

# The Cliometric Society

Spring 2001 Vol. 16 No. 1



A less than successful turn of the century trip

## The Cliometric Society and Economic History Society Sessions at ASSA 2001

By Jeff Owen, Indiana State University, and  
Marc Weidenmier, Claremont McKenna College and Claremont Graduate University

(New Orleans) The Cliometrics Society and the Economic History Society sponsored a series of sessions at the 2001 ASSA Meetings from January 5-7<sup>th</sup>.

Friday's session on "Productivity and Labor Markets in the First Industrial Nation" began with a paper by Liam Brunt (Nuffield College), "Why Was England First? Agricultural Productivity Growth in England and France, 1700-1850." Brunt examines the widening gap in agricultural productivity between England and France. Productivity in England was two times higher in 1705 and five times higher in 1845. He distinguishes between productivity measures of output per acre and acres per worker and finds that output per acre is the most important element. Brunt argues that a crucial factor in the productivity gap resulted from the decision by English farmers to replace fallow with turnips and clover. Discussant Greg Clark (UC-Davis) questioned whether French agricultural productivity in the period had been established and how arable workers were defined. Clark was also concerned about dividing productivity into output per acre and acre per worker, since the two are not independent. Brunt responded that no covariation between the two was found. The audience was concerned that the early data on

English productivity used to determine fallow patterns was based on one farm on the Isle of Whyte.

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In the second paper, "Is There Profit in Reforming the Poor? The English Poor Law 1830-1842," Gregory Clark and Marianne Page (both UC-Davis) consider the efficiency effects of the New Poor Law. The commission that established the law believed workhouses would eliminate the disincentive to work created by outdoor relief. Clark and Page use data on tax per acre and land rents to determine if the poor law reform led to efficiency gains, to savings simply due to cuts in welfare payments, or had no effect. The preliminary findings show there were no efficiency gains. Discussant Steve Ziliak (Emory) commented on the timeliness of the paper in relation to current welfare reform issues in the US but stated that the current situation is more

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## Executive Director's Notes

Greetings Gentle Members:

Welcome to the *Newsletter's* first issue of the new millennium. Or was that last year? In any case, welcome. My condolences go out to those of you who missed the Cliometric Society's reception at the Allied Social Sciences Associations meeting in New Orleans. Our host, Mike Hauptert, managed to secure a room atop the Monteleone with a beautiful view of the Crescent City. Those in attendance appeared to be having a good time, and I think Farley Grubb and Greg Clark left before dawn. My sincerest thanks go to Mike and the UW-La Crosse for their support of the reception.

This issue of the *Newsletter* contains a new feature introduced by our intrepid editors – a retrospective from the Society's archives on past Clio Meetings and an update on the attendees and some of the papers that were presented. I think most of you, young and old, will enjoy this feature.

Also, the Clio sessions at the ASSA meetings are summarized in this issue. While you're reading the summary, I want you to know that Ken Snowden (UNC-Greensboro) served as a discussant only a few days after undergoing oral surgery that involved, among other things, bone grafts! I am not sure what type of oral procedure would require bone grafts (and I don't want to know), but henceforth whenever they call the roll of Cliometricians, written in the margin by Ken's name will be the inscription, "Plays with pain."

Turning to the Society's business, most of you are probably aware that the International Economic History Association has been undergoing a change in its organizational structure. As part of that reorganization, the member organizations, including the Cliometric Society, were permitted to nominate a slate of candidates for office in IEHA. Late in 2000, the Board of Trustees took nominations from the membership and eventually submitted the following slate: Jeffrey Williamson, President; Sam Williamson, Treasurer; and Timothy Hatton, member of the Executive Committee. I thank the members who nominated candidates and the Board for electing a fine slate. I trust I speak for the membership in wishing the Society's nominees the best.

Finally, it's that time of the year again. You should have received your annual renewal notices. If you've already renewed, those of us here at the home office thank you. For the rest of you, just remember that if you don't renew your membership, then you will not be able to enjoy all the benefits of membership, including: access to the Society's spa, its childcare services, and discounts on homeowner's insurance. Well, actually, we don't offer those benefits, but the point is, should we begin to offer those benefits, you will not have access to them unless you renew your membership. So keep those checks coming.

Lee A. Craig, Executive Director

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## An Interview with R.M. Hartwell

*R.M. Hartwell is Emeritus Fellow, Nuffield College, Oxford. He has held faculty positions at New South Wales University of Technology, the University of Virginia, and the University of Chicago. He also served as Editor of the Economic History Review. This interview took place at Oxford in October 2000 and was conducted by Mark Thomas (University of Virginia), who writes: I have known Max Hartwell for 25 years. He was my undergraduate tutor for two economic history courses at Oxford. We were later colleagues (Max in economics, myself in history) at the University of Virginia. Max has the distinct honor of having been feted with two festschriften: *The Industrial Revolution and British Society* and *Capitalism in Context: Essays on Economic Development and Cultural Change in Honor of R. M. Hartwell*.*

**Could you please start by telling us something about your background and how it has influenced your intellectual development?**

In so far as I have a worldview of the human condition, it was formed when I was growing up in the Australian outback. My family moved to the village of Red Range, New South Wales, when I was about 10 [c.1931], when my father became the schoolteacher there; before that we lived in the neighboring village of Glen Innes. The interesting thing about Red Range was that you were never aware of the state. The only evidence of the state was the school and the small post office (the mail came three times a week with the newspapers). It was a small rural community, and the attitude was that you got on in the world through your own efforts and hard labor and by being a good neighbor. The idea of community, although not voiced in that word,



was very obvious in the village. Sport, dancing, and music were organized on a voluntary basis. It was a happy place, always plenty to do, everyone worked hard; they had to — it was during the Great Depression. Money was scarce, but it was only when I went to teachers' college that I discovered I was born into an exploited colony. It came as a surprise to me. At that time we had the best cricket team in the world, and the idea that we were exploited by the Poms never entered my mind! But that, of course, led to some serious consideration of society and work and what to study.

**When you went to university, why did you choose to study economics?**

I drifted into economics without any enthusiasm; it was just a subject to be done to get a degree. I began studying at the teachers' college in Armidale, about 60 miles from Red Range. I was fortunate that my first year coincided with the establishment of a branch of the University of Sydney, the first in New South Wales. So when I started, I was a student at both the teachers' college and the university and then transferred to university to begin work on a degree. I never was in the faculty of economics. I graduated with a BA, specializing in history and economics.

Fortunately, I found that I was good at economics, although I never much liked it. My initial job was as a teaching fellow (Assistant Lecturer) in the Department of Economics at Sydney University. The Professor, Sid Butlin, asked me to teach economic history, even though I had never taken a course in it. I remember my maiden lecture – it was just after the war, and the classroom was a bit noisy with ex-servicemen (some of whom had been my colleagues in the army), and I asked them if this was the first economic history lecture they'd ever heard. When they answered yes, I told them to be reassured, because it was the first one I'd ever heard too.

**And it clearly had a profound influence on you!**

Let me say that I immediately found it much more interesting than economics. There were certain parts of economics that I quite liked, but on the whole I didn't much enjoy it, because it was more impersonal than history. However, once I started teaching economic history, I realized that I was where I wanted to be, in a subject I liked. My first research was in Australian economic history, and my background in the bush greatly influenced my choice of topic and approach. At the time I became a student, the great classics in Australian economic history were by Brian Fitzpatrick (*The British Empire in Australia* and *British Imperialism in Australia*). But I just could not accept his thesis of imperialist exploitation. It seemed counterintuitive. It was obvious to me that Australians were well off (even during the Depression), and this didn't square with the notion of exploitation. When I began to look more closely at history, I discovered that by 1850 there were three towns in Australia (Hobart, Sydney, and Port Philip [Melbourne]) which were just like well-developed provincial towns in Britain. They had all the paraphernalia of civilization:

churches, schools, newspapers, literary societies etc. And on the whole, I think that they were quite pleasant places to live by the standards of the time, which made me highly skeptical about the whole idea of the exploitation of imperialism.

That was my first introduction to historical controversy. So when it came to an MA thesis, I thought that I would test the theory of economic exploitation in a microstudy of one of the colonies. I picked Van Diemen's Land (Tasmania) because it was separated from the rest of Australia, it was one of the first colonies, and the source material was very good. In my MA thesis, I concluded that Van Diemen's Land benefited because it developed during the British industrial revolution. There was a movement towards economic liberalism, which extended to the colonies. Because of the rapid expansion of the Yorkshire woolen industry, there was a demand for fine wool, for which Australia and New South Wales were eminently suited to produce. So, I saw their relationship with Britain as a highly mutually beneficial relationship.

**Your book, *The Economic Development of Van Diemen's Land, 1789-1833: An Economic History of Australasia*, has been referred to as the first example of New Economic History in the Australian historiography. To what extent do you think that your training in economics shaped your approach to economic history?**

Economics has been absolutely vital to my approach to economic history, and *Van Diemen's Land* shows that very much. It was clearly different from anything in Australia that had come before it. I don't think that it has influenced much, but there have been some very fine contributions in the same mold

since, such as Noel Butlin's Kuznetsian approach.

**What is the source of the economic analysis that went into *Van Diemen's Land*?**

It came from courses I had at Sydney University – the first year was Benham, or some such textbook; the second year was public finance and industrial relations; and the third year was the trade cycle, the macroeconomics of the period. I was taught economics well, and although it was Keynesian in the trade cycle and public finance courses, I was only partly seduced by Keynes. The structure of the book followed my understanding of the fundamental structures of economic analysis, most of which had little to do with Keynes. I started out with geography, went on to resources, and then moved on to the trade cycle. Here I was influenced by Rostow's work on Britain in the 19<sup>th</sup> century, because I tried to show that peaks of the trade cycle were related to political events. As far as public finance was concerned, there was a simple table in the book in which I tried to calculate the extent of capital flows from Britain. I wanted to emphasize the role of the British commissariat in financing the development of Van Diemen's Land.

**You then left for Oxford in 1948 to work on your doctorate. Tell us about your doctoral research.**

Wool was the main artery of capital and trade between Britain and Australia. It was the logical topic to explore. But there was more to it than that. There's no doubt that when I arrived in England, the dominant theme in English economic and social history centered on the exploitation of the working classes of England during the Industrial Revolution. Again, I reacted against this. When I wrote my DPhil thesis on the Yorkshire woolen

industry from 1800 to 1850, I did a lot of archival research on employment and wages, and what I discovered just didn't match up with what historians were saying. So again, when I wrote that thesis, I came to a fairly optimistic conclusion about the condition of the workers, which centered on a whole series of criteria, including wages, education, etc. Consequently by this stage, I didn't believe in imperialism or what was, in effect, the Marxist theory of history.

**Was Oxford an intellectually stimulating place for you?**

Not really. Asa Briggs and Neville Ward-Perkins were the people I listened to most often. They ran a seminar and treated me as an equal. But it was the first-year course at Sydney covering price theory in detail that did most to shape my thesis. Even when I came back in 1956, the only seminar I went to regularly was run by John Hicks. He was a terrible public speaker, but his seminar on the development of monetary theory from Thornton to his own work was a wonderful experience. Nonetheless, I'm not sure that it influenced me in my published work.

