

# QED



## Message from the Head

Since 1964, over 300 students have completed their doctoral studies at the QED, hundreds more have finished their master's degree and literally thousands have earned BA degrees in Economics (Jennine Ball probably knows most of them by name). In 2014-15, the QED's 50th year, over 100 honours majors and over 40 MA students graduated. In all, 11 PhD candidates defended their theses.

During the last 50 years, our programs of study have become recognized as some of the most rewarding and challenging in Canada. The QED has always emphasized the importance of rigorous, internally consistent argument and the use of well-grounded, statistical evidence in formulating decisions. On occasion we may go a little overboard with the Greek alphabet in macro courses and the statistical intricacies of econometrics. But this rigorous approach is motivated by a desire to provide students with the tools to offer an honest accounting: an audit trail, if you will, between the assumptions made and the conclusions drawn.

Despite increasing pressure on budgets in the face of tight provincial funding and rising demand for university education, the QED continues to train economists to the same high standards as its alumni were trained. We are constantly trying to make our course offerings accessible



to larger numbers of undergraduates. But, at the same time, we are working hard to maintain the all-important close interactions between students and faculty through small seminar classes at the advanced undergraduate level and research-oriented classes at the master's and PhD level. This year we have also introduced a new graduate **Risk Policy and Regulation Diploma** program with the intellectual and financial support of the Global Risk Institute.

After several recent years of contraction, we are finally expanding our capacity to teach and undertake research by hiring new colleagues. In 2014, we hired Dr. Christopher Cotton as the **Jarislowsky-Deutsch Chair in Economic and Financial Policy**. Chris is a public economist with lots of energy and a proven track record of high-quality research productivity. He is already playing a central role in the department, including taking over the

courses in public economics that many alumni may remember being taught by Robin Boadway, who retired in 2013. These are big shoes to fill, of course, but I have no doubt that Chris will do an excellent job.

At the entry level we also hired Taylor Jaworski who is undertaking research and teaching in the areas of economic history and applied microeconomics. Despite just recently having completed his doctorate at the University of Arizona, Taylor is publishing his research at a rapid rate and is already contributing to the QED in numerous ways. More recently we hired another assistant professor, Brant Abbott from UBC, who will be joining the faculty in July. We are also currently in the process of hiring for the new **Stephen J.R. Smith Chair in Economic Policy**.

My colleagues and I are very excited to be in a position to continue to renew and enhance our faculty contingent. Over the past 50 years, QED faculty have made major contributions to all areas of economic research, to the overall reputation of Queen's and to important policy debates. Today, faculty at the QED continue in the tradition of their predecessors, by pursuing high quality teaching and world-class research and by offering useful policy contributions. Going forward, it is our intention to continue to hire faculty who will have the knowledge, energy and expertise needed to sustain the QED as the best economics department in Canada.

## Faculty News

In his role as President-elect of the Canadian Economics Association, **Charles Beach** has been very busy organizing their 2015 annual meetings which takes place at Ryerson University, Toronto in May.

*Urban Economics*, a new textbook by **John Hartwick** will be available for sale imminently, published by Routledge.

**Allen Head** and **Huw Lloyd-Ellis** (MA '90; PhD '94) were awarded a new Insight Grant by the Social Sciences and Humanities Research Council of Canada (SSHRC) starting in March 2014. Their research project is entitled "Housing liquidity, mobility and the dynamics of house prices, home-ownership and inequality."

We are pleased to welcome **Taylor Jaworski** who joined the QED faculty in July 2014 as an assistant professor. Taylor completed his doctorate at Arizona and is undertaking research in economic history, industrial organization and experimental economics.

**Thorsten Koepl** was awarded a new Insight Grant by SSHRC starting in March 2014. His research project is entitled "Information Acquisition in Dark Markets."

**Frank Lewis** was appointed to the Editorial Board of the *Journal of Economic History*.

**James MacKinnon** presented the keynote address at the International Conference on Computational and Financial Econometrics 2014 in Pisa,

Italy, on December 8, 2014. The speech was entitled "Cluster-robust inference and the wild cluster bootstrap" (joint with **Matt Webb**, PhD '13).

