

# QED NEWSLETTER



## Forty Years Ago in the QED

by Douglas Curtis

David Dodge, Robert Foster and I were the entire Arts '65 Honours Economics graduating class. Dodge went on to doctoral studies at Princeton, followed by an outstanding academic and public service career that culminated in his present appointment as Governor of the Bank of Canada. Foster went into the financial sector, later returning to Queen's to complete an MA, and, after a very successful career, is now President of Capital Canada Limited. I stayed at Queen's another year for an MA, then moved to McGill for a PhD and embarked on an academic career in the Department of Economics at Trent University. Our experiences at Queen's in the early 1960s were very different from those of today's students.

Queen's at that time was a small university of about 3500 undergraduate students, half of whom were in the Arts and Science faculty. The original Douglas Library was our main library resource. Reserve materials were on shelves in the large fourth floor reading room, which was suitably furnished with ordered rows of long tables and good hard chairs. Books not on reserve had to be ordered at the circulation desk by the call number from the card catalogue; there was no browsing in the main stacks. Government documents, on the other hand, were open and could be explored in a room on the lower level of Macdonald Hall. When the mysteries of census data, national accounts data, or financial data failed to hold your full attention, you could look out across Lower Alfred Street at the concrete wall surrounding Richardson Stadium. Neither the street nor the stadium still exists.

Non-resident food service was limited to the Student's Union (now the John Deutsch Cen-

tre), and the original Jock Harty Arena was a remarkable relic standing on Arch Street. But expansion was already underway. Ellis Hall, Macdonald Hall and Stirling Hall had recently been built, and the Economics Department was firmly at home in Dunning Hall. Construction on a new biology building was under way, and an important extension to the Douglas library was rising out of a deep excavation at the north end of the original building.

Frank Knox's lectures on the broad sweep of international economic history, delivered in Dunning Hall Auditorium, were our introduction to economics. This remarkable course attracted a large class of first year students with diverse interests, but from then on we enjoyed smaller classes. In my second year, Dave Slater's Money and Banking course had about 25 students. Alan Green's third year Macroeconomics course, which included required readings from Keynes' *General Theory*, supported by Hansen's *Guide* and Ackley's textbook, was smaller still. Tony Deutsch's International Trade course was of similar size. We were now 10 – 12 students taking Economics as either a major or a minor in our degree programs. Although our classes were small, students still had a variety of academic backgrounds and degree plans. I don't recall that we three thought of ourselves as the honours degree class at this stage in our work, because we had followed different paths through the curriculum.

In our fourth year, when the general BA students had graduated, there were just the three of us for the study of Pigou's *The Economics of Welfare*, Little's *Critique of Welfare Economics* and supporting readings with C.A. Curtis. This was a unique experience.

Furthermore, we were all now involved with our required Honours BA theses and with preparations for the two General Examinations in Economics. These we had to write in addition to our final course examinations to meet the requirements for the honours degree.

Although we were a graduating class of three, our broader activities within the university were quite different. Robert Foster played a large role in student government and was AMS President in his final year. David Dodge won a Tri-Colour Award for his participation in the *Queen's Journal* and other non-athletic extra-curricular activities. I found my diversions from academic work in the executive of the Tri-Colour Autosport Club and in the opportunities for hiking, paddling, sailing and skiing within easy reach of the Kingston area.

In the winters of 2003 and 2004, I returned to the Queen's Economics Department as a visiting faculty member to give a research seminar course on monetary and fiscal policy for final year honours students. It was an honour and a pleasure to supervise these students in small classes as they worked on their research projects and presented their research papers. Although the university and the department are much larger now, Honours degree students in Economics still have the opportunity to choose a research topic, to explore it in a small research project, and to present and discuss their findings in a seminar.

*Douglas Curtis was one of three members of the Honours class of 1965. He also has a Queen's MA (1966) and a McGill PhD (1972).*

## Message from the Head



Since the first *QED Newsletter* appeared in 1980, it has been redesigned several times. This was often done simply to reduce the costs of printing and/or mailing. This time, however, the new design is intended to make the *Newsletter* more attractive and more interesting. We hope you agree that this is the best-looking issue ever.

