retail Markets"

ANDRÁS SIMON, University of Budapest, "A Search Model of Shortages"

KEN SINGLETON, Stanford University, "Optimal Consumption-Savings Decisions and Equilibrium Asset Prices in a Model with Heterogeneous Agents to Portfolio Constraints"

ISAAC SONIN, Central Economic and Mathematical Institute of the USSR Academy of Sciences, and Visiting Fellow at Northwestern University, "Growth Rates, Internal Rates of Return, and Turnpikes in an Investment Model," and roundtable discussion of "Economists' Perspectives of Current Developments in the Soviet Union"

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FALLAW SOWELL, Carnegie-Mellon University, "Maximum Likelihood Estimation of Stationary Univariate Fractionally Integrated Time Series Models"

DANIEL SPULBER, University Southern California, "Sequential Equilibrium Investment by Regulated Firms"

KONRAD STAHL, University of Mannheim, West Germany, "Consumer Search and the Spatial Organization of Markets for Differentiated Products"

DOUG STAIGER, Massachusetts Institute of Technology, "The Effect of Connections on the Wages and Mobility of Young Workers"

DR. STANISKLAV I. SIMANOVSKY, USSR Academy of Sciences of Moscow and Leningrad, roundtable discussion of "Current Aspects of Soviet Perestroika"

MARK STEGEMAN, University of North Carolina, "Supra-Monopoly Prices"

JAMES STOCK, Harvard University, "Drawing Inferences From Statistics Based on Multi-Year Asset Returns"

ALAN STOCKMAN, University of Rochester, "The Positive Economics of Methodology"

DEBBIE SWENSON, Massachusetts Institute of Technology, "The Impact of U.S. Tax Reform on Foreign Investment in the U.S."

GEORGE TAUCHEN, Duke University, "Stock Prices and Volume"

HOWARD THOMAS, University of Illinois, Champaign-Urbana, "The Subjective Organization of Industries"

SCOTT THOMPSON, University of Minnesota, "Identification and Least Squares Estimation of Semiparametric Discrete Choice Models"

GEORGE TOLLEY, University of Chicago, "Chinese Housing Reform"

DR. ADAM TOROK, Visiting Professor at the Graduate School of International Studies, University of Denver, Senior Economist at the Hungarian Central Planning Office, Budapest, "Draft of an International Economic Assistance Programme for Hungary"

LUAN TROXEL, University of Michigan, "Current Politics in Bulgaria"

RUEY TSAY, University of Chicago, "Nonlinear Time Series Analysis"

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CHRIS UDRY, Yale University, "Rural Credit in Northern Nigeria: Testing the Role of Credit as Insurance"

HARALD UHLIG, University of Minnesota, "Stock Prices and Neoclassical Growth"

KERRY VANDELL, University of Wisconsin, Madison, "The Economics of Architecture"

S. VISHWANATHAN, Duke University, "Why do Firms Hedge: An Asymmetric Information Model"

JIANG WANG, University of Pennsylvania, "Asset Prices, Stock Returns, Price Volatility, Risk Premium and Trading Strategies Under Asymmetric Information"

MICHAEL WHINSTON, Harvard University, "Incomplete Contracts, Vertical Integration, and Supply Assurance"

MICHELLE WHITE, University of Michigan, "Commuting and Congestion: An Urban Simulation Model"

RALPH WINTER, Toronto, "The Dynamics of Competitive Insurance Markets"

RANDY WRIGHT, University of Pennsylvania, "Home Work in Economics"

ALWYN YOUNG, Columbia University, "Learning by Doing and the Dynamic Effects of International Trade"

CHI WA YUEN, University of Chicago, "Taxation of Human Capital"

STAN ZIN, Carnegie-Mellon University, "The Independence Axiom, the Intertemporal Marginal Rate of Substitution and Asset Returns"