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## EDITOR'S CORNER

The emphasis on quantitative analysis that characterizes the *Annals* is evident in the mix of articles for this issue. The NBER has promoted empirical research in the area of human capital formation, and in the lead article John Hause examines cohort times series data on earnings. The covariance structure of earnings is used to test the hypothesis that "systematic differences in on-the-job training lead to significant differences in individual earnings profiles." The results of another NBER project are presented in "Modeling Railroad Passenger-Car Requirements in the Northeast Corridor." Fourer, Gertler, and Simkowitz use a linear programming technique developed at the NBER Computer Research Center to determine optimal car allocations for predetermined demands. Their results illustrate the usefulness of optimization techniques in the context of a transshipment structure.

The next three articles examine different aspects of econometric models. Elizabeth Chase MacRae develops a methodology for designing time series experiments for dynamic models. Stochastic optimization requires that the design yield data to update and refine the designing for future stages of the experiment. She shows that in some cases, it pays to delay most of the information-gathering activity until the results of early periods can be used in designing cost-effective experiments. Nancy and Richard Ruggles and Edward Wolff present an extension of earlier work in the area of merging microdata. They discuss a methodology for constructing integrated microdata sets and then they present an empirical test of their matching procedures. In an NBER sponsored study, Friedman and Roley derive an estimation procedure to be used in least squares regression when the same distributed lag appears twice in an equation. The prior imposition of a restriction on the lag weight sum serves to identify the parameters.

Five short econometric notes complete this issue. Laffont presents "A Note on the Asymptotic Cramer Rao Bound in Nonlinear Simultaneous Equation Systems." Efficient estimators are discussed in the context of this bound. As an outgrowth of work at the NBER Computer Research Center, Cooley, Rosenberg and Wall present an algorithm for obtaining a complete solution to the estimation of time-varying parameters in the absence of a specification of a proper prior distribution. Rosenberg then completes the results of the note through a more detailed consideration of the intertemporal estimation error covariance. Next, Harvey's note on "Discrimination between CES and VES Production Functions" provides a test based on their Taylor Series approximations.

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In the last note, Jayatissa and Farebrother "... establish a test of whether two sets of observations come from the same reduced form model." Each of the five notes draws upon and extends work previously appearing in the *Annals*.

The Board of Editors would like to take this opportunity to thank the following individuals for helping to screen articles for the *Annals* during recent months.

Christopher Barry	Warren Lavey
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Robert Gillingham	Nancy Ruggles
John Hause	Richard Ruggles
Jerry Hauseman	Warren Sanderson
Ira Horowitz	Jeremy Shapiro
Lawrence Kriecheer	Stephen Taylor

## ERRATA

The following lines were inadvertently omitted from Carl J. Palash's article *On the Specification of Unemployment and Inflation in the Objective Function* on p. 276 of the Summer 1977 issue (vol. 6, No. 3) immediately preceding the last paragraph:

### I

#### *Framework of the Analysis*

An objective function is meant to represent preferences over one or more economic variables. Ideally, the preferences are determined through utility ranking without regard to feasibility. The constrained maximization solution yields the values of economic variables that best satisfy preferences and that are feasible according to the constraints. Consequently, when specifying an objective function, system constraints, ideally, should not be a consideration. This will be called "strong" dichotomy between preferences and constraints.

It has been common practice, recently, to penalize deviations (sometimes one-sided) of economic variables from their long-run, steady-state values. (2) Inasmuch as this practice does take account of the long-run properties of the constraints (but not the short-run properties) in the representation of preferences, it will be called "weak" dichotomy between preferences and constraints.