The Department's web site, at [www.econ.queensu.ca](http://www.econ.queensu.ca), has also been completely redesigned. If you have not visited the web site within the past six months, you will find it greatly changed. It now features a different picture of Dunning Hall every day, along with many new pages. In particular, you may wish to visit the page called "People from the QED's Past" under "Alumni Focus", which provides links to articles about a number of former faculty members. In future, we hope to immortalize more former QED faculty members, and others associated with the Department, in this way. Suggestions for additions to this section would be very welcome.

The last year has been an exciting one for me and for the Department. We hired two new faculty members, Li Hao (a Chicago PhD) from the University of Toronto as an Associate Professor, and Thorsten Koepl (a Minnesota PhD) from the European Central Bank as an Assistant Professor. They are both great additions to the QED. The year 2004 also recorded some outstanding achievements by current and recent students; see the item entitled "Outstanding Students" and the article by Uliana Kojolianko.

During the past year, we have also come very, very close to completing our campaign for the David Chadwick Smith Chair. In fact, we now have permission to begin the process of filling the Chair with a July, 2006 target date, conditional on meeting certain financial goals, which we hope to have met by the spring of this year. The Smith Chair is a unique achievement. It is the only Chair funded by a broad, public campaign in the recent history of Queen's. All of us are very grateful to the many friends of David Smith and the many dedicated QED alumni who have contributed so generously to this project. While further contributions remain very welcome indeed, we will now be turning most of our attention to other projects, two of which are discussed on the last page of this issue.

One of the most important parts of my job is to persuade the University to allocate more resources to the Department, which has far fewer faculty members today than it did a decade ago, even though student numbers are up. Support from alumni can be very helpful in this task. If we can show the administration that QED alumni value the education they received at Queen's, want future students to be given the same opportunities they had, and are willing to support the Department themselves, I believe that I will be able to make a convincing case for the University to provide stronger support.

Some of you are receiving the *QED Newsletter* for the first time. If that is because you graduated within the past year, please accept my congratulations. If you graduated many years ago, however, please accept my abject apologies. We have recently discovered that the University's records are incomplete, particularly for students from the sixties and early seventies. In quite a few cases, the records do not show that a student has a degree in Economics. We are trying to track down missing QED graduates, but it is a slow process. If you are in regular contact with other alumni, please ask them if they have been receiving the *QED Newsletter*. If not, they should contact us.

James MacKinnon  
[jgm@econ.queensu.ca](mailto:jgm@econ.queensu.ca)

## QED Research Prize

The Queen's Economics Research Prize recognizes the research achievements of QED faculty members. The first two winners, for 2001 and 2002, were Professors Shouyong Shi and Ruqu Wang. The 2003 Prize was recently awarded to Professor Huw Lloyd-Ellis. His research is on the implications of market-driven technological and organizational change for growth, inequality and cyclical fluctuations, and on the design of federal government debt management strategies in the face of macroeconomic risk.

## QED Grads in Italy

The 60<sup>th</sup> Annual Congress of the International Institute of Public Finance held in Milan, Italy August 23-26, 2004 was almost a homecoming for QED alumni. The IIPF is the pre-eminent international organization of public finance scholars from countries around the world. Thirty years of QED public economics tradition was well represented. Eleven QED PhDs participated in the program, most presenting papers. They included (in order of beauty, then age) Jean-François Tremblay, University of Ottawa (PhD 2003); Yukihiro Nishimura, Yokohama National University (PhD 2002); Katherine Cuff, McMaster University (PhD 2000); Masayoshi Hayashi, Hitotsubashi University and Ministry of Finance Japan (PhD 1998); Motohiro Sato, Hitotsubashi University (PhD 1998); Nicolas Marceau, Université du Québec à Montréal (PhD 1992); Jean-François Wen, University of Calgary (PhD 1993); Steve Clark, OECD (PhD 1989); Ugurhan Berkok, Royal Military College (PhD 1989); George Warskett, Carleton University (PhD 1976); and Robin Boadway, Queen's University (PhD 1973). Also in attendance were some former visiting QED faculty members, including Michael Keen, IMF and currently the President of the IIPF; Dave Wildasin, University of Kentucky; and Ben Lockwood, University of Warwick. It was a great opportunity — and a great location — to renew acquaintances and exchange views. Most of those mentioned above continue to maintain contact throughout the year, and in many cases they pursue joint research projects.