**You only stayed in Oxford for two years?**

Yes, I went back to Australia in 1950 to a chair in Sydney at the new New South Wales University of Technology (later the University of New South Wales), where I was both the first Dean of Humanities and Social Sciences and the first Professor of Economic History. The University was modeled on MIT and had a similar commitment to teaching humanities and social sciences to students in engineering and other technical disciplines. In the second year, students studied philosophy of science and industrialization, and in the third year, they chose one of the social sciences, normally either psychology or economics. I taught courses on modern economic

development. It was a very successful course and program. I believed that my career was now set firmly on course in Australia until I got into a dreadful row with the Vice Chancellor. As Dean, I appointed a selection committee for a position in the History Department. When the committee recommended the appointment of Russell Ward, the Vice Chancellor refused to appoint him on the grounds of his political beliefs. I said categorically that political tests were unacceptable and put my job on the line. That was probably foolish, because I lost. It went on to become quite a famous case in Australia. After that, I searched unsuccessfully for jobs around Australia. Fortunately and unexpectedly, I got the readership in Economic and Social History in Oxford, so I returned there in 1956.

**What sort of work was being done in Britain when you returned?**

First, there was a lot of work being done in social history – a rebirth in the postwar period of what people such as the Hammonds had written in the 1920s with a similar ideological perspective. Secondly, industrial history. The Manchester school inspired a number of industrial histories, which were very good discussions of technology, but which never took into account the interplay between supply and demand.

**So, the economic perspective was largely missing? Was this what separated you from the largely institutional focus of British economic historians at the time? Would it be fair to say that you brought an antipodean sensibility to the study of the British industrial revolution?**

To a great extent, yes. If you look at the idea of growth, for example, my approach was different from most British economic historians and no doubt owed something to

my teaching the comparative development course in Sydney. But I would not like to exaggerate the differences.

Two aspects of the industrial revolution that I worked on had some influence: the standard of living debate and the causes of the industrial revolution in England. When I got to this question, it planted me firmly in the institutional arena. However, it was not in the way that most economic historians think of institutions. I did not focus on the state as the pivotal element, as Charles Wilson emphasized in his *England's Apprenticeship* (which has been a major focus of Patrick O'Brien's recent work). Instead, I was much more interested in the role of the common law, which I saw as one of the leading differences between Britain and the rest of Europe. Rather than just examine the institutional structures of the law and how they changed, I wanted to relate this to models of growth. Law and the market, that's the important topic.

**You returned to Oxford at the time of the Rostowian controversies over the pace and pattern of economic growth. This formed something of an ideological divide in the British economic historiography between advocates of discontinuity à la Rostow and Toynbee and those who adopted Marshall's emphasis on continuity. Most critics of Rostow have accepted the Marshallian perspective. However, you've referred to the industrial revolution as the 'great discontinuity.' Does this make you an anti-Marshallian, a Rostowian, or something else?**

Everyone who is sensible is a Marshallian! The discontinuity is between the world before and after industrializations. Growth in Britain was slow and slowly accelerating; it was also balanced, indeed it had to be. So Rostow's emphasis on leading sectors, on unbalanced growth, was clearly wrong. Indeed, it would

be a better generalization to suggest that every sector was undergoing some sort of major change between 1750 and 1850. The growth of skills in the trade and financial sectors, for example, were no less remarkable than the growth of technology in textiles and iron. The demand for navigational skills was burgeoning with the rise of trade, and advertisements began to appear offering training in marinership. Supply responded directly and remarkably quickly to changing demands.

**Was this market responsiveness distinctively British? Is this what made the British economy different? Would you see the same sort of behavior in France for example?**

I'm not sure that you would. But this might reflect the weakness of the market signals more than the weakness of the institutional response. Once Britain had begun the upward movement in growth and development, more challenges and opportunities developed, which created more growth and so on. In France, growth didn't begin as soon, consequently it didn't accumulate as rapidly.

**Your interpretation of the Industrial Revolution is in terms of consequences and impact, rather than process.**

Ideally, it should be both, but mostly when I use the term, I'm thinking of the difference between Britain in 1750 and 1850 compared to the change in any similar period before then.

**You mentioned earlier the standard of living debate and your role in it. Do you have any further comments in retrospect?**

When I returned to Oxford, it was during an interesting period. There were three primary beliefs that dominated social thinking. The

first was that governments could plan to do certain things, and by the manipulation of certain key variables, they could achieve their goals. The second was that civil servants were only interested in public welfare and that they were disinterested vessels of the government's interests. Finally, in so far as the working classes improved their lot, it was entirely due to the actions of government through the welfare state and the pressure of trade unions. Economic growth was never considered. Indeed, economic organization, which was one of the two compulsory subjects in economics for those students taking PPE in Oxford, was entirely about how to make the intervention of the state work better without ever questioning the basic philosophy of the interventionist state. I remember that John Vaizey and I gave the very first seminar in Public Sector Economics in the University. It was more historical than economic, but we did tackle the central question (as expressed best by John Stuart Mill), "what are the proper functions and agencies of government." The seminar went very well.

Then came the flowering of social history, largely focusing on the class struggle in the industrial revolution, and I thought that it was about time that someone had a go at this sort of stuff. I wrote two articles, a general methodological paper entitled, "Interpretations of the Industrial Revolution," published in the *Journal of Economic History*. The second, "The Rising Standard of Living," was published in *Economic History Review*. The emphasis on the word 'rising' was intentional and, in fact, the entire purpose of the article. You might say that all hell broke loose! I did not expect that reaction, partly because I believed in the art of civilized discourse and partly because I believed that historians would be persuaded by the weight of evidence and not be particularly influenced by theory. The controversy was like getting

on a nonstop train. It became mixed up with the Marxist theory of capitalism, which focused on the inevitability of revolution and the exploitation of workers.

The great benefit for British historians working in this period was the remarkable literature of the Houses of Parliament, where you find the results of thousands of investigations on all sorts of topics in social and economic history, from drunkenness to prostitution. A wonderful source but a trap for the unwary. If not used properly, the Blue Books can produce worst case history. A good example is the famous investigation of the Health of Towns in 1844. Anyone who reads that will feel sickened by the graphic descriptions of urban living, but you have to remember that this focused on the worst slums and did not report on more positive living arrangements in the towns. You could repeat the same exercise for the 1990s; you would certainly still find some awful places, but you would hardly consider them typical. This was one of the problems with the literature of the industrial revolution. The social historians were seduced on the one hand by Marx, who used this literature, and on the other hand by this wonderful source material. It was only in places like Manchester that great historians such as Ashton and Unwin went beyond the Blue Books to the factory records and actual statistics of work and wages.

**Do you consider your work on the standard of living to have been cliometric?**

I don't think of myself as a cliometrician at all! I define the characteristics of cliometrics as the specific application of economic tools and the use of quantification to measure what happened and the building up of models to explain what happened. I used some basic tools of economics and used statistics wherever they seemed relevant, but I was never a model-builder and never a user of

formal economic theory. There were certain aspects of cliometrics that interested me. But it has its limitations. It's quite obvious that there are many things that cannot be measured. Some people dispute that and say that you should at least be able to rank, but I'm not certain about that. I always say that if I could explain love and hate, I'd be more than satisfied. I suppose these are the extremes of human emotion. But I don't think any sensible economic historian can say that you can measure everything. You measure what you can, and this is common sense. Bob Fogel said to me once that the worse the evidence, the more sophisticated the techniques have to be. The trouble is that you need the techniques. One problem with too much technique is that it reduces the audience. It can also be a dangerous tool for the unwary. History should always determine technique, but too often, the use of technique limits history. I am not and never have been a quantitative historian. I've used figures in my work a great deal, but I have no sophistication in statistical inference at all except in terms of common sense. Very often common sense and simple arithmetic is enough, but I'm not sure that you would call that cliometrics. I was never a great reader of the econometrics literature.

**At the 1970 Anglo-American meeting that Fogel organized at Harvard, you referred to the New Economic History as an import substitute in the British economic historiography. Were you anticipating that the cliometric revolution would gradually cross the Atlantic?**

I don't think it has. The New Economic History was a bit like a tidal wave, which stirred up a lot, but I don't think that it has transformed much of the landscape in its wake. It has built on various things; it has added precision in various ways. For example, it has slowed down the rate of



growth during the industrial revolution and has trespassed into the standard of living debate, but I don't think that it has changed very much. An example is the latest article on the standard of living by Charles Feinstein, which is too pessimistic. He does not demonstrate pessimism in the sense that social historians used it in the 1960s, to indicate immiseration.

**But to be fair to Charles, his target is earlier cliometricians, who he argues exaggerated real wage improvements after 1815 or so. Although he refers to it as a pessimistic interpretation, he essentially states that there was no loss or gain in measurable economic welfare for the average worker and his family but, in effect, stasis up to 1840 or so. The gains were delayed, but there was no immiseration.**

Pessimism no longer means decline. Every estimate of industrial activity or other index of macroeconomic activity shows a rise from the late 18<sup>th</sup> century onwards. There's a lower limit to cliometric revisionism.

**Why hasn't the New Economic History transformed the British economic historiography?**

Partly it reflects the way in which economic history was taught here. It was clearly a mistake to compartmentalize economic and social history into separate departments in the UK. It would have been much better had some economic historians been trained in economics departments, with greater focus on techniques and econometrics, and others in history departments. The institutional structure was unfavorable.

**Is it also possible that there were intellectual constraints in operation in Britain? There was no counterpart to**

**slavery as a unifying and defining topic for cliometric analysis in the UK. Is it the case that the major topics of intellectual debate among British economic and social historians (such as the rise of the gentry or the standard of living debate) are either not amenable to cliometric techniques or, alternatively, that there were no counterparts to Ulrich Phillips in Britain who were vulnerable to radical critique?**

I think that's right to a degree. I would put it differently. Economic history in Britain is an older subject and was much more advanced at the time of the cliometric revolution. The literature on the big questions was already well established, and the contributions of the Ashtons and the Claphams were not likely to be torn asunder by the use of more up-to-date techniques of model-building and statistical inference. When Gary Hawke applied the Fogel social savings method to the British case, it largely backed up the older interpretation of the role of the railways rather than challenging some ingrained belief in the indispensability of railroads, as Fogel claimed existed in the US. I cannot think of any topic in British economic historiography that has been radically transformed by the application of cliometric techniques.

**Where do you see the future of economic history?**

Recent work suggests a decline in interest in social history of the Thompson-Hobsbawm variety. New areas of investigation have developed, of which the most important is the role of women. Another which should be much more important is the environment. I would like to see additional emphasis put on economic history as a means to integrate law, culture, custom, and institutions into an overarching interpretation that places economics within the system as a whole (not economics for its own sake). The desire for a

broader type of economic history should be extended to the time dimension as well. The work of Eric Jones and others on long-run history is, I think, very important. Of course, studying long-run history is not readily amenable to cliometric approaches. Also its meaning varies from country to country. The Cambridge group has done excellent research on the demographic history of Britain back to the 16<sup>th</sup> century, but that period embraces the entire history of Australia and the US since white settlement!

**An ambitious agenda! Thank you.**

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### CHARLOTTE PERKINS GILMAN



The rich conservatives seem to be getting very fearful of the rich socialists. Recently we have all been reading extracts from the editorial supposedly prompted by August Belmont; a denunciation called forth by a circular to college students, a circular signed by, among others, J. G. Phelps Stokes, "rich socialist," and Charlotte Perkins Gilman, "professional writer," referred to in the attack.

A most interesting woman is Charlotte Perkins Gilman, by no means not always understandable, but yet most attractive in her originality and her altruism. The rich conservatives may look upon her as a dangerous meddler, but many people go to her lectures and read her writings.

