

Professor Peter C.B. Phillips, Yale University
Professor Sir David F. Hendry, University of Oxford

July 26, 2010

Dear Peter and David,

Since receiving your letter of 26 June, I have taken soundings from the Executive Committee and from some senior Fellows and members of Council who have expertise in econometrics.

Everyone I have consulted agrees that the formation of your new society could be a very exciting development for the profession. It has been said that this development may be akin to the highly successful creation of the Society for Economic Dynamics, the Game Theory Society and, more recently, the Society for Financial Econometrics – although, of course, the parallels are far from exact.

The most important message I wish to convey to you from the Econometric Society is that we want to offer you our maximum support. We would like to establish the warmest relations between the Econometric Society and your new society, with full co-operation and mutual understanding.

With regards to the serious concerns you have raised about how the Econometric Society and its journals operate, may I propose the following? We have our annual Executive Committee meeting coming up, at the time of the Shanghai World Congress. After that, in September, I would like to set up a Working Group to look into your concerns.

Naturally, I would appreciate it very much if the two of you could be members of this Working Group. I thought it would be sensible if Bengt Holmstrom, as the incoming President, were to chair it; and I will invite two or three others to join who have econometrics expertise and knowledge of the Econometric Society. In addition, I plan to ask Rafael Repullo, Stephen Morris, Orazio Attanasio and Manuel Arellano if they could assist the Working Group with gathering facts. Rafael, as Executive Vice-President, knows the recent history and has access to the statistics, and he is custodian of the Econometric Society's rules and practices. Stephen and Orazio, as Editors of *Econometrica* and *Quantitative Economics*, could call upon their Co-Editors to help, if needs be. Manuel is one of the three Program Chairs for the World Congress, for which he has handled the econometrics papers. It happens that Stephen, Orazio and Manuel are all elected members of the Council.

One issue that has been raised, and that also concerns Bengt and me, is that the choice of name for the new society should not unduly clash with "Econometric Society", which is a long-established brand. Maybe this issue, too, could be discussed by the Working Group – although it is presumptuous of me to suggest that we might have any say in the choice of name for your society.

I hope this proposal meets with your approval.

Kind regards,

John

John Moore
2010 President
Econometric Society