# Exchange Rates and Cross-border Shopping

by Bev Lapham

Bev Lapham is an Associate Professor in the Department of Economics here at Queen's. Below she describes her recent work with Jeffrey Campbell of the Federal Bank of Chicago on retail industries' dynamic responses to demand fluctuations.

The nominal exchange rate between the U.S. and Canada has fluctuated considerably over the last thirty years. These exchange rate movements often cause the same good to sell for different prices in the two countries. In response to these price differences, consumers living near the U.S.-Canada border can travel to purchase goods in the country with the lower prices.

The figure illustrates the extent to which these international price differences induce consumers to cross the border to shop. This figure plots the real exchange rate from 1972-2003 (measured as the ratio of the U.S. consumer price index multiplied by the nominal exchange rate to the Canadian consumer price index) where increases in this variable reflect a rise in the relative price of goods sold in the U.S. The figure also plots the number of automobiles originating in each country that cross the border and return the same day. This variable is the official measure of cross-border shoppers used by Canadian government agencies. During the appreciation of the Canadian dollar between 1986 and 1992, the number of Canadian one-day trips increased dramatically. When the Canadian dollar subsequently depreciated, the number of Canadian trips fell while American trips increased. The spike in Americans traveling to Canada in 1980 and 1981 came at a time when the Canadian National Energy Policy greatly reduced the price of gasoline in Canada relative to the U.S.

In the article "Real Exchange Rate Fluctuations and the Dynamics of Retail Trade Industries on the U.S.-Canada Border", Jeffrey Campbell and I argue that this evidence implies that real exchange rate changes act as demand shocks for retailers near the U.S.-Canada border. Border-area retail industries can respond to such demand shocks through changes in the number of firms operating, or changes in the number



of employees in existing firms, or through both margins. To examine the responses of these industries, we estimate the effects of real exchange rate movements on the number of firms and their average employment in four U.S. retail trade industries located near the border. An exploration of the different margins of adjustment is important because much of microeconomic theory assumes that the number of firms is fixed in the short-run and entry in response to an increase in demand occurs only in the long-run. Our results shed light on the speed of the transition to the long-run in retail industries.

We restrict attention to four industries for which cross-border shopping appears to be confined to border areas: food stores, gasoline stations, restaurants, and drinking places. Our selection of industries allows us to treat U.S. retailers which are *not* located near the border (which we argue are unaffected by cross-border shopping) as a natural control group for comparison with the experiences of border retailers. This novel feature of the data allows us to separate the demand effects from the cost effects of exchange rate movements on retailers near the border.

In food stores, gasoline stations, and restaurants, we find that the number of firms responds relatively rapidly (in one year or less) to demand shocks. Hence, what economists might label as a *long-run* response in which an industry accommodates changes in demand by changing the number of firms while keeping the output of each firm constant, apparently characterizes these industries' *short-run* fluctuations. These findings are consistent with the view that the creation and destruction of firms is central to retail industries' dynamics and suggests that retail trade's fluctuations differ from those of manufacturing which are dominated by changes at existing firms. In drinking places, however, we find that the number of employees per firm rises when alcoholic beverages in the U.S. become less expensive than in Canada but there is almost no change in the number of operating firms. This may reflect the well-known licensing restrictions on entry in this industry.