**Morten Nielsen** has been named to the **Royal Society of Canada's College of New Scholars, Artists and Scientists** program. Morten also holds the **Canada Research Chair in Time Series Econometrics** and the **David Chadwick Smith Chair** in the Department of Economics. Dr. Nielsen is a research leader in econometrics, the field of study focused on developing methods for the statistical analysis of economic data.

**Marie-Louise Vierø** was awarded a new Insight Grant by SSHRC starting in March 2014. Her research project is entitled "Foundations for growing awareness in economic models."

## Christopher Cotton: Jarislowsky-Deutsch Chair



In July 2014, **Professor Christopher Cotton** became the second holder of the **Jarislowsky-Deutsch Chair in Economic and Financial Policy** at Queen's. Chris earned his doctorate in 2008 at Cornell University and was previously a professor in the Business School at Miami University. He is an expert in a variety of research areas including public economics, political economy, game theory and experimental economics.

The Jarislowsky-Deutsch Chair was established in October 1990 as a result of donations made by Mr. Stephen Jarislowsky, friends of John Deutsch, and through special contributions to the University. The first incumbent was Dr. Tom Courchene who held the Chair from 1992 until his retirement in 2012.

## John Deutsch International Executive Programs



Since 2000, John Deutsch International (JDInt'l) has been offering the Program on Investment Appraisal and Risk Analysis (PIAR) at Queen's University, under the direction of Dr. Glenn Jenkins. PIAR is an intensive four week training program where participants learn how to conduct financial, economic, risk, and stakeholder evaluations of investments. Alumni include professionals from international development agencies, government ministries, financial institutions, as well as MA and PhD students from Queen's.

A number of guest lecturers joined the participants for the 2014 program, and delivered seminars open to faculty and students of the QED. Hanna Zowall (McGill University) presented on Market Failures in the Health Sector, Yves Bourassa (Environment Canada) on Valuation of Environmental Impacts, John Wehner (former Principal Financial Analyst, Florida Light and Power) on Scenario Planning and Investor Response to Climate Change Regulation, and Juan Belt (former Senior Economic Advisor, USAID) on Private Participation in Regulated Markets.

In addition to preparing and delivering our summer program, the JDInt'l team was engaged in advisory work and research. A list of our development discussion papers can be accessed through our website: [jdintl.econ.queensu.ca/discussionpapers/](http://jdintl.econ.queensu.ca/discussionpapers/).

As we approach our 16th year at Queen's University, we would like to extend a thank you to the QED for supporting our initiatives and warmly welcoming our international participants each year. Given the global distinction of PIAR, and growing demand for Cost-Benefit Analysis, we encourage QED alumni, MA and PhD students to consider applying for the 2015 PIAR. For more information, please visit our website: <http://jdintl.econ.queensu.ca/>

# Search, Monetary Theory, Policy and Housing Economics

by Amy Sun

Classical economic theory treats the transaction process as an instantaneous step. Experience from the real world, however, suggests that in many contexts this simplification is too much of an abstraction from reality. In particular, many interesting and important questions in economics are left aside: How and where does one find a trading partner? How does one reach an agreement upon price? How long does it take for one to locate a trading partner and for the transaction to go through? What are the consequences given that one may have to wait a period before finally getting to trade? In particular, how does the length of the expected-time-before-transaction affect one's trading strategies, e.g., the choice of transaction price? Finally, what are the macro-economic implications of the fact that trades can take a non-negligible amount of time to be fulfilled?

Search Theory has been developed to model non-trivial trading processes and to provide insights into the aforementioned questions. The theoretical framework takes seriously the frictions that prevent transactions from being conducted instantaneously. Namely, individuals must "search" for a trading opportunity in such models. Search theory has been influential in many fields. My recent research aims to extend and apply search theory to broad theoretical frameworks that provide a serious micro-foundation for the notion of endogenous liquidity. My co-authors and I are using these frameworks to study issues associated with monetary theory, policy, and housing economics.

