

# ECONOMICS



# AT NORTHWESTERN

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Editor: Maryann Semer

This edition covers events and publications involving economists at Northwestern for the period of June 1, 1992, through May 31, 1993. Additional copies are available from the editor in Suite 480, 820 Davis.

## *APPOINTMENTS, HONORS, AND GRANTS*

**MARCUS ALEXIS** received the Distinguished Service Award from the Chicago Consortium for Minority Business Education.

**KYLE BAGWELL** was appointed the Household International Research Professor in Economics.

**REBECCA BLANK** was asked to testify in September before the House Ways and Means Committee in hearings on the recently-released national poverty statistics. In November, she received a two-year NSF grant for the project "Labor Market Dynamics and the Use of Part-time Work." In February she gave the 10th Anniversary Lecture at the Rockefeller Center of Dartmouth University on "Poverty and Public Policy in the 1990's." She has recently been appointed to a term as chair of the Committee on the Status of Women in the Economics Profession, a subcommittee of the American Economic Association, and has been appointed as a member of the Board of Directors of the Manpower Demonstration Research Corporation (MDRC). She also has been appointed to the editorial boards of the *Journal of Public Economics* and the *Journal of Economic Education*.

**RON BRAEUTIGAM** was elected in September, 1992 to a three year term on the Executive Committee of the European Association for Research in Industrial Economics. Ron also has served as a lead investigator on a grant from the Association of American Railroads to study the effects of regulatory reform in the railroad industry; the grant was funded through the Transportation Center. He has also been appointed as one of three foreign professors to serve on a Berufungskommission (search committee) to find a new Director of Industrial Economics at Wissenschaftszentrum Berlin (Science Center Berlin). The new appointee will also serve as Professor at one of the three universities in Berlin. Ron was one of twelve faculty members in the University named to the Mortar Board Faculty Honor Roll for 1992 teaching excellence.

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LOUIS CAIN was appointed Chairman of the Jonathan R.T. Hughes Prize Fund Committee by the Economic History Association. He was reappointed to the Editorial Boards of the *Journal of Economic History* and *Business History Review*.

SUSAN CHAPLINSKY was named the 1993 Outstanding Professor at Kellogg Graduate School of Management.

IAN DOMOWITZ has received a one-year grant from the World Bank for the study of financial trading markets in emerging economies. He also has been serving as a privatization advisor to the Czech and Slovak Republics.

ROBERT J. GORDON has been awarded a three-year NSF grant covering August, 1993, to July, 1996, on the subject "Aspects of Productivity Measurement."

BO HONORÉ was promoted to Associate Professor. He was named Alfred P. Sloan Research Fellow, and he was appointed Advisory Editor of *Economics Letters*.

MATTHEW JACKSON received an NSF grant to study "Price Formation in Economies with Asymmetric Information". He was appointed as an associate editor of the new journal *Economic Design*.

KIMINORI MATSUYAMA acted as a member of program committee, North American Summer Meeting of the Econometric Society, 1993.

STEVEN MATTHEWS was elected Fellow of the Econometric Society. He was awarded a National Science Foundation Grant entitled, "Workshop in Economic Theory." The co-principal investigators are Matthew Jackson, Larry Jones, and Nancy Stokey.

ROSA L. MATZKIN joined the Department of Economics on July 1992 as an associate professor. Previously to joining the Northwestern Faculty, Rosa had been an Associate Professor of Economics at the Cowles Foundation for Research in Economics and the Department of Economics at Yale University (1991-1992). She was an assistant professor at Yale University (Cowles Foundation and the Department of Economics) from 1986-1991. She held visiting faculty positions at Bonn University (1988), the University of Wisconsin at Madison (1989), the University of Chicago (1991), Princeton University (1992) and Massachusetts Institute of Technology (1992). Rosa's research has been continuously supported by grants from NSF since 1987. Her recent NSF grant, for a two year period starting August 1992, is to support her research on computation and operational properties of nonparametric methods. She has recently been appointed an Associate Editor of the *Journal of Econometrics*.

BRUCE D. MEYER received a Sloan Foundation Research Fellowship and a three year NSF grant for his work on the Economics of Social Insurance. He also began

a five-year term as an Associate Editor of the *Journal of Public Economics* and started as an Advisory Editor of *Economics Letters*.

JOEL MOKYR has been appointed as the next co-editor of the *Journal of Economic History* (starting in June 1994). He also has been appointed editor in chief of a new series in economic history published by Princeton University Press, *The Princeton Economic History of the West*. His *Lever of Riches* (1990) won the Economic History Association Ranki prize for the best book in European economic history. He was also program chair for both the annual meeting of the Economic History Association and the Annual Cliometric conference and has sworn never to organize another conference. He also serves as a member of the economics advisory panel at the National Science Foundation.

JAMES MONTGOMERY has been awarded a National Fellowship at Hoover Institution for the 1993-94 academic year. He also began a two-year term as a consulting editor at the *American Journal of Sociology* in September 1992.

DALE T. MORTENSEN was awarded an NSF grant for two years to investigate "The Role of Allocative Shocks in Labor Market Equilibrium." He continues to serve on the American Economic Association Advisory Committee of the Bureau of Census. In September, 1992, he was appointed director of the Mathematical Methods in the Social Sciences Program of the College of Arts and Sciences.

ROBERT PORTER gave the Fisher Schultz Lecture at the 1992 European meetings of the Econometric Society in Brussels and was elected to the council of the Econometric Society. His five year term as a Co-Editor of *Econometrica* ended in July 1993. He received an NSF grant for "Empirical Studies of Auctions and Bidding."

IAN SAVAGE received extensions to two research grants from the federal Department of Transportation. One grant covers the work he has been involved in with John Panzar in preparing a cost-benefit manual to evaluate new metallurgical non-destructive techniques for evaluating the structural condition of aging aircraft. The second grant continues the work he has been doing with Leon Moses in evaluating federal programs to improve safety in the motor carrier industry.

BURTON WEISBROD received a grant from the Robert Wood Johnson Foundation for a study of the effects of health care industry regulation on R&D. He was cited in *Who's Who in America*, 48th edition, 1992 and also in *Who's Who in Science and Engineering*, Second edition, 1992. Burt is co-winner of an award from the American Public Health Association for his pioneering research evaluating a controlled experiment on treating mental illness.

*TRAVELS*

MARCUS ALEXIS testified before the U.S. Senate Finance Committee on June 3, 1992 to testify on "What the Federal Government Can Learn About Enterprise Zones: Lessons from State Programs." On August 31, 1992 he delivered, "Economic Performance of Young Black Males 1940-1980" at Stanford University's Summer Program for Minority Students.

KYLE BAGWELL presented his paper "Coordination Economies, Advertising and Search Behavior in Retail Markets" (with Garey Ramey) at Cornell University and the University of Rochester. He presented "Multilateral Tariff Cooperation During the Formation of Regional Free Trade Areas" (with Bob Staiger) at the University of Western Ontario's 12th Annual Conference on International Trade.

REBECCA BLANK presented research seminars this past year at the Departments of Economics at Michigan State University, Rice University, Washington State University, and Yale University. In December, she chaired a conference sponsored by the NBER at the London School of Economics, "Social Protection vs. Economic Flexibility." She was a presenter at the NBER's Labor Studies meeting, at the Urban Institute conference, "Social Policy and Mobility Strategies", at the Stanford University conference, "Theories of Inequality", at the NBER conference, "Working Under Different Rules", and at the Hoover Institute's conference, "Welfare Policy in California".