## Frank Knox by Alan Green



Photo courtesy of Queen's University Archives,  
Department of Alumni Affairs

Frank Knox, who taught continuously in the Department from 1924 to 1964, was a legend in his own time. He was widely acknowledged as one of the great teachers at Queen's. For most of his career, he taught what was then the first course in economics, Econ 4. This was a wide-ranging course that embraced economic history and economic geography. It was quite common at the time to have such a course in the first year, leaving economic theory until the second.

Much of Knox's time and energy went into teaching both Econ 4 and his third-year courses in business cycles and monetary policy. He was constantly revising these courses so that his lectures remained fresh. He enjoyed the give and take of the classroom, and he often chose topics that would ignite reaction from the students, especially on current policy issues. In recognition of his commitment to teaching, the AMS created the Frank Knox Teaching Awards in 1979.

In what might almost be seen as an extension of his classroom work, Knox served as editor of the *Canadian Banker*, the journal of the Canadian Bankers Association, from 1940 to 1957. In it, he wrote a quarterly feature entitled "The March of Events". The latter was a thoughtful essay on monetary policy and the current state of the Canadian economy.

Knox was born in Orono, Ontario. He taught primary school for two years before enlisting in the army, serving overseas from 1916 to 1918. Knox entered Queen's in 1919 and graduated with a degree in economics and history. He subsequently went to Harvard for a year and then finished the course work for his PhD at Chicago, but he never completed his dissertation. Knox's work on estimating and analyzing the

Canadian balance of payments for the period 1914 to 1926 has stood the test of time. This work bridged the gap between Jacob Viner's estimates, which ended in 1913, and the beginning of the official balance of payments figures in 1926. His work figured prominently in the Royal Commission on Dominion-Provincial Relations, the famous Rowell-Sirois Report of the 1930's.

Between 1951 and 1956, Frank Knox was Head of the QED. It was during this time that he founded and helped finance the Institute for Economic Research (IER). The purpose of the Institute was to bring together young scholars from across the country for the summer so that they could pursue their research at Queen's. In the first decade of its existence, a score of books and over 160 articles were published by the IER.

Perhaps Knox's greatest contributions were made in the years immediately after World War II, when the University was overwhelmed by returning veterans. As a veteran of WWI, Knox was able to relate to the problems faced by these veterans. From 1946 to 1949, he and the other instructors in the Department taught continuously, starting up a new term shortly after marking the papers from the previous one. During this period, he ran three sections of Econ 4 while making trips to Ottawa to advise the government on postwar economic problems.

Frank Knox retired in 1964 and died at the age of 81 in 1977. He was a kind, gentle person who loved to read and to teach. His dedication influenced several generations of students at Queen's who were lucky enough to have taken one of his classes.

## In Memoriam Jon Pollock Harkness 1941 - 2004



Jon Pollock Harkness, who was both a student and a faculty member in the QED, was born in Toronto on February 3, 1941. He died peacefully at home in Kingston on April 5, 2004.

Following graduation from North Toronto Collegiate in 1958, Jon went to Carleton, where he received a BA. Jon received his doctorate in Economics from Queen's in 1969 and went to Harvard on a post-doctoral fellowship. He accepted his first faculty appointment at Northwestern in one of the world's leading Economics departments. In 1975, Jon returned to Canada, first to McMaster, and then, in 1979, to Queen's.

Jon Harkness was a leading researcher in the areas of International Economics and Monetary Theory. He produced path-breaking work, notably on international trade patterns, that appeared in leading journals. Some of his work

focussed on the relationship between resource endowments, the supplies of labour and capital across different countries, and the pattern of international trade. Using what were then novel statistical techniques, he resolved several empirical puzzles, such as why a country like the United States, with large endowments of land and resources, exported goods that used capital intensively.

Jon was legendary for his sense of humour. There was hardly anything Jon said that wasn't funny. Shortly after coming to Queen's, he gave the keynote address at the annual Canadian Economics Association meetings. The talk was not only, like Jon's work, elegant and insightful, it was also perhaps the most entertaining hour ever spent at that conference.

