

ECONOMICS

AT NORTHWESTERN



Fall 1995, No. 27

Editor: Maryann Semer

This edition covers events and publications involving economists at Northwestern for the period of January 1, 1995, through September 30, 1995. Additional copies are available from the editor in Room 134, Andersen Hall.

APPOINTMENTS, HONORS, AND GRANTS

KYLE BAGWELL was appointed as an Associate Editor of the *Journal of International Economics* and the *Rand Journal of Economics*.

REBECCA BLANK received a three-year grant from the National Science Foundation for her work "An Analysis of Changing Patterns in Public Assistance Use." She has recently been appointed a member of the Advisory Board to the Upjohn Institute for Employment Research.

RON BRAEUTIGAM has been named Director of the Business Institutions Program at Northwestern, effective September 1, 1995. He has also received the Teacher of the Year Award from Northwestern's chapter of Omicron Delta Epsilon, the national undergraduate honor society in economics. Six members of the Economics Department have been awarded a grant by the Andrew W. Mellon Foundation to study the Dissemination of Scholarly Learning in electronic journals. The grant is for two years with funding of \$340,000. Ron Braeutigam and John Panzar are co-principal investigators, working with Ian Domowitz, Eddie Dekel-Tabak, Asher Wolinsky and Rob Porter.

LOUIS CAIN was appointed to the editorial boards of the Oxford Encyclopedia of Economic History and the Encyclopedia of Chicago History. He served as Chairman of the Local Arrangements Committee for the Economic History Association meetings in Chicago in September.

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ROBERT COEN was appointed Master of the Public Affairs Residential College, one of Northwestern's thematic undergraduate residence halls which focuses on public policy issues and activities of non-profit organizations.

IAN DOMOWITZ is acting as a member of the organizing committee for the 1997 Winter Econometric Society Meetings. He will be responsible for sessions in the area of financial economics. He received funding from the Annenberg Washington Program to organize and conduct a two-day conference on Communications Technology and National Sovereignty in the Global Economy this last Spring.

ROBERT EISNER, in June, delivered the College of Arts and Science Convocation address at Northwestern University.

ROBERT J. GORDON has been appointed to a five-member Advisory Committee to Study the Consumer Price Index, established by the U. S. Senate.

JUDITH HELLERSTEIN received a National Science Foundation grant for the project "Wages, Productivity, and Worker Characteristics" (with D. Neumark and K. Troske).

MATTHEW JACKSON received an NSF grant to study recurring games and the design of markets. He was appointed the Mechthild E. Nemmers Distinguished Professor of Managerial Economics and Decision Sciences. He also began a term as an associate editor of *Mathematical Social Sciences*.

STEVEN MATTHEWS was awarded a three-year NSF Grant, "Dynamic Joint Decisions: Free-Riding, Multi-Issue Bargaining, and Contract Revision," starting in the Fall of 1995.

BRUCE MEYER received a grant from the U.S. Department of Labor entitled "The Effects of the UI Payroll Tax on Layoffs, Employment, and Wages: A Natural Experiment in Washington State," (co-P.I. with Patricia Anderson) for the period March 1995 to March 1996. He was a member of the Program Committee for the Econometric Society Winter Meetings, January 1995.

LEON MOSES and Ian Savage were awarded the Outstanding Research Paper Award and Best Cost Analysis Research Paper at the 1995 Annual Meeting of Transportation Research Forum for their paper "A cost-benefit analysis of United States motor carrier safety programs."

JOEL MOKYR was appointed Editor in Chief of the *Oxford Encyclopedia of Economic History*. He continues to serve as co-editor of the *Journal of Economic History* and is editing two series of books, the Princeton University Press Economic History of the Western World and a series of collections for Westview Press.

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DALE T. MORTENSEN began his term as President of the Society for Economic Dynamics and Control in July, 1995. His project entitled "Recursive Competitive Search Equilibrium: Labor Market Applications" was funded by the National Science Foundation for a two year period starting in July.

IAN SAVAGE received a renewal of his research grant from the federal Department of Transportation to study economies of scale in urban mass-transit rail operations. He and Leon Moses were awarded the Outstanding Research Paper Award and Best Cost Analysis Research Paper at the 1995 Annual Meeting of Transportation Research Forum for their paper "A cost-benefit analysis of United States motor carrier safety programs."

CHRISTOPHER TABER was invited to participate in the annual Review of Economic Studies Tour for recent job market candidates.

ALAN M. TAYLOR was awarded a travel grant by the National Science Foundation, Division of International Programs, for a period of three years to support his research on "Argentina and the Great Depression: A New Economic History," with Gerardo Della Paolera of the Universidad Torcuato Di Tella in Buenos Aires.

BURTON WEISBROD and David Dranove received a fourteen month \$97,465 grant from the Robert Wood Johnson Foundation to continue to survey the effects of cost containment efforts on medical research and development.

ANDREW WINTON was one of Kellogg students' top five nominees for the 1995 "Professor of the Year," and he received the Sidney Levy Award for Excellence in Teaching. He received a summer research grant from Northwestern University's Banking Research Center.

TRAVELS

KYLE BAGWELL presented his paper "Collusion over the Business Cycle," (with B. Staiger) at Penn State University, Princeton University, the University of Pennsylvania and Wayne State University. He presented "Protection and the Business Cycle," (with B. Staiger) at the University of British Columbia.