Both as writer and lecturer she carries on her work, is specially interested in the labor question and the progress of women. It was only in 1890 she began to appear before the public, lecturing on ethics, economics and sociology. She writes occasionally for the magazines, her verse has a select circle of admirers, those that care for unique charm, simple and original phrase. Her most noted work is her revolutionary book on "Women and Economics," a much discussed, widely translated work. It is a book that gives small encouragement to women to stay by the hearthside, and for that reason is called dangerous. She has published a book of verse called "In This Our World," "The Yellow Wall Paper," "Concerning Children," "The Home, Its Work and Influence," "Human Work."

## Summary of the Development of the American Economy Summer 2000 Institute at the NBER

By Rebecca Menes, George Mason University

(Boston) The 14 papers presented at the NBER Summer Institute, held from July 17-19, 2000, exemplified the broad scope of current American economic history. On Monday, the Institute got off to a fast start with five strong papers on economic growth and labor and a report on what promises to be a valuable data set on American state constitutions. The next day, the participants enjoyed three papers which focused on industrial organization. On Wednesday, the proceedings concluded with six papers that explored what economic history can bring to the study of both public and private spheres.

The first two papers addressed issues in American economic growth. Peter Mancall, Joshua Rosenbloom, and Thomas Weiss (all University of Kansas) presented "Conjectural Estimates of Economic Growth in the Lower South, 1700-1800." According to the authors, previous studies overestimated growth by assuming growth in exports reflected overall output growth while ignoring the relatively stagnant back country economy. The new estimates use domestic consumption to augment export figures.

Paul Rhode (North Carolina) continued with "Gallman's Annual Output Series for the U. S., 1834-1909." Robert Gallman had not published the series (although he used them in published work), because he feared they could be misapplied to business cycle analyses. However, Rhode argued that as the original work will soon be publicly accessible, the best way to honor Bob Gallman's intent is to prepare and present a good version, with all necessary caveats and explanations.

The third and fifth presentations introduced ambitious works in progress. John Wallis (Maryland) addressed his work on a new data set on state constitutions. This data set will allow researchers to build a contemporary state constitution, including all relevant amendments, for any year since the founding of the state or territory. The discussion centered largely on the construction of the index. Joseph Ferrie (Northwestern) also talked about his work in progress on "Geographic, Occupational, and Financial Mobility in the U.S. 1760-1990," which extends his previous interests to cover the whole of American history using a variety of sources, including military records and census data. Although his research is preliminary, participants eagerly discussed the first broad conclusions, noting comparisons between 19<sup>th</sup> and 20<sup>th</sup>-century migrants and between low and high status migrants.

The fourth and sixth papers addressed the performance of American industry. Douglas Irwin (Dartmouth) and Peter Temin (MIT) spoke on "The Antebellum Tariff on Cotton Textiles Revisited." They use the natural experiment afforded by the 1846 drop in rates to analyze the effect of the tariff on US manufacturing. Although British imports rose, there was almost no effect on US production, suggesting that by 1846 US industry was no longer an "infant industry." Qualitative evidence supports the quantitative results. By 1846, the US and Britain produced different kinds of cotton textiles, which were poor substitutes for each other.

In the final paper of the first day, Robert

Margo (Vanderbilt) and Fred Bateman (Georgia) talked about "Rising Wage Dispersion Across American Manufacturing Firms, 1850-1880." Although limited by the data to compare average wages between firms, they find that most of the dispersion in wages occurred in the lower half of the income distribution, with much of the change driven by movement of workers from small to large firms. The Civil War does not appear to have played a major role, but the growing gap between skilled and unskilled wages during a period of rapid expansion in low skill employment suggests that highly elastic supply, e.g. immigration, played a role in growing inequality.

Industrial organization dominated the second day. Howard Bodenhorn (Lafayette College) began with an analysis of monopoly behavior undercutting provision of a credit market service in "Making the Little Guy Pay: Payments System Networks, Cross-Subsidization, and the Collapse of the Suffolk System." He argues that the Boston banks misunderstood the distribution of benefits from the Suffolk system for redeeming New England bank notes across the region. This led to the overexploitation of their assumed monopoly power and eventually to the collapse of the system. Charles Calomiris (Columbia) suggested a possible alternative in which the central banks acted largely to centralize information on banks, rather than to monopolize the redemption of bank notes. A lively discussion followed in which we all learned of the tactics employed by Boston and rural banks to force "runs" or slow redemption of notes in their struggle over the New England bank note market.

Naomi Lamoreaux (UCLA) examined a much broader question in American capitalist development in "How Corporations Acquired Legal Personhood: Language and Economics

in the Late-Nineteenth-Century United States." She claims that the rise of the corporation was an economic response to the needs of capitalism and also depended on the late 19<sup>th</sup>-century shift in culture and popular philosophy which led people to ascribe personhood to all sorts of aggregate groups. This made the modern corporation cousin to political and economic movements in which groups acquired the characteristics of individuals (including, at its fringes, early fascism and extreme nationalism).

In "A Wolfram in Sheep's Clothing: Economic Warfare in Spain and Portugal, 1940-1944," Leonard Caruana (CEU San Pablo University) and Hugh Rockoff (Rutgers) presented a case study of an unusually successful wartime economic embargo. During World War II, Spain and Portugal were Germany's only feasible sources of tungsten (wolfram), which was used to harden steel. The US policy, designed to limit German access to tungsten, used a range of tactics, including an oil embargo on Spain. They maintain that economic warfare depends crucially on the organization of the industry in question and may work most effectively when it is used to force one head of state (e.g. Franco) to put pressure on another (Hitler), rather than when it is used to force the population of a nation to put pressure upon its own leaders.

On the third and final day of the Institute, six papers exemplified the broad reach of economic history. Nicola Tynan (George Mason University) and James Madison University) introduced us to the intricacies of private water supply in 19<sup>th</sup>-century London. According to Tynan, the private London companies introduced technical innovations and responded to customer complaints concerning water quality more quickly than did contemporary, publicly-owned firms. The lively discussion exemplified how the

best economic history is both interesting history and relevant to current policy debates.

The second and third papers addressed more traditional topics in economic history. Benjamin Chabot (Michigan) looks at the emergence of a single market stock exchange in the United States and London in the late 19<sup>th</sup> century. Dan Raff (Wharton), in "Super-Stores and the Evolution of Firm Capabilities in American Bookselling," highlights the key role of innovative information management and the use of new technologies in the traditional business of bookselling.

Claudia Goldin and Lawrence Katz (both Harvard) examined the impact of innovation in medical technology on the labor force participation of women. They focus on the variation between US states in the rules governing legal access to birth control to illuminate the important impact of the pill on women's educational and professional choices. Their analysis suggests that control over fertility, not changes in discrimination laws, women's access to education, or even cultural shifts, explain the timing of the huge increase in women entering professional careers requiring extended training, such as law and medicine.

The Institute concluded with topics at the intersection of economic and political history. Rebecca Menes (George Mason) discussed theory and some early results of a project on the relationship between state laws and city debt during the early decades of the 20<sup>th</sup> century. The ability of local governments to issue debt has always been heavily regulated by the state. Menes explores the motivation of the state regulations: were they intended to protect bondholders, punish corrupt urban interests, or increase municipal access to debt markets? Using qualitative results, she suggests that the latter motivation was an important part of the story.

In the final paper, "The Evolution of Suffrage Institutions in the New World: A Preliminary Look," Ken Sokoloff (UCLA) and Stanley Engerman (Rochester) trace the role of wealth inequalities in determining the speed with which property constraints on suffrage were relaxed. They note that the progress of true universal suffrage was slowed as the substitution of racial rules and literacy requirements as outright property qualifications became politically less defensible.

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## **Call for Papers**

### **IEHA Session on Global Electrification**

Professors Mira Wilkins, Peter Hertner, and William Hausman, organizers of Session 38 of the XIII<sup>th</sup> International Economic History Congress (Buenos Aires, July 2002) on "Global electrification: Financing and Managing Networks of Power from the 1880s to the 1970s" are calling for proposals to enhance the geographical coverage of the session. They are particularly interested in submissions of interest for the following areas: China, Southeast Asia, India, Africa, and the United Kingdom. The aim of this session is not so much comparative history as international history. Please send expressions of interest to Professor William Hausman, Economics Department P.O. Box 8795, College of William and Mary, Williamsburg, VA 23197-8795. E-mail: [wjhaus@wm.edu](mailto:wjhaus@wm.edu) Phone: (757)221-2381 Fax: (757)221-1175.

RONDO CAMERON  
1926-2001



Rondo Cameron, William Rand Kenan University Professor emeritus at Emory University and former president of the Economic History Association and editor of the *Journal of Economic History*, passed away on Monday, January 1, 2001 in Atlanta.

Cameron held the Kenan chair at Emory from 1969 to 1993. He was a member of both the departments of economics and history. Prior to that appointment, he taught at the University of Wisconsin, where he founded and directed the economic history graduate program. He received his B.A. from Yale in 1948 and his Ph.D. from Chicago in 1952. During his career he held visiting positions at universities in Great Britain, France, Germany, Brazil, and Japan.

Among his more than 100 articles and 20 books are *A Concise Economic History of the World from Paleolithic Times to the Present*, which has been reprinted four times and translated into 12 languages. He also edited several volumes on the role of banking and economic development around the globe.

MOSES ABRAMOVITZ  
1912 - 2000

Moses Abramovitz, Professor Emeritus Stanford University, was renowned for his



fundamental insights and pioneering technical contribution to the study of long-term economic growth. His 1986 article, "Catching up, Forging Ahead and Falling Behind," holds the distinction of being the second-most cited article ever published in the *Journal of Economic History*.

Abramovitz received his Ph.D. from Columbia in 1939. His first position was at the NBER. He then served on the War Production Board during WWII. He retired as William Robertson Coe Professor in American Economic History in 1974 and went on to a distinguished emeritus career which included presidencies of the American Economic Association, the Western Economic Association, and the Economic History Association, as well as honorary degrees from the University of Uppsala in Sweden and the University of Ancona in Italy

TREVOR DICK  
1934-2001



Trevor Dick earned his Ph.D. from the University of Washington in 1970. He wrote under Doug North and went on to join the growing army of "new" economic historians, taking his first position at the University of Western Ontario. He also held visiting positions at UC-Berkeley and Harvard, before joining the faculty at the University of Lethbridge.

Trevor Dick was a founding member of the Canadian Economic History group and also held memberships in the Economic History Association, the Economic History Society, the Cliometrics Society, the Social Science History Association, and the International Society for New Institutional Economics.

He authored numerous books and articles. At the time of his death, he was working on research on topics as disparate as aspects of gold and bimetallic standards and intertemporal behavior of the balance of payments to aggregate consumer behavior. He edited his most recent book, *Business Cycles Since 1820: New International Perspectives from Historical Evidence*, in 1998.

**BOOK PREVIEW****The Backbone of History: Health and Nutrition  
in the Western Hemisphere**

By Richard H. Steckel and Jerome C. Rose (eds.)

*Note: The following preview is from the introductory chapter of **The Backbone of History: Health and Nutrition in the Western Hemisphere** (Forthcoming, Cambridge University Press, 2002).*

Human biologists, historians, and other social scientists have expressed enduring interest in the evolution of human health over the past several millennia. In part, the search for knowledge is propelled by intellectual curiosity. Most humans are inquisitive about their past for the same reasons that explorers of the early 20<sup>th</sup> century strove to reach the poles and the highest peaks and their modern counterparts journey to outer space or deep into the oceans. They want to understand how they evolved and how they have adapted to their environments. They want to visualize and imagine the contours of the human experience – the peaks of adaptive success that led to human growth, the expansion and flowering of civilizations, and the valleys of despair in which the human presence has ebbed and retreated.