RON BRAEUTIGAM traveled in September, 1992 to Stuttgart, Germany to attend the annual meetings of the European Association for Research in Industrial Economics as well as the annual meetings of the International Telecommunications Society. Ron traveled to Berlin to visit Wissenschaftszentrum in December 1992, in February 1993, and in June 1993. While there in December he delivered a seminar at the Deutsches Institut für Wirtschaftsforschung (German Institute for Economic Research). In March he presented a seminar at the WZB. In June he participated in a conference on data dissemination at the WZB.

LOUIS CAIN commented on "Housing and Consumer Durables" at the Economic History Association Meetings in Boston, Massachusetts (September) and commented on "Economic Aspects of Immigration in Nineteenth Century America" at the Social Science History Association Meetings in Chicago, Illinois (November). He presented "Urbanization and Sanitation in the Progressive Era" with Elyce Rotella, Indiana University, at the Conference on Quantitative Methods in Canadian Economic History in Vancouver, British Columbia. He also presented "Thomas & Betts Limited: An Application of the 'Theory' of Direct Foreign Investment," to the Business History Conference in Boston, Massachusetts (March). Louis is a Co-organizer for the Cliometrics Society Meetings in Evanston, Illinois (May).

SUSAN CHAPLINSKY presented her paper "Seasoned Equity Issuance in Hot and Cold Markets (Kellogg working paper 141)" at the American Finance Association Meetings in Anaheim, California. She also presented "An Empirical Investigation of Bank Equity Issues: A Market Based Approach (Kellogg working paper 153)" at the Kellogg Banking Research Conference in May.

IAN DOMOWITZ was a co-organizer of the Commodity Futures Trading Commission Symposium on Screen Based Trading in Washington D.C. in June 1992, and presented "An Overview of Automated Trade Execution" both there and at the Futures Industry Association Meetings in Chicago in October. The paper "Auctions As Algorithms: Computerized Trade Execution and Price Discovery" was presented at the American Finance Association 1992 Winter Meetings, as well as at Purdue University, Tulane University, and the Federal Reserve Bank of Chicago. He delivered "A Consistent Test of Stationary Ergodicity" at the NSF/NBER Time Series Meetings in October, and "The Impact of the Bankruptcy Reform Act of 1978 on Consumer Bankruptcy" at the University of Chicago.

ROBERT EISNER was a discussant at the Conference on Research in Income and Wealth meetings on depreciation in Washington, DC, June 5, 1992. He spoke at a conference of the Levy Institute at Bard College in New York, June 25-26. He lectured on the "Challenge of Measurement" to the staff of the Bureau of Economic Analysis in Washington, July 14. He testified in Washington before a Senate Committee on Banking, Housing and Urban Affairs, July 22. On September 11 he delivered a paper to a conference in Washington on "Reshaping the U.S. Agenda," of the Durell Institute. On October 22 and 23 he served as a discussant and participated in a conference in Santa Monica, California, sponsored by the Milken Institute. On December 8 Eisner participated in the taping at the Levy Institute of Bard College in New York of the William Buckley's PBS "Firing Line" show. On December 13-15 he gave a paper, served as a discussant and participated in the Clinton-Gore Economic Conference in Little Rock. On January 4-6, 1993 he participated in the Allied Social Science meetings in Anaheim, California. He testified January 15 before the Economic Development Subcommittee of House Public Works Committee, Hearings on "Investment in America's Infrastructure: Short and Long-Term Strategies." February 12 he gave a paper at the meetings of the American Academy for the Advancement of Science in Boston. April 20 he spoke at a Chicago Council of Foreign Relations luncheon at the Chicago Club. April 29 and April 30 Eisner participated in a conference in Ottawa, Canada on household work sponsored by Statistics Canada and on April 30 he delivered a lecture to the staff of Statistics Canada. In addition, Eisner made a number of trips to Washington in his capacity as an expert-consultant to the Bureau of Economic Analysis, and to New York as a consultant to the OffitBank.

ROBERT J. GORDON traveled to Washington, D. C., in June 1992 to serve as discussant of three papers at a NBER workshop on depreciation and in July 1992 to present "Are Procyclical Productivity Fluctuations a Figment of Measurement Error?"

at the Bureau of Labor Statistics, a paper also presented at Princeton in May, 1993. During the summer of 1992 he also presented "German and American Wage and Price Dynamics: Differences and Common Themes" at the International Seminar on Macroeconomics (ISOM) at the Bank of England in London, and participated in Econometric Society meetings in Seattle and Mexico City and in the NBER Summer Institute in Productivity in Cambridge. He presented an overview of ISOM at the NBER Board of Directors meeting in Boston in October, and participated in the Brookings Panel on Economic Activity (BPEA) in Washington in September, in NBER program meetings in economic fluctuations in Cambridge in October and at Stanford in February, and in the NBER annual macro conference in Cambridge in March. He talked on data needs in macroeconomics at the AAAS meetings in Boston in February and presented various versions of "The Jobless Recovery: Does It Signal a New Era of Productivity-Led Growth?" at the Congressional Budget Office in November, the NBER productivity program meeting in Cambridge in December, the AEA meetings in Anaheim in January, and the BPEA in Washington, D. C. in April. Finally, in April he presented "America's Economic Growth: One Big Wave?" at the NBER macro history workshop in Cambridge.

STUART I. GREENBAUM presented "Reputation and Discretion in Financial Contracting" at the C.E.P.R. Conference on Financial Regulation in Toulouse, France in June, 1993.

BO HONORÉ presented "Pairwise Difference Estimators of Censored and Truncated Regression Models" (with James L. Powell) at the Econometrics Study Group (in Bristol, England), at University of Virginia, and University of Chicago. He presented "Estimation of Type 3 Tobit Models using Symmetric Trimming and Pairwise Comparisons" (with Ekaterini Kyriazidou and Christopher Udry) at the European Meetings of the Econometric Society and "Efficiency Considerations in Tobit Models with Fixed Effects" at the Third Symposium on Panel Data and Labour Market Dynamics (in Sandbjerg, Denmark).

MATTHEW JACKSON presented "Strategy-Proof Exchange" (with Salvador Barbera) at the Stony Brook Summer Institute (July 1992), ORSA-TIMS (November 1992), the University of Texas at Austin (September 1992), the University of Illinois (September 1992), Ohio State University (November 1992), the University of Toronto (December 1992), York University (December 1992), Washington University in St. Louis (April 1993), and the University of Arizona (April 1993). He presented "On the Existence of Speculative Equilibria" at Carnegie Mellon University (October 1992) and the University of Chicago (May 1993). He presented "Characterizations of Game Theoretic Solutions which lead to Impossibility Results" (with Sanjay Srivastava) at the Meetings of the Society for Social Choice and Welfare in Caen (June 1992) and at Penn State University (October 1992).

KIMINORI MATSUYAMA presented the following papers during this period: (1) "Start-up Costs and Pecuniary Externalities as Barriers to Economic Development" at the Federal Reserve Bank of Minneapolis (June 1992); Tokyo Center of Economic Research International Summer Conference (August 1992); Kobe University; Osaka University (September 1992); University of Chicago (April 1993); (2) "Making Monopolistic Competition More Useful," at Kyoto Institute of Economic Research; University of Tokyo (September 1992); Columbia University (October 1992); Massachusetts Institute of Technology (March 1993). (3) "Modeling Complementarities in Monopolistic Competition," Bank of Japan (September 1992); Institute for International Economic Studies (November 1992). (4) "An Approach to Equilibrium Selection" University of Chicago (April 1993); (5) "Custom versus Fashion: Path-Dependence and Limit Cycles in a Random Matching Game," (May 1993). In addition, he attended the NBER Macroeconomics Annual Conference in Cambridge (March 1993). He was also Visiting Scholar at the Federal Reserve Bank of Minneapolis, Research Department (June 1992); University of Stockholm, Institute for International Economic Studies (November-December 1992). He also gave Eight Lectures on International Trade at the Bank of Japan Training Center (September 1992), and taught "Advanced Topics in International Economics," at the University of Chicago (Spring 1993).