My collaboration with Guido Menzio from The University of Pennsylvania and Shouyong Shi from The University of Toronto resulted in an article entitled "A Monetary Theory with Non-Degenerate Distributions," which was published in the *Journal of Economic Theory* in November

2013. In this article, we contribute to monetary theory by constructing and analyzing a tractable money-search model with a non-degenerate distribution of money holdings. It has long been a plague that search models of money (i.e., models with trading frictions in product markets) tend to be intractable due to the large dimension of the endogenous money distribution across agents. Economists have come up with theoretical shortcuts to make these models tractable by keeping the money distribution in a trivial (i.e., degenerate) form. This, however, comes with a significant cost because the endogenous distribution of liquid assets in itself is interesting and important from the perspective of both theoretical and policy work. My paper with Menzio and Shi provides a solution to the above dilemma. We show that analytical tractability can come from modeling decentralized exchange as *directed search* as opposed to non-directed, random search commonly adopted in the previous literature. The key difference is that in the former, individuals are informed about and "directed" by the terms of trade before setting out to search for a trading partner. Moreover, we demonstrate the advanced techniques used to characterize the equilibrium of our environment with a non-degenerate money distribution. Later in a single-authored paper, I extend this theoretical framework to address the distributional effects of monetary and fiscal policies.

I have also collaborated with my colleagues, Allen Head and Huw Lloyd-Ellis, on applying the search theory to examine the functioning of the housing market. Our joint paper, entitled "Search, Liquidity and the Dynamics of House Prices and Construction," was published in the *American Economic Review* in April 2014. In this article, we study the consequences of a time-consuming trading process for the dynamics of house prices, sales, and construction

at the city level. We characterize the short-run dynamics of average house prices, home sales, construction and population growth for a panel of U.S. cities. We construct a model of house search, in which the entry of new buyers and the construction of new houses in response to shocks are endogenously determined. Our model generates serial correlation in the growth rates of house prices and construction, even if income is strictly mean-reverting following shocks. This had been proven difficult to reconcile with traditional housing models without search frictions. Finally, we show that our theory achieves much success in quantitatively accounting for the dynamics of housing price as opposed to non-search models. In my latest work with Chenggang Zhou from Queen's University, we extend the framework into a dynamic model of housing and lending to analyze the effect of mortgage debt on house-selling decisions, as well as the impact of housing market liquidity on mortgage standards. Calibration of our model generates interesting results that are consistent with empirical features of housing and mortgage markets, at both the micro and the macro levels.

## The QED Research Prize

Hongfei (Amy) Sun is the winner of the 2015 QED Research Prize for her work on search theory, monetary policy and housing. The Prize was established by an anonymous donor to reward and recognize the research achievements of QED faculty members. Amy also currently holds the prestigious Bank of Canada Governor's Award for her work on monetary theory and macroeconomics.





The Skipper "focusing" in Port Credit before the big race.

## Racing the Lake Ontario 300, July 2014

by Roger Ware (PhD '91)

I have been racing sailboats since I was eleven, starting on a tiny lake in England which was of course called a "pond." When I moved to Kingston – the "sailing capital of Canada" – in 1991, I had to get sailing again, and started racing keelboats – more seaworthy boats with a lead keel on the bottom so they cannot capsize like a dinghy. I acquired "Ain't Miss Behavin," a Dehler 36SQ built in Germany, in 2009 and have been racing her ever since.

There are essentially two kinds of racing for offshore boats – bouy racing for a few hours during the day, and long distance overnight racing. There is a special romance about racing overnight – of course all the classic ocean races, the Volvo Ocean Race, the Fastnet, the Sydney-Hobart Race – these are all overnight races. Watching the sun go down and knowing that there is just you and your crew to keep you going fast and keep you safe is a great focusing challenge. And of course not being able to see the sails adds new challenges: the science of sail trim, a key part of all sailboat racing, becomes distinctly murky, when it's .... murky. But when the sun comes up again at dawn, you have no idea just how great that first cup of coffee tastes!

The Lake Ontario 300 is a 300 mile offshore race starting from Port Credit, Ontario and is the "iron man" of racing events on the Great Lakes (along with

the older Chicago-Mackinac Race). Three hundred miles takes about three days to sail, depending on how fast your boat is, so it is important to organize food and water provisions carefully. Plus, for those of us lucky enough to live at the pretty end of Lake Ontario, we have to sail the full length of the lake just to get to the start line – an extra 300 miles at least in addition to the race itself.

