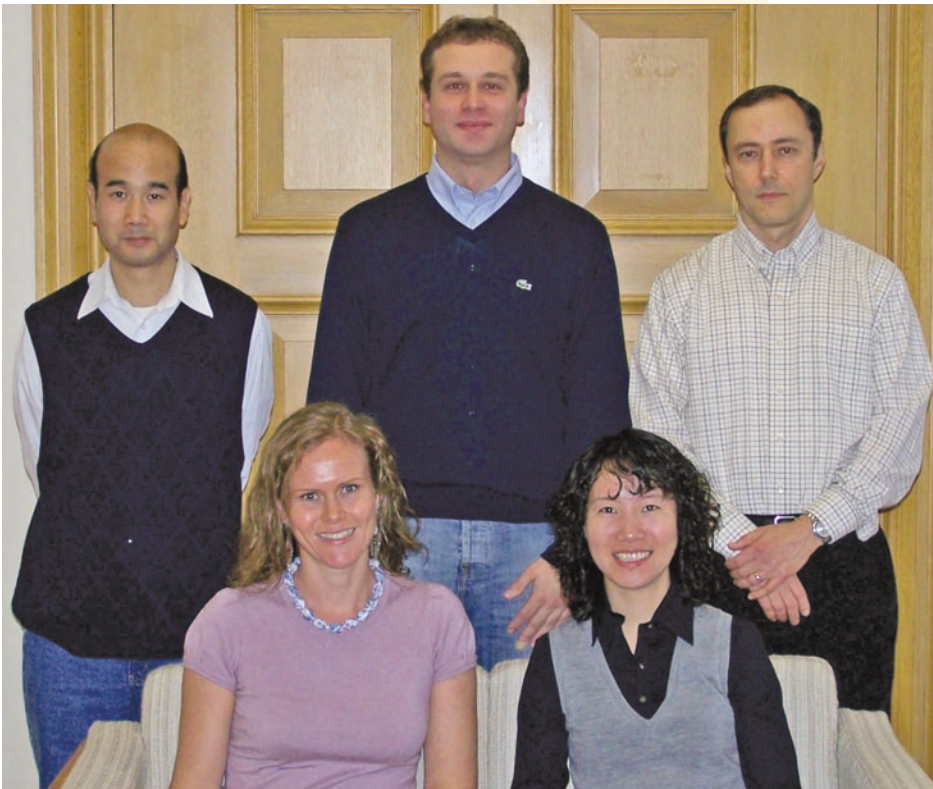


QED NEWSLETTER



New Faces in the QED

by James G. MacKinnon



Back row: Susumu Imai, Marco Cozzi, Jan Zabojsnik. Front row: Marie-Louise Vierø, Hongfei (Amy) Sun

The QED is growing again! We have hired five new faculty members in the past two years, bringing the number of tenured and tenure-track faculty to 28. Our five new colleagues, shown in the photograph above, come from all over the world.

The most senior of the five is **Jan Zabojsnik**, a Cornell graduate who is originally from Slovakia. Jan actually took his first job at Queen's in 1997, but he left after two years for the Marshall School of Business at the University of Southern California. In 2006, we persuaded him to return as an Associate Professor. Jan specializes in microeconomic

theory, industrial organization, and the economics of organizations. He has an excellent publication record, and several of his papers are widely cited, including "Centralized and decentralized decision making in organizations" (*Journal of Labor Economics*, 2002) and "CEO pay and appointments: A market-based explanation for recent trends" (with Kevin Murphy, *American Economic Review*, 2004).

The second of our 2006 appointments is **Susumu Imai**, a Minnesota graduate who is originally from Japan. Susumu previously taught at Penn State and Concordia. He spe-

cializes in empirical industrial organization, marketing, labour economics, and applied econometrics. Susumu has published several well-known papers, including "Intertemporal labor supply and human capital accumulation" (with Michael Keane, *International Economic Review*, 2004) and "Brand and quantity choice dynamics under price uncertainty" (with Tülin Erdem and Michael Keane, *Quantitative Marketing and Economics*, 2003).

The last of our 2006 appointments is **Marie-Louise Vierø**, a Danish citizen who came here after completing her doctorate at Cornell. Marie-Louise is a microeconomic theorist who also works in financial economics. Her recent paper, "Exactly what happens after the Anscombe-Aumann race? Representing preferences in vague environments", is an example of her theoretical work.