But more practical considerations also lead the quest for knowledge. Not only a basic ingredient in the quality of life, health is intertwined with demographic, social, economic, and political change as well as with the outcomes of wars and other conflicts. Length of life and other aspects of health affect work capacity and the incentives to invest in skills that contribute to economic growth. Basic indicators of the standard of living, such as the human development index proposed by the United Nations, have a substantial health component (UNDP, 1990). Historians and political

scientists have identified inequality, not only in income or wealth but also in the form of disparities in health and nutrition, as a driving force in social, political, and economic change. Thus, health has played a central role in human history, both as an agent of change and as an outcome measure indicating the quality of life. Skeletal measures of health, which are the central focus of this book, furnish the best (and in many cases the only) picture available of human health over the millennia.

The study of skeletal remains for insights into health in the past creates valuable long-term perspectives on several modern social problems. Virtually all researchers are aware, at some level, of the significant processes of evolution that gave rise to modern societies over several millennia. They understand that many modern problems have roots reaching deeply into the human past and that current conditions were often created by complex interdependent processes that unfolded over very long periods of time. In evaluating the results of their research, most social and medical scientists would like to have access to particularly long-term historical studies that would, for example, place in perspective the prevalence of trauma and violence, urbanization and health, child health, aging and health, and biological inequality.

Research on prehistoric and historic skeletons will also contribute to understanding the evolution of modern medical problems. Numerous modern diseases evolved along with humans, adapting to human populations living in

close proximity to one another. Recent advances in the extraction of DNA from pathogens found on skeletons now make it possible to study the coevolution of many diseases with humans. Important first steps in the research agenda are to describe the evolution of human health and to understand its change in response to varying ecological environments.

Despite widespread interest and the general importance of health to human change over the past several 1000 years, relatively little is known about the subject. Raw data on population size by age and on deaths by age are virtually unavailable prior to the 19<sup>th</sup> century, and consequently investigators cannot tabulate traditional measures of health, such as life expectancy at birth. Average height, a measure of health long known to human biologists and now familiar to some social scientists, is available in quantity from military muster rolls and other sources as far back as the 18<sup>th</sup> century, but height data are very sparse for earlier eras (Steckel, 1995). Thus, the story of extremely long-term trends in health cannot be told using traditional evidence or even using newly-developed sources of information, such as average height.

This book brings together 18 papers that study long-term trends in health in the Western Hemisphere employing evidence of chronic disease or biological stress measurable from skeletal remains. Developed in recent decades by physical anthropologists, these data are unfamiliar to most social scientists, but they are likely to be the best single source available to scholars for measuring and analyzing exceptionally long-term trends in health. Therefore, the first section of the book formulates the methodology, and remaining sections examine applications to Native Americans, Euro-Americans, and African-American

populations in North America, Mesoamerica, and South America.

The essays are the culmination of over a decade of intense interdisciplinary activity inspired by two movements—the acceptance and use by economists and historians of measures traditional to human biology and physical anthropology (especially average height) and the study of long-term trends in health by physical anthropologists. Our efforts depart from and contribute to these movements and draw attention to the advantages of collaboration. Historians, economists, and other social scientists gain by acquiring measures of health available to study long-term trends and differences in health. Similarly, physical anthropologists acquire a fresh reservoir of research questions and methodologies that are beyond their traditional, localized spheres of interest. It is our hope that all groups go forward in this collaboration with renewed energy and purpose.

The essays take the work done by Mark Cohen and George Armelagos in *Paleopathology at the Origins of Agriculture* as their starting point but go beyond their book in several important respects. First, the data they assembled were not truly comparable because contributors utilized varying coding schemes for individual records. Researchers included the frequency of common variables (such as degenerative joint disease, skeletal infections, and linear enamel hypoplasia), but the specific measures were not reported using the same scale, which complicated comparisons. These essays utilize a common data-reporting format. Second, the size and diversity in our data resources by region, time period, and ethnic group exceed that studied in Cohen and Armelagos. We assemble over 12,500 observations on



individuals who lived in the Western Hemisphere from before 4000 BC to the early 1900s, which is by far the largest comparable data set of this type ever created. Third, our project explicitly and extensively incorporates interdisciplinary perspectives. We do not claim this is necessarily desirable in itself, but the book is innovative in its collaborative strategy of using physical anthropologists, historians, and economists, who jointly headed most research teams producing essays. Our approach broadens the range of questions typically asked when using skeletal data to include widespread comparative study. It also brings new methodologies to the analysis. The concept of a health index and measures of assessing inequality in health features prominently in these methodologies. Fourth, the range of questions asked when using this type of data exceeds that of Cohen and Armelagos. Our work considers issues over a broader timespan than that considered in *Paleopathology at the Origins of Agriculture*. We include the dynamics of pre-Columbian health, the consequences of contact, and the fates of Euro-Americans and African-Americans up to the early 20<sup>th</sup> century.

The first paper in the methodology section discusses a subject fundamental to the remaining papers – indicators of skeletal disease. Bones are living tissue that respond or adapt to biological stress, which may be caused by numerous persistent conditions such as a deficient diet, various infections that penetrate soft tissue, and arduous work or physical effort. With the help of a few necessary photographs, Alan Goodman and Debra Martin articulate these indicators of stress and disease, explain what they mean, and show how they may be interpreted.

The paper on the health index by Richard Steckel, Paul Sciulli, and Jerome Rose brings

several innovations to the measurement of health using skeletal data. First, attributes of health such as stature, infections, and degenerative joint disease are scored by severity on a scale of 0 (lowest) to 100 (highest, which indicates no visible impairment). Second, the scores of each attribute are pooled by site, converted to age-specific rates, and adjusted by the distribution of person-years lived by age in a reference population. Third, the resulting indexes for each attribute are averaged to create an overall health index that is comparable across sites. Sites are then ranked, and their placement within the rankings (by the index and its components) becomes an object of comparative study.

Robert McCaa's essay tackles the difficult and thorny question of estimating life tables from skeletal data on deaths by age. Demographers learned long ago that the age distribution of deaths is more sensitive to variations in fertility rates than variations in mortality rates. Yet, useful information about life expectancy is recoverable from the age distribution of deaths if proper allowance is made for possible fluctuations or differences in fertility rates and for possible biases caused by selective migration, e.g. if the age distribution of deaths is studied in context.

The remaining papers are organized by sections of ethnic and regional groupings. Each section is introduced by a brief discussion of results on the health index, which raises questions for readers to consider in perusing individual essays. The health of Euro-Americans and of African-Americans in North America are considered first because many readers are familiar with issues of their health. Authors can also readily attach more familiar measures of health to the discussion, which helps newcomers to this work to calibrate the

meaning of skeletal data. The groups under study are diverse with respect to socioeconomic conditions, ranging at the top from the middle and upper class in Belleville, Ontario to southern plantation slaves. In between lie the free blacks in the urban east and the frontier west, soldiers, and those who died in Rochester's poorhouse. The health rankings that emerge confirm several findings based on other approaches and sources but also challenge our methodology and preconceptions of health in relation to social status.

The remaining essays, which comprise about one half of this volume, consider the health of Native Americans in Central America, South America, and North America. The papers on Central America examine the biological stresses endured by the declining Maya and the pre-Hispanic populations of central Mexico. The older prehistoric populations examined in Ecuador and Brazil lived in ecological environments that led to better health. The North American groups under study were extraordinarily diverse, living under hunter-gatherer or agricultural conditions and in pre- and post-contact periods. Thus, some of the healthiest as well as least healthy populations in our database were found among natives in North America.

Considerable scholarly energy has been devoted to either formulating models or explanations of long-term changes in health. Although a comprehensive explanation has been beyond anyone's reach, various factors thought to have been important have been identified. Subsistence shifts, climate, population growth, technological change, and political evolution have all been suggested as active ingredients contributing to changes in health. While it would be interesting to investigate all such hypotheses with the data at our command, our ambitions are more limited. We have acquired evidence and

developed new methodologies that help elucidate a series of micro stories, which are enhanced by our comparative perspective using comparable data and the health index. Despite our large database, we feel that considerably more diverse evidence would be required for adequate evaluation of broad explanations. Eventually, we hope to acquire considerably more data and a global perspective for this purpose. Nevertheless, the chapter on "Patterns of Health in the Western Hemisphere" and the conclusions appraise some hypotheses and draw attention to various patterns in the skeletal evidence.

In the epilogue, prominent physical anthropologists and historians who are familiar with the project comment on our methods and results from the perspective of their disciplines. Although these short essays might be considered the first reviews of the book, our objectives are to initiate a dialogue from which all scholars interested in extremely long-term health trends may advance this fascinating and important research agenda.

For decades, bioarcheologists have intensively studied skeletons in their microenvironments as learned from burial artifacts and various features of burial sites. While this type of work is essential for the objectives of this volume, we anticipate this book will also stimulate greater comparative study of skeletal remains in their historical, economic, ecological, and cultural contexts. In short, we hope our collective efforts lead to the flowering of macro-bioarcheology.

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### ASSA Sessions (Continued from page 10)

complicated than the authors suggest. Ziliak also noted the paper adds to the growing list of research that finds poor relief does result in the incentive problems predicted by neoclassical theory.

Last, Myeong-Su Yun (Western Ontario) spoke on "Earning Inequality in Late 19<sup>th</sup> Century America and Britain." She uses micro-level data from the 1890-91 Cost of Living Survey to look at why wage inequality was higher in the US than in Britain. She applies Fields' Methodology to examine the data and finds skill, industry, and unions to be the most important factors in explaining wage differences. Shift share analysis also found inequality due to differences within groups. Robert Margo (Vanderbilt) wanted Yun to apply the Juhn-Murphy-Pierce Decomposition as an alternative tool, which he expected would find inequality due to the wage structure. Yun explained that Margo's proposed method places too great a focus on variance. Clark wondered if any adjustments had been made for the larger skill gap in the US, and Yun responded that such an adjustment reduces but does not eliminate the wage gap between countries.

In the second Friday session, "Historical Evolution of U.S. Labor Markets," Jeremy

Atack (Vanderbilt), Fred Bateman (Georgia), and Robert Margo presented their work on "Rising Wage Dispersion in American Manufacturing, 1850 to 1860," in which they use census data to study wage dispersion in manufacturing establishments. The authors document an increase in wage dispersion during this period and attribute it to increased concentration of employment in large establishments. They conclude that workers in large establishments were less skilled than workers in small establishments.

Next, Joe Ferrie (Northwestern) discussed "The Poor and the Dead: Socioeconomic Status, Location, and Mortality in the U.S., 1850-1860," where he uses mortality schedules and census data to examine the relationship between socioeconomic status and mortality. Ferrie finds a strong negative relationship between occupational status and mortality in 1860 but a weaker statistical relationship between occupational status and mortality in 1850. The results indicate that changes in the distribution of wealth, even in a largely agricultural society, may lead to significant changes in mortality rates and life expectancy.