STEVEN MATTHEWS presented "Renegotiation of Sales Contracts under Moral Hazard," at the University of Chicago, Purdue University, and the University of Wisconsin.

ROSA L. MATZKIN presented the paper "General Equilibrium Restrictions on Market Prices and Income Distributions" at the Workshop on Empirical Implications of General Equilibrium Models, organized by the Stanford Institute for Theoretical Economics, on July 1992, and at the University of Illinois, Urbana-Champaign (April 1992). She presented the paper "Computation and Operational Properties of Nonparametric Concavity Restricted Estimators" at the University of Pennsylvania (February 1992), the University of Iowa (December 1992), the joint Econometrics Workshop of Duke/North Carolina State/North Carolina Chapel-Hill (April 1993), and the Virginia Institute of Technology (April 1993). She presented the paper "Restrictions of Economic Theory in Nonparametric Methods" at the University of Chicago (May 1993) and at the Conference on Current Trend in Economics, Cephalonia, Greece (May 1993). She also participated at the NSF/Yale Conference on Nonparametric Methods (April 1993).

BRUCE D. MEYER presented "The Ethnic and Racial Character of Self-Employment" at the University of Chicago in November 1992 and UCLA in March 1992, "The Unemployment Insurance Payroll Tax and Interindustry and Interfirm Subsidies" at the NBER Conference on Tax Policy and the Economy in Washington D.C. in November 1992, "Unemployment Insurance Benefits and Takeup Rates" at the NBER Summer Institute Public Economics Meetings in August 1992, the University of Virginia

in September 1992, the University of Texas in October 1992, Syracuse University in January 1993, the University of Wisconsin in March 1993, the University of Pittsburgh in March 1993, and the University of Chicago in April 1993, and "Policy Lessons from the U.S. Employment Insurance Experiments," was presented at Harvard University in September 1992.

JOEL MOKYR presented "Emigration and Entrepreneurship in the Nineteenth Century U.S.", to the Egon Sohmen Foundation Conference on Economic Aspects of International Migration, Sept. 4-5, 1992 (with Joseph Ferrie). He was an invited discussant and commentator, at the National Bureau of Economic Research Conference on "The Allocation of Resources Among and Within Firms," (Microeconomic History), Cambridge, MA, October 23, 1992. He served as Chair and Commentator in a session on "Economic Aspects of Discovery and Independence," Social Science History Association, Chicago, Nov.6, 1992 as well as an invited participant and commentator on a roundtable on Robert C. Allen's *Enclosure and the Yeoman* at the same conference. In Nov. 1992, he presented "Cardwell's Law and the Political Economy of Technological Progress" at "The Role of Technology in Economics -- A Conference in Honor of Nathan Rosenberg" at Stanford. He presented "Technological Progress and the Decline of European Mortality," at a session on "Living Standards, Health, and Mortality at the meetings of the American Economic Association, Anaheim California, Jan. 5-7 1993. He was an invited Commentator, Cliometrics session on "Historical Patterns of Technological and Organizational Innovation," Allied Social Science Associations, Anaheim, Jan. 7, 1993. He presented a paper at the All Universities of California Conference on Globalization and Economic Change in April 1993. He also gave seminars at Yale, Harvard, Colby College, The University of Michigan, Wake Forest, The College of William and Mary, and the Triangle Workshop in Economic History.

JAMES MONTGOMERY participated in a panel discussion on "Integrating Sociological and Economic Perspectives on Organizations and Occupations," presenting comments entitled "Induction vs. Deduction in Social Science," at the American Sociological Association annual meetings, Pittsburgh, August 1992. He presented "Weak Ties, Employment, and Inequality" at McMaster, Chicago, Stanford, and the Sunbelt Social Network Conference, Tampa, February 1993. He presented "Social Networks and Persistent Inequality in the Labor Market" at the ORSA/TIMS (Operation Research) annual meetings, Chicago, May 1993.

DALE T. MORTENSEN presented "Cyclical Behavior of Job and Worker Flows" at an Invited Prenary Session, Society for Economic Dynamics and Control, Montreal Meeting, June 11, 1992 and at the ICER Workshop on Labour Market Dynamics and Related Problems, Turin, Italy, September 4-5, 1992. He presented "Job and Worker Flows in U.S. Manufacturing" at the NBER Summer Institute, Cambridge, Massachusetts, July, 1992, and at the Third Symposium on Panel Data and Labour Market Dynamics, Sandbjerg, Denmark, August 19-23, 1992. "Information Sources and Equilibrium Wage Outcome" (with T. Vishwanath) was also presented at the Third



Symposium on Panel Data and Labour Market Dynamics, Sandbjerg, Denmark, August 19-23, 1992 and "Growth, Job Creation, and Job Destruction" (with C. Pissarides) was presented at the ICER Workshop on Labour Market Dynamics and Related Problems, Turin, Italy, September 4-5, 1992. "Hedonic Wages and Labor Market Search" (with W. Robert Reed and Hae-shin Hwang) was presented at the American Winter Meeting of the Econometric Society, Anaheim, California, Jan 5-7, 1993. Mortensen presented "Cyclical Behavior of Job and Worker Flows" in workshops at the University of Wisconsin on September 21, 1992, the University of Pittsburgh on November 19, 1992, Tulane University on March 19, 1993, Massachusetts Institute of Technology on May 4, 1993, and Rochester University on May 7, 1993.

ROBERT PORTER presented papers at the Conference on "The Econometrics of Imperfect Competition" in Toulouse, at the 1993 Econometric Study Group in Bristol, at the NBER Conference on "Cooperation, Coordination, and Collusion among Firms" in Boston, and at the AEA meetings in Anaheim. He presented four lectures on "Empirical Research on Regulatory Mechanisms and Markets" for the VSB Masterclass on Deregulation and Privatization in The Hague. He gave an invited lecture on "Recent Developments in Empirical Industrial Organization" at the AEA meetings in Anaheim. His Fisher-Schultz Lecture at the European Econometric Society meetings in Brussels was on the topic "The Role of Information in U.S. Offshore Oil and Gas Auctions." He also presented seminars at the University of Wisconsin, the University of Michigan, Carnegie Mellon University, the University of Pittsburgh, and the program meeting of the NBER Industrial Organization group.

IAN SAVAGE presented his joint paper with Leon Moses, entitled "The Effect of Firm Characteristics on Motor Carrier Accidents" at the 6th World Conference on Transport Research in Lyon, France in July 1992. He was also a member of program committee and organizer of the safety sessions at this conference. The truck safety work was also presented in a seminar at the Université de Montréal in February 1993.

COSTIS SKIADAS was invited to the Bonn Workshop in Mathematical Economics that took place in Bonn, Germany, in July '92, where he presented his paper "Conditioning and Aggregation of Preferences." He was also invited to the Oberwolfach meeting on Mathematical Finance that took place at the Oberwolfach Institute in Germany, in August '92. There he gave a talk titled "Foundations of Choice under uncertainty, and Asset Pricing."

CHRIS UDRY presented "Risk and Insurance in a Rural Credit Market: An Empirical Investigation in Northern Nigeria" at Columbia University, Harvard University, Ohio State University, and University of Wisconsin. He presented "A Competitive Analysis of Rural Credit Markets" at the Stanford Institute for Theoretical Economics. He presented "On Collecting Data on Credit in Africa," at the Centre for the Study of African Economies workshop on The Causes of Household Economic Change in Africa, University of Oxford. He presented "Segmentation, Rationing and Spillover in Credit

Markets: The Case of Rural Punjab" (with Clive Bell and T.N. Srinivasan) at the Institute for Policy Reform/USAID Conference on Financial Markets and Institutions in Developing Countries, Washington D.C. He led a day-long seminar on "African Economies" for the faculty workshop on "The Africanization of Islam and the Islamicization of Africa" at Washington University. Finally, he presented the paper "Risk and Saving in Northern Nigeria" at Michigan State University.