The newest additions to the department are **Marco Cozzi** and **Hongfei (Amy) Sun**, who both received their doctorates in 2007. Marco, who is an Italian citizen, came here from University College London. He works on quantitative macroeconomics, the economics of crime, and computational economics. His papers include "Hard drugs addiction, drug violations and property crimes in the US". Amy came here from the University of Toronto, where her supervisor was our former colleague, Shouyong Shi. She works in macroeconomics, monetary economics, and financial economics. An example of her work in monetary theory is "Aggregate uncertainty, money and banking" (*Journal of Monetary Economics*, 2007).

We are very happy to welcome Jan, Susumu, Marie-Louise, Marco, and Amy to the QED.

Message from the Head: Another Good Year for the QED

by James G. MacKinnon

This is the fifth consecutive *QED Newsletter* in which I have published a message from the Head. Many things have changed since I took the job in 2003. In most respects, the Department is a great deal stronger now than it was then, and 2007 was another very good year.

In recent years, for the first time in a very long time, we have actually increased faculty numbers quite significantly; see the front page story about the five colleagues who have joined us over the past two years. Our BA and MA programs remain first rate, and we have greatly increased enrollment in our PhD program, which is now back to the size it was a decade ago. The University administration has been supportive, and alumni and friends have been generous. The challenge that faces us now is no longer how to keep



the QED from becoming a weaker department. Instead, it is how to build on our strengths so as to become (once again) the leading Economics Department in Canada.

Support from alumni and friends continues to play an enormous role in building the QED, and 2007 saw two very, very

exciting developments. The first of these was the extraordinary gift that established the new **John Weatherall Visiting Scholar Fund in Economics**; see the story on page 4. Over time, this fund will bring many of the world's leading economists to Queen's, providing graduate students and faculty members with opportunities to learn about the latest developments in many areas of the

discipline and to make their own work better known in top institutions around the world.

The second exciting development of 2007, which came near the end of the year, was the exceedingly generous gift that established the **Stephen J. R. Smith Faculty Fellowship in Economics Fund**; see the story on page 5. This Fellowship will be enormously valuable in our efforts to hire and retain excellent faculty members. It provides us with precisely the sort of endowed fund that we need as we focus on the challenging but essential task of investing in human capital.

Although these two gifts are wonderful, they will, by themselves, take us only part of the way towards our goal of becoming a truly great Department of Economics. We need more resources, and we need to use those resources wisely, if we are to rise to that challenge over the next few years.

QED Receptions in 2007

On May 24, 2007, the QED held its first ever alumni reception in Montreal. Thanks to the generosity of Richard Guay (MA 1987, PhD 1993), it was held in the offices of the Caisse de Dépôt et Placement du Québec on the edge of old Montreal. The venue was superb, and those who attended had a great time. We hope to see more Montreal-area alumni the next time we hold a reception in that beautiful city.

On November 13, 2007, the QED held its largest reception ever, in the Austin Gallery of the Suites at 1 King West in downtown Toronto. Around 120 Toronto-area alumni attended, plus quite a few guests and a large group from Queen's. The QED contingent included three third-year students (Melissa Pogue, Katie McRae, and Alexa Gendron-O'Donnell), who kindly volunteered to help with this event. It was great to see alumni from twenty, thirty, and even forty years ago connect with recent alumni, current faculty members, and current students. Everybody had a wonderful time.

Although not strictly a QED event, the Faculty of Arts and Science reception in New York City at the Harvard Club on May 16, 2007 was attended by many QED alumni and by Department Head James MacKinnon. This event was generously hosted by John Bankes (BAH 1975). We hope to see even more Economics alumni at future New York City events.

Our receptions play a very important role in bringing QED graduates together, and we put a lot of resources into them. Juanita Dennie does most of the work, and there is a great deal of work to be done. You can make her job easier by ensuring that she has up-to-date contact information. Whenever you move, please let Juanita know by e-mail (denniej@econ.queensu.ca) or phone (613 533-3122).

We are tentatively planning an Ottawa reception for some time in 2008. If you are an alumnus from the Ottawa area and would be interested in such an event, please contact Juanita to help us assess demand and choose a date.

Donations to the QED

The wonderful generosity of many QED alumni has been enormously valuable over the years. In particular, the **Economics Trust** plays a key role in the life of the Department. Among other things, it funds a variety of student and faculty initiatives for which there would otherwise be no money in our (ever shrinking) budget. These include one-day conferences at Queen's on public economics and economic history, as well as numerous trips by our students to participate in conferences and development activities. Donations to the Economics Trust 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.