After rounding the Gibraltar mark in front of Toronto began a period of some of the most extraordinary sailing I have ever done. Ahead was 120 nautical miles (1NM = approx 2km) of water to Oswego, NY. And the wind started to pick up – pretty soon we were trucking along at 7 knots, and steadily passing other boats – all night long we speeded along, never slowing down at all – in fact the wind slowly built to 16-18 knots by dawn. We covered the entire 120 miles in under 20 hours – so averaging more than 6 knots – which was quite remarkable.

After rounding the Ford Shoal mark outside Oswego, NY, we carried our asymmetric spinnaker for an hour or so, and were making good speed up the left side of the course. But the wind popped from 16-18 knots to 25 knots in about 10 minutes – and as we were about to drop the spinnaker, the clew burst out of the sheet and the spinnaker flew forward untethered, flogging dangerously. Now we had to get it down. To complicate matters, a lightning storm descended on us with heavy, blinding rain and huge wind gusts reaching nearly 36 knots! The boat was now surfing down waves at 11-12 knots – not easy to control – so there were lots of challenges to deal with.

At some point we did a "chicken gybe" which just means a tack when you are too scared to gybe (not to be confused with a Chinese gybe, which is a much worse phenomenon). The spinnaker was flying free, out almost horizontal from the boat, but unfortunately still with some wind in it. Enough wind, together with the mainsail, to knock the boat over on its side. A bit unnerving in a keelboat,

especially when it seemed to be taking forever to come up again. Down below, the cook was getting used to life at an extreme angle. He found solace in a snatch from "The Wreck of the Edmund Fitzgerald":

*When suppertime came, the old cook came on deck sayin'*

*"Fellas, it's too rough to feed ya"*

*At seven PM a main hatchway caved in*

*He said, "Fellas, it's been good to know ya"*

The last piece of revenge extracted by the storm was a bout of seasickness inflicted on the Navigator and the Skipper – but after each had "fed the fish" for a while, and rested down below, they were fine.

The wind dropped rapidly on Sunday evening, and we tacked up the Canadian side of the lake. Unfortunately, after a strong run overnight, what we actually found at dawn on Monday was a huge wind hole. We were becalmed!

The dead calm lasted for several hours, and after the usual sheetings and unsheetings, heeling to leeward etc., the Skipper pulled out a novel, and lounged on the foredeck.

Very gradually, the wind came back, from the NW at first, but slowly veering towards the NE. We hoisted the symmetric spinnaker, and made good speed towards the Niagara mark. Everyone was in good spirits because the end of the race might be 50 miles away but it was definitely in sight – and, a finish before midnight seemed very doable, meaning that the 300 miles would be covered in less than two and a half days.

Despite the wind dying again at the last, we finally managed to push ourselves somehow over the line just before midnight, tied up at the dock, and staggered indoors for a bowl of hot chili that awaited us.

Quite an achievement for a rookie team, no significant harm done to equipment or people, and we are all looking forward to repeating the whole adventure again in 2015!

## QED faculty & students take two awards at the CEA Meetings

The Harry Johnson Prize went to Kris Inwood and Ian Keay (BAH '92):

- Kris Inwood and Ian Keay: Trade policy and industrial development: iron and steel in a small open economy, 1870-1913, CJE, Vol. 46, No. 4, 2013, pp. 1265-1294.

The John Vanderkamp Prize went to Micheal Kottelenberg (PhD Candidate) and Steven Lehrer:

- Michael J. Kottelenberg & Steven F. Lehrer: New Evidence on the Impacts of Access to and Attending Universal Child-Care in Canada DOI 10.3138/CPP.39.2.263 Issue Volume 39, Number 2 / June 2013.

## Donations to the QED

The wonderful generosity of many QED alumni has been enormously valuable over the years. Several funds, such as the Doug Purvis Professorship and the Alan Green Fund, commemorate former members of the Department.