DANIEL VINCENT was a visiting assistant professor of economics at the California Institute of Technology. He attended the Conference on the Econometrics of Imperfect Competition in Toulouse, in October, 1992. He presented "Optimal Procurement Mechanisms" (with Alejandro Manelli) at the University of Texas-Austin, the University of California-San Diego, the University of California-Los Angeles and the University of Southern California.

BURTON WEISBROD spoke on "Nonprofit and For-Profit Institutional Behavior: Is There A Difference?" at the University of Minnesota and at the Memphis State University. He spoke on "Benefit-Cost Analysis in Mental Health" at the World Congress on Neuro-Psychiatry, in Nice, France. His work on the "Economics of Technological Change in Health Care" was the subject of talks at Children's Memorial Hospital, Northwestern Medical School, and the National Academy of Sciences. His research on "Nonprofit Organizations in a Mixed Economy" was presented at the American Association of Fund-Raising Counsel meeting and at the meetings of the Association for Public-Policy and Management. He also spoke at the International Press Center, on the subject of health care reform.

ANDREW WINTON attended the Midwest Workshop on Financial Markets and Intermediation in Chicago in October, where he gave a seminar on "Delegated Monitoring and Bank Capital." In January, he attended the Econometric Society Winter Meetings in Anaheim, where he chaired a session on the Theory of Contracts and discussed a paper at the session on Contract Theory and Capital Structure. In March, he presented "Costly State Verification and Multiple Investors: The Role of Seniority" at the University of Michigan."

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. Finance working papers are available from the Working Paper Coordinator, Department of Finance, KGSM. Center for Urban Affairs and Policy Research (CUAPR) working papers are available from Working Papers CUAPR, 2040 Sheridan Road, Evanston, IL 60208. 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.*

KYLE BAGWELL's "Pricing to Signal Product Line Quality" appeared in the 1992 inaugural issue of the *Journal of Economics and Management Strategy*. His paper "The Sensitivity of Strategic and Corrective R&D Policies in Battles for Monopoly" (with Bob Staiger) was published in the *International Economic Review*, November 1992. He also wrote some new discussion papers: "Advertising as Information: Matching Products to Buyers" (with Garey Ramey, September 1992, CMSEMS D.P. 1005); "The Diamond Paradox: A Dynamic Resolution" (with Garey Ramey, November 1992, CMSEMS D.P. 1013); "Commitment and Observability in Games" (November 1992, CMSEMS D.P. 1014); "Coordination Economies, Advertising and Search Behavior in Retail Markets" (with Garey Ramey, March 1993, CMSEMS D.P. 1034); "Multilateral Tariff Cooperation During the Formation of Regional Free Trade Areas" (with Bob Staiger, May 1993, CMSEMS D.P. 1048)

REBECCA BLANK published "Social Scientists and the Problem of Poverty," August 5, 1991, *Chronicle of Higher Education*; "Using the Survey of Income and Program Participation to Understand Poverty and Economic Need" (with Patricia Ruggles), 1992:18, *Journal of Economic and Social Measurement*; and "What Should Mainstream Economists Learn from Feminist Theory?" in *Beyond "Economic Man": Feminist Theory and Economics*, University of Chicago Press, 1993. Her book *Do Justice: Linking Christian Faith and Modern Economic Life*, was published in August, 1992, by Pilgrim Press.

RON BRAEUTIGAM published "A Regulatory Bargain for Diversified Enterprises," in the *The International Journal of Industrial Organisation*, vol. 11, no. 1 (1993), pp.1-20. He also published "Consequences of Regulatory Reform in the Railroad Industry," *Southern Economic Journal*, vol. 59, no. 3 (1993), pp. 468-480. His article with Leon Moses, "A Test of Market Behavior in the Transportation of Petroleum and Liquid Hazardous Materials," appeared in *Transportation of Hazardous Materials: Issues in Law, Social Science, and Engineering*, edited by L. Moses and D. Lindstrom, Kluwer Academic Press, Boston, Mass. (1993), pp. 295-309. Finally, he and John Panzar coauthored

"Effects of the Change from Rate-of-Return to Price Cap Regulation," in the *American Economic Review*, vol. 83, no. 2, pp. 191-198 (1993).

LOUIS CAIN published "Death and Sewers" with Elyce Rotella, Indiana University, in the *Illinois Real Estate Letter*, Winter/Spring 1993. He also published reviews of Jonathan R. T. Hughes, *The Governmental Habit Redux*, and Robin L. Einhorn, *Property Rules: Political Economy in Chicago, 1833-1872*, in (respectively) the Spring and Summer, 1992, *Business History Review*.

IAN DOMOWITZ published "Equally Open and Competitive: Regulatory Approval of Automated Trade Execution in the Futures Markets" in the February 1993 issue of *Journal of Futures Markets* and "Automating the Price Discovery Process: Some International Comparisons and Regulatory Implications" in the January 1993 issue of *Journal of Financial Services Research*. "Some Effects of Restricting the Electronic Order Book in an Automated Trade Execution System" (with Tim Bollerslev) and "Automating the Continuous Double Auction in Practice: Automated Trade Execution in Financial Markets" appeared in *The Double Auction Market: Institutions, Theories, and Evidence*, edited by D. Friedman and J. Rust, Addison-Wesley. The papers, "A Taxonomy of Automated Trade Execution Systems," "The Impact of the Bankruptcy Reform Act of 1978 on Consumer Bankruptcy" (with Thomas Eovaldi), and "Determinants of the Chapter 7 Consumer Bankruptcy Decision at the Household Level" (with Robert Sartain) are available in the working paper series of the Center for Urban Affairs and Policy Analysis, Northwestern University.

ROBERT EISNER's "Sense and Nonsense About Budget Deficits," was published in *Harvard Business Review*, May-June 1993, pp. 99-111, and "National Saving and the Twin Deficits: Myth and Reality" (with Paul J. Pieper), in *The Economics of Saving*, edited by James H. Gapinski, 1993, pp. 109-133. A number of articles were published in *The New Palgrave Dictionary of Money and Finance*, John Eatwell, Murray Milgate, Peter Newman, eds., Macmillan Press Reference Books, London, 1992: "The Gramm-Rudman-Hollings Balanced Budget Act," Vol. 1, pp. 275-279; "Budget Deficits: Problems of Measurement," Vol. 2, pp. 245-247; "The Total Incomes System of Accounts," Vol. 3, pp. 670-673. "The Twin Deficits," appeared in *Profits, Deficits and Instability*, edited by Dimitri B. Papadimitriou, Macmillan Academic and Professional LTD, pp. 255-267. "Our Real Deficits" appeared in Milken Institute for Job & Capital Formation, *Jobs and Capital, The Federal Budget Deficit*, Volume One, Number Two, Summer 1992, pp. 1, 6-7. "Real Government Saving and the Future," was presented at the Allied Social Science Association meetings in Anaheim in January 1993, and will be published in *Journal of Economic Behavior and Organization*. "Should the Feds Adopt a Capital Budget? -- Yes: 'It would highlight the impact of public investment'" was published in *Governing*, October 1992, pp. 57-58. "Some Macroeconomics of Disarmament," was prepared for conferences in Fukuoka and Tokyo and a French version, "Quelques considérations macroéconomiques sur le désarmement," for Espace Europe conference in Grenoble,

May 6-7. "National Saving and Our Real Deficits," appeared in *Durrell Journal of Money and Banking*, Volume IV, No. 4, December 1992, pp.6-16. "Measure, Theory, Fact and Fancy: The Case of the Budget Deficit," was published in *Bulletin of the American Academy of Arts and Sciences*, Volume XLVI, No. 7 (April 1993), pp. 27-43. "Fiscal and Monetary Policy Reconsidered, Again: Basic Lessons," prepared last year, was just published in *Journal of Economic Education*, Volume 24, Number 3 (Summer 1993), pp.245-259. "Clinton, Deficits, and the U.S. Economy," January 23, 1993, was published in Japanese in *Weekly Economist*, April 5, 1993, pp. 44-49. "Debt and Deficits: Myth and Reality," was presented to a Statistics Canada Seminar, April 30, 1993. "Good and bad deficits: Views of a liberal Keynesian," appeared in *Choices*, First Quarter 1993, pp. 6,9. His statement on "U.S. Economy, and Proposals to Provide Middle-Income Tax Relief, Tax Equity and Fairness, Economic Stimulus and Growth," for the Committee on Ways and Means, U.S. House of Representatives Hearings on the U.S. Economy, December 17, 1991, was finally published by the USGPO, Washington, Serial 102-100, pp. 731-735.