Canada's Financial Landscape: The New Challenge of Internationalization

by Thorsten V. Koepl

Canada's financial system is losing its grip on modern developments. Once considered world leaders, our financial and capital markets are now lagging far behind in the trend to an ever more internationalized and globally integrated financial sector. In the past year, I have made a strong case for reforming the financial sector in two key areas: the banking system, and financial infrastructure, such as exchanges and settlement systems.

Bank Mergers Reconsidered

As a participant in the C.D. Howe Institute's *Financial Research Initiative*, I have pointed out that the case for mergers among the big six Canadian banks has to be reevaluated. In the past, the main argument was based on cost savings from rationalizing bank branch networks. After being blocked by then finance minister Paul Martin in 1998, mergers have been seen as politically unacceptable due to concerns that consumers would not see any of the gains, as fewer branches would lead to less competition.

The new argument for mergers is in line with global trends in the industry. Large non-Canadian banks increasingly follow strategies to become global players, operating across different regions and business areas. This allows these banks to cash in on efficiency gains and risk reductions from allocating capital directly on their balance sheets between these regions or areas of operations. Moreover, as global banks face sufficient competition, such gains from operating so-called internal capital markets are passed on to the bank's customers.

Canadian banks currently do not have the size necessary to become truly global retail banks or leading international investment banks. Some of them have a considerable retail and investment presence, mainly in the Americas, but none can be seriously regarded as a leading bank that could operate on a scale and scope that would produce the full additional benefits of internal capital markets. At the same time, the Canadian banking sector is shielded from foreign competition, as foreign ownership restrictions all but eliminate full market entry by foreign

banks. Thus bank customers in Canada cannot profit from these new developments.

These considerations led me to propose mergers among Canadian banks, coupled with a careful opening up of the Canadian banking sector to foreign entry. Mergers would give the big banks a size sufficient either to take over large foreign institutions or to enter directly into foreign markets. To pass on the benefits from this strategy to the banks' customers, such a policy has to be complemented with the threat of competition. Banks already face competition domestically by new market entrants (such as internet banks and retail chains) that specialize in certain areas of financing and investments. But ownership restrictions have to fall in order to make Canadian markets contestable with respect to the entry by large foreign banks.

The TSX-MX Merger

Financial market infrastructure is fragmented within Canada and across North America, especially in the area of stock exchanges. Recently, I commented in the *Financial Post* on the pending merger between the two main Canadian exchanges, the Montreal Exchange (MX), which offers trading in derivatives, and the Toronto Stock Exchange (TSX). After much discussion, both exchanges just announced a merger which still faces the hurdle of approval by the Quebec government.

The merger between TSX and MX makes sense and follows the global trend of consolidation in the exchange industry. There are scale economies, benefits from joint development of state-of-the-art electronic trading systems, and more efficient trading by pooling liquidity in one exchange. Nonetheless, the deal perpetuates a non-compete agreement between the exchanges struck in 1999.

I argued in the past that a merger of the two exchanges with other North American or international exchanges is preferable to a domestic one between the two Canadian exchanges. The benefits of international mergers are larger, as they ensure access to



even greater liquidity pools and lead to even more cost savings by integrating cross-border clearing and settlement business. Furthermore, access to competing international exchanges rather than a single national exchange ensures that benefits will reach investors. Hence, the current merger deal tends to favour the shareholders of TSX and MX, but not more broadly financial markets participants.

Still, there is hope that this merger will help Canadian capital markets in the long run. A national exchange certainly realizes some efficiency gains and cannot neglect forever that in order to survive an exchange must offer competitive services to global investors. Moreover, a single Canadian exchange puts pressure on the provinces to finally introduce a single national securities regulator. The current situation of provincial securities regulation is an anachronism in times of global consolidation and puts the Canadian financial system more than ever at odds with new promising developments.

I am confident, however, that over time bank mergers and the "right" consolidation of financial infrastructure will lead to a Canadian financial system that is more integrated internationally. But then regulators and policy makers will face new challenges. More integration means closer international cooperation in oversight and better harmonization of national regulatory rules. Looking forward, this promises intriguing new questions for Canadian financial institutions, policy makers, and academic researchers alike.

Extraordinary Gift Creates New Fund for Visiting Scholars

In February of 2007, just a little too late to make it into last year's *QED Newsletter*, the QED received the largest single gift in its history. The Jim Pattison Foundation pledged \$4.0 million over three years to establish the **John Weatherall Visiting Scholar Fund in Economics**. This fund is named in honour of Mr. John Weatherall, a Kingston resident and good friend of the Department, who takes a keen interest in the global economy. Mr. Weatherall previously established the Scarthingmoor Prize for the best MA Essay in 2006.