REBECCA BLANK presented her research at the Kennedy School of Government (Harvard University), at Western Michigan University, at Notre Dame, at MIT, at the spring Labor Studies meeting of the National Bureau of Economic Research, at Queen's College, and at Oberlin. In January, she testified before the House Ways and Means Committee, as part of their welfare reform hearings, and in April was part of two

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sessions of William Buckley's *Firing Line* program, also discussing welfare reform. In April she participated in the conference, "Research on Policies Relating to Women in the Labor Market," at Cornell University; in May she was part of the conference "Social Policy in North America" at Queen's College; in June she presented a paper at the Russell Sage Conference "Demand Policies to Address Growing Inequality in the Labor Market." In August she was a featured speaker at the Seminar on Employment and General Welfare in Stockholm, Sweden, in honor of Swedish Prime Minister Ingvar Carlsson's 60th birthday. In September, she talked at a special conference sponsored by Nijenrode University in the Netherlands on Employment and Training Policies in the Netherlands.

In September RON BRAEUTIGAM traveled to Juans-les-Pins, France, to participate in the annual meetings of the European Association of Research in Industrial Economics.

ROBERT COEN presented "A Stochastic Model of Potential Output," (with B.G. Hickman) at the fall meeting of Project LINK, University of Pretoria, South Africa, in September.

IAN DOMOWITZ presented the paper, "Electronic Derivatives Exchanges: Implicit Mergers, Network Externalities, and Standardization" at the Conference on Futures Markets in the 21st Century (Office for Futures and Options Research, University of Illinois) and at the conference on Communications Technology and National Sovereignty in the Global Economy, held at Northwestern in April.

ROBERT EISNER spoke in a panel and participated in meetings of the American Economic Association in Washington, DC. in January. Also in January, he gave a talk to the Hampton Area Economics Club, presented a seminar on the NAIRU paper at Old Dominion University, testified in Washington before the House Judiciary Committee on the proposed balanced budget amendment, spoke at a conference of the Economic Policy Institute in Washington, presented a paper on the flat tax at a conference of the American Enterprise Institute in Washington, and testified on saving, investment and growth before the Senate Finance Committee. He presented "Investment and the Capital Stock: Overview" to a March Bureau of Economic Analysis conference in Washington on revising the national accounts. In April, he presented "The Misunderstood World Economy" at a conference of the Korea Institute for Economic Policy in Seoul and served in a panel on the NAIRU at a conference at the Levy Institute at Bard College, New York. He participated in May in a conference of economists and economic journalists at the University of Massachusetts at Amherst and spoke to the Northwestern Club in Albuquerque, New Mexico. During the summer, he participated in an Office of Technology Assessment conference on R&D tax credit in Washington, DC. In August he visited the State Planning Commission in Beijing and he participated in the World Econometric Congress in Tokyo, where he presented his paper,

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"A New View of the NAIRU" and he participated in a conference sponsored by the Tokyo chapter of ECAAR (Economists Allied for Arms Reduction). In September, he participated in an NSF conference in Arlington, Virginia, on programs for training government economic statisticians.

ROBERT J. GORDON was a discussant at the ASSA meeting in Washington in January and testified before the Senate Finance Committee in March. Also during the past winter and spring he participated in the annual monetary Conference of the Federal Reserve of San Francisco in March and the Brookings Panel on Economic Activity in April. In addition, he participated in several NBER research meetings, including the economic fluctuations meeting at Stanford in February, the Sloan productivity meeting and the macro annual conference, both in Cambridge in March, a productivity group research meeting in Cambridge in April, and the International Seminar on Macroeconomics in Frankfurt in June. Also, in Germany, he discussed a paper on monetary policy at a conference in Kiel. During July at the NBER Summer Institute he served as a discussant of a paper by Christina Romer on price behavior during the Great Depression and was a panelist on the Consumer Price Index. That month he also traveled to Sydney, Australia, to present "Problems in the Measurement and Performance of Service-Sector Productivity in the United States" at a conference sponsored by the Reserve Bank of Australia. In August he participated in the Seventh World Congress of the Econometric Society, and in September travelled to Seville, Spain, for a presentation on "U. S. Startup Airlines and their Lessons for Europe" at the McDonnell Douglas European Planning conference. During the late summer he traveled twice to Washington for meetings of the CPI Commission and again participated in the Brookings Panel in Washington in September.

MATTHEW JACKSON presented "Social Learning in Recurring Games" (with E. Kalai) at Berkeley in May, The International Conference on Game Theory at Stony Brook in July, and the World Congress of the Econometric Society in Tokyo during August. He also presented "A Strategic Model of Social and Economic Networks" (with A. Wolinsky) at a July SITE conference at Stanford and at Queens University in September.

PETER KLIBANOFF spoke on "A Theory of Decentralization Based on Limited Commitment" (with M. Poitevin) at the "Summer in Tel Aviv 1995" economic theory workshop at Tel Aviv University, Israel, in July. He was also a Visiting Scholar at the University of Montreal, Department of Economics, in September, where he gave a talk on "Dynamic Choice with Uncertainty Aversion." He participated in the Second International Conference on Economic Theory: Learning in Games, held at the Universidad Carlos III de Madrid.