ROBERT J. GORDON published "Wage and Price Dynamics in Germany and America: Differences and Common Themes" (with Wolfgang Franz) in the *European Economic Review*, vol. 37 (May 1993), pp. 719-762. He also published "The Jobless Recovery: Does It Signal a New Era of Productivity-Led Growth?" in the *Brookings Papers on Economic Activity*, vol. 24 (1993, no. 1), pp. 271-316. "Measuring the Aggregate Price Level: Implications for Economic Performance and Policy," appeared in K. Shigehara, ed., *Price Stabilization in the 1990s* (London: Macmillan, 1993), pp. 233-76. His paper "Why the Principles Course Needs Comparative Macro and Micro," was published in the *American Economic Review Papers and Proceedings*, vol. 82 (May 1993), pp. 17-22. Finally, his comment, "Reply [to Edward F. Denison]: The Concept of Capital," *Review of Income and Wealth*, vol. 39 (March 1993), pp. 103-110.

STUART I. GREENBAUM published "TQM at Kellogg: How We Teach It, How We Live It," *The Journal For Quality and Participation*, 16:1, January/February 1993, 88-92. He also published "Bank Regulation, Reputation and Rents: Theory and Policy Implications," (with A.W.A. Boot) in *Capital Markets and Financial Intermediation*, Colin Mayer and Xavier Vives, editors, Cambridge University Press, 1993, 262-85

BO HONORÉ's paper "Identification Results for Duration Models with Multiple Spells" was published in *Review of Economic Studies*, (January, (1993), vol. 60(1) no. 202, pp.241-246).

MATTHEW JACKSON's article "Implementation in Undominated Strategies: A Look at Bounded Mechanisms" appeared in the October 1992 issue of the *Review of Economic Studies*. His note "On Two Person Nash Implementable Social Choice Functions" (with Sanjay Srivastava) appeared in *Social Choice and Welfare*, July 1992. His article "Implementing a Public Project and Distributing its Cost" (with Hervé

Moulin) appeared in the *Journal of Economic Theory*, June 1992. "Incentive Compatibility and Competitive Allocations" appeared in the December 1992 issue of *Economic Letters*.

KIMINORI MATSUYAMA published "Agricultural Productivity, Comparative Advantage, and Economic Growth," in the December 1992 *Journal of Economic Theory*; "The Market Size, Entrepreneurship, and the Big Push," in the December 1992 *Journal of the Japanese and International Economics*; "Toward a Theory of International Currency," co-authored with Nobuhiro Kiyotaki and Akihiko Matsui, in the April 1993 *The Review of Economic Studies*. His book review of *Innovation and Growth in the Global Economy* by Gene M. Grossman and Elhanan Helpman also appeared in the November 1992 *Journal of International Economics*. He has also written several papers (including revisions) during this period: they are available in the following working paper series: (1) "Custom vs. Fashion: Path-Dependence and Limit Cycles in a Random Matching Game," Working Paper in Economics, E-92-11, Hoover Institution; Northwestern University CMS-EMS Discussion Paper #1030; Federal Reserve Bank of Minneapolis, Institute for Empirical Macroeconomics Discussion Paper #82. (2) "Start-Up Costs and Pecuniary Externalities as Barriers to Economic Development," (co-authored with Antonio Ciccone), Northwestern University CMS-EMS Discussion Paper #1031; Federal Reserve Bank of Minneapolis, Institute for Empirical Macroeconomics Discussion Paper #83; Institute for International Economic Studies, University of Stockholm, Seminar Paper, #533; NBER Working Paper No. 4363. (3) "Making Monopolistic Competition More Useful," Working Papers in Economics, E-92-18, Hoover Institution. (4) "Self-Defeating Regional Concentration," (co-authored with Takaaki Takahashi), Northwestern University CMS-EMS Discussion Paper #1050. (5) "Modeling Complementarity in Monopolistic Competition," Institute for International Economic Studies, University of Stockholm, Seminar Paper, #534.

STEVEN MATTHEWS produced the following discussion papers: "Efficient and Nearly Efficient Partnerships," with Patrick Legros, Math Center Discussion Paper 991 (accepted for publication in *The Review of Economic Studies*); "On Modeling Cheap Talk in Bayesian Games," with A. Postlewaite, Math Center Discussion Paper 992 (accepted for publication in *The Economics of Informational Decentralization: Complexity, Efficiency, and Stability*, ed. J. Ledyard, Stanley Reiter Festschrift); and "Renegotiation of Sales Contracts," Math Center Discussion Paper 1051.

BRUCE MEYER published "Unemployment Insurance in the United States: Layoff Incentives and Cross-Subsidies," (with Patricia Anderson) in the *Journal of Labor Economics* January 1993 Supplement and "The Unemployment Insurance Payroll Tax and Interindustry and Interfirm Subsidies," (with Patricia Anderson) in *Tax Policy and the Economy 7*, edited by James Poterba, published by Massachusetts Institute of Technology Press, and a review of *Self Employment: A Labor Market Perspective* by

Robert L. Aronson in the *Journal of Economic Literature*, September 1992. His new working papers are "Unemployment Insurance Benefits and Takeup Rates," (with Patricia Anderson), July 1992, revised October 1992, and "The Ethnic and Racial Character of Self-Employment," (with Robert Fairlie), November 1992.

JOEL MOKYR published *The British Industrial Revolution: An Economic Perspective* which he edited for Westview Press and for which he wrote an introduction. He looks with some pride at *La Palanca de la Riqueza*, a Spanish translation of his 1990 *Lever of Riches*. Among his articles and reviews published are "Technological Inertia in Economic History," *Journal of Economic History*, Vol. 52 No. 2 (June 1992), pp. 325-338; "Technological Progress and the Decline of European Mortality," *American Economic Review, Papers and Proceedings*, May 1993; Review of Arnold Pacey, *Technology in World Civilization in Business History Review*, Spring 1992; Review of Michael Rothschild, *Bionomics: The Inevitability of Capitalism in Journal of Economic History* June 1992 and "The Global Village and Economic Growth: Lessons from History," *Reason*, May 1993.

JAMES MONTGOMERY published "Job Search and Network Composition: Implications of the Strength-of-Weak-Ties Hypothesis" in the *American Sociological Review*, October 1992.

DALE T. MORTENSEN published (with C. Pissarides), "Cyclical Behavior of Job Creation and Job Destruction," in Ours, J.C., Pfann, G.A., and Ridder, G., (eds.), *Labour Demand and Equilibrium Wage Formation*. Amsterdam: North-Holland, 1993, and "Equilibrio de busqueda y ciclos economicos reales" ("Search Equilibrium and Real Business Cycles") in *Cuadernos Economicos*, Numero 51, 1992/2. "Job Creation and Job Destruction in the Theory of Unemployment" (with C. Pissarides) is available as Discussion Paper No. 110, Centre for Economic Performance, London School of Economics, May 1993.