The QED Initiatives Fund (previously the Economics Trust) is less constrained than any of our commemorative funds and plays a key role in the life of the Department. Among other things, it provides partial funding for a variety of student and faculty initiatives for which there would otherwise be no money at all. These include the fourth-year dinner and a wide variety of student activities. In recent years, it has also been used to offer a few more courses and sections than could otherwise have been afforded. Donations to the

QED Initiatives Fund are always very welcome.

Please remember that all gifts to Queen's University can always be directed to any project of your choice. The net cost of giving cash to Queen's is only 54 cents on the dollar for an Ontario resident in any tax bracket. But it can be as little as 31 cents on the dollar if you give securities on which there are large, unrealized capital gains. Giving securities is surprisingly easy. Just ask Juanita Dennie for the form to give to your stock broker.

You can also make donations to the QED on-line by credit card. Just go to: <https://www.givetoqueens.ca/economics>

This page also is readily accessible by clicking on "Alumni Focus" and then "Donations" on our home page.



## Agnes Benidickson Tricolour Award

The Tricolour Award is the highest tribute that can be paid to a student for valuable and distinguished service to the University in a non-athletic and non-academic sphere. The award is given for exceptional leadership over a group or club, founding or renewing a service that fills a gap needed on campus, cumulative service over time, and/or inspiring or initiating a positive change for the University. Tuba Chishti (BAH candidate) is one of the Arts and Science recipients for 2014-15. Ms. Chishti has been involved with the Main Campus Residents' Council, served on the Senate Library Committee, the Scholarships and Student Aid Committee, Student Life Centre Committee and Research Centres and Institutes Task Force. More recently she has sat on the AMS Board of Directors and holds the Chair of the Board until April 30, 2015. She also serves as the student representative for the Principal's Advisory Committee on Responsible Investing for Fossil Fuels and currently is VP Events of the Queen's Student Alumni Association.

## The C.A. Curtis Prize

The C.A. Curtis prize is awarded annually to the best doctoral thesis. Graduating PhD students who defended their thesis within the last two years are eligible for nomination. The 2013 prize was awarded to Nicolas-Guillaume Martineau (MA '06; PhD '12) for his PhD thesis entitled, "Essays on Political Parties, their Organization, and Policy Choice" supervised by Professor Robin Boadway (PhD '73). Nicolas is now an Assistant Professor at the University of Sherbrooke. The 2014 prize was awarded to Derek Stacey (MA '07; PhD '12) for his PhD thesis entitled, "Search and Information Frictions in Decentralized Markets" supervised by Professors Huw Lloyd-Ellis and Allen Head. Derek is now an Assistant Professor at Ryerson University.

## Scarthingmoor Prize

The Scarthingmoor Prize is awarded each year to the best MA essay(s). The 2013-14 co-winners were Erik Drysdale (MA '14) and Frederic Tremblay (MA '14). Eric's MA paper was entitled "Bayesian and Classical Forecasting of Canadian Macroeconomic Time Series: A Comparison Study" and was written under the supervision of Professor Marco Cozzi. Frederic's MA paper was entitled "Contingent Convertible Bonds: Hedging, Credit Default Swaps, and Sensitivity to Subjective Market Opinions" and his supervisor was Professor Frank Milne. The prize committee consisted of Professors James MacKinnon (Chair), Marie-Louise Vierø and Christopher Cotton.

## RPRD program enters its second year

In September, Professors David Longworth and Frank Milne began teaching in our new Risk Policy and Regulation Diploma program. This post-MA one semester program prepares students for risk management and regulatory positions in the private and public sectors. Our first class was small, but all the students have been placed in the private sector, attracting significant premiums over their MA starting salaries. QED PhD students have also been attending and participating in courses. As one PhD student commented, "It was like gold to hear these experts speak frankly about current problems in risk management and regulation."