In the 1980s, Jon was afflicted with multiple sclerosis. Always an excellent instructor, he continued to teach, towards the end with help of a computer and specially fitted microphone. After he was in a wheelchair and could no longer meet classes, Jon continued to come to the office, almost every day, for fifteen years. Throughout, Jon was assisted by his attendant and friend, John Tyo. He was delighted when, in the year 2000, his daughter Kate joined the faculty of the Psychology Department at Queen's.

Early in March, Jon came to the office as usual, said goodbye to the people he knew from earlier days, and went home for the last time.

## Outstanding Students



Beverly Lapham presents the James Bocking Prize to David Schraven.

At the Spring 2004 convocation, our undergraduate Medalist, **David Schraven**, was awarded the Prince of Wales Prize for top student in the Faculty of Arts and Science. In addition, he was awarded the prestigious Governor General's Silver Medal, which is given to the top graduating student at Queen's from any bachelors program including Applied Science, Arts and Science, Commerce, and Health Sciences. This medal is rarely won by an Arts and Science student, so it is indeed a signal honour. David now lives in New York City and is a Financial Analyst at Citigroup Global Markets.

At the same convocation, **Alok Kumar**, who received his PhD and is now teaching at the University of Victoria, won the Governor General's Gold Medal, which is awarded annually to two graduate students who have achieved the highest academic standing in their degree programs. Alok also won the 2004 C.A. Curtis prize for the best doctoral thesis in Economics. His thesis was entitled *Search, Market Power, and the Dispersion of Wages and Prices*. His supervisor was Allen Head.

**Motohiro Sato**, a past winner of the Curtis Prize (1999), has recently won three impressive awards in Japan for a book he co-authored entitled *Economics of Intergovernmental Transfers (Local Allocation Tax): Theory, Evidence and Policy Proposal*. One award is from the National Institute for Research Advancement in Japan, which is given annually to two or three books on econom-

ics/policy. The second one is from a tax policy institute in Japan. The last one is the most prestigious award in the field of economics and public policy in Japan, the award from Japan Economic Newspaper (Nikkei), which was officially announced November 3, 2004.

## Student Awards for 2004

### Departmental Medal

David Schraven

### The James Bocking Prize in Economics

David Schraven

### The Chancellor C.A. Dunning Prizes in Economics

David Schraven (medalist)

James Fenske (best thesis)

### Professor F.A. Knox Prize

James Reid

### The Gowan Foundation Prize

James Reid

### Douglas D. Purvis Prize in Economics

Adam Birkin

### The Palmer Hoar Memorial Book Prize in Intermediate Micro Theory

Jonathan Beauchamp, Bennett Haynen, Kim Ho, Derek Lin

## Annual Fourth-Year Dinner

The annual 4th-year dinner was held at the University Club on September 30, 2004. It featured Professor David Laidler, from the University of Western Ontario, as the guest speaker. Both students and faculty members enjoyed his fascinating talk, "Monetary Policy after the Bubble Burst". Several local businesses, the Dean's Office, and the QED's Economics Trust helped to sponsor the dinner. We hope to continue this valuable educational and social event in future years, and it would be great to find a sponsor. If you are interested, please contact Jennine Ball or James MacKinnon.

## Public Lectures

Orley Ashenfelter, the Joseph Douglas Green 1895 Professor of Economics at Princeton University, presented the second W. Edmund Clark Distinguished Lecture on Public Policy on October 15, 2004. Professor Ashenfelter's talk was entitled "Evolution of the Global Labour Market: Change versus Continuity".



Mackintosh visitor Richard Blundell

Richard Blundell, the Leverhulme Research Professor at University College London, presented the W.A. Mackintosh Lecture on November 11, 2004. His topic was "How Revealing is Revealed Preference? Understanding Consumer Rationality and Consumer Choices". Professor Blundell was the President of the European Economic Association in 2004 and will be President of the Econometric Society in 2006.



Sheneil Kanjithani, Chair of the DSC, with David Laidler.