STEVEN MATTHEWS was Visiting Professor of Economics at the University of Tel Aviv, January through March. He presented "Information Revelation by Concerned Parties: Multi-Sender Signaling," at the University of Tel Aviv. He presented

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"Renegotiation of Moral Hazard Contracts under Limited Liability," at the Conference on Intermediation and Contracts held at the University of Tel Aviv; at Ben-Gurion University in January, at the University of Haifa in January, and at the Hebrew University in February.

BRUCE MEYER presented "Repeat Use of Unemployment Insurance" at the NBER Summer Institute in July, "The Effect of Unemployment Insurance Taxes and Benefits on Layoffs Using Firm and Individual Data" at the NBER Public Economics Group in April and the University of Tel Aviv in June, the University of Guelph and the Milken Institute in September, "Lessons from the U.S. Unemployment Insurance Experiments," at the University of Tel Aviv in June, and "Semiparametric Estimation of Hazard Models," was presented at the University of California at Berkeley NSF Symposium in August.

JOEL MOKYR presented papers at the Greater Washington D.C. seminar in economic history, Williams College, Reggio Emilia and Modena (Italy). He participated in a conference of economists, historians, and legal scholars honoring Douglass C. North, a panel on Technology organized by the Committee on History at the New School of Social Research. He participated in an NBER conference on Health, Nutrition, and Economic history in Boston. In May he gave the plenary address at the International Conference on Hunger, Ireland House, New York University. He participated in a Conference at the Harvard Faculty Club devoted to the Wealth and Decline of Nations in May. In June he participated at a Colloquium on the Uniqueness of Europe in the Mountains of Judea near Jerusalem. In September he was one of the featured speakers on "Is Economic history in Decline?" at the International Conference of Historians in Montreal [he answered "no!"].

DALE T. MORTENSEN presented the following papers in workshops and conferences: "The Unemployment and Welfare Effects of Labour Market Policy: A Comparison of the U.S. and U.K." in the NBER Aggregate Macro-Labor Workshop, Montreal, Canada. "Hedonic Wages and Labor Market Search" at the Centre for Labour Market and Social Research Conference on "Equilibrium Search and Labor Market Dynamics," Sonderborg, Denmark. "The Unemployment and Income Effects of Labor Market Policy: The Case of the U.K." at Dräger-Stiftung Foundation Conference on "More Competition, More Jobs - Is Full Employment and Illusion?," Lubeck, Germany, at University of Tel Aviv Conference on the "Russian Immigration," Tel Aviv, Israel, and at the Tinbergen Institute, Amsterdam, The Netherlands. "Technological Progress, Job Creation, and Job Destruction," (with C.A. Pissarides) and "Competitive Pricing and Efficiency in Search Equilibrium" at the 1995 Annual Meeting of the Society for Economic Dynamics and Control in Barcelona, Spain. "Competitive Pricing and Efficiency in Search Equilibrium" the NBER Macro-Labor Small Group Workshop, Cleveland, in October.

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IAN SAVAGE presented his paper joint with LEON MOSES, entitled "A cost-benefit analysis of the federal motor carrier safety programs" at the University of Leeds in February, the World Conference on Transport Research in Sydney, Australia in July, and the University of Waterloo in September. He presented his paper "Scale economies in rail transit systems" at the Fourth International Conference on Competition and Ownership in Land Passenger Transport in Rotorua, New Zealand, in July. He also presented a paper "How we got here: Ten Years of the Metropolitan Conference on Public Transportation Research," at the above titled conference in Chicago in June. He was also a panel member for a conference entitled "Sustaining the central city into the 21st century: Comparing Britain and the United States" at DePaul University in March.

ALAN M. TAYLOR presented his paper "Convergence in the Age of Mass Migration" (with J.G. Williamson) at the University of Illinois at Chicago in January. He presented his paper "*Latifundia* as Malefactor in Latin American Economic Development? A View from the Pampas: Scale and Technical Choice on the Rural Estancias of Argentina, c. 1890-1914" at Northwestern University and Yale University in March, at the Cliometric Society Conference held at the University of Kansas, Lawrence, Kansas, in May, and at the conference *Institutions and Economic Performance in the Past*, held at the Institute of Economics, University of Copenhagen, Copenhagen, Denmark in September. He presented his paper "Growth and Convergence in the Asia-Pacific Region: On the Role of Openness, Trade and Migration" at the conference *International Trade and Migration in the APEC Region* held at the University of Melbourne, Parkville, Vic., Australia, in July. He presented his paper "Domestic Saving and International Capital Flows Reconsidered" at Australian National University in July and "International Capital Mobility in History: Saving-Investment Criteria for Short- and Long-Run Capital Mobility Since the Mid-Nineteenth Century" at the Econometric Society Seventh World Congress held in Tokyo, Japan, in August. He presented his paper "On the Costs of Inward-Looking Development: Price Distortions, Growth, and Divergence in Latin America" at the Economic History Association Annual Meetings held in Chicago in September.

ALBERTO TREJOS was a Visiting Scholar at the Institute of Empirical Macroeconomics of the Federal Reserve Bank of Minneapolis, visited as a research affiliate at the Institute of Economic Analysis at Barcelona, and as a Guest Researcher at the Fundacao Getulio Vargas of Rio de Janeiro. He presented and/or discussed papers at the University of California, Los Angeles, the NBER Summer Institute, the NBER Macro and Labor workshop at Cleveland, the Northwestern Summer Macroeconomics conference, the NBER Macro and Labor meetings at Montreal, the St. Louis Federal Reserve Bank and the Philadelphia Fed Monetary Conference.