ROBERT PORTER published "Optimal Selling Strategies for Oil and Gas Leases with an Informed Buyer" (with Ken Hendricks and Guofu Tan) in the May 1993 *American Economic Review Papers and Proceedings*. "Detection of Bid Rigging in Procurement Auctions" (with Douglas Zona) appeared in the June 1993 *Journal of Political Economy*. "Bidding Behavior in OCS Drainage Auctions: Theory and Evidence: (with Ken Hendricks) was published in the May 1993 *European Economic Review*. "The Role of Information in U.S. Offshore Oil and Gas Lease Auctions" is available as NBER Working Paper #4185, and as CMSEMS Discussion Paper #1008.

IAN SAVAGE and Leon Moses have published two papers on their truck safety work. Their paper "The Effectiveness of Motor Carrier Safety Audits" appeared in the October 1992 edition of *Accident Analysis and Prevention*. They also authored a chapter called "Annual License Fees and other Charges for Road Transportation of Hazardous

Materials" in a book entitled *Transportation of Hazardous Materials: Issues in Law, Social Science, and Engineering* edited by Leon Moses and Dan Lindstrom and published by Kluwer. Ian has also published two papers dealing with his work on the interaction between psychological perceptions of risk and the valuation of life. The paper "An Empirical Investigation into the Effect of Psychological Perceptions on the Willingness-to-Pay to Reduce Risk" appeared in the January 1993 edition of the *Journal of Risk and Uncertainty*. He also published a paper "The Price of Saving Lives" in the annual yearbook of the railroad trade journal *Railway Gazette International*.

COSTIS SKIADAS has added three papers to the Department of Finance's working paper series: "Continuous-Time Security Pricing: A Utility Gradient Approach" (WP#145, with Darrell Duffie, to appear in the *Journal of Mathematical Economics*), "Efficient and Equilibrium Allocations with Stochastic Differential Utility" (WP#148, with Darrell Duffie and Pierre-Yves Geoffard, to appear in the *Journal of Mathematical Economics*) and "Conditioning and Aggregation of Preferences" (WP#142, also Discussion Paper No. 1010 of the Center for Mathematical Studies in Economics and Management Science).

CHRIS UDRY's paper "Agricultural Credit in Northern Nigeria: Credit as Insurance in a Rural Economy," which originally appeared in the *World Bank Economic Review*, has been revised and reprinted in K. Hoff, A. Braverman, and J. Stiglitz, eds. 1993. *The Economics of Rural Organization*. Oxford: Oxford University Press. His paper "Risk and Saving in Northern Nigeria" is available as the Institute for Policy Reform Working Paper No. 62.

DANIEL VINCENT's paper, "Modelling Competitive Behavior" appeared in the Winter, 1992 issue of the *Rand Journal*. "The Declining Price Anomaly" (with R.Preston McAfee) was published in the *Journal of Economic Theory*, June 1993.

BURTON WEISBROD published (1) "Productivity and Incentives in the Medical Care Sector," in *The Scandinavian Journal of Economics* Volume 94, 1992; (2) "The Health Care Quadrilemma: An Essay on Technological Change, Insurance, Quality of Care, and Cost Containment," in the *Northwestern Journal of Politics, Philosophy, & Economics* Fall 1992 (reprinting of paper from June 1991 *Journal of Economic Literature*); (3) "The Nature of Technological Change: Challenges of Decisionmaking," *Medical Innovation at the Crossroads*, (Washington DC; National Academy of Science Press, 1993).

ANDREW WINTON's paper, "Limitation of Liability and the Ownership Structure of the Firm," was accepted for publication in the June 1993 issue of *The Journal of Finance*.



*VISITING SPEAKERS*

YACINE AIT-SAHALIA, Massachusetts Institute of Technology, "Nonparametric Functional Estimation and Pricing of Interest Rate Verivative Securities"

ROBERT ANDERSON, University of California-Berkeley, "An Example of a Non-Converging Bargaining Set"

DON ANDREW, Yale University, "Optimal Tests For Nonlinear Models With Restricted Parameter Space"

JAMES ANTON, Duke University, "Expropriation and Inventions: Appropriable Rents in the Absence of Property Rights"

JEREMY ATACK, University of Illinois, "Whom Did Protective Legislation Protect? Evidence From 1880"

ANDY ATKESON, University of Chicago, "Industry Evolution and Transition: The Role of Information Capital"

JON BAKER, United States Department of Justice, "The Behavior of Price Cost Margins Around Troughs of the Business Cycle"

ABJIJIT BANERJEE, Princeton University, "A Walrasian Theory of Money and Barter"

JEFF BANKS, University of Rochester, "Long Lived Principles, Short Lived Agents"

YORAM BARZEL, University of Washington, "Parliment as a Wealth Maximizing Institution: The Rights to the Residual and the Right to Vote"

SULEYMAN BASAK, Carnegie Mellon University, "A General Equilibrium Model of a Portfolio Insurance"

ROLAND BENABOU, Massachusetts Institute of Technology, "Heterogeneity, Stratification and Growth"

DWAYNE BENJAMIN, University of Toronto, "Markets, Discrimination, and the Economic Contribution of Women in China: Historical Evidence"

DOUGLAS BERNHEIM, Princeton University, "Exclusive Dealing: An Agency-Theoretical Framework"

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SULEYMAN BASAK, Carnegie Mellon University, "A General Equilibrium Model of a Portfolio Insurance"

ROLAND BENABOU, Massachusetts Institute of Technology, "Heterogeneity, Stratification and Growth"

DWAYNE BENJAMIN, University of Toronto, "Markets, Discrimination, and the Economic Contribution of Women in China: Historical Evidence"

DOUGLAS BERNHEIM, Princeton University, "Exclusive Dealing: An Agency-Theoretical Framework"

GEORGE BORJAS, University of California-San Diego, "Long-Run Convergence of Ethnic Skill Differentials"

PETER BOSSAERTS, Cal Tech, "Lower Bounds on Asset Returns Comovement"

JACOB BOUDOUKH, New York University, "A Tale of Three Schools: A Reexamination of, the Lead-Lag Relation in Stock Returns"

JIM BRANDER, University of British Columbia, "Dynamic Oligopoly Behavior in the Airline Industry"

TONI BRAUN, Federal Reserve Bank of Minneapolis, "War and Peace"

JAN K. BRUECKNER, University of Illinois-Urbana Champaign and University of California-San Diego, "Borrower Mobility, Adverse Selection, and Mortgage Points"

FABIO CANOVA, European University Institute, Florence, Italy, "Sources and Propagation of International Business Cycles: Common Shocks or Transmission"

ANN CARLOS, University of Colorado-Boulder, "The Creative Financing of an Unprofitable Enterprise: The Grand Trunk Railway of Canada 1855-1881"

LORNE CARMICHAEL, Queen's University, "Gift Giving and the Evolution of Cooperation"

SUSAN CARTER, University of California-Riverside, "Industrial Plant Demography and Labor Market Dynamics: Preliminary Evidence from Milwaukee Manufacturing, 1891-1899"

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GEORGE M. CONSTANTINIDES, University of Chicago, "Asset Pricing With Heterogeneous Consumers"

DORA COSTA, University of Chicago, "Health, Income, and Retirement"

EDDIE DEKEL, University of California-Berkeley, "Relating Between Mutation Rates and Growth Rates in a Changing Environment"

PETER DIAMOND, Massachusetts Institute of Technology, "Privatization of Social Security: Lessons From Chile" and "Issues in Social Insurance"