Instead of bringing distinguished speakers to Queen's briefly for public lectures, which is the norm for visits by top scholars, the Weatherall Fund aims to bring leading

scholars to Queen's for at least a week at a time. This will provide numerous opportunities for both formal and informal meetings with students and faculty members.

The first John Weatherall Distinguished Fellow was Professor Bentley MacLeod of Columbia University, who visited Queen's for the week of November 19th, 2007. He is an expert on contract theory, labour economics, and behavioural economics, and an editor of the *Journal of Labor Economics*. During his visit, Professor MacLeod gave two seminars and met with a large number of graduate students. Several more visitors are scheduled for 2008, and we are currently planning a number of visitors in 2009.

The John Deutsch Institute

The John Deutsch Institute, directed by Professor Charles Beach, continues to fulfill its mandate to promote research and informed discussion of Canadian economic policy issues. Founded in memory of the late John Deutsch, Principal of Queen's from 1968 to 1974, it plays a unique role in Canadian public policy.

On October 26-27, 2007, the JDI hosted a conference on "Retirement Policy Issues in Canada" organized by Professors Michael Abbott, Charles Beach, Robin Boadway, and James MacKinnon, all of Queen's. Funding for the conference was generously provided by Mr. William Wilder and by Fidelity Investments Canada.

The objectives of the conference were to bring together people from a range of disciplines to raise awareness of issues and problems that are fast approaching, and to spur debate on specific public policy proposals to help resolve these issues. In this case, the issue is the upcoming retirement of over eight million baby boomers from the workforce in Canada over the next decade. This has implications for the economic well-being of these future retirees and the financial and income risks they face, for productivity and output of the Canadian economy, and for the fiscal balances of federal and provincial governments. The conference was a great success, with

attendance of about 130 people from academia, the financial sector, the public service, and international NGOs.

A wide range of topics was covered. The lead-off speakers were David Dodge, the Governor of the Bank of Canada, and Larry Kotlikoff, a leading researcher from Boston University. Papers were presented in sessions on Background Issues and the Pension Environment, Policy Levers and the Retirement Process, the Retirement Process and Macroeconomic Implications, Pension Rules and Retirement, and Mandatory Retirement and the Changing Prospects of Retirement. There were also two very active panel sessions on Replacement Rates and Design Features of Workplace Pension Plans, and on Risk and Pension Investment Strategies.

Among the speakers were: Michael Veall (McMaster), Bill Robson (C.D. Howe Institute), Richard Disney (Nottingham), Peter Drake (Fidelity), Stephen Bonnar (Towers Perrin), Robert Clark (North Carolina State), Bill Scarth (McMaster), Malcolm Hamilton (Mercer), Rick Egelton (CPP Investment Board), Graham Pugh (OMERS), John Burbidge (Waterloo), Kevin Milligan (UBC), Tammy Schirle (Wilfrid Laurier), Kate Cuff (McMaster), Chris Worswick (Carleton), and Morley Gunderson (Toronto). The JDI intends to publish a conference volume from this event. In the meantime, much of the conference material is available on the JDI website at <http://jdi.econ.queensu.ca/>.

Thor Koepl joins Monetary Policy Council

Thorsten Koepl has been named to the C.D. Howe Institute's Monetary Policy Council, a group comprised of 12 of Canada's most distinguished financial-market and monetary economists. The council provides the Bank of Canada, financial-market participants, and economic policy commentators with a regular independent assessment of the appropriate stance of Canadian monetary policy.

The Monetary Policy Council convenes to discuss the Bank of Canada's policy for the overnight rate, the short-term interest rate that is the Bank's benchmark interest rate for influencing monetary conditions in Canada, shortly before each of the Bank's interest-rate announcements.

Annual Fourth-Year Dinner

The fifth annual Fourth-Year Dinner was held at the Donald Gordon Centre on Friday November 9th. Father Raymond de Souza (BAH 1993) was the guest speaker. Father de Souza teaches a seminar course on Philosophy and Economics and is a frequent contributor to the *National Post*.

2007 QED Research Prize

The Department is pleased to announce that Ian Keay has been awarded the 2007 QED Research Prize. The Prize was established to reward and recognize the research achievements of a QED faculty member. It recognizes Professor Keay's outstanding research in economic history, including his contributions to our understanding of resource economics and productivity trends.