In their paper entitled, "Long Run Patterns of Migration in the United States, Joshua Rosenbloom (Kansas) and William Sundstrom (UC-Santa Clara) investigate

trends in interstate migration in the United States using IPUMS for the period between 1850 and 2000. The authors use an individual and family-based measure of migration to identify a U-shaped trend. The results of their analysis show that migration reached its lowest level in 1900 and rose steadily until 1970.

In the first Saturday session, "The Development of Financial Markets and Institutions," Farley Grubb (Delaware) presented "Creating the U.S. Dollar Currency Union, 1760-1811: A Quest for Monetary Stability or a Grab for Sovereignty?" Grubb challenges the notion that the United States created a dollar currency union to reduce monetary instability and promote economic growth. In addition, he argues that the US dollar currency zone was designed to enhance the power and wealth of merchant bankers. Grubb produces evidence that members of the Constitutional Convention were closely connected to the Bank of North America, a financial institution whose bank notes competed with state issued currency. Moreover, Grubb finds that financial traders preferred state issued money over bank notes as a medium of exchange and shows that after the ban of state fiat currency by the Constitution, the rate of return on Bank of North America stock increased to over 300%. Furthermore, he provides evidence that price and exchange rate volatility was significantly higher for the US dollar than when states issued their own currency.

Next, Gerardo della Paolera (Universidad Torcuato Di Tella and Hoover Institution) and Alan Taylor (UC-Davis) presented "Internal Versus External Convertibility and Developing-Country Financial Crises: Lessons from the Argentine Bank Bailout of the 1930s." The authors consider whether the goals of external convertibility (fixed exchange rate) and internal convertibility (a

working fractional-reserve banking system) can be met simultaneously. They use Argentina's experience during the 1920s and 1930s as a test case and argue that the return of the country to convertibility in 1928 was unsustainable because of a weak banking system. The state bank assisted in resumption by issuing rediscounts to private banks. When the state bank became insolvent, monetary authorities resorted to the printing press. Argentina ultimately abandoned the currency board and established a central bank in 1935 without a commitment to external convertibility. The authors argue that these actions resulted in painful, long-run consequences for long-run price stability and the financial sector in Argentina.

In their paper, "Thrifty and the Depression in North Carolina, 1927-1940," Ken Snowden and Joshua James (both UNC-Greensboro) examine the performance of building and loan associations during the Great Depression in North Carolina. Specifically, they assess the benefits of participation in the new federal system among the surviving building and loan associations in the state and find that federal institutions, such as the Federal Home Loan Board, were significant determinants of building and loan association growth in the post-1935 period. The authors claim, however, that federal support does not explain which building and loan associations recovered most rapidly from the Great Depression. Snowden and James intend to expand the analysis to include a study of the impact of federal programs on county level building and loan association lending shares in North Carolina counties. This study should provide a more comprehensive picture of the transformation of the building and loan industry into the modern day savings and loan associations.

Marc Weidenmier (Claremont McKenna)

presented the final paper of the session, "Understanding the Costs of Sovereign Default: The Case of the Confederate States of America," in which he argues that the Confederate States issued cotton bonds for political considerations rather than to smooth taxes and consumption. Weidenmier contends that the Confederate government believed that the war bonds provided either a financial incentive for England to either intervene or give military support. Several Members of Parliament, in addition to one member of the British cabinet, owned shares in the Southern security valued at par in excess of 1000 pounds sterling. Nevertheless, his results indicate that the financial incentive failed to entice Britain as the cotton bond lobby failed to secure recognition of the Southern Confederacy in Parliament.

Howard Bodenhorn (Lafayette College) began the last Saturday session, "Historical Evolution and Growth of Markets," with a presentation of "Organizational Choice in the Old South." Bodenhorn uses data from 1500 firms in eight southern US cities in 1860 to examine why wholesale merchants were much more likely to organize as partnerships (65% of the time) than professionals (10% of the time). Bodenhorn describes two dimensions that determine organizational decisions: organizational structure that ranges from direction to discretion and transaction type that ranges from spot market to long-term contractual relationships. He asserts that while egalitarian partnerships (such as wholesalers) fit into the discretion/long-term contract quadrant, independent contractors (such as doctors or other professionals) fit into the discretion/spot market category. Moreover, the results show that since doctors of the time did not specialize, a partnership increased the risk of poor reputation by making the reputation of each doctor dependent upon the reputation of

every member of the firm. Grubb commented that partnerships in wholesaling may have been important because it was necessary to have someone at both ends. Grubb also asked about the impact of family relationships of partners in firms on the cost of monitoring. Members of the audience mentioned the role of debt in making partnerships appealing to wholesalers, since banks would be more willing to lend to partnerships. Bodenhorn added that debt also served as a bonding mechanism in partnerships.

Next, Rich Sicotte (University of Calgary) presented a paper written with George Deltas (Illinois) and Peter Tomcza (Michigan) entitled, "Collusion in Trans-Atlantic Passenger Shipping 1899-1911." They examine the effect of collusion in ocean shipping on the volume and volatility of migration flows, maintaining that volatility of migration is of special interest since shippers tried to justify collusion on the basis of stabilizing traffic flows to increase efficiency. Their results indicate that cartel agreements actually increased the volatility of migration while reducing migration up to 25% under pooling arrangements. Lance Davis (CalTech) praised the thoroughness of the analysis and asked about three particular cases of firm interaction: no cartel, collusion, and pooling. He proposed that the authors measure the effect of collusion on the US population while audience members were curious about data on rates. Sicotte explained that posted rates were not reflective of true rates and transactions records do not exist, leaving only testimonial evidence from antitrust cases.

The session concluded with "Economic Growth in the European Periphery 1870-1914" by James Foreman-Peck (H M Treasury, London) with Pedro Lains (ICS, Lisbon). The authors seek to explain the

slow pace of economic growth in the low-income periphery of Europe. As possible proximate explanations for slow growth, they examine fiscal responsibility (adherence to a monetary standard), openness (tariff rates), human capital (illiteracy rates), infrastructure (railways), natural resources (coal), and a catch-up factor based on British income. Their regression results show that if literacy rates had been the same as in Western Europe, GDP for the low-income countries would have been 50% higher. Foreman-Peck finished with an explanation of GNP dispersion based on a cycle of nuptiality patterns affecting birth rates and illiteracy. In response, Peter Lindert (UC-Davis) noted that the US does not fit the high fertility/low human capital description presented by Foreman-Peck. He suggested an alternative estimation procedure that incorporates political rights as a determinant of illiteracy.

In the Sunday session, "Institutional Bases for the Modern Economic World," Cliff Bekar (Lewis and Clark) talked about his paper written with Clyde Reed (Simon Fraser University). In "Toward Resolving the Debate Over Open Fields," the authors examine three alternative explanations of how peasants insured against consumption risk: scattering, storage, and pooling. They use parameters from McCloskey's paper, which argues that scattering was a form of insurance, to see if it was indeed an efficient insurance mechanism compared to storage and pooling alternatives. They find that storage and pooling were both much cheaper ways of insuring against a consumption disaster. Bekar then suggested an alternative explanation for the persistence of scattering as part of an insurance system that utilized "smart" pooling and saving through land. Scattering served as a means of monitoring to mitigate moral hazard in pooling arrangements. Furthermore, scattering created liquidity in the land market to allow

for saving through land acquisition. Discussant Gary Richardson (UC-Irvine) stated that pooling and storage were not as infrequent as the paper claims and that markets at that time have been found to be denser. He also made a case that the model could be solved algebraically instead of relying on simulation.

Next, Avner Grief (Stanford) discussed "On the History of the Institutional Foundations of Impersonal Exchange: From Communal to Individual Responsibility in Pre-Modern Europe." Grief challenges both the belief that premodern Europe had no institutions to facilitate impersonal exchange and the contention that legal institutions are a necessary condition for a market economy. Furthermore, he contends that in the absence of a strong central authority to enforce contracts, communities of traders developed formal and informal contract enforcement institutions that Grief calls a community responsibility system (CRS). Using anecdotal evidence dating back to 12<sup>th</sup>-century Genoa, Grief shows that the CRS was enforced primarily through confiscation of property from community members and refusal to trade. One drawback of CRS was that it created moral hazard since lenders did not have an incentive to evaluate the credit risk of individual borrowers. By the late 13<sup>th</sup> century, CRS declined in favor of individual responsibility. Eugene White (Rutgers) requested a more systematic empirical framework and commented that a timeline of court cases might better show the development from CRS to individual responsibility. He also wondered if there was evidence of CRS at other times or other places, such as ancient Rome or Asia.

Last, Jean-Laurent Rosenthal (UCLA) presented a paper written with Philip T. Hoffman (Cal Tech) and Gilles Postel-Vinay (INRA, LEA, EHESS), "Intermediation and

the Development of Financial Markets: Evidence from France 1807-1840." The authors use data on notarized loans from surveys of French towns between 1740 and 1899 to examine the consequences of the French Revolution on financial markets. The results indicate that the Revolution dramatically changed financial markets. Specifically, long-term debt, which had been on the rise, was eliminated due to inflation. Institutional development led to a divergence in financial markets in northern and southern France. In the North, 80% of contracts were IOU's with long maturities, whereas in Southern France credit was more varied with shorter maturities due to lack of banks. White inquired about the impact of institutional changes, such as usury law, loan

registration, and barring notaries from banking. Moreover, he asked if the French bank was a solution for the lack of mortgage funds or the creation of a mortgage monopoly. He suggested that the authors calculate the aggregate social value of loan registration.

It was not all work and no play for Clioms gathered in the party headquarters city. A cocktail party was held on Saturday night at which cliometricians and friends gathered for some light snacks, free beer, and great conversation. The Cliometrics Society will convene again in Tucson in May. The Economic History Association will hold their annual meetings in Philadelphia next September.

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## Canadian Network of Economic Historians Conference Report

By Patrick Coe, University of Calgary, and Ian Keay, Queen's University

(Stratford) The Canadian Network of Economic Historians held its 22<sup>nd</sup> annual conference in the picturesque town of Stratford, Ontario October 20-22, 2000. The theme of this year's conference was "Globalization: The Lessons From History." Organizers, Angela Redish (University of British Columbia) and Ann Carlos (Colorado), arranged nine formal sessions, a dissertation forum, and two keynote addresses. Participants enjoyed sunny weather and a town buzzing with theatergoers experiencing one of the final weekends of the famed Stratford Shakespearean Festival.

In the first session, "Policy Making in a Global Environment," Lee Alston (Illinois) presented joint work with Randal Rucker (Montana State University-Bozeman) and Marc Weidenmier (Claremont McKenna). The authors compare land values in southern Manitoba and northern North Dakota and

find that there were no significant changes in relative land prices following the introduction of binding price supports for wheat in the US. They argue that the American price support system was unable to raise US land values relative to Canadian land values, because the system rewarded rigidity in favor of wheat. Alan Green (Queen's University) suggested that the absence of changes in relative land values coincident with the US price support policy might have been due to a simultaneous reduction in Canadian tariffs on capital goods, which boosted Canadian land values. Michael Bordo (Rutgers) asked why idiosyncratic financial crises did not show up as changes in relative land values. Frank Lewis (Queen's University) thought that there was a parallel between US wheat farmers and Canadian dairy farmers, because binding quota systems in both industries undermined the ability of farmers to exploit all available returns to scale.