JUUSO VALIMAKI presented his paper "Pricing and Market Experimentation" (with D. Bergemann) at the Second International Conference on Economic Theory: Learning in Games at Universidad Carlos III de Madrid.

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BURTON WEISBROD made presentations at the American Economic Association Meetings in Washington, D.C.; the AAAS Meetings in Atlanta; the Planning meeting on Medical Innovation sponsored by the Board on Science, Technology, and Economic Policy of the National Research Council in Irvine, CA; the Aspen Institute Conference on Economic Problems Facing the Nonprofit Sector in Washington, D.C.; the meeting of the Council on the Economic Impact of Health Care Reform in Washington, D.C.; and the meeting of the National Center for Charitable Statistics, Independent Sector, in Washington D.C. He was an external examiner for a Ph.D dissertation oral examination at York University, Toronto, Ontario, Canada.

In March ANDREW WINTON travelled to the Federal Reserve Bank of Cleveland, where he presented "Covenants and Collateral as Incentives to Monitor" (with R. Rajan). In May he presented "Ownership Structure, Liquidity Demand, and Shareholder Monitoring" (with C. Kahn) at Carnegie Mellon University, Dartmouth College, and the *Journal of Financial Intermediation*/ Banking Research Center Symposium on Market Micro-Structure and the Design of Financial Systems. In June he served as a discussant at the Western Finance Association Annual Meeting in Aspen.

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 "Commitment and Observability in Games, " appeared in *Games and Economic Behavior*, Vol. 8, 1995, pp. 271-280. He also wrote three new discussion papers: "Protection and the Business Cycle," (with B. Staiger), CMSEMS D.P. 1130; "Reciprocal Trade Liberalization" (with B. Staiger); and "Coordination Economies, Sequential Search and Advertising" (with G. Ramey).

REBECCA BLANK's article, "Changes in Inequality and Unemployment over the 1980's: Comparative Cross-National Responses" was published in the *Journal of Population*

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Economics in February. Her article, "Outlook for the U.S. Labor Market and Prospects for Low-Wage Entry Jobs" appeared in *The Work Alternative: Welfare Reform and the Realities of the Job Market*, eds. R. Haveman and D. Nightingale, from Urban Institute Press. Her article, "Poverty and Public Policy in the 1990's" appeared in *Populations at Risk in America*, eds. G. Demko and M. Jackson, from Westview Press. Her editorial "Unwed Mothers Need Role Models, Not Roll Backs" appeared in the *Wall Street Journal* in March.

RON BRAEUTIGAM's working paper entitled "A Study of the Variable Cost Structure of the Deutsche Bundesbahn," coauthored with Jürgen Müller, has been distributed in *The Empirical Analysis of Industrial Organization*, Center for Economic Policy Research, London, England, pp. 255-282, July, 1995.

ROBERT COEN's paper, "Demand Management, Real Wage Rigidity, and Unemployment," (with B.G. Hickman) was published in M. Dutta, ed., *Economics, Econometrics, and the LINK: Essays in Honor of Lawrence R. Klein*, Amsterdam: Elsevier, 1995.

TIMOTHY G. CONLEY published "Quantile Regression Analysis of Censored Wealth Data" (with D.W. Galenson) in *Historical Methods* volume 27 number 4 pp. 149-166. In addition, the paper "Short Term Interest Rates as Subordinated Diffusions" (with L.P. Hansen, E.G.J. Luttmer, and J.A. Scheinkman) is KGSM Department of Finance WP#207.

IAN DOMOWITZ published "Financial Market Automation and the Investment Services Directive" in R.A. Schwartz (ed), *Global Equity Markets: Technological, Competitive and Regulatory Challenges*. His paper "Electronic Derivatives Exchanges: Implicit Mergers, Network Externalities, and Standardization" was published in *The Quarterly Review of Economics and Finance*. Two new discussion papers (with J. Glen and A. Madhavan) "International Cross-Listing, Ownership Rights, and Order Flow Migration" and "Market Segmentation and Stock Prices: Evidence from an Emerging Market" are available from the author.

ROBERT EISNER's book, *The Misunderstood Economy: What Counts and How to Count It*, has been published in Japanese. A new paperback edition has been published in English. "The Great Deficit Debate," an interview debate, was published in *The American Legion*, January 1995, pp. 40ff. Eisner's article, "Désarmement et chômage aux Etats-Unis," appeared in Roland de Penanros, ed., *Reconversion des industries d'armement*, La Documentation française, Paris, 1995, pp. 47-62. "Our NAIRU Limit: The Governing Myth of Economic Policy," appeared in *The American Prospect*, Spring 1995, pp. 58-63. "Saving, Economic Growth, and the Arrow of Causality," appeared in *Challenge*, May-June, 1995, pp. 10-14. "How About a Really Fair Flat Tax?" appeared in the *Durell Journal of Money and Banking*, Spring, 1995, pp. 8-14.