Ian Keay is the sixth recipient of this award, following in the illustrious footsteps of Shouyong Shi, Ruqu Wang, Huw Lloyd-Ellis, Robin Boadway, and Allen Head.

Great News: New Faculty Fellowship

In December 2007, the QED received a truly wonderful Christmas present. The new **Stephen J. R. Smith Faculty Fellowship in Economics**, which was established by a \$1.0 million gift from the distinguished Queen's graduate after whom it is named, may be held by a tenured or tenure-track member of the Department at any rank. It is intended to recognize excellence and make it possible for the QED to recruit and/or retain an economist of high calibre in any field.

One key component of any successful strategy for recruitment and retention is to provide faculty members with competitive salaries and generous research support. Faculty

Fellowships make this possible. They are similar to Professorships, but they are not subject to the same rules on minimum funding, and they are not required to be held by full professors. Thus they provide the Department with the maximum amount of flexibility to direct resources where they are most needed. Since our highest priority is to build the human capital of the QED, this gift will be enormously valuable.

Because this wonderful gift came in so late in the year, there was not enough time or room for a longer article. We plan to run a feature story about the Fellowship and its donor in next year's *QED Newsletter*.

On Sabbatical "Down Under"

Sumon Majumdar spent the first half of his sabbatical leave at the University of New South Wales in Sydney, Australia, one of the most spectacular cities in the world. Sumon was invited to several universities in Australia and New Zealand to give seminars. Of course, he combined business with the chance to see a very different part of the world. Although different, in many ways Australia also reminded him of Canada, with its welcoming people, multicultural society, and some breathtaking landscape. However, belying his preconceived notions, he did not encounter a single wild kangaroo during his four months in Australia.



Sumon enjoyed greatly the chance to interact with the many QED alumni who are spread throughout the economics departments in Australia. Several of them are now senior members of their respective departments and well-known in their fields of expertise. All of them have very fond memories of their days at Queen's and were eager to hear first-hand news about the department. Sumon appreciated very much their extremely generous hospitality and enthusiasm.

During his time in Sydney, Sumon started work on a couple of collaborative projects with faculty members at UNSW to study the

intergenerational transmission of culture. He also continued his research (jointly with Sharun Mukand of Warwick University) on understanding the role of leadership in effecting social, political, or economic change. This research emphasizes the nature of the symbiotic relationship between followers' decisions to willingly entrust their faith in a

leader and the leader's initiative at leading them. Together, this can lead to dramatic instances of "good" or "bad" change. Sumon presented a paper from this research at the 36th Australian Conference of Economists held at Hobart, Tasmania.

In October, Sumon spent two weeks in New Zealand giving talks at the

University of Auckland, the University of Canterbury, and Otago University, which lays claim to the title of being the southernmost university in the world. This also offered him an opportunity to visit both the north and south islands of New Zealand, and now he is torn between which of the two to recommend to his friends.

Sumon has now returned briefly to Queen's before going to spend the rest of his sabbatical at Cornell University. What does he miss the most about Australia? Its mild winters and the variety and freshness of its food. Sumon says Australia has changed his perception of the simple "fish and chips"; he no longer orders it here.

The Douglas D. Purvis Professorship

Doug Purvis was a remarkable economist, colleague, teacher, and friend who died tragically in January of 1993 after an accident. In his memory, the Department has established the **Douglas D. Purvis Professorship in Economic Policy**, which is currently held by Gregor Smith.

The endowment of the Purvis Professorship is substantially less than the minimum amount currently required to establish a professorship at Queen's (\$1.5 million). Considerably more money is needed if the Purvis Professorship is to provide a proper memorial to Doug and help to build the Department in the way he worked so hard to do.

Even though it is now fifteen years since Doug's untimely death, he has not been forgotten by his many friends and former students. There have been a number of significant donations to the Purvis Professorship during the past year. With your help, we are optimistic that the funds we need can be raised within the next five years.

The Malcolm Urquhart Memorial Fund for Courses in Economic Theory

Malcolm Urquhart, known to his many friends as Mac, joined the QED in 1945 and remained until his death in late 2002, although he nominally retired in 1979. In keeping with Mac's long-held belief that economic theory is the key to understanding many aspects of the world, the Malcolm Urquhart Memorial Fund is intended to support undergraduate courses in the broad area of economic theory. The Department will be drawing on the Urquhart Fund for the first time in 2008-09, as we struggle to cope with university-wide budget cutbacks.