In "Legislative Shocks to the U.S.-Cuban Sugar Trade: The Seismic Information in Stock Prices," Richard Sicotte (University of Calgary) and Alan Dye (Barnard) study share prices of Cuban sugar mills traded on US stock exchanges between World War II and the Cuban Revolution. They find that the reduction in Cuba's share of the US sugar quota in 1956 marked a substantial decrease in forecast relative earnings and an increase in forecast stock volatility. Knick Harley (University of Western Ontario) contended that the increase in the share prices of the Cuban mills during a period of increased volatility and falling quota share indicated that other factors, in addition to policy changes, affected the global sugar market. Stuart Wilson (University of Regina) asked about the degree to which lobbying efforts of American owners of Cuban sugar refineries influenced US policy.

In session two entitled, "The Great Depression," Chris Hanes (Mississippi) discussed his work on the 1930s US liquidity trap, which questions the traditional view that a liquidity trap binds long-term interest rates once overnight rates reach zero. Hanes presented a model in which banks hold reserves in order to avoid interest rate risk. His results show that a higher reserve supply can lower long-term rates without a change in expectations of future overnight rates. Ron Shearer (University of British Columbia) asked if reserve and capital accounts were decided at the same frequency, and Bordo, Alston, and Harley wondered why banks held excess reserves following the introduction of federal deposit insurance.

Pierre Siklos (Wilfred Laurier University) concluded this session with a study of the factors that contributed to the Great Depression in the United States and Canada. Siklos talked about the usual suspects and

determined that there is no smoking gun, in other words, no single cause of the Great Depression. Alan Taylor (UC-Davis) inquired whether the different exposure to commodity markets might explain, via gold flows, the differences in the timing of the fall in money stock across countries. Alston was curious whether there were any institutional changes in Canada that were similar to those seen with the New Deal in the United States.

Knick Harley began the third session with a paper that reviewed O'Rourke and Williamson's book on late 19<sup>th</sup>-century convergence. Harley challenges the "aura of certainty" in the conclusions of a work based on the premises of specific modeling techniques, assumptions, and data sources. Moreover, Harley notes that there were many important questions that O'Rourke and Williamson failed to ask. Kris Inwood (University of Guelph) added that the focus should be on economic regions, not necessarily nation states. Michael Twomey (Michigan-Dearborn) stressed that there are some nations, including Canada, which do not fit the O'Rourke/Williamson view.

Patrick Coe (University of Calgary) finished the session with a presentation of a paper written with Elizabeth Wakerly (Cambridge and University of East Anglia) on the convergence of real wages in the 20<sup>th</sup> century. The authors use non-parametric analysis to estimate the probability that nations move within a real wage distribution over a given period of convergence. The results show that from 1870-1912 there was movement toward the center of the real wage distribution. From 1912-1950, there was little movement. After 1950, the only movement was toward the top of the distribution range. Taylor noted that the commodity bundles in the PPP measures used by Williamson in his real wage series were not adjusted annually, and the changes



in the bundles of commodities used in the relative price figures coincide closely with the break points chosen by Coe and Wakerly. Marilyn Gerriets (St. Francis Xavier University) thought that changes in the position of a nation in the distribution could be a result of a one-time shock resulting in a discontinuity or a result of a long-term convergence trend in the growth path of the nation.

Session four, "20<sup>th</sup> Century Industrialization," began with a paper by Ian Keay (Queens University) on economies of scale among manufacturing firms during the 20<sup>th</sup> century. Keay finds that Canadian firms typically had higher average costs and lower output than their American counterparts. He argues that although Canadian firms operated on the increasing returns portion of their long-run average cost function, substantial reductions in their average costs required implausibly large increases in output. Hanes wondered why firms did not merge if scale in Canada was suboptimal. Herb Emery (University of Calgary) asked whether differences in the vintage of capital equipment were reflected in the scale economies.

In the final paper of the day, Michael Twomey contended that while the Canadian experience is consistent with the investment development path, dating the phases of the path depends on which variable is used to deflate foreign direct investment. Taylor was curious how Twomey addressed adjustments for capital gains, losses, and depreciation. Almos Tassonyi (Ontario Ministry of Finance) commented that Twomey had successfully traced the pattern of investment but wanted him to focus more on explaining the pattern. In particular, Tassonyi felt that Twomey should focus on automobile investment in the 1960s.

The second day began with a session on migration, where Kris Inwood and Jim Irwin (Central Michigan) spoke on their research on the regional effects of Canadian emigration in the late 19<sup>th</sup> century. The authors explain that emigration rates from Eastern Canada to the (higher income) United States were what one might expect given the variations in income and work opportunities across the Canadian regions. They further assert that the lower rates of emigration from Quebec occurred as a result of continued growth in Montreal and lower literacy levels. Harley wanted to know whether it would be useful to undertake similar empirical work for the US to determine whether Canada was still part of the North American story or strictly Canadian story. Michael Huberman (University of Montreal) asked whether the authors were able to distinguish between permanent and transitory migration.

Next, Byron Lew (Trent University) discussed his work on US quotas and migration to Canada in the 1920s. Lew uses an augmented gravity model to argue that following the introduction of quotas in the United States in the 1920s, more immigrants preferred Canada to the US as a destination. He stresses, however, that Canada was only relatively more open to northwestern Europeans and those planning to farm the west. Redish suggested the use of panel estimation methods to include the class of the migrant as an independent variable. Mary MacKinnon (McGill University) stressed the importance of other factors such as the size of the receiving community, mother tongue, and climate.

In the second session, Michael Huberman talked about his paper written with Denise Young on the success of Canadian labor unions during the interwar years. They discuss the role played by the CIO in the

decline and subsequent revitalization of Canadian unions. They find that as union density grew during the late 20s and 30s, strikes became shorter and more violent and the demands of workers were more likely to be met. Weidenmier wondered about parallels between the Canadian experience and the American situation and suggested the authors consider changes in the share prices of firms involved in the strikes. Hanes stated that changes in aggregate supply in the 30s were due partly to strike activity. Lewis asked if the availability of replacement workers might have reduced the number of strikes.

Gillian Hamilton (University of Toronto) presented joint work with Aloysius Siow entitled, "Class, Gender, and Marriage." She presented a series of stylized facts that can be inferred from the life histories of Québécois colonists during the 17<sup>th</sup> and 18<sup>th</sup> centuries and explained that she and Siow constructed a model of the marriage market that incorporates all of them. Huberman and Emery inquired whether changes in the economic environment, institutional arrangements for soldiers and indentured servants, or the presence of the "filles du roi" had an impact on the matching problem faced by the colonists. Inwood wanted to know if women born into nobility lost their high status if they married outside of their class. Gerriets noted that the desire of men to marry younger women might have been independent of their desire to pass on their genes.

In the dissertation forum, four graduate students related their research. Catherine Douglas (University of British Columbia) reported that Scottish enclosures at the end of the 18<sup>th</sup> century increased rent per acre, wages, and TFP, but did not increase output prices. Eona Karakacili (University of Toronto) claimed that evidence drawn from

manorial account books indicates that British land and labour productivity in the agricultural sector was roughly constant from 1350-1800. Alvaro Pereira (Simon Fraser University) argued that the slow movement into factory production in Britain during the late 18<sup>th</sup> and early 19<sup>th</sup> centuries indicates that factory production was only slightly more efficient than the putting out system. And Craig Desharnais (University of British Columbia) contended that the Pacific Halibut Commission successfully restricted effort, while maximizing employment although possibly at the cost of increasing the risk of stock extinction.

Douglas McCalla (Trent University) chaired the final session of the day, which began with Stuart Wilson's paper on the effects of financial intermediation on Canadian savings from 1870-1913. Wilson professes that developments in the financial sector occurred primarily in commercial banks, which tended to provide short-term rather than long-term capital. Wilson's results reflect that the growth in savings was driven by productivity gains. To support his argument, Wilson presented Granger causality tests that suggest causality from income growth to savings growth. Keay noted the circularity between productivity growth, income growth, and capital accumulation and asked which came first. Hanes wondered whether the growth in bank assets reflected higher savings or higher money demand.

In the second paper of the session, Chris Minns (McGill University) talked about his work on labor market opportunities for the sons of US immigrants. His results show that there was little difference between the labor market performance of the sons of immigrants and the sons of native-born Americans between 1910 and 1920. Minns argues that the similarity may be explained by higher levels of upward mobility for the

sons of immigrants. Emery reasoned that if immigrant families were more likely to be multiple earner families, they would be more able to help their children accumulate human capital. Bordo was curious whether the timing of the sample was important – did WWI contribute to immigrant offspring learning to become Americans more quickly?

A bit of controversy swirled around Sunday morning's discussion. Herb Emery spoke on his study of real wages for three occupations in 13 Canadian cities from 1901-1950. He used an error correction model to illustrate the presence of a low equilibrium wage differential between Toronto and the western cities and a much higher equilibrium differential between Toronto and the eastern cities. The result raised a few eyebrows. Furthermore, Emery reported that at the turn of the century, despite the pattern of migration, Toronto was Canada's high wage region. Shearer asked if wages earned by building tradesmen could be considered representative of Canadian labor markets. Benoit Papillion (Université de Québec à Trois Rivières) questioned whether the model could distinguish between forces determining the flow of labor, such as productivity differences, and forces determining the stock of labor, such as migration costs. Lewis speculated that there could be quality differences between Toronto and western workers, because urban workers in the west may have been failed farmers or failed urban workers from Toronto.

Next, Alan Green and Mary MacKinnon talked about research on schooling rates in Toronto and Winnipeg in 1901. They find that children under the age of 15 in Winnipeg were much more likely to attend school than children in Toronto. According to the authors, the difference suggests that families in Winnipeg could afford to forgo the wages of their children. Their results, which

combine data on schooling with data on relative nominal incomes, contradict Emery's conclusion. Lew, however, reminded Green and MacKinnon of their earlier work in which they claim that assimilation rates are low for the foreign born in the 1901 census. He wondered if this was because British immigrants stayed in school longer than non-British immigrants. Carlos also questioned the conclusion that high schooling rates were necessarily associated with high wages. She thought that very low wages for workers without a formal education are consistent with high returns to staying in school.

Ron Shearer addressed his work on British banks in San Francisco during the 1860s and 70s in the final session of the conference. He highlights the influence on British banks by push factors (such as new banking policies in Britain that allowed for limited liability in overseas banking) and pull factors (such as San Francisco's maintenance of the Gold Standard during the Greenback era). Much of the discussion centered on the large spread between short-term interest rates in San Francisco and those in New York. Redish asked why New York banks were not taking advantage of these high rates on the West Coast, and Weidenmier wondered if New York rates were controlled during the Civil war. Harley was curious whether these banks were traditional intermediaries or agents of other institutions.

As the final session drew to a close, conference participants thanked Angela Redish and Ann Carlos for a finely orchestrated conference that was both thought provoking and enjoyable. Participants keenly anticipate the next CNEH conference, which will be held in Winnipeg, Manitoba, in April 2002. Michael Huberman will act as program co-coordinator.

## Clio in Retrospect: 1966

Michael Hauptert, UW-La Crosse

*Individuals in bold type are currently listed on EH.Net*

(February 1966) The Purdue University Seminar on the Use of Economic Theory and Statistics in Economic History (and you thought Cliometrics Society was a mouthful) meet in West Lafayette for their sixth annual seminar. The student protests against the Vietnam War rage outside the building. Elsewhere, the finishing touches are being applied to the National Organization for Women, which will be founded later that year. Before the conference begins, several New Yorkers are heard complaining about the recent increase in subway fares to 20 cents.