JAMES DOW, London Business School, "Profitable Informed Trading in a Simple General Equilibrium Model of Asset Pricing"

AARON EDLIN, Stanford University, "Specific Investments, Holdups and Efficient Contract Remedies"

MARCEL FAFCHAMPS, Stanford, "Sequential Labor Decisions Under Uncertainty: An Estimable Household Model of West-African Farmers"

DANIEL FELSENSTEIN, Hebrew University, "Small Business Assistance and Job Creation: Some Evidence from Israel"

JEFF FLEMING, Duke University, "The Rationality of Market Volatility Forecasts Implied by S&P 100 Index Option Prices"

ROBERT W. FOGEL, University of Chicago, "Religious Revivals and American Egalitarianism"

NANCY FOLBRE, University of Massachusetts, "The Domestic Service Sector in the U.S., 1870-1930"

WILLIAM G. GALE, University of California-Los Angeles and Brookings Institute, "IRAS and Saving in a Stochastic Life-Cycle Model"

IRWIN GARFINKEL, School of Social Work, Columbia University, "Policies Involving Child Support Assurance"

MARK GERTLER, New York University, "U.S. Commercial Banking: Trends, Cycles and Policy"

PANKAJ GHEMEWAT, Harvard Business School, "Commitment and Game Theory"

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- ROBERT S. GIBBONS**, Johnson Graduate School of Management, "Subjective Performance Measures in Optimal Incentive Contracts"
- GARY GORTON**, University of Chicago and Wharton School, "Reputation Formation in (Early Bank) Debt Markets"
- GEORGE GRANTHAM**, McGill University, "The Medieval Agricultural Revolution"
- ED GREEN**, University of Minnesota, "Bayes Contingent Plans"
- DAVID GREEN**, University of British Columbia, "Qualifying for Unemployment Insurance: An Empirical Analysis for Canada"
- BRUCE GRUNDY**, University of Pennsylvania, "Preferred and Taxes: The Relative Price of Dividends and Coupons"
- FRANK GUL**, Stanford University, "Bargaining with Obstinate Players"
- GILLIAN HADFIELD**, University of California-Berkeley and Hoover Institution, "Judicial Competence and the Interpretation of Incomplete Contracts"
- JOHN HALTIWANGER**, University of Maryland, "Driving Forces in Employment Fluctuations: New Evidence and Alternative Interpretations"
- MARIA HANRATTY**, Cornell University, "Canadian National Health Insurance and Infant Health"
- GARY HANSEN**, University of California-Los Angeles, "Idle Resources and the Cyclical Utilization of Capital"
- LARS HANSEN**, University of Chicago, "Back to the Future: Generating Moment Implications for Continuous Time Markov Processes"
- BRUCE HANSEN**, University of Rochester, "Autoregressive Conditional Density Estimation"
- MICHAEL HAUPERT**, University of Wisconsin-LaCrosse, "The Profitability of Note Issue During the Free Banking Era"
- JAMES J. HECKMAN**, University of Chicago, "Life Cycle Models of Schooling" and "The Design and Analysis of Audit Pair Studies of Employment Discrimination"

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**ROB HEINKEL**, University of British Columbia, "Financial Distress and Optimal Capital Structure Adjustments"

**PHILLIPPE HENROTTE**, Stanford University, "Market Behavior with Endogenous Production and Asymmetric Information"

**JIM HINES**, Kennedy School, "Altered States: Taxes and the Location of Foreign Direct Investment in America"

**PHIL HOFFMAN**, California Institute of Technology, "Credit Markets in France, 1750-1850"

**CHARLES HOLT**, University of Virginia, "List Prices and Discounts"

**WILLIAM HUTCHINSON**, Miami University, "Regional Trade and Growth"

**DOUG IRWIN**, University of Chicago, "The Political Economy of Free Trade: Voting in the British General Election of 1906"

**RONEN ISRAEL**, University of Michigan, "The Design of Internal Control and Capital Structure"

**JOHN JAMES**, University of Virginia, "Reconstructing the Pattern of Unemployment in Post-Bellum Massachusetts"

**KEN JUDD**, Hoover Institution, "Computing Supergame Equilibria"

**CHARLIE KAHN**, University of Illinois-Champaign, "Coalition Proof Equilibrium in an Adverse Selection Insurance Economy"

**AVNER KALAY**, Tel Aviv University and University of Utah, "Bankruptcy and State Contingent Changes in the Ownership of Control"

**EUGENE KANDEL**, University of Rochester, "A Differential Interpretation of Public Signals and Trade in Speculative Markets"

**THOMAS KANE**, Harvard University, "The Labor Market Returns to Community College"

**MAMORU KANEKO**, Virginia Polytechnic Institute and Tskuba University, "More and Specific Knowledge of the Existence of a Nash Equilibrium: Part I"

**Economics At Northwestern, Page 22**

**PHILIP KEARNS**, University of Rochester, "Pricing Interest Rate Derivative Securities When Volatility is Stochastic"

**PAT KEHOE**, University of Pennsylvania, "The Effect of Oil Shocks in a Putty-Clay Model"

**DAVID KINNEY**, University of Chicago, "Success Stories Among Adolescents Attending Different Urban High Schools"

**NOBU KIYOTAKI**, University of Minnesota, "Credit Cycles"

**PETER KLENOW**, University of Chicago, "Learning Curves and the Cyclical Behavior of Manufacturing Industries"

**PETER KLIBANOFF**, Massachusetts Institute of Technology, "Decentralization, Externalities and Efficiency"

**RACHEL E. KRANTON**, University of California-Berkeley, "Price Competition With Unobservable Quality: A Case of Ruinous Competition"

**MICHAEL KREMER**, Massachusetts Institute of Technology, "Population Growth and Technological Change: One Million B.C. to 1900"

**RANDY KROSZNER**, University of Chicago, "A Study of the U.S. Experience With Universal Banking Before 1933"

**A. PETER KYLE**, Duke University, "Intertemporal Insider Trading with a Smooth Order Flow"

**KEN LAHN**, University of Pittsburgh Business School, "Causes and Consequences of Accounting Fraud"

**MICHAEL LANDSBERGER**, Haifa University-Israel, "Income Tax Evasion and Net Income Distributions: An Equilibrium Analysis"

**ED LAZEAR**, Hoover Institute, "Incentives in a Research Environment"

**STANLEY LEBERGOTT**, Wesleyan University, "Why Do We Believe Education is a Good Investment?"

**GLENN MACDONALD**, University of Rochester, "The Life-Cycle of a Competitive Industry"

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- AUDREY MALISHEVSKI, Russian Academy of Science, "Criteria for Judging the Rationality of Decisions in the Presence of Vague Alternatives"
- THOMAS MALONEY, University of Chicago, "Economic Change and the Cities" and "Black-White Earnings, Inequality, and the Structure of Wages in the United States, 1940-1960" and "Degrees of Inequality: The Advance of Black Workers in the Northern Meat Packing and Steel Industries, 1910-1940"
- TED MARMOR, Yale University, "The Politics and Policies of Health Care Reform"
- R. PRESTON McAFEE, University of Texas-Austin, "Collusive Bidding in Hostile Takeovers"
- THOMAS McGUIRE, Boston University, "Paying For Psychiatric Hospital Care: The Case of New Hampshire Medicaid" and "Incentive, Private Information and Ethics in Health Care"
- GIB METCALF, Princeton University, "Energy Tax Credits and Residential Conservation Investment"
- ROB MEYER, University of Wisconsin, "Performance Indicators for Primary and Secondary Schools"
- BENNY MOLDOVANU, University of Michigan and University of Bonn, "Cyclical Delay in Bargaining with Externalities"
- DILIP MOOKHERJEE, Indian Statistical Institute, "Aspirations, Adaptive Learning, and Cooperation in Repeated Games"
- JOHNATHON MORDUCH, Harvard University "Decentralization, Externalities, and Efficiency"
- JOHN MUNRO, University of Toronto, "Bimetallic Ratios and Labor Strife in the Flemish Cloth Industry, 1389-1434"
- KEVIN MURPHY, University of Chicago, "Evidence on Earnings and Hours of Work from the CPS"
- JOHN NACHBAR, Washington University, "Signalling and Coordination in Evolutionary Games"

