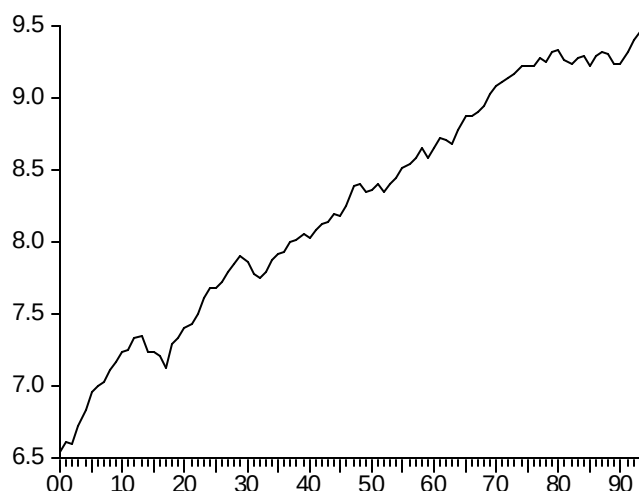


Unit Roots

Example 1: GDP (Argentina). Annual Data 1900-1993



ADF Test Statistic	-2.833946	1% Critical Value*	-4.0591
		5% Critical Value	-3.4581
		10% Critical Value	-3.1548

*MacKinnon critical values for rejection of hypothesis of a unit root.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(LGDP)

Method: Least Squares

Date: 10/26/99 Time: 17:50

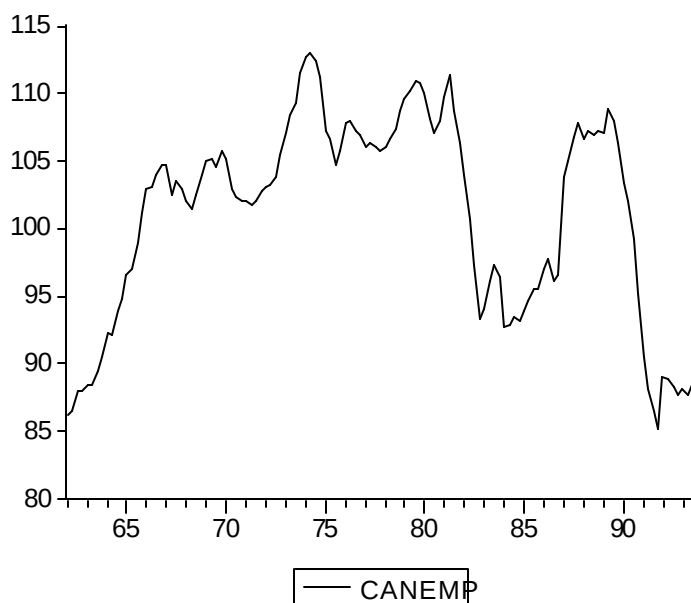
Sample(adjusted): 1901 1993

Included observations: 93 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LGDP(-1)	-0.128521	0.045351	-2.833946	0.0057
C	0.921357	0.308687	2.984759	0.0037
@TREND(1900)	0.003546	0.001381	2.566668	0.0119
R-squared	0.108379	Mean dependent var		0.031526
Adjusted R-squared	0.088565	S.D. dependent var		0.052552
S.E. of regression	0.050171	Akaike info criterion		-3.115027
Sum squared resid	0.226543	Schwarz criterion		-3.033330
Log likelihood	147.8488	F-statistic		5.469880
Durbin-Watson stat	1.758296	Prob(F-statistic)		0.005729

We accept the null of unit-root

Example 2. Unemployment in Canada



ADF Test Statistic	-1.542330	1% Critical Value*	-3.4823
		5% Critical Value	-2.8840
		10% Critical Value	-2.5786

*MacKinnon critical values for rejection of hypothesis of a unit root.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(CANEMP)

Method: Least Squares

Date: 10/26/99 Time: 18:14

Sample: 1962:1 1993:4

Included observations: 128

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CANEMP(-1)	-0.029799	0.019320	-1.542330	0.1255
C	3.032800	1.956651	1.549995	0.1237
R-squared	0.018529	Mean dependent var		0.023315
Adjusted R-squared	0.010740	S.D. dependent var		1.651307
S.E. of regression	1.642415	Akaike info criterion		3.845715
Sum squared resid	339.8886	Schwarz criterion		3.890278
Log likelihood	-244.1257	F-statistic		2.378782
Durbin-Watson stat	1.061546	Prob(F-statistic)		0.125501