The program began on Thursday with **Richard Easterlin** (Penn) presenting "Economic-Demographic Interactions and Long Swings in Economic Growth." This theme, like many of the papers presented in this year's conference, became a central one in the work of the presenter well into the future. In this case, it first showed up later the same year in the December issue of the *American Economic Review* in an article of the same name. In 1968, Easterlin published *Population, Labor Force & Long Swings in Economic Growth, The American Experience* (NBER General Ser., No. 86).

Easterlin argued that one of the mechanisms responsible for long swings in economic growth may involve interactions among aggregate demand, labor market conditions, and household growth, with a feedback effect from the last to the first. An upswing in the growth of aggregate demand and the growing labor-market tightness induced thereby engenders accelerated marriage, migration, and household growth as well as associated

spending commitments extending over several years as a new home is established and a family started or settled. A bunching of such commitments would cushion the economy against the usual business cycle and become exhausted only gradually. Long swings are prevalent in the secular development of free market economies, because typically the adoption of modern industrial technology has required population redistribution from rural to urban areas and the provision of the requisite goods for this relocated population. The induced state of the long-swing mechanism, an urban development boom, is essentially the accomplishment of this requirement in a free market economy by a multiplier-type process.

Next up was a symposium on economic growth and institutional change featuring **Doug North** (University of Washington) on shipping and **Lance Davis** (Purdue) on financial institutions.

North presented evidence on sources of productivity change in ocean shipping from 1600 to 1850. Total factor productivity increased at a rate of almost 0.5% per year between 1600 and 1784. Between 1814 and 1860, productivity increased at a rate in excess of 3% per year. In the first period, there was no change in ship size, but there was a sharp fall in crew requirements and a decline in average port time. The decrease in crew size stemmed from gradual elimination of piracy and privateering and the consequent reduction in guns and crew for military protection. Falling port time was attributable to improving market organization. In the second period it was the size of ships and consequent carrying capacity that increased as well as the load factor (from more two-way cargo), without an equivalent increase in

crew size. The growth of large-scale, well-organized markets permitted this development. The basic ship design, which made possible these developments, had been devised by the Dutch in 1595; the full exploitation of the improvements inherent in this ship became possible when market imperfections were reduced with the elimination of piracy and the reduction in transactions costs.

Two years later this work appeared in print in North's famous *Journal of Political Economy* article, "Sources of Productivity Change in Ocean Shipping, 1600-1850."

Davis noted that the patterns of economic concentration differed between the United States and the United Kingdom. A part of this difference could be explained by differences in the capital markets and the demands for financial capital in the two countries. In the UK not only were the strains placed on the capital market by the structure and location of growth less than in the US, but also the markets themselves were better able to stand the strains. There was, therefore, little financial reason for concentration. In the United States, on the other hand, similar strains put a great premium on the ability to acquire finance. Consequently, they produced monopoly profits for those who could obtain it and tended to force out firms without such access. The result was an increased concentration.

Davis published "The Capital Markets and Industrial Concentration: The U.S. and U.K., A Comparative Study" in the August 1966 issue of the *Economic History Review*.

The collaboration between North and Davis extended beyond the symposium. They pursued the theme of growth and institutional change in their 1970 JEH article, "Institutional Change and American

Economic Growth: A First Step Towards a Theory of Institutional Innovation," and their book, *Institutional Change and American Economic Growth*, published the following year by Cambridge University Press.

William Parker (Yale) closed out the Thursday sessions with "This Little Piggie Went to Market." This went on to become perhaps the most widely cited unpublished paper in economic history literature. Parker estimated pork production in the US as the sum of production in three sectors: slaughter on Northern farms, slaughter at Northern slaughter and packing houses, and slaughter in the South and Far West (estimated under the assumption that the practices governing production for commercial and for farm slaughter did not differ sharply in those regions). For each sector, the production estimate was the result of applying slaughter ratios and average live weights at slaughter to the average number of animals in inventory during the year. This paper set the standard for what is expected of a paper to be presented at Clio. It was a work in progress and an exemplary application of statistical techniques to historical data sets. The paper as presented by Parker was only eight pages long but featured 22 pages of tables and appendices, including something the computer has made obsolete – an errata page.

Harold Williamson and Mohammed Nadiri (both Northwestern) opened the Friday session with "A Financial Model of the American Economy." The objective of their paper was to develop a theory of demand for real cash balances and to estimate the model using the postwar quarterly data for the total US manufacturing sector. They concluded that there was evidence of considerable economies of scale in holding real cash balances, and the average adjustment lag between actual and desired real cash balances was small (about one or two quarters).

Nadiri published a related paper, "The Determinants of Real Cash Balances in the U. S. Total Manufacturing Sector," three years later in the *Quarterly Journal of Economics*.

Alfred Conrad (Harvard) followed with "Slavery Reconsidered and then Reconsidered Again." This represented a continuation of his previous work. His next published piece on the economics of slavery was "Slavery as an Obstacle to Economic Growth in the United States: A Panel Discussion," which appeared in the December 1967 issue of the *Journal of Economic History*.

**William Whitney** (Penn) closed out the day with "Input, Output, and the 19<sup>th</sup>-Century Economy."

While sipping the newly introduced Taster's Choice freeze-dried instant coffee during breaks, the talk naturally turns to the job market. Several promising young economic historians will be landing new positions this year. The average starting salary for a new assistant professor, at \$9500, is a hefty 58% more than Major League Baseball rookies will earn. Many friendly wagers are placed on how long it will take that gap to double. The influence of clio presenters is evident at the EHA meetings that fall. Recently minted Ph.D.s, Jon Cohen (Yale), R. Marvin Mcinnis (Queens University), and Gary Walton (University of Washington), present their doctoral research as part of the dissertation session.

On Saturday, Sam Warner (Washington U) started out with "A Historian Looks at the Quantitative Aspects of City Growth." Warner was a prolific author of urban history, publishing numerous books and articles on the subject in the next several years. These included "If All the World Were Philadelphia: A Scaffolding for Urban

History, 1774-1930," *The American Historical Review*, Oct 1968; *Planning for a Nation of Cities* (MIT Press, 1966); *The Urban Wilderness* (HarperCollins Publishers, 1973); and *The Way We Really Live, Social Changes in Metropolitan Boston since 1920*, (Boston Public Library, 1977).

John Bowman (Wisconsin) followed with "Some New Data on American Agriculture, 1870-1900." In 1974, Bowman and Richard H. Keehn teamed up to publish "Agricultural Terms of Trade in Four Midwestern States, 1870-1900," in the JEH.

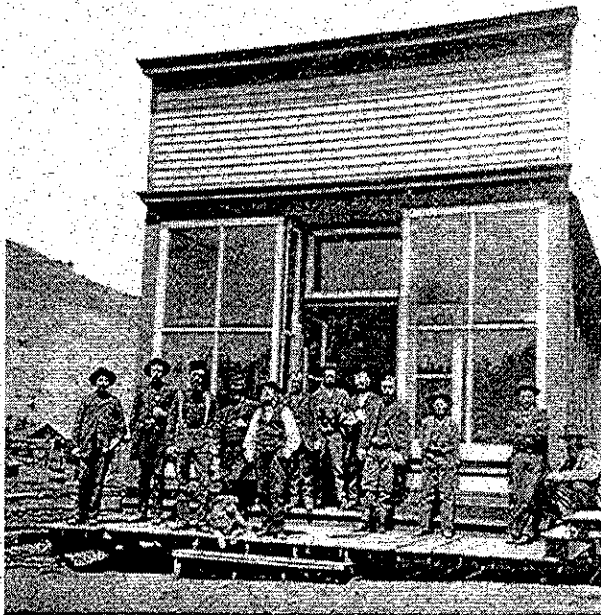
Technology takes center stage during the casual conversations struck up between papers. The Cliometricians are all excited to see one of their brethren showing off his new Friden Model 132 calculator. It's the latest technological marvel, and the automatic square root function makes the \$1950 price tag a bargain. Several clioms will return to their home campus hoping to talk the dean into purchasing one for the department. And it's even portable!

Airfares are another topic of conversation. The \$74 roundtrip fare between Chicago and Miami may end up grounding a couple of clioms who hope to combine a little pleasure with their work during spring break. After all, a department travel budget can only take so much strain.

The meetings were closed out by Matthew Simon (Queens College) and David Novack (Vassar). They presented their paper entitled, "European Imports as a Source of American Supply." In 1970, Simon went on to publish a related paper, "New British Investment in Canada, 1865-1914," in the *Canadian Journal of Economics*.

Cliometricians will gather next in Tucson from May 18-20 2001 for their 41<sup>st</sup> annual

meeting. The name of the conference has been shortened, but as recent gatherings suggest, the quality of the work most certainly has not diminished. Two participants of the 1966 meetings are expected to be on hand this year. If their recollections of the meetings match those in the report, consider it evidence of the power of the human memory.



Other notable attendees in West Lafayette in 1966 included (l. to r.) Ralph Andreano and Allen Bogue (both Wisconsin), Paul David (Stanford), Stan Engerman (Rochester), Lassie, Albert Fishlow (UC-Berkeley), Robert Fogel (Chicago), Bob Gallman (UNC), Donald Gordon and Robert Thomas (both Washington), Eugene Smolensky (Chicago), Peter Temin (MIT), and Jeffrey Williamson (Wisconsin).

#### RENEWAL REMINDER

What weighs more than a small tin of Beluga Caviar but costs only a fraction as much? A membership in the Cliometric Society, of course. This will be your last newsletter if you don't renew in a timely manner, so get off the stick and get that check in the mail!

## Call for Papers National Conference of The Historical Society Atlanta, Georgia May 16-19, 2002

The third national conference of The Historical Society will meet in Atlanta, Georgia, on May 16-19, 2002. The theme of the conference will be "Historical Reconstructions," in which we seek to understand how elites, social groups, and individuals have tried to reconstitute and strengthen their crushed societies after defeat in war, ensuing turmoil, or social upheaval.

The Program Directors welcome proposals from individuals active in all fields of historical inquiry. Academic and public historians, along with independent scholars, graduate students, and others engaged in historical inquiry, are invited to submit brief abstracts of their proposals. The Directors especially welcome papers comparative in scope or that may be combined to create sessions that shed light on the bearing of some historical experiences on others.

**The deadline for submission is April 3, 2001.** Please send five copies of your paper proposal (a brief abstract no more than two pages in length) to:

2002 Program Directors  
The Historical Society  
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Website: <http://www.bu.edu/historic>

## Report of the 25<sup>th</sup> Annual Social Science History Association Conference

By Scott A. Carson, University of Texas-Permian Basin

(Pittsburgh) The 25<sup>th</sup> annual meeting of the Social Science History Association was held at the Hilton Pittsburgh and Towers October 26-29, 2000. The conference theme was "Looking Backward and Looking Forward: Perspectives on Social Science History." Leslie Page Moch (Michigan State) and Phillip McMichael (Cornell) arranged the Association's program. The economics network session organizer was David Ryden (Brunel University). Of the 164 total sessions presented, 11 were from the economic history network. They covered a broad range of subjects from the legal arrangements of child labor to the macroeconomic policies of the 18<sup>th</sup> and 19<sup>th</sup> centuries.