We hope that many of Mac's friends and former students will join us in commemorating the extraordinary contributions of Mac Urquhart to Queen's, and to Economics in Canada, by contributing to this fund. As we enter a period of severe financial stringency, the Mac Urquhart Fund could, if it were better funded, play a key role in maintaining the health of our undergraduate program.

Faculty News

Marco Cozzi presented a paper at the Society for Economic Dynamics Annual Meeting in Prague, June 28-30, 2007. He also gave a paper at the Workshop on Macroeconomics and Policy Analysis at the Bank of Canada in Ottawa on November 8, 2007.

John Hartwick published a research paper on sustainability with exhaustible resources in the *Journal of Environmental Economics and Management* with four co-authors: Asheim in Oslo, Norway; Buchholtz in Regensburg, Germany; Mitra in Ithaca, New York; and Withagen in Tilburg, the Netherlands. He has completed a draft of a new research paper on extraction of oil stocks with Bazhanov from Vladivostok and Song from Beijing.

Allen Head is working on optimal monetary policy with former student Junfeng Qiu, who is now at the Central University of Finance and Economics in Beijing. In 2007, he presented a paper from this research program at conferences in Ascona Switzerland, Prague, Cleveland, and Vienna.

Ian Keay spent his sabbatical year as a visiting associate professor in the Department of Economics at Yale University last year, where he taught a senior level seminar course entitled "Environmental economics and policy" and presented a paper entitled "Regional variation in early industrial performance" in their workshop series.

James MacKinnon gave a keynote address entitled "Bootstrap hypothesis testing" at a conference on Computational and Financial Econometrics in Geneva in April. He also gave talks at the University of Michigan and Vanderbilt University and published two papers in *Computational Statistics and Data Analysis* and one paper in each of *Communications in Statistics* and the *Econometrics Journal*.

Frank Milne was the invited speaker at the Australian Economic Theory Conference in

Canberra in February. The conference celebrated its 25th anniversary since Frank co-founded the conference. While in Australia, Frank visited Melbourne University and met senior members of the Australian bureaucracy and financial markets. In July, he visited the UK to work with a coauthor at the University of Exeter and to visit the Bank of England. Frank presented a policy paper, "The Current Credit Crisis", at the C.D. Howe Institute in mid December. He has joint papers in progress on currency attacks, university funding and planning, and the impact on risk management and open market operations from dynamic trading strategies in illiquid financial markets.

Katsumi Shimotsu published two papers: "Gaussian semiparametric estimation of multivariate fractionally integrated processes", *Journal of Econometrics* Vol. 137, April 2007, pp. 277-310; and "Determining the cointegrating rank in nonstationary fractional systems by the exact local Whittle approach", with Morten Ø. Nielsen, *Journal of Econometrics* Vol. 141, December 2007, pp. 574-596.

Gregor Smith completed his term as CEA Past-President. He also gave the Bank of Canada Fellowship lecture at the CEA meetings in Halifax and was a visiting scholar at the Atlanta Fed and the IMF. His work on the transfer problem (with QED alumnus Michael Devereux) was published in the *Journal of Monetary Economics*. And his (intentionally) humorous paper on Japan's Phillips curve entered the blogosphere, appearing on *strange maps* and *marginalrevolution*. During the 2007-2008 academic year, Gregor is on sabbatical leave at UBC.

Amy Sun's paper, entitled "Aggregate uncertainty, money and banking" was published in October 2007 in the *Journal of Monetary Economics*, Vol. 54, Issue 7, pp. 1929-1948.

The Don Wood Fund for Undergraduate Scholarships in Economics

This new fund was established two years ago by David Dodge (BAH 1965) and Christiane Dodge (BAH 1965) in honour of the late Don Wood (MA 1953), who was a member of the Department from 1960 to 1985. It is now the largest single fund for undergraduate awards in Economics. It allows the Department to supplement a number of other merit-based awards (some of which are embarrassingly small) and to give additional awards based on overall merit to students entering the second, third, or fourth years of their programs. Recipients greatly value the recognition and encouragement provided by these awards as well as the financial help.

The number of students in our undergraduate programs has increased greatly over the past two decades, but the number and value of awards has not kept pace. We hope that alumni will support the Don Wood Fund, because it provides a wonderful way to recognize the ability and hard work of our many talented students.

Faculty Congratulations

Congratulations to Allen Head and Bev Lapham on their promotion to the rank of Full Professor effective July 1, 2007.

