



NEWS RELEASE

The Federal Reserve Bank of St. Louis
St. Louis Little Rock Louisville Memphis

Media Advisory

For release:
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WHAT: Midwest Macroeconomics Conference

WHEN: April 17, 18 and 19

WHERE: Federal Reserve Bank of St. Louis (April 17: 1 p.m. to 5 p.m.)
411 Locust Street

Holiday Inn (April 18: 8:30 a.m. to 6 p.m.; April 19: 9:30 a.m. to 12 p.m.)
7730 Bonhomme Avenue
Clayton, Missouri

WHO: Macroeconomists from around the United States, Canada and other countries, including: V.V. Chari, the University of Minnesota; Bruce Smith, the University of Texas; and John Taylor, Stanford University.

WHY: Organized twice a year by a group of research-oriented macroeconomists from institutions around the Midwest, the conference is a forum for the presentation and discussion of current research ideas in macroeconomics. Many of the economists at the conference publish in the leading academic journals.

A schedule of speakers, topics and times is attached.

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MIDWEST MACROECONOMICS PRELIMINARY AGENDA

APRIL 17-18-19, 1998 IN ST. LOUIS, MO

1. FRIDAY 1:00 PM PARALLEL SESSIONS

At the Federal Reserve Bank, 30 minutes per paper.

1.1. Inflation targeting.

- : Mike Pakko, "Dynamic Shoe-Leather Costs of Inflation."
- : Paul Gomme and David Andolfatto, "Monetary Policy Regimes and Beliefs."
- : Bill Gavin and Rob Dittmar, "Inflation Versus Price Level Targeting."

1.2. Econometric theory.

- : David Tufte, "Two New Tests of Business Cycle Duration Dependence."
- : Peter Zadrozny and Baoline Chen, "An Extended Yule-Walker Method for Estimating a Vector Autoregressive Model with Mixed Frequency Data."
- : John Keating, "Structural Inference with VAR Models that are Identified by Long-Run Recursive Orderings."

1.3. Tax policy.

- : Thomas Renström, "Tax Evasion, Growth and Distribution."
- : David Domeij and Paul Klein, "Pre-announced Optimal Tax Reform."
- : Scott Baier and Gerhard Glomm, "Taxation, Transfers, Public Investment and Growth."

2. FRIDAY 2:30 PM

: Break

3. FRIDAY 3:00 PM PARALLEL SESSIONS

At the Federal Reserve Bank, 30 minutes per paper.

3.1. Liquidity.

- : Daniel Thornton, "The Federal Reserve's Operating Procedure, Nonborrowed Reserves, Borrowed Reserves and the Liquidity Effect"
- : Young Sik Kim, "Liquidity, the Interbank Market, and the Role of the Central Bank."
- : Guang-Jia Zhang and Scott Hendry, "Liquidity Effects and Market Frictions."

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3.2. Regional interaction.

- : Gregory Hess and Kwanho Shin, "Risk Sharing by Households Within and Across Regions and Industries."
- : Mario Crucini, "Fiscal Policy and the Cyclicalilty of Regional Economic Activity in Canada."
- : Jon Moen and Ellis Tallman, "Clearinghouse Access and Bank Runs: Comparing New York and Chicago During the Panic of 1907."

3.3. Fiscal policy.

- : Peter Rangazas, "Intergenerational Transfer Motives and Macroeconomics."
- : Steve Cassou and Kevin Lansing, "Optimal Fiscal Policy and Productivity Growth in the OECD."
- : Laura Marsiliani, "Tax Earmarking and Externalities in an Overlapping Generations Economy."

4. FRIDAY 4:30 PM

- : Break

5. FRIDAY 5:00 PM

- : Plenary Session: John Taylor, topic to be announced.

6. FRIDAY 6:00 PM

- : Reception in the Federal Reserve Bank lobby.

7. FRIDAY 7:00 PM

- : Conference Dinner at the Federal Reserve Bank.

8. SATURDAY 8:30 AM PARALLEL SESSIONS

At the Holiday Inn in Clayton, MO, 30 minutes per paper, 25 minutes per paper in the labor session.

8.1. Monetary policy and economic performance.

- : Ralph Chami, Thomas Cosimano, and Connel Fullenkamp, "Ownership of Capital in Monetary Economies and the Inflation Tax on Equity."
- : James Bullard and Christopher Waller, "Central Bank Design in General Equilibrium."
- : Derek Laing, Victor Li, and Ping Wang, "Inflation and Economic Activity in a Multiple Matching Model of Money."

8.2. Labor markets.

- : William Blankenau, "A Welfare Analysis of Policy Responses to the Skilled Wage Premium."
- : Benoit Julien, John Kennes, and Ian King, "Bidding for Labor."
- : John Laitner, "Earnings Within Educational Groups and Overall Productivity Growth."
- : Martin Boileau and Michel Normandin, "Aggregate Employment, Real Business Cycles, and Superior Information."

8.3. Market frictions.

- : John Fender and Ping Wang, "Educational Choice, Credit Constraints, and Public Policy."
- : Joydeep Bhattacharya and Caroline Betts, "Credit Rationing, Unemployment, and Capital Accumulation: A Tale of Two Frictions."
- : Tinni Sen and John Conlon, "Optimal Behavior Under Mixed State and Time-Dependent Pricing Rules."

9. SATURDAY 10:00 AM

- : Break

10. SATURDAY 10:30 AM

- : Financial Session: Thomas Cooley, "Monetary Policy and the Financial Decisions of Firms."