# Passage to China: A first-hand look at the vibrant market

by **Uliana Kojolianko**

In 1453, Europe's network of traders was struck with a major setback. No longer could their thirst for exotic goods from China – its refined porcelain, its finely spun silk – be satisfied by a short commercial journey. With the Turks' takeover of Constantinople, now Istanbul, the one seaport most crucial to the trading system collapsed. China's hot market would have to wait until the traders found another route to this distant empire. Over five hundred years later, we in North America are no less interested in China's trading power than were our European predecessors. In 2005, from manufacturing to IT, Chinese industry is heating up by the quarter. Last summer, Canada dispatched a modern contingent of explorers to tap into this potential, of which I was part.

The organisation behind the initiative is Global Vision (GV), and the program is Junior Team Canada (JTC). As the junior component of the prime minister's Team Canada, JTC selects several dozen students each year from across the country to represent their regions on a trade mission abroad. I first became involved with GV a year ago when I attended their one-day conference on international business and relations in Ottawa. A few months later, I launched Kingston's inaugural Global Leaders Centre (formerly under the name of JTC Training Centre) with the support of the QED. The conference, held in Dunning Hall, brought together professors, senior university representatives, and a range of government and Kingston business leaders to work alongside internationally-minded Queen's students.

From the set of such Global Leaders Centres, 600 applicants were short-listed to make a team of 34 chosen based on demonstrated leadership capacity and initiative. Each of us faced the task of collecting \$4,000 in sponsorship from export-oriented companies and internationally-minded organisations interested in having market research conducted on their behalf. Several government agencies, Kingston-area businesses, and the University extended exceptional support to this international initiative, and a most helpful contribution from the QED was in fact my first sponsorship success.



*Uliana thanking Canada's Ambassador to China, Joseph Caron (left), and Trade Commissioner Michael Martin (right) following a briefing at the embassy in Beijing.*

With the preparations finally complete, I arrived in Ottawa for a week of training at the Department of Foreign Affairs and International Trade to start off the three-week mission. Briefings with the heads of the Asia Pacific Division, the PM's Team Canada, CIDA's China Division, and the Chinese Embassy highlighted our time in the capital.

Once in Beijing, the personal aspect of the Asian business environment became paramount, as it is there that custom places great importance on respect, humility, and 'saving face'. The exchange of business cards stands as a ritual in itself, wherein a deviation from the norms of presentation and acceptance (i.e. card facing up, presented with two hands, admired for several moments, and *never* placed in one's pocket) can cause insult and therefore lead to 'losing face'.

From practising the unique business and cultural etiquette of the region, to hearing from ministers and trade commissioners, the mission granted the opportunity to directly experience the on-the-ground realities that lie behind the GDP growth statistics we study in macro, hear on the daily news, and apply in the workplace. These realities, as I've come to appreciate, often carry characteristics that we seldom recognise from our distant position.

While many questions arose throughout the experience, and the answers were both varied and often rhetoric-laden, an overarching theme came to direct my focus: How do we reconcile the unprecedented economic empowerment of the modern Chinese consumer with enduring socio-political entrapment? What is it that makes this system reproduce, and reproduce so successfully? From the role of education in socialising the young, to the traditional significance of power and rank, this hybrid structure offers a dynamic economic laboratory. One point has certainly become tangible: recognising the significant catch-up effect it faces, China has and will continue to invest heavily into building itself as the economic powerhouse of the continent, if not the world. This, we have come to see close to home in recent months. Geo-politically and economically, China is poised to stand as a major player on the international stage, and it is indeed up to us to develop, evaluate, and re-evaluate our increasingly focal China strategy.

*Uliana Kojolianko is a third-year major at the QED. A Millennium Scholar, she speaks five languages fluently, has a working knowledge of three others, and is currently on a one-year exchange in France.*

## Alumni News

Masayoshi Hayashi (MA 1995, PhD 1998) and Yuriko are happy to announce the birth of their second child, Misato weighing 7 lbs. 8 ozs. on February 26, 2004. A sister for Tsugumi. Masa is a Principal Economist with the Policy Research Institute, Ministry of Finance, Government of Japan.