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**KLAUS NEHRING**, University of California-Davis, "Rational Decision with Incomplete Preference and Beliefs"

**WHITNEY NEWEY**, Massachusetts Institute of Technology, "Bootstrapping For GMM: Estimation and Testing"

**GEORG NOLDEKE**, Princeton University, "Signalling With Response Intersection"

**MAUREEN O'HARA**, Cornell University, "One Day in the Life of a Very Common Stock"

**LAWRENCE OFFICER**, University of Illinois-Circle, "Gold-Point Arbitrage and Uncovered Interest Arbitrage Under the 1925-1931 Dollar-Sterling Gold Standard"

**MARTHA OLNEY**, University of Massachusetts-Amherst, "Structural Change in the Twentieth Century: The Rise of the U.S. Service Sector and the Question of Deindustrialization"

**THOMAS PALFREY**, California Institute of Technology, "Alternating Offer Equilibria in Sequential Simultaneous-Move Bargaining Games"

**MITCH A. PETERSON**, University of Chicago, "Price Improvement: Stocks on Sale"

**A. MITCHELL POLINSKY**, Stanford University, "Optimal Awards and Penalties When Some Suits are Frivolous"

**NICK POLSON**, University of Chicago, "Convergence and Applications of Markov Chain Monte Carlo Algorithms in Time Series Modelling"

**ANDREW POSTLEWAITE**, University of Pennsylvania, "Bargaining and Investment in a Two-Sided Matching Game"

**CANICE PRENDERGAST**, University of Chicago, "An Agency Approach to Bias in Organizations"

**JONATHAN PRITCHETT**, Tulane University, "Forced Migration and the Inter-Regional Slave Trade"

**ANANTRH RAMAN**, The Wharton School of the University of Pennsylvania, "The Impact of Quick Response in the Apparel Industry"



- PETER RANGAZAS, Indiana University, "Redistributive Education Policy"
- DEBRAJ RAY, Boston University, "On the Measurement of Polarization"
- SERGIO REBELO, National Bureau of Economic Research, "Fiscal Policy and Economic Growth"
- PHIL RENY, University of Wisconsin and University of Western Ontario, "On the Rational For Perfect Equilibrium"
- ANDREW RESCHOVSKY, University of Wisconsin, "Is the Gas Tax Regressive?"
- ANDRÉS RODREGUEZ, Stanford University, "Economic Underdevelopment: A Trap with an Exit"
- RICHARD ROGERSON, University of Minnesota, "Income Distribution, Communities and the Quality of Public Education: A Policy Analysis"
- KAREN ROLF, University of Chicago, "Disability and Health Care Among the Poor"
- JOSHUA ROSENBLOOM, University of Kansas, "Looking for Work, Searching for Workers: The Formation of Industrial Labor Markets in the Postbellum United States"
- STEPHEN ROSS, Yale University, "The Cross-Sectional Relationship Between Expected Return and Beta"
- GEERT ROUWENHORST, Yale University, "Structure of International Stock Returns"
- MARK RUBINSTEIN, University of California-Berkeley, "Exotic Options"
- GILLES SAINT-PAUL, DELTA (Paris), "On The Political Economy Of Labor Market Flexibility"
- ODED SARIG, University of Pennsylvania, "Real Interest Rates and Inflation: An Ex-Ante Imperical Analysis"
- DAVID SCHMEIDLER, Ohio State and Tel Aviv University, "On the Definition of Subjective Probability"
- KLAUS SCHMIDT, Massachusetts Institute of Technology, "Reputation and Equilibrium Characterization in Repeated Games with Conflicting Interests"

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JOHN KARL SCHOLZ, University of Wisconsin, "Charitable Contributions of Time and Money"

DAVID SIBLY, University of Texas, "Multiproduct Nonlinear Pricing and Bundling"

JITENDRA SINGH, University of Pennsylvania, "The Dynamics of Competition and Mutualism"

JOEL SLEMROD, University of Michigan, "The Effect of Taxes on Investment and Income Shifting to Puerto Rico"

JAMES SNYDER, University of Chicago, "Equilibrium and Efficiency in an Organized Vote Market"

RICHARD SPADY, Oxford University, "Doing Non-Parametric Inference Parametrically: An Interpretation of Empirical Likelihood with Example"

PABLO SPILLER, University of Illinois, "Economies of Traffic Density in Airline Hub and Spoke Networks"

RICHARD STECKEL, Ohio State University, "Trends in Poverty and Inequality: Evidence from Tax Records for Massachusetts and Ohio, 1820-1910"

CLAUDE STEELE, Stanford University, "Race and the Schooling of Black Americans"

JEREMY STEIN, Massachusetts Institute of Technology, "Credit Conditions and the Cyclical Behavior of Inventories: A Case Study of the 1981-82 Recession"

TOM STOKER, Massachusetts Institute of Technology, "Smoothing Bias in the Measurement of Marginal Effects"

LESLIE S. STRATTON, University of Arizona, "Identifying Discouraged Workers and Their Relative Attachment to the Labor Market"

JOHN STRAUSS, Michigan State University, "Gender and Lifecycle Differentials in the Pattern and Determinants of Adult Health"

PETER STREUFERT, University of Wisconsin, "The Effect of Underclass Social Isolation on Schooling Choice"

**Economics At Northwestern, Page 27**

**RICHARD SUTCH**, University of California-Berkeley, "Industrial Plant Demography and Labor Market Dynamics: Preliminary Evidence from Milwaukee Manufacturing, 1891-1899"

**ALAN TAYLOR**, Harvard University, "Three Phases of Argentine Economic Growth"

**DON TEBBE**, President, Council of Illinois Nonprofit Organizations, "Public Policy Issues for Nonprofits in the 1990s"

**DUNCAN THOMAS**, Yale University, "Health, Wealth and Wages in Urban Brazil"

**WILLIAM THOMSON**, University of Rochester, "Consistent Extentions"

**RUEY TSAY**, University of Chicago, "Linear Transformations and Recent Developments in Multivariate Time Series Analysis with Applications to Interest Rate Data"

**HAROLD UHLIG**, Princeton University and University of Chicago, "Bayesian Vector Autoregressions with Time Varying Error Covariences"

**TIMOTHY VAN-ZANDT**, Princeton University, "Information Processing and Returns to Scale in Firms"

**XAVIER VIVES**, Universitat Autònoma de Barcelona, "Learning From Others"

**JIM WALKER**, University of Wisconsin, "The Effect of Public Policies on Recent Swedish Fertility Behavior"

**JOHN WALLIS**, University of Maryland, "Taxation and Regulation"

**YORAM WEISS**, Tel Aviv and Chicago, "Uncertain Survival: Effects on End of Life, Consumption"

**STEPHEN WERNET**, Loyola University, "Mergers, Acquisitions and Consolidations in the Nonprofit Social Service Sector"

**OLIVER WILLIAMSON**, University of California-Berkeley, "Calculativeness, Trust and Economic Organization"

**JULIE WILSON**, Kennedy School, Harvard University, "Formation of American Urban Ghettos and Historic Analysis"

FRANK WOLAK, Stanford University, "Estimating Regulated Firm Production Functions with Private Information: An Application to California Water Utilities"

BARBARA WOLFE, University of Wisconsin, "Disability and Health Care Among the Poor"

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