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The following newspaper articles were published: "We Don't Need Balanced Budgets," *The Wall Street Journal*, January 11; "What Better to Invest in Than Education?" *Los Angeles Times*, January 17; "U.S. Investment in Education Should Increase, Not Decrease," *Dallas Morning News*, January 22; "There's Good in the 'Middle-Class Bill of Rights'," *Chicago Tribune*, February 2; "For a Real Shocker, Read Proposed Balanced Budget Amendment," *Los Angeles Times*, February 5; "Make Taxes Fair, Not Flat," *The Wall Street Journal*, April 11; "Despite Critics, Hiking Minimum Wage May Make Good Sense," *Los Angeles Times*, April 23; "Social Security - the Real Issues," *Newsday*, July 28; "Should Government Be Made Smaller--or Just Made Better?," *Los Angeles Times*, September 17; "Social Security's not in a fix," *Chicago Tribune*, September 20; "Opening Up the Growth Debate," *The Wall Street Journal*, September 25.

ROBERT J. GORDON published "Problems in the Measurement and Performance of Service-Sector Productivity in the United States," in P. Andersen, J. Dwyer, and D. Gruen, eds., *Productivity and Growth*. (Sydney: Reserve Bank of Australia, 1995), pp. 139-166. He also published a discussion of Erwin Diewert, "Price and Volume Measures," in J. Kendrick, ed., *The New System of National Accounts* (Norwell MA: Kluwer Academic Publishers), pp. 287-97.

JUDITH HELLERSTEIN published "Are Earnings Profiles Steeper than Productivity Profiles: Evidence from Israeli Firm-Level Data" (with D. Neumark), *Journal of Human Resources*, January 1995, pp. 89-112. She wrote a paper for the Office of Technology Assessment, U.S. Congress, entitled "The Economic Impediments to the Development of New Antibiotic Drugs," in January. This paper was contracted as part of OTA's report *Impacts of Antibiotic-Resistant Bacteria* OTA-H-629, Government Printing Office, September 1995.

MATTHEW JACKSON's paper (with S. Barbera), "Strategy-Proof Exchange," appeared in *Econometrica*, Vol. 63, No. 1, 1995, pp. 51-88. His papers (with E. Kalai) "Social Learning in Recurring Games," and "Recurring Bullies, Trembling, and Learning," are CMSEMS discussion papers 1138 and 1141, respectively. His paper (with T. Gehrig) "Bid-Ask Spreads with Indirect Competition among Specialists," can be found as CMSEMS discussion paper 1107R, and his paper "A Strategic Model of Social Economic Networks," (with A. Wolinsky), appears as CMSEMS discussion paper 1098R. His paper "Strategy-Proof Allotment Rules," (with S. Barbera and A. Neme) is CMSEMS discussion paper 1142.

PETER KLIBANOFF published "Decentralization, Externalities, and Efficiency" (with J. Morduch) in *The Review of Economic Studies* 62(2), April 1995, pp. 223-247.

STEVEN MATTHEWS published "Renegotiation of Sales Contracts" in *Econometrica*, May 1995, 567-590. He also published "On Modeling Cheap Talk in Bayesian Games," co-authored by Andrew Postlewaite, in *The Economics of Informational Decentralization*:

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Complexity, Efficiency, and Stability: Essays in Honor of Stanley Reiter, ed. John O. Ledyard, Kluwer Academic Publishers, 1995, 347-366. His book review of *A Course in Game Theory*, by Martin J. Osborne and Ariel Rubinstein, appeared in *Games and Economic Behavior*, October 1995, 93-100. In May his "A Technical Primer on Auction Theory I: Independent Private Values," appeared as CMSEMS Paper No. 1096.

BRUCE MEYER published "Lessons from the U.S. Unemployment Insurance Experiments" in the March 1995 issue of the *Journal of Economic Literature*, "Natural and Quasi- Experiments in Economics," in the April 1995 issue of the *Journal of Business & Economic Statistics* and "Workers' Compensation and Injury Duration: Evidence from a Natural Experiment," (with W. K. Viscusi and D. Durbin) in the June 1995 issue of the *American Economic Review*. His newly available working papers are "The Incidence of a Firm-Varying Payroll Tax: The Case of Unemployment Insurance," (with P. Anderson), July 1995, NBER Working Paper No. 5201, and "Repeat Use of Unemployment Insurance," (with D.T. Rosenbaum), Northwestern University Working Paper, July 1995.

JOEL MOKYR saw the publication of *La Leva Della Ricchezza*, an Italian translation of his *Lever of Riches*. Among his papers to appear in print this year are "Height and Health in the United Kingdom 1815-1860: Evidence from the East India Company Army," with Cormac Ó Gráda, forthcoming, *Explorations in Economic History*, 1995. "Evolution and Technological Change: a new Metaphor for Economic History?" in Robert Fox, ed., *Technological Change*, London: Harwood publishers, forthcoming, 1995. "Urbanization, Technological Progress and Economic History" in Herbert Giersch, ed., *Urban Agglomeration and Economic Growth* Berlin: Springer Verlag, 1995, pp. 3-37. He wrote a number of papers, among them "Famine Disease and Famine Mortality: lessons from the Irish Experience," and "Ounces of Prevention: Consumer Demand and the Great Mortality Decline, 1870-1914."

DALE T. MORTENSEN published "Reducing Supply-Side Disincentives to Job Creation" in *Reducing Unemployment: Current Issues and Policy Options*, The Federal Research Bank of Kansas City, 1994.