Todd Mattina (BAH 1994, PhD 2002) and Loretta Nott (MA 1998) are happy to announce the birth of their first child, Abigail Robyn Mattina weighing 9 lbs. on April 5, 2004. Todd is an economist with the International Monetary Fund and Loretta is on leave from the Congressional Research Service. Todd and Loretta reside in Rockville, Maryland.

David Watt (MA 1991) and Julia Purdy would like to announce the birth of their first child, Emma Mary Purdy Watt weighing 8 lbs. 11 ozs. on April 29, 2004. David is a Senior Economist with BMO Nesbitt Burns in Toronto.

Max Blouin (MA 1992) and Lisa Wu (MA 1992) would like to announce the birth of their second child, Thomas Russell Wu-Blouin weighing 7 lbs. 4 ozs. on May 18, 2004. A brother for Billy; a station wagon for the family. Max and Lisa reside in Montreal-West, QC.

Maurice Roche (PhD 1991) and Margie Joyce would like to announce the arrival of their second child, Kateri Duangpon Mairead. Kateri joined the Roche family on June 7, 2004. A little sister for Donovan who is 5. Maurice teaches in the Economics Department at the National University of Ireland, Maynooth, Ireland.

Oana (PhD 2003) and Marius Secrieru are happy to announce the birth of their first child, Lorelei Secrieru weighing 8 lbs. 14 ozs. on August 22, 2004. Oana is on leave from the Bank of Canada. Oana and Marius reside in Ottawa.

Michelle Reinsborough (MA 2001) and Ken Brownlee were married on October 2, 2004. Michelle is a Senior Review Officer with the Climate Change Project Office in the Treasury Board of Canada, Secretariat in Ottawa. The Brownlee's live in Ottawa.

Travis Armour (MA 1994), former lead rapper of Dunning Hall's EWA (Economists With Attitude), continues to reside North of 60 in Yellowknife, NWT. He recently received a national Public Service award for his work in government accountability and results-based management – helping governments shift strategic planning focus from activities (outputs) to results (outcomes). He will be releasing his third indie-rock album (Anodyne) in the fall, under the title of “Northwest Terrorstories”.

When Karel Kosman (BAH 1991), returned to visit Prague, the city of his birth, he was amazed to find an incredible renaissance underway there. To see Karel's full story, please visit the QED website under the section “Alumni” at <http://www.econ.queensu.ca/alumni/>.

When people ask Barrie B.F. Hebb (BAH 1996) how he ended up in Odessa, Ukraine, this year or why he is working for the Open Society Institute, his training in rigorous economics makes him want to answer that it was a random error, an unexpected occurrence, or stochastic, “white”, noise. He has no scientific explanation for why he is there and it does not seem to matter whether the question is specific or general. Instead, all he has is utilitarian logic to hold on to in times like these because all he can answer ultimately is that he likes his work without really knowing completely why. To see his full story, please visit the QED website under the section “Alumni” at <http://www.econ.queensu.ca/alumni/>.

## QED Alumnus is Literally at King and Bay



*Eric Tripp with his office in the background.*

A keen interest in financial markets helped lead Eric Tripp (BAH 1981) to Queen's in 1977 to study Economics. At the time, the derivative markets were beginning to develop in Canada, and Eric dove in with the assistance of Gordon Sparks to complete a thesis which studied the efficiency of the Canadian T Bill Futures Market. Following an MBA and further academic discovery in the world of futures, Eric found himself on the 50th floor of First Canadian Place working for the market leader in the field at the time, Burns Fry Limited. The concept of risk transfer or hedging was just becoming legitimized within many corporations, so they were pioneers of a kind of voodoo financial product, which was a challenge in the conservative Canadian financial markets of those days.

After some 21 years in the business, Eric Tripp is now Vice-Chairman of BMO Nesbitt Burns Inc. with responsibility for the firm's institutional equity business worldwide. Literally seated at the corner of King and Bay, Eric goes back almost every day to his basic economics training at Queen's to try and grasp how the world's financial markets are going to react to economic data, and what the impact will be within the North American equity markets. “There is no doubt in my mind that the QED played a prominent role in my ability to succeed in the financial markets”, says Eric. So if you want to sit closer to King and Bay than anyone else in the country, maybe the QED is the place to start.