Children, immigrants, and women were three distinct groups examined in the papers presented at the session, "Labor Markets and Labor Choices in the 19<sup>th</sup> and 20<sup>th</sup> Centuries." Common themes united the papers and the ensuing discussion, such as the role of culture in shaping labor market outcomes, the opportunity provided with new data sources, and the measurement problems that remain in these data sources. Philip Holleran (Patrick Henry Community College) opened with his paper, "From an Early Age: Ethnic Differences in Child Labor in 1907." He investigates the longstanding question of whether there were ethnic differences in the use of child labor that could not be explained by economic variables. His evidence consists of household level data collected through a 1907 Senate survey. He finds that the effect of ethnicity and culture on the supply of child labor varied by region within the United States. Ethnicity mattered in Pennsylvania silk mills but not in Massachusetts textile mills. On the other hand, cultural

assimilation mattered in Massachusetts, but there was no such effect in Pennsylvania.

The second presenter, Scott Carson (University of Texas-Permian Basin) produced new evidence on the role Chinese workers played in the construction of America's transcontinental railroad. Carson's research is based on a new data set containing the 1870 census record of every worker in the counties along the transcontinental route through Nevada, Utah, and Wyoming. Using this data set, he documents the tremendous concentration of Chinese workers in unskilled and support occupations on the railroad. After developing a labor market model to explain immigration volatility, he employs Congressional testimony from railroad managers to suggest that the productivity of these workers may have stimulated increased and more varied use of Chinese workers on subsequent construction via a "demand-side learning" process.

Matthew Sobek (UC-Riverside) continued with "Taking the Measure of Women's Labor: Historical Evidence of Female Labor Force Participation." Sobek utilizes individual level data from the IPUMS census samples to rigorously test hypotheses about married women's labor force participation over the past 130 years. The census routinely undercounted married women who worked on family farms or in family businesses by listing them as having no occupation. Sobek's calculations confirm that more complete reporting of the participation of married women would dramatically increase the labor force participation rates in the late 1800s and early 1900s and would generate a trough in married women's labor market activity in the World War II era.



In the session, "Macroeconomic Policies in the Eighteenth and Nineteenth Centuries," Farley Grubb (University of Delaware) hypothesizes that the choice of a unified specie currency for the United States may have had more to do with personal gain than a public-spirited concern about the alleged poor quality of the old colonial and state paper money. He uses evidence drawn primarily from Pennsylvania to show that the earlier currency had been quite sound. His evidence also shows that the United States' specie was in fact vulnerable to international fluctuation and thus more prone to volatility as well as to an initial inflation spike. Grubb argues that this decision was particularly advantageous to financiers who were most vocal for it at the Constitutional Convention.

Richard Lobdell (University of Manitoba) presented "Financing Freedom: the British Loan of 1835 to Compensate Former Slave Owners." He discusses the financial impact of the property buy-out clause of the emancipation of British slaves in the mid-1830s. It appears that the massive transfer of money from the state to slave owners was orderly and did not disrupt the supply of money in the larger economy. Lobdell speculates that it may well have been the Rothschild's personal intervention in the money market that prevented a severe contraction in the money supply.

In their two papers, historians Carl Zimring (Carnegie Mellon) and Paul Gilmore (Georgia Tech) examine immigrants' business endeavors in the session, "Immigrant Businesses and the Problem of Legitimacy." Together, Zimring and Gilmore provided an engaging discussion concerning the location, cultural context, and trajectories of ethnic businesses in American cities and regions. In "Scrap Industry and the Question of Legitimacy: Problems of an Immigrant Industry," Zimring offered a timely, in-depth

portrait of the largely immigrant steel scrap dealers from the 1880s through the close of the Great Depression. He also provides us with appreciably greater detail on the ethnic aspect of waste and recycling than many historical observations regarding immigrant business. He connects social practices of scrap dealers to the wider socioeconomic and cultural context, viewing ethnic scrap dealers as striving for legitimacy within regional economies. Zimring concluded by addressing the regional political economy that led to the eventual decline in ethnic participation in the scrap industry.

In his paper, "From Mom and Pop to Progressive Grocer: Legitimacy and Food Selling Before World War II," Gilmore concentrates on the technological and cultural transitions concomitant on the gradual replacement of ethnically-owned neighborhood grocery stores with parking-lot-adorned supermarkets. Gilmore's mom and pop retailers focused on neighboring immigrant consumers, often stylizing their inventories to match perceived and particular wants that were different from white, Protestant, Anglo-Saxon communities in the expanding suburbs. Gilmore also talks about the social practices of mom and pop retailers, including socioeconomic factors and cultural context. In summation, these papers provide us with a rich smorgasbord of historical narrative and example. Session chair Philip Scranton (Rutgers) observed Zimring and Gilmore's projects put a good deal of history behind the vigorous discussion among sociologists of work and immigration concerning the location and cultural context of cities and regions.

The session, "Industrial, Agricultural and Merchant Economies: A Pan-Atlantic Perspective," began with "A 'Thorny Bed of Adversity and Affliction': Alexandria Merchants, the Napoleonic Wars and the Rise

of Marine Insurance" by A. Glenn Crothers (Indiana University Southwest). Crothers traces the development of the insurance industry in Alexandria, Virginia, just a short time after the chartering of the Insurance Company of North America in Philadelphia. He further examines the economic forces that fostered this financial development within a society that was also committed to slavery.

John Smail (UNC-Charlotte) followed with "Economic History and Post Modernism: Making Sense of Industrialization in 18<sup>th</sup> Century England," in which he argues that the big debates within history departments and the use of post-modern theory have had little impact on the field of economic history, with its extensive use of mathematics and the rational maximizer paradigm. Smail characterizes mainstream economic history as sometimes lacking common sense. He asserts it is handicapped by a paradigm that, while often elegant in its simplicity, deals with unpleasant facts that do not fit the theory. He calls on economic historians to tell more stories after they crunch the numbers.

Anne McCants (MIT) continued with "Intergenerational Wealth Transfers and Family Networks in 18<sup>th</sup> Century Holland." McCants investigates the property transmission and the special arrangements made for the care of minor children following parental death in 18<sup>th</sup>-century, urban Holland. She draws her extensive data from a collection of unpublished manuscript probate records taken primarily from the lower to middle shopkeeper/artisan strata.

Joyce Burnette (Wabash College) closed with "Wage Profiles of English Farm Workers in the Early 19<sup>th</sup> Century," where she documents age-wage profiles among both women and men on two English farms: one in Derbyshire and one in Gloucestershire. Burnette matches

workers in farm account books to the British census and finds that females had flat age-wealth profiles. On the other hand, males' profiles increased rapidly in the early teens, flattened between the 20s and 60s, and fell at older ages, which is much different from modern wage profiles. This suggests little accumulation of human capital during the laborer's life. The dramatic change in the profiles of younger men and the rapid decline of those of older men may be explained by the change in physical strength at those ages.

Issues in child labor were discussed in the following session, "Legal Arrangements of Child Labor," when Daniel Jacoby (University of Washington-Bothell) spoke on "Apprenticeship and its Political Economy." Jacoby considers how apprenticeship systems were replaced with more formal training systems and the political issues that facilitated the replacement of the apprenticeship system. He concludes that cultural and political factors were the most important contributors that led to the transition. Cultural upheaval after America's Civil War led to changes in social and institutional arrangements that ultimately caused the decline of traditional apprenticeships. These cultural factors combined with political failures to bring the apprenticeship system to an end. While less important, other factors were market and legal failures. Compulsory education, rather than indentured apprenticeships, was more politically acceptable. Jacoby closed by talking about the four institutions that arose to fill the void left in the demise of the apprenticeship system: employers, unions, private trade schools, and the state.

In "Political Economy of Orphan Indenture in Eighteenth Century America," John Murray and Ruth Herndon (both Toledo) consider the terms of orphan apprentice contracts in three locations of early America: Boston, Rhode

Island, and Charleston. Some contracts promised further education or training in a specific skill, and some obligated the master to pay the apprentice a sum of money or goods at the end of the term. Two mutually exclusive theories have been proposed to explain the relationship between such end payments and education and training clauses. They find empirical support for each theory in different locations. In Boston, end payments acted as forced savings; in Rhode Island and Charleston they acted as a bond. Promises of end payments were intended to dissuade bound children of varying productivities from becoming poor relief recipients or runaway apprentices.

Winnie Rothenburg (Tufts) chaired a panel discussion entitled, "The Chesapeake's Eighteenth Century Economy: New Quantitative Evidence," that focused on a central project. Russell Menard (Minnesota), Lois Carr (Archives of Maryland) and Lorena Walsh (Colonial Williamsburg) have corroborated for some time on what will be part of a book on the slave economy of colonial Chesapeake. Walsh's discussion of the actual mechanics of the slave trade (its operations in Liverpool, Bristol, Maryland, and Virginia) is astonishing in its level of

detail. Carr is deeply involved in the inheritance of slaves. The audience in this session was surprised to learn that the authors could find no evidence of an internal slave trading system in the colonial period. Rather, slaves were held onto and passed down as inheritances within families in the Chesapeake slave economy.

The Social Science History Association's 2000 annual conference covered a broad interdisciplinary perspective of many current topics in economic history. Both established and aspiring scholars rehashed old and opened new historical issues with the common methodology of economics. We left Pittsburgh having interacted with researchers who share the common objective to understand historical processes and how cultural and social values may have influenced those processes. The Conference's next meeting will be held in Chicago in the fall. The theme is "Quantitative and Qualitative Approaches to Social Science History: A Reappraisal." We look forward to the 26<sup>th</sup> annual conference of the Social Science History Association, which promises to be as encouraging as the 25<sup>th</sup>.



Steelworkers taking a sunbath on their day off, Pittsburgh, Pennsylvania c1938

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## A Letter from the Editor

As we begin our second year of publishing the newsletter AS (After Sam) it seems reasonable to pause for a bit to reflect on the past year. Since the inaugural issue, we have managed not to mislabel any photos or leave out any bylines. Assuming the same holds for this present issue, we have a streak going. Fifty-three more issues, and we'll be mentioned in the same breath as Joe DiMaggio.

With this issue, we introduce our second new feature: a retrospective of previous Clio meetings. This year our focus is 1966. 1966 was a good year, and represented a simpler time – when rookie economists actually earned more than rookie baseball players. Each spring we will feature another previous meeting. The point is to follow up on the papers and presenters. Please let us know what you think. And as always, please do not hold back on any comments or suggestions you have for us.

This issue features the third installment of our other new feature – the book preview. We preview *The Backbone of History: Health and Nutrition in the Western Hemisphere* edited by Richard Steckel and Jerome Rose. We already have a book preview in hand for the summer issue but are always on the lookout for additional books for future issues. If you have a book forthcoming in the next year or so, please let us know so that we can alert the membership.

At this time, I would like to publicly thank all of those who helped make the past year a success. All of your comments are certainly valuable and appreciated, and I thank you for the many notes I have received. In particular, I would like to extend thanks to the following individuals for their efforts in putting the *Newsletter* together over the past year: Brian A'Hearn, Dan Bogart, Jean Bonde, Lee Craig, Mary Beth Combs, Stanley Engerman, Farley Grubb, Craig Heinicke, Jonathan Liebowitz, John Lyons, Joel Mokyr, Pamela Nickless, Doug North, Tony O'Brien, Kerry Odell, Roger Ransom, Joe Ryan, Virginie Saulnier, Martin Shanahan, Gene Smiley, Sheldon Smith, David Stead, Sam Williamson, and Tom Weiss.

In closing, let me remind you of the benefits of serving as a reporter for a conference: accolades, cheers, admiration, a byline and a press pass personally signed by either Lee Craig or myself. If you need any or all of these, please let me know, and I'll put you on the payroll for a future issue.

Michael J. Hauptert, Editor

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