IAN SAVAGE published "Panzar and Rosse style tests of market structure in the U.S. motor carrier industry" in the *Logistics and Transportation Review*, Vol 31(2), pp 135-144. His history of the (Chicago) Metropolitan Conference on Public Transportation Research (MCPTR), was issued as a monograph entitled *How we got here: Ten Years of the MCPTR*.

ALAN M. TAYLOR published "Debt, Dependence, and the Demographic Transition: Latin America into the Next Century" in *World Development* 23, May 1995, pp. 869-79. A book review "Frontier Development: Land, Labour, and Capital on the Wheatlands of Argentina and Canada, 1890-1914, by Jeremy Adelman," appeared in the *Journal of Economic History*, 55, September 1995, pp. 729-31. His recent working papers include

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"Growth and Convergence in the Asia-Pacific Region: On the Role of Openness, Trade and Migration," NBER WP 5276, National Bureau of Economic Research, September 1995; and "Peopling the Pampa: On the Impact of Mass Migration to the River Plate, 1870-1914," Working Paper Series on Historical Factors in Long Run Growth no. 68, NBER, May 1995.

ALBERTO TREJOS' paper "Incentives to Produce Quality and the Liquidity of Money" was accepted by *Economic Theory*. Another paper, "Search , Bargaining, Money and Prices" (with R. Wright) appeared in *The Journal of Political Economy* in February, volume 103, number 1.

ANDREW WINTON published three papers: "Costly State Verification and Multiple Investors: The Role of Seniority," in the *Review of Financial Studies*, Vol. 8, No. 1, 91-123; "Delegated Monitoring and Bank Structure in a Finite Economy," in the *Journal of Financial Intermediation*, Vol. 4, No. 2, 158-187; and "Covenants and Collateral as Incentives to Monitor" (with R. Rajan), in the *Journal of Finance*, Vol. 50, No. 4, 1113-1146. He added two papers to the Finance Department's working paper series: No. 203, "Bank Capital Regulation in General Equilibrium" (with G. Gorton), and No. 204, "Ownership Structure, Liquidity Demand, and Shareholder Monitoring" (with C. Kahn).

VISITING SPEAKERS

ANDREW B. ABEL, University of Pennsylvania, "Optimal Investment with Costly Reversibility"

FERNANDO ALVAREZ, University of Pennsylvania, "Stationary Efficient Distributions with Private Information and Monitoring: A Tale of Kings and Slaves"

TERESA AMOTT, Bucknell University, "What's Really Wrong with Welfare: A Feminist Perspective"

SUSAN ATHEY, Stanford University, "Monotone Comparative Statics in Stochastic Optimization Problems"

GREGORY ATTIYEH, University of Arizona, "A Theoretical Examination of Volatility Persistence in Strategic Settings"

KERRY BACK, Washington University, "Long-Lived Information, Price Pressure, and Volatility"

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WAYNE BAKER, University of Chicago, "The Sociology of Price Fixing"

KAUSHIK BASU, Cornell University, "A Paradox of Knowledge and Some Related Observations"

CLIVE BELL, Vanderbilt University, "Matching and Contractual Performance: Sharecropping in Punjab"

STEVE BERRY, Yale University, "Airline Hubs: Cost and Demand"

LARRY BLUME, Cornell University, "Evolutionary Equilibrium with Forward Looking Players"

ADAM BRANDENBURGER, Harvard University, "Changing the Game"

LOREN BRANDT, University of Toronto, "Land, Factor, Markets, and Inequality in Rural China: Historical Evidence"

MARTIN BROWNING, McMaster University, "Efficient Intra-Household Allocation: A General Characterization and Test"

EMMETT CARSON, President and CEO, The Minneapolis Foundation, "America's Nonprofit Sector: Ensuring Citizen Participation"

NIGEL CHALK, University of California, Los Angeles, "The Sustainability of Bond-Financed Deficits: An Overlapping Generation's Approach"

JUDY CHEVALIER, University of Chicago, "Risk Taking by Mutual Fund Managers as a Response to Incentives"

TAI-YEONG CHUNG, University of Western Ontario, "Incomplete Contracts and Cooperative Investments"

MICHAEL CHWE, University of Chicago, "Money Neutrality Is Equivalent to Common Knowledge: Game Theoretic Bargaining Foundations for a Phillips Curve"

GREG CLARKE, University of California, Davis, "The Impossible History of England, 1300-1850" and "Property Rights and Efficiency: The Open Fields Problem Resolved"

CHARLES CLOTFELTER, Duke University, "Apples vs. Oranges: Designing Indicators to Compare the Effectiveness of Public Schools" and "Cost Escalation in Private Research Universities"

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STEVE COATE, Penn State, "Efficient Policy Choice in a Representative Democracy: A Dynamic Analysis"

JONATHAN CONNING, Yale University, "Lenders Intermediaries and Joint Liability Loans: Theory and Some Evidence from the Market for Farm Finance in Chile"

JASON G. CUMMINS, Columbia University, "Investment Under Uncertainty: Estimates from Panel Data on Pacific Northwest Forest Products Firms"

JANET CURRIE, University of California, Los Angeles, "Race, Children's Cognitive Achievement and the Bell Curve"

LANCE DAVIS, California Institute of Technology, "Institutional Invention and Innovation: Foreign Capital Transfers and the Evolution of the Domestic Capital Market in Argentina, Australia, Canada, and the United States, 1865-1914"

RAY DENECKERE, University of Wisconsin, Madison, "Reputation and Mandatory Auditor Rotation"

PETER A. DIAMOND, Massachusetts Institute of Technology, "The Future of Social Security"

STEPHAN G. DONALD, Boston University, "Inference Concerning the Number of Factors in a Multivariate Nonparametric Relationship"

GREG DUNCAN, Northwestern University, CUAPR/Education, "Do Children Benefit from Social Capital?"