## QED Receptions in Toronto and Ottawa

During the past few years, the Department has hosted a number of alumni receptions. The most recent one was held in Toronto at the National Club (303 Bay Street) on May 26, 2004. A large number of Toronto-area alumni attended, as did numerous QED faculty and staff. Also present was David Dodge (BAH 1965), the Governor of the Bank of Canada, who was in Toronto on business. If the difficulty we had getting everyone to leave at the end is any guide, this was a very successful evening.



*James MacKinnon, Robert Gentile (BA 1997) and David Dodge (BAH 1965) relax at the Toronto reception.*

We will continue to hold receptions in Ottawa and Toronto as frequently as resources permit, so long as interest remains strong. We currently plan to host another Ottawa reception in the late spring of this year. We would welcome assistance from any one who would like to help us organize these events. Are there enough QED alumni in any other city to justify us holding a reception there? Please get in touch with Juanita Dennie if you would like to help us organize a reception anywhere.

## Donations to the QED

The wonderful generosity of many QED alumni has been enormously valuable over the years. We are always happy to accept donations to the **Economics Trust**, which funds a variety of student and faculty initiatives, or to any of our major fundraising projects, two of which are described below. Please remember that all gifts to Queen's University can always be directed to any project of your choice.

## The Douglas D. Purvis Professorship

Now that our efforts to establish an endowed chair in honour of the late David Smith have almost come to fruition, we are turning our attention to another important project. Doug

Purvis was a remarkable colleague, teacher, and friend who died tragically in January of 1993 after an accident that occurred over the Christmas vacation. In his memory, the Department has established the Douglas D. Purvis Professorship. The first holder is Gregor Smith.

The amount of money in the Purvis fund is just a little more than half the minimum amount currently required to establish a professorship at Queen's. Thus, if the Purvis Professorship is to provide a proper memorial to Doug and help the Department in a substantial way, it needs a much larger endowment. For more information, or to make a contribution, please contact James MacKinnon or Juanita Dennie.

## 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 in the Department until his death in late 2002, although he nominally retired in 1979. Mac made many contributions to Economics in Canada over a very long period of time. What is perhaps his most important book was published in 1993, when he was 79.

In keeping with Mac's long-held belief that economic theory is the key to understanding all sorts of real-world phenomena, the Malcolm Urquhart Memorial Fund is intended to support courses in the broad area of economic theory. Income generated by the fund will be used to help the QED offer more undergraduate courses in this area. We hope that many friends of the QED will join with us in commemorating the extraordinary contributions of Mac Urquhart to Queen's and to Economics in Canada by contributing to this fund. For more information, or to make a contribution, please contact James MacKinnon or Juanita Dennie.

## 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 also 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 Doug Puffer. Note that, if you so wish, any communication with him can be entirely in confidence.

## 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 have a job posting which you would like circulated to our current students and/or alumni, please send it to:

MA and PhD (graduate-level) postings:  
Juanita Dennie  
[denniej@econ.queensu.ca](mailto:denniej@econ.queensu.ca)

BA/BAH (undergraduate) postings:  
[ugcareers@econ.queensu.ca](mailto:ugcareers@econ.queensu.ca)

## 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 get listed, just fill out our consent form: <http://www.econ.queensu.ca/alumni/consentform.php> and mail/fax it to: Juanita Dennie, Alumni Coordinator, Department of Economics, Queen's University, Kingston ON K7L 3N6; fax 613-533-3081.

## 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.

Messages can be sent to:

Juanita Dennie  
Career Resources Assistant /  
Alumni Coordinator  
Department of Economics  
Queen's University Kingston, ON K7L 3N6  
Tel.: (613) 533-3122 Fax: (613) 533-3081  
[denniej@econ.queensu.ca](mailto:denniej@econ.queensu.ca)