We are excited that there is growing interest from the public and private sectors in this elite program. The program has four courses: Risk Management Theory and Applications; Financial Institutions Theory and Practice; Financial Regulation; and Advanced Topics in Risk Management and Regulation. The latter course is a weekly seminar series where we had a mix of senior private, public and academic experts discussing important current topics. For example, we had seminars by Ted Price (former Deputy Superintendent of OSFI) presenting his experiences of supervision during the Global Financial Crisis; Dr. Gregory Frank (GRI) discussing model risk; and two senior officers of the Bank of Canada discussing the latest techniques in stress testing. In the coming 2015 program, we are delighted to have Professor Martin Hellwig to discuss key issues in Bank Regulation. For more information on the program, please visit the website <http://risk.econ.queensu.ca/>

## QED Receptions



The QED's latest reception for Ottawa-area alumni took place on November 20, 2014 in the Fountain Room at the prestigious National Arts Centre located in downtown Ottawa. A large number of alumni were present, as well as staff and faculty from the QED. It was great to chat with recent alumni, as well as alumni dating all the way back to 1949! Our next reception will likely take place in Toronto. To ensure that you receive an invitation, please make sure that we have your correct contact information. If you are interested in helping to organize or sponsor a QED reception in Ottawa, Toronto, or perhaps somewhere else that has a sufficient number of QED alumni, please get in touch with Juanita Dennie, whose contact information can be found on page 8.



### 4th Year Dinner

The Economics Fourth-Year Dinner was held on November 14, 2014 at the Residence Inn Water's Edge Hotel. The guest speaker was Brett House (BAH '94). Brett is a Rhodes Scholar and an M.Phil from Oxford University. He is currently a Senior Fellow at the Centre for International Governance Innovation (CIGI), a Chazen Visiting Scholar at Columbia Business School and a Senior Fellow at the Jeanne Sauvé Foundation. A macroeconomist, Brett's work focuses on fiscal and monetary policy, preventing and resolving sovereign crises, improving our approaches to sovereign debt restructuring, trade liberalization, and the rise of emerging markets.



### 2014 Undergraduate Teaching Prize

The QED Undergraduate Teaching Prize is awarded annually to the individual who, through their involvement in the teaching of undergraduate economics at Queen's, has shown that they possess the skills required to excel in their role as instructor, mentor and motivator for their students. The winner of the prize for 2014 was **Professor Art Stewart** (MA '78).



## Deaths

**Lim Chin** (PhD '78) passed away on September 12, 2014 in his 67th year. Dr. Chin was a Professor and Head of Strategy and Policy at National University of Singapore Business School.

**Winnie S. Madonsela** (MA '91) passed away on January 29, 2015 at the age of 48.

**Jean E. Maley** (BAH '64) passed away on June 14, 2014 at the age of 71. Dr. Maley taught Economics at St. John Fisher College for 41 years.

**W. Albert McKay** (MA '57) passed away January 10, 2015. He had a long distinguished career as a central banker with the Bank of Canada, IMF and the Federal Reserve Bank of Australia. Albert was 81.

**Steven J.R. Sine** (BAH '92) passed away on September 17, 2014 in his 46th year.

**Ian A. Stewart** (BAH '53; MA '54) passed away on October 24, 2014 at the age of 83.

**Peter M. Towe** (MA '48) passed away on January 29, 2015 at the age of 92. After his 34 year career in public service, Peter was appointed Chairman and CEO of Petro-Canada International Assistance Corporation.

**Shane Williamson** (MA '90) passed away on April 18, 2014 in his 50th year. Shane worked for many years with Industry Canada.

## Births

**Ryan Davies** (MA '98; PhD '01) and **Abigail Donovan** are thrilled to announce, **Willow Isabella**, born on July 21, 2014 weighing 7 lbs. 3 ozs. Ryan is an Associate Professor of Finance at Babson College in Massachusetts.

**Jonathan Lee** (PhD Candidate) & **Kamin Peyrow** (PhD Candidate) are pleased to announce the birth of their first child, **Nikan Franklin**, born September 23, 2014 weighing 8 lbs. 6 ozs. Jon and Kamin reside in Kingston while completing their doctoral programs.

**Karl Skogstad** (PhD '14) and his wife **Shanna** are pleased to announce the birth of their second child, **Jude**, born on June 19, 2014 weighing 7 lbs. Little brother for **Claire**. Karl is a Postdoctoral Fellow at Lakehead University.

## Congratulations!

Congratulations to Professor **Thomas Lemieux** (MA '85) who has won the Bank of Canada Fellowship Award for 2014. Professor Lemieux is recognized internationally as an influential labour economist and currently teaches at the Vancouver School of Economics.