JOHN DWYER, United States Forest Service, "Managing Forest Environments for Urban Populations"

RANDALL EBERTS, The Upjohn Institute, "Cyclical vs. Secular Movements in Employment Creation and Destruction"

MARCEL FAFCHAMPS, Stanford/University of Chicago, "Location Externalities and the Pattern of Development"

PRICE FISHBACK, University of Arizona, "The Origins of Workmen's Compensation"

JONAS FISHER, University of Western Ontario, "Inventory Policies in General Equilibrium"

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PATRICK FRANÇOIS, University of British Columbia, "A Theory of Labor Market Discrimination Based on the Household"

DAVID M. FRANKEL, Tel Aviv University, "If You're So Rich, Why Don't You Move?"

FRANCES FREI, University of Pennsylvania, "The Role of Process Design in Productivity and Performance: Evidence from Retail Banking"

BOB GALLMAN, University of North Carolina at Chapel Hill, "American Industrialization and Nutrition: Did the Agricultural Sector Fail?"

PAUL GERTLER, RAND/Harvard University, "Moral Hazard and Price Discrimination in the Market for Medical Service"

RON GERTNER, Management & Strategy/University of Chicago, "Internal Versus External Capital Markets"

PAOLO GHIRARDATO, University of California, Berkeley, "Coping with Ignorance: Unforeseen Contingencies and Non-Additive Uncertainty"

AUSTAN GOOLSBEE, Massachusetts Institute of Technology, "Investment Tax Incentives and the Price of Capital Goods"

LINDA GORDON, University of Wisconsin, Madison, "What's Really Wrong with Welfare: A Feminist Perspective"

GAUTAM GOWRISANKARAN, Yale University, "Endogenous Horizontal Mergers in Infinitely Repeated Markov-Perfect Games"

AVNER GREIF, Stanford University, "The Institutional Foundations of Genoa's Economic Growth"

KIRSTEN GRONBJERG, Loyola University, "United Way in a Changing Environment"

JIM HAMILTON, University of California, San Diego, "Measuring the Liquidity Effect"

HENRY HANSMANN, Yale University, "Competition and Cooperation in Markets for Associative Characteristics: The Case of Higher Education" and "The Changing Roles of Public, Private, and Nonprofit Enterprise in Health, Education, and Other Human Services"

CAMPBELL HARVEY, Duke University, "Emerging Equity Market Volatility"

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REBECCA HENDERSON, Massachusetts Institute of Technology, "Exploring Inertia: Governance Costs and Other Problems in the Management of Pharmaceutical Research"

DOUG HODGSON, Yale University, "Adaptive Estimation of Error Correction Models"

JOHN HOFFAKER, Argonne National Laboratory, "Cultural Resource Studies and the National Environmental Policy Act (NEPA)"

HILARY WILLIAMSON HOYNES, University of California, Berkeley and NBER, "Does Welfare Play Any Role in Female Headship Decisions?"

SUKKOO KIM, Washington University, "Expansion of Markets and the Geographic, Distribution of Economic Activity: Trends in United States Regional Manufacturing Structure, 1860-1987"

STEFAN KRASA, University of Illinois, Urbana-Champaign, "Contractual Enforcement as a Decision Variable"

EDITH KRIEGER, Women for Economic Security, "What's Really Wrong with Welfare: A Feminist Perspective"

KEN LEHN, University of Pittsburgh, "Investment Opportunities and Financial Policy in the United States Defense Industry"

STEPHANIE ANN LENWAY, University of Minnesota, "The Domestic Network, Embeddedness of International Firm-State Strategic Interaction: The Case of the Global Flat Panel Display Industry"

TOM LYON, University of Indiana at Bloomington, "Corporate Environmentalism: Self-Regulation and Social Welfare"

GIOVANNI MAGGI, Princeton University, "Strategic Trade Policies with Endogenous Mode of Competition"

ALAN MANNING, London School of Economics/Princeton University, "A Simple Test of the Shirking Model"

PRESTON MCAFEE, University of Texas, "How to Set Minimum Acceptable Bids, with an Application to Real Estate Auctions"

MICHAEL McCANN, University of Washington, "Rights at work: Pay Equity Reform, and the Politics of Legal Mobilization"

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PAT McCARTHY, Purdue University, "Market Price and Income Elasticities of New Vehicle Demands"

JOHN McLAREN, Columbia University, "Speculatively Constrained Optimal Commodity Policies"

MARK L. MITCHELL, University of Chicago, "The Impact of Industry Shocks on Takeover and Restructuring Activity"

BOAZ MOSELLE, Harvard University, "Anarchy, Organized Crime and Extortion: A Cynical Theory of the State"

NANNO MULDER, University of Groningen, The Netherlands, "Output and Productivity Measurement in Health Care Across Countries: The Case of Mexico and the United States"