11. SATURDAY 11:30 AM

- : Search for lunch in Clayton.

12. SATURDAY 1:00 PM PARALLEL SESSIONS

At the Holiday Inn in Clayton, MO, 25 minutes per paper, 30 minutes per paper in heterogeneous agents session.

12.1. Asset price behavior.

- : J. Huston McCulloch, "The Inflation Premium Implicit in the U.S. Real and Nominal Term Structures of Interest Rates."
- : Parantap Basu and Matthew Morey, "Economic Liberalization and the Behavior of Emerging Stock Market Prices."
- : George von Furstenberg and Michael Gapen, "Conditional Indexation Bias in Yields Reported on Inflation-Indexed Securities, With Special Reference to Udibonos and TIPS."
- : Barry Jones and Travis Nesmith, "Exact Deterministic and Stochastic Interest Rate Aggregation."

12.2. Expectations and business cycles.

- : Gwen Eudey and Roberto Perli, "Nonlinearities in Expectations Over the Business Cycle."
- : Mike Dueker and Andreas Fischer, "Switching Persistence Parameters in a Monetary Business Cycle Model."
- : Laurence Ball and Dean Croushore, "Expectations and the Effects of Monetary Policy."
- : Christopher Otrok, "Spectral Welfare: Illustrating the Quantitative Implications of Time-Non-Separable Preferences."

12.3. Heterogeneous agents.

- : Wenli Li, "Capital Constraints and Firm Heterogeneity Over Business Cycles."
- : Robert Becker and Ciprian Foias, "Implicit Programming and the Invariant Manifold for Ramsey Equilibria."
- : Peter Rangazas and Steven Russell, "Understanding Dynamic Efficiency Criteria."

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13. SATURDAY 2:30 PM

: Break

14. SATURDAY 3:00 PM PARALLEL SESSIONS

At the Holiday Inn in Clayton, MO, 30 minutes per paper.

14.1. **Media of exchange.**

- : Charles Kahn and Will Roberds, "Demandable Debt as a Means of Payment: Banknotes Versus Checks."
- : Dean Corbae and Joseph Ritter, "Money and Search with Enduring Relationships."
- : Joseph Haslag and Jim Dolmas, "Specialization and the Effects of Transactions Costs on Equilibrium Exchange."

14.2. **Laboratory experiments.**

- : Ken Matheny, Charles Noussair, and M. Olson, "An Experimental Study of Decisions in Dynamic Optimization Problems."
- : Eric O'N. Fisher, "Explaining Bubbles in Experimental Asset Markets."
- : John Duffy and Jack Ochs, "Fiat Money as a Medium of Exchange: Experimental Evidence."

14.3. **Trade.**

- : Selahattin Dibooglu, "Aggregate Supply, Domestic Absorption, and Terms of Trade: A Structural Decomposition of the U.S. Trade Balance."
- : David Gelernter, "Common Versus Country-Specific Shocks and G-7 Current Account Fluctuations."
- : Jun Ishii and Kei-Mu Yi, "The Growth of World Trade."

15. SATURDAY 4:30 PM

: Break

16. SATURDAY 5:00 PM

: Plenary Session: V.V. Chari, topic to be announced.

17. SATURDAY 6:00 PM

: Reception sponsored by Macroeconomic Advisers, LLC.

18. SATURDAY 7:30 PM

: Dinner in Clayton by assigned groups.

19. SUNDAY 9:30 AM PARALLEL SESSIONS

At the Holiday Inn in Clayton, MO, 30 minutes per paper.

19.1. Growth.

- : Chris Papageorgiou, "A Research-and-Development-Based Growth Model with Endogenous Human Capital."
- : Michael Sadler and Scott Freeman, "Stages of Growth and the Distribution of Income."
- : Pietro Peretto, "The Dynamics of Market Structure and Growth: The Role of Market Size, Subsidies, and Corporate Income Taxes."
- : Satyajit Chatterjee and B. Ravikumar, "Minimum Consumption Requirements: Theoretical and Quantitative Implications for Growth and Distribution."
- : Bonnie Wilson, "Stock Markets and Growth in a Small Stochastic Open Economy."

19.2. Issues in empirical macroeconomics.

- : Paul Newbold, Stephen Leybourne, and Mark Wohar, "Is U.S. Real GNP, 1875-1993, Trend-Stationary or Difference Stationary? No."
- : Stephen Murchison and Pierre Siklos, "Central Bank Reaction Functions in OECD Economies: Are They Informative About the Conduct of Monetary Policy?"
- : Richard Anderson, Dennis Hoffman, and Robert Rasche, "A Vector Error Correction Forecasting Model of the U.S. Economy."
- : Soyoun Kim, "Monetary Policy Rules and Business Cycles."
- : David Biven, "Linear-Quadratic Versus Ad Hoc Inventory Models: A Comparison of Explanatory and Predictive Abilities."

19.3. International monetary economics.

- : Valerie Bencivenga, Elisabeth Huybens, and Bruce Smith, "What to Stabilize in the Open Economy? Some Notes on a Problem of Keynes."
- : Jill Ann Holman, "International Transmission of Anticipated Inflation Under Alternative Exchange Rate Regimes."
- : Amartya Lahiri and Carlos Végh, "Krugman Balance of Payments Crises: Are They For Real?"
- : Richard Barnett and Mun Ho, "Growth, Reserve Requirements, and Inflationary Finance in an Open Economy."

20. SUNDAY 12:00 PM

- : Conference Adjourns

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