**Bryan Paterson** (MA '01; PhD '07) was elected the 96th Mayor of Kingston, Ontario on October 27, 2014. Bryan first ran for City Council in 2010 in Trillium District where he lives with his wife **Shyla** and their two boys.

Congratulations to two of our alumni who received awards at the QUAA Alumni Awards Gala on March 28, 2015. **Jeremy Mosher** (BAH '08) of the Calgary branch received the 2014 Marsha Lampman Branch Volunteer Award, which is awarded annually to the alumnus/alumna who best exemplifies Marsha Lampman's outstanding dedication and service to a Branch of the Queen's University Alumni Association. **Melissa Pogue** (BAH '09) of the Toronto branch was the 2014 recipient of the Branch Rising Star Award, which is awarded annually to a new (within the last two years) alumni association volunteer whose exemplary contribution and commitment set an example for others to follow.

## The Inaugural David Dodge Lecture

The Chancellor David Dodge Lecture in Public Finance was established in 2014 by the Department of Economics, the School of Policy Studies and the School of Business to recognize the contribution that **Dr. Dodge** (BAH '65), who was Queen's 13th chancellor from 2008-2014, has made to the university, public policy and finance in Canada.

The inaugural lecture, titled "Preparing Canada for our Collective Old Age," was delivered by **Dr. Dodge** himself on December 11, 2014.

## Martin F.J. Prachowny (1936-2014)

**Martin Prachowny**, Professor Emeritus, passed away in December, 2014 after a short illness. Martin spent his entire academic career at QED after completing his PhD at the University

of Michigan. He arrived in 1967 at a time when the Department and its graduate program were expanding rapidly. Much of **Martin's** work was at the interface of macroeconomics and international economics. Canadian economists had been at the forefront of international macroeconomics following seminal work by **Harry Johnson** and Nobel Laureate **Robert Mundell**. Although **Martin** adopted some of their approaches, his work was uniquely innovative and emphasized the usefulness of small empirical models and of incorporating labour market considerations. He published many papers in academic journals, but justice could only be done to the scope of his through longer monographs. Over the years, he published a series of seven books with prestigious international publishers, all of them self-contained studies of aspects of the macroeconomy. The last one, published in the year of his retirement, revisited the **Kennedy-Johnson** tax cut in the USA. **Martin** was a very dedicated teacher, who was both fair and demanding and rightly insisted that students participate actively in the learning process. He also served in many administrative roles in the QED, including Undergraduate and Graduate Chair, as well as at the University level. His interests were much broader than economics, and included raising competitive show dogs, building a sailboat, attending operas, drinking fine wine, reading history books, and lunching weekly with a group of colleagues to discuss serious and not so serious issues. He enjoyed travelling, taking sabbaticals in London, Cambridge (MA) and Seattle, and often going back to his roots in Europe for hiking. He was a superb conversationalist, and will be sorely missed by all of us who knew him.

## Public Lectures and Weatherall Visitors

The annual **Frontiers of Macroeconomics Workshop** was held on April 11, 2014. Speakers included: **Eric Leeper** (Indiana University), **Benjamin Lester** (Federal Reserve Bank of Philadelphia), **Emi Nakamura** (Columbia University), **Aysegul Sahin** (Federal Reserve Bank of New York), and **Harald Uhlig** (University of Chicago).

The **John Weatherall Distinguished Fellows and Visiting Scholars** program

hosted 11 visitors during 2014: **Soren Johansen** (University of Copenhagen) March 23-29, **Shouyong Shi** (University of Toronto) April 24-25 and April 28-30, **Marc Chan** (University of Technology, Sydney) June 17-21, **Claudio Lucarelli Herrera** (Universidad de los Andes) June 17-21, **Jeremy Lise** (PhD '06) (University College London) June 17-21, **Nirav Mehta** (University of Western Ontario) June 17-21, **Cyril Monnet** (Universidad of Bern, Switzerland) June 30-July 14, **Giuseppe Cavaliere** (University of Di Bologna) July 31-August 7, **Alex Stomper** (Humbolt University) August 25-29, **Steve Williamson** (MA '79) (Washington University) September 2-6, and **Wolf Wagner** (University of Tilburg) September 10-18.