DAVID MUSTO, University of Chicago, "Year-End Forces in Securities Markets"

SCOTT PAGE, California Tech, "Heterogeneous Perspectives and Heuristics"

JOHN PENDER, Brigham Young University, "Irreversible Investments and the Precautionary Motive for Saving"

JOEL PERLMAN, Institute for Advanced Study and Bard College, "The Characteristics of Jewish Immigrants from Russia: New Evidence From the 1897 Russian Census and from United States Passenger Lists"

CANICE PRENDERGAST, University of Chicago, "Impetuous Youngsters and Jaded Old-Timers: An Analysis of Behavioral Decision-Making Rules"

MANJU PURI, New York University, "Conflicts of Interest, Intermediation, and the Pricing of Underwritten Securities" and "Commercial Banks in Investment Banking: Conflict of Interest or Certification Role?"

MATTHEW RABIN, University of California, Berkeley, "Moral Rules Versus Moral Preferences" or "Confirmation Biases in Belief Formation"

ROY RADNER, New York University, "Economic Survival"

UDAY RAJAN, Stanford University, "Endogenous Financial Market Formation in a General Equilibrium Model"

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GAREY RAMEY, University of California, San Diego, "Bargains and Ripoffs in an Inflationary Economy"

PHIL RENY, University of Pittsburgh, "Local Payoff Security and the Existence of Nash Equilibria in Discontinuous Games"

HUGH ROCKOFF, Rutgers University, "The Paradox of Planning in World War II"

RICHARD ROGERSON, University of Minnesota, "Public Education, Finance, and Income Distribution"

DOV SAMET, Tel Aviv University, "Belief Affirming in Learning Processes"

JANICE D. SCHAKOWSKY, Illinois State Representative, "Breaking the Contract with America: Feminist Perspectives on Welfare Reform" and "What's Really Wrong with Welfare: A Feminist Perspective"

JIM SCHMITZ, Federal Reserve Bank of Minneapolis, "Resistance to New Technology and Trade Between Areas"

ILYA SEGAL, Harvard University, "Complexity and Renegotiation: A Foundation for Incomplete Contracts"

GREG SHAFFER, University of Michigan, "A Theory of Targeted Promotions"

CARL SHAPIRO, University of California, Berkeley, "Mergers with Differentiated Products: Narrow Markets under the Merger Guidelines"

MICHAEL SMART, Stanford University, "Corporate Taxation, Investment and Managerial Incentives"

TIMOTHY SMEEDING, Stanford University, "Poor Children in Rich Countries: Trends and Troubling Issues"

BRUCE SMITH, Cornell University, "Market Imperfections, International Credit Markets and Nonconvergence"

RANN SMORODINSKY, Tel Aviv University, "Bayesian Learning: New Tools and Application"

SUSAN SNYDER, Stanford University, "Testable Restrictions of General Equilibrium Theory"

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KENNETH L. SOKOLOFF, University of California, Los Angeles, "Patents and the Evolution of the Market for Technology in the Late-Nineteenth and Early Twentieth Century United States"

RICHARD SPADY, Oxford University, "Information Theoretic Approaches to Improved Inference in Moment Conditions Models" and "Information Theoretic Approaches to Improved Inference in Moment Condition Models"

ROBERT STAMBAUGH, University of Pennsylvania, "On the Predictability of Stock Returns: An Asset Allocation Perspective"

LARS STOLE, University of Chicago, "Impetuous Youngsters and Jaded Old Timers; an Analysis of Behavioral Decision-Making Rules"

CHRIS TABER, University of Chicago, "The Rising College Premium in the Eighties: Return to College or Return to Ability"

LOWELL TAYLOR, Carnegie-Mellon University, "Race, Family Structure, and 'Social Stigma': How Do They Affect Public Assistance Program Participation"

BOB TOPEL, University of Chicago, "Wage Policy and Restructuring: The Swedish Labor Market Since 1960"

DANIEL TREFLER, University of Chicago, "Increasing Returns and All That: A View from Trade"

MARY TRIPSAS, MIT Sloan School of Management, "Rethinking Barriers to Entry: Incumbent Survival in the Typesetter Industry"

WOLFGANG VOGES, University of Bremen, "Social Assistance in Germany and the United States"

QUANG VUONG, University of Southern California, "Econometrics of Optimal Procurement Auctions"

VINCENT WARTHER, University of Southern California, "Boom and Bust Patterns in the Adoption of financial Innovations: The LBO Wave as Rational Learning"

DAVID WEINSTEIN, Harvard University, "On the Costs of a Bank Centered Financial System: Evidence from the Changing Main Bank Relations in Japan"

INGRID WERNER, Stanford University, "Transaction Costs in Dealer Markets: Evidence from the London Stock Exchange"

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EUGENE N. WHITE, Rutgers University, "Money, News and the French Revolution's Assignat Inflation"

MATTHEW WHITE, University of California, Berkeley, "Valuing Market Trading Mechanisms: Evidence from Electricity Markets"

NICK WILLIAMS, University of Cincinnati, "Do Wages Rise with Job Seniority? A Reassessment"

TACK YUN, University of Chicago, "Optimal Fiscal and Monetary Policy in an Economy with Nominal Price Rigidity"

PETER ZWEIFEL, University of Zurich, "Regulating Pharmaceuticals: Germany vs. The United States"