Also, congratulations to Thor Koeppel on the renewal of his tenure-track appointment for the period July 1, 2007 to June 30, 2010.

Congratulations to Jim Bergin on the renewal of his Tier 1 Canada Research Chair.

Congratulations to Ian Keay, Bev Lapham and Jan Zabochnik for being awarded SSHRC Standard Research Grants in 2007.

In Memoriam

Alexander Norman McLeod (BA 1933, BAH 1940) died in February in his 96th year. Dr. McLeod, who earned his doctorate at Harvard, initially studied mathematics at Queen's but later returned to study economics. An unreconstructed Keynesian, he worked for the IMF for some years, helped to establish several central banks around the world, became the first chief economist of the Toronto-Dominion Bank in 1955, served as Governor of the Central Bank of Trinidad and Tobago, and later became a professor at York University. His memoirs, published in 1997, were entitled *Hunting a Paradigm*.

News from the Extended Family of QED Public Economists

Past PhD students in public economics are scattered in far-flung places from Vancouver to Tokyo to Brisbane to Beijing, but they continue to collaborate and interact on a regular basis. Some met at Nashville for the annual Public Economic Theory conference, where Yukihiro Nishimura (Yokohama National) and Katherine Cuff (McMaster) gave papers, the latter in collaboration with Nicolas Marceau (UQAM). Robin Boadway (Queen's) was a keynote speaker and gave a talk based on joint work with Motohiro Sato (Hitotsubashi). Robin also was keynote speaker at the Journées d'Économie publique Louis-André Gérard-Varet in Marseille, talking about a paper with Zhen Song (Central University of Finance and Economics) and Jean-François Tremblay (Ottawa).

Several QED grads attended and gave papers at the Annual Congress of the International Institute of Public Finance at Warwick University, including Nicolas Marceau, Motohiro Sato, and Jean-François Tremblay, while

Robin Boadway became Executive Vice-President. Several were also on the program at the Canadian Public Economics Study group meetings at Dalhousie University: Katherine Cuff, Stefan Dodds (Carleton University), Laurence Jacquet (Bergen), Yukihiro Nishimura, and Jean-François Wen (Calgary). As well, James Amegashie (Guelph), Stefan Dodds, and Peter Townley (Windsor) spoke at the Conference on Defense and Security at RMC organized by Ugurhan Berkok (RMC) and Lawrence McDonough (RMC).

Several others made important contributions. Ken McKenzie (Calgary) was a member of the Alberta Royalty Review Panel that recently reported to the Alberta government. Paul Hobson (Acadia) is a vocal expert on the Canadian Equalization system, particularly as it affects Atlantic Canada. Marianne Vigneault (Bishop's) recently completed a major paper on intergovernmental grants and the soft budget constraint for the World

Bank. Robin Boadway gave a series of lectures on current public economics theory at the National Taiwan University at the invitation of Hong Hwang, who is at that university. Robin is also on the research team for the Mirrlees Review, which is a major initiative being undertaken by the Institute of Fiscal Studies in the UK to mark 30 years since the publication of the landmark Meade Report.

Finally, research collaboration keeps the network of QED public economists in touch. In addition to those mentioned above, Nicolas Marceau continues his work with Steeve Mongrain (Simon Fraser) and Katherine Cuff; Motohiro Sato and Masayoshi Hayashi (Hitotsubashi) collaborate; and Phil Bodman and Harry Campbell (both of Queensland), in collaboration with Robin Boadway, have begun a major project on fiscal federalism in Australia.

QED Congratulates

Congratulations to Jean-Denis Garon (PhD candidate) on his book entitled «Le prédateur et l'imposteur / La politique économique selon Jean Chrétien et Paul Martin » (“The predator and the impostor – On Jean Chrétien and Paul Martin's economic policy”). See details at <http://www.econ.queensu.ca/students/phds/garon/>.

In February 2007, the QED donated funds to help the Queen's University chapter of Habitat for Humanity as they headed to Louisiana to help victims of Hurricane Katrina. Congratulations to our students, Liza Smithies and Andrew Van Vlack, who took part in this effort.

Marriages

Stephen Tapp (MA 2001; PhD candidate 2008) and Colette Kaminsky (MA 2001) were married on May 20, 2007 in Ottawa, Ontario. Colette is a Senior Analyst at the Privy Council Office in Ottawa and Stephen is a job market candidate and currently completing his doctoral thesis.