The Economic History Workshop held a conference on April 25, 2014. Speakers were: **Andriana Bellou** and **Emanuela Cardia** (Université de Montréal), **Karen Clay** (Carnegie Mellon University), **Shari Eli** (University of Toronto) and **Laura Salisbury** (York University), **Michael Huberman** (Université de Montréal), **Ian Keay** (BAH '92) and **Frank Lewis** (Queen's University), and **Joshua Lewis** (MA '07) (Université de Montréal).

The QED and the Departments of Financial Stability, Funds Management and Banking from the Bank of Canada hosted a two-day conference entitled "The Future of Payments" on September 5-6, 2014. Keynote speakers were **Stephen Williamson** (MA'79) (Washington University) and **Rodney Garratt** (Federal Reserve Bank of New York).

## Planned Gifts to the QED

Throughout the history of the University, bequests have done more to transform Queen's than any other acts of generosity.

A well-planned gift can reduce, or even eliminate, taxes, and it can substantially increase the donor's after-tax income. If you are interested in directing a bequest to the Economics Department, please contact the Office of Planned Giving by calling 1-800-267-7837 and asking to speak to **Faye Ransom** or emailing **Faye** at [faye.ransom@queensu.ca](mailto:faye.ransom@queensu.ca). Note that, if you so wish, any communication with her can be entirely in confidence.

## Awards to Graduating Honours Students 2014

**Department Medalist and Chancellor C.A. Dunning Prize**

**Harriet Ware**

**The Douglas D. Purvis Prize in Economics**

**Harriet Ware**, "U.S. Consumption Dynamics in the 2007-2009 Financial Crisis." (Supervisor: Michael Kennedy) and **Thomas Russell**, "The Effect of Quanti-

tative Easing on Investment in the US and UK: An SVAR Approach." (Supervisor: David Longworth)

**The James Bocking Prize in Economics**  
**Christopher Watson**

**Honourable Mention**

David Aime, Alexander Katz, Clinton Leung and Thomas Russell

## Queen's Economic Alumni Network for MA and PhD Alumni

The Queen's Economic Alumni Network (QEAN) is a new group that provides networking opportunities for the Queen's Economics Department community. The goal is to provide means for Queen's MA and PhD alumni to connect with other alumni as well as current students to create both professional and personal relationships. Events, such as pub nights, have already been organized in Ottawa and Toronto and provided the opportunity for several alumni to meet, remember their times in Dunning Hall and share their new work experiences. Be part of it! You can join our Facebook group for more updates and news about the QEAN events and to keep in touch with your fellow alumni [www.facebook.com/groups/QEconAN](http://www.facebook.com/groups/QEconAN)

## Company Matching Gift Program

Many companies match charitable donations by their employees. Be sure to take advantage of this if yours does. See: <http://giving.queensu.ca/matchinggifts/>

## Placement/Career Services

If you or your employer hires economists, you want to hire the best. That means you want to interview QED graduates. The best way to get in touch with them is directly through us. If you have a job posting which you would like circulated to our current students and/or recent alumni, please send it to Juanita Dennie.

## We Want to Hear from You!

In each QED Newsletter, we publish a section on the activities of our graduates. If there has been a special event that you wish to share with your friends, or you would just like to let other alumni know what you have been up to, please drop us a line. We will try to include your item in our next issue.

## The Neil Morrison Fellowship

The Neil Morrison Fellowship was established with a generous gift made to the University by Neil (BA '86) and Prue Morrison in May 2014. The fellowship is awarded on the basis of academic excellence to Masters and PhD level students enrolled in the Department of Economics.

## Juanita Dennie contact information

The person to contact about all matters relating to alumni and placement is Juanita Dennie, whose contact information is:

Juanita Dennie  
Career Facilitator / Alumni Coordinator  
Department of Economics  
Queen's University  
Kingston, ON K7L 3N6  
Tel.: (613) 533-3122 Fax: (613) 533-6668  
[denniej@econ.queensu.ca](mailto:denniej@econ.queensu.ca)