

Professor Gregory C. Chow, B.A., M.A., Ph.D., Hon. Dr.

Professor Gregory C Chow is an econometrician of world renown. As a graduate student at the University of Chicago he began his pioneering work on the demand for consumer durables. After obtaining his Ph.D. in 1955, he served as Assistant Professor at MIT, Associate Professor at Cornell and subsequently as Manager of Economic Research for IBM. During this period he extended his work to the demand for computers and empirical studies in macroeconomics. One product of this work was a classic article on testing equalities between sets of coefficients in two linear equations. That test is still in use and is known among students of econometrics as the 'Chow Test'. In 1970 he was appointed to the Directorship of the Econometric Research Programme at Princeton and in 1979 to his distinguished chair as Class of 1913 Professor of Political Economy. It was during the seventies that he became a leader of a group of international econometricians who co-operated in the development of stochastic control methods economic systems. This work led to the publication of a book, *Analysis and Control of Dynamic Economic Systems* (1975), which set out his approach to stochastic dynamics and control and to their application to economic planning. By the nineteen eighties, when Professor Chow published his *Econometric Analysis by Control Methods* (1981) and his second textbook *Econometrics* (1983), computer programmes for the application of stochastic control techniques had become available and the general approach had become widely accepted.

Throughout this period Gregory Chow had maintained his professional interest in the Chinese economy and in the series of reforms, which took place in the late seventies and eighties. This led to the publication of a third significant text, *The Chinese Economy* (1985) and a

subsequent book *Understanding the Chinese Economy* this year. Whilst these books set out primarily to present Chinese economic systems and institutions to both general readers and trained economists, he was astute enough to observe that the Chinese government had, in fact, 'performed important experiments in economics', and that econometricians, hitherto accustomed mainly to free-market economic data, could use the statistics from these experiments to take the place of the controlled experiments, which are so important a part of the natural sciences, but which are seldom available for social scientists studying national systems.

In addition to these two dimensions of his work as an economist there has been a third, which may well have owed something to the fact that he is a Lingnan alumnus. Because Professor Chow never lost sight of his Chinese background, he volunteered his services in the sixties and seventies as an Advisor on economic policy to the government in Taiwan and later -- during the eighties -- to the P.R.C.'s State Commission for Restructuring the Economic System of the People's Republic of China (P.R.C.). He also advised the Chinese State Education Commission on economics programmes in Chinese universities and was able to persuade the Commission to accept highly significant changes in the way in which economic theory is taught in the P.R.C. During the years when he gave that advice, he wrote *The Chinese Economy* as a textbook specially designed for Chinese students of economics and devised a number of screening tests for students who were to be sent abroad for further studies in economics. At the American end he served as Chairman of the American Economic Association's Committee on Exchanges with the P.R.C, and was able to initiate and maintain a significant and regular flow of staff and research students in both directions.

Professor Chow also made a significant contribution to Hong Kong through his membership of the high powered US - Hong Kong Economic Cooperation Committee which meets alternately in the U.S. and Hong Kong. In Hong Kong he has been a steadfast friend to this College for many years. One of his major contributions was to head an international team of consultants in 1986, which the College had invited to look at our programmes and structures and to suggest the mechanisms which would -- and did ! -- get it accepted as a University and Polytechnic Grants Committee institution.

Your Honour, I have much pleasure in presenting to you Professor Gregory C Chow, the Class of 1913 Professor of Political Economy at Princeton University, Doctor of Philosophy and Honorary Doctor, for the award of a Doctor of Laws *honoris causa* in recognition of his contribution to econometrics in general and of his ground-breaking work on stochastic control systems in particular, as well as for his studies of the Chinese and the Taiwan economies and the development of new teaching programmes both in the P.R.C. and in Hong Kong.