James B. Cooke (M.A. 1987) was married to Amy E. Noble at the Church of the Holy Trinity (Episcopal) in Manhattan, New York on August 26, 2006. They now live in Mineola, Long Island. James can be reached at james@jamescooke.net.

Births

Alissa Barton (BA 1998) and Lloyd von Wersebe are pleased to announce the birth of their first child, Georgia Celeste von Wersebe, weighing 8 lbs. 6 oz. born on January 16, 2007. Alissa and Lloyd reside in Toronto where Alissa works for the government agency Infrastructure Ontario.

Congratulations to Joel Rodrigue (PhD candidate) and his wife Tricia on the birth of their second son, Jacob Damien Joseph Rodrigue, born on January 28, 2007, weighing 8 lbs. 10 oz.

Joanne Roberts (MA 1995, PhD 1998) and Eugene Choo would like to announce the birth of their first child, Finn Choo Bo Ping Roberts, weighing 8 lbs. 13 oz., born March 3, 2007. Joanne and Eugene both teach in the Economics Department at the University of Calgary.

Steeve Mongrain (PhD 1999) and Alicia Ostroff would like to announce the birth of their first child, Zoraya Elizabeth Mongrain, weighing 5 lbs. 11 oz. on May 22, 2007.

Alexandra Lai (BAH 1994, MA 1995, PhD 2001) and Rob Grondin would like to announce the birth of their first child, Rebecca Claire Grondin, weighing 6 lbs. 7.5 oz., born on September 21, 2006. Alex and Rob are living in Ottawa.

Congratulations to Salem Nechi (PhD candidate) and his wife Houda on the birth of their daughter, Essma, born on December 31, 2007, weighing 3.970 kgs. A little sister for Miriam!

Staff News

Congratulations to Rachael Cullick for receiving her BAH Classical Studies degree at fall convocation. Rachel left the Department in August to pursue a Master's degree. We will miss her.

We welcome Samantha Fawcett to the QED. Sam joined the Department on August 20, 2007 as the new Graduate Assistant.

We are pleased to announce that, effective August 1, 2007, Brittany Lovelock will be joining the Department as a "continuing term" staff member. She will be with us on a permanent basis from August 1st to April 30th each year.

Undergraduate Student Awards for 2007

Departmental Medalist

Nicholas Lawson

Prince of Wales Prize

(for the best academic record among BA Honours graduates in the Faculty of Arts and Science)

Thomas Carter

The Chancellor C.A. Dunning Prize in Economics

Nicholas Lawson (Medalist)

Douglas D. Purvis Prize in Economics

(for best 400-level seminar paper)

Daniel Robinson

The James Bocking Prize in Economics

(for the highest standing in ECON 445 Industrial Organization)

Jeremy Opolsky

QED Graduates Win Prizes

Jean-François Houde was awarded the prize for the best PhD thesis in the social sciences at Queen's. His thesis was entitled "An Empirical Investigation of Spatial Differentiation and Price Floor Regulations in Retail Markets for Gasoline". Dr. Houde is now an assistant professor at the University of Wisconsin, Madison.

The 2007 Scarthingmoor Prize for an outstanding MA Essay went to Lanny Zrill, a current PhD student. This prize has been made possible through the generosity of John Weatherall. The title of the essay is "Dost Thou Love Thy Neighbour?: Socialization, Social Capital, and Community". His supervisor was Robin Boadway.

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. This is certainly true for the Economics Department, where the generous bequest of the late Sir Edward Peacock (1871-1962) led to the establishment of the Peacock Professorship that brought Richard Lipsey to Queen's in 1970 and had an enormous impact on the subsequent development of the QED.

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. Note that, if you so wish, any communication with her can be entirely in confidence.

Company Matching Gift Program

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

Google us!

Type "Queen's Economics" into Google, and the QED home page comes up first. The same thing happens if you type "QED Economics". If you just type "QED", our home page is third on the list. Visit our home page regularly and see what is happening in the QED.

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.

Join Our Alumni List!

Want to hear from former classmates or get in touch with a lost friend? Add your name to our Alumni Listings page: <http://www.econ.queensu.ca/alumni/alumlist.php> where others can contact you through email. To be listed, just fill out our consent form: <http://www.econ.queensu.ca/alumni/consentform.php> and mail/fax 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.

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 Resources Assistant / Alumni
Coordinator
Department of Economics
Queen's University
Kingston, ON K7L 3N6
Tel.: (613) 533-3122 Fax: (613) 533-6668
denniej@econ.queensu.ca