The Newsletter of

The Cliometric Society

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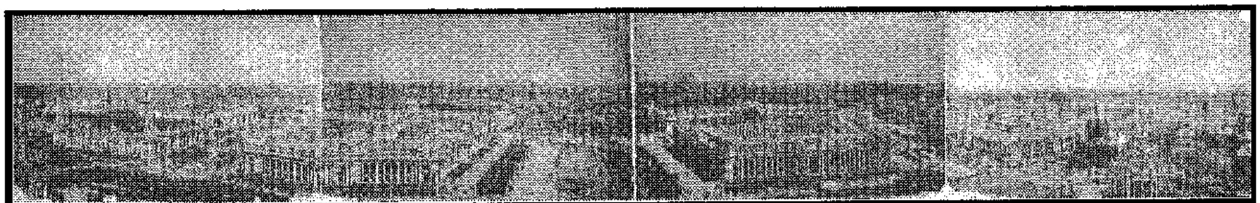

St. Louis World's Fair from Washington University Campus c1904

Report on the Economic History Association Meetings

By Kevin Davis, Stanford, Alka Gandhi, Ohio State, and Andrew Ross, University of Western Ontario

(St. Louis) The Economic History Association held its annual meetings in St. Louis over the weekend of October 11-13, 2002. The conference title was "Private vs. Public Institutions," which encompassed a wide range of institutional types during many time periods. Martha Olney (Berkeley) was the meetings coordinator, with assistance from Meredith Beechey (Berkeley).

The conference opened with a session entitled "Institutions, Property Rights, and the Environment." **Sumner LaCroix** (Hawaii) presented "Monopsony Land Tenure and the Expansion of Settlement in Dutch South Africa, 1652-1795," work with **Kyle Kauffman** (Wellesley). They investigate the institutional and financial restraints and incentives that governed the growth of the Cape Colony in South Africa. Using a formal model of monopsony which incorporates a competitive fringe, Kauffman and LaCroix identify the forces driving settler expansion, showing the efficiency and logic of the VOC's unique monopsony land tenure system and VOC-set prices for settlers' agricultural products. In their model, they show how expansion of the colony was a response to increased demand for provisions from VOC ships and autonomous settler activities. Arthur McEvoy (Wisconsin) suggested that greater context, both local and global, might be required to make the Kauffman-LaCroix story more complete. The role and timing of ecological realignment following the introduction of new livestock and the importance of predators and their elimination were offered as explanations of expansion timing. Moreover, the relationship between country and company (VOC) and the impact of evolving global markets on the strength of the VOC monopsony may merit further investigation.

In "Saving the Whales: Lessons from the First Great Whale Extinction," **Ian Keay** (Queen's University) and **Robert Allen** (Oxford) offer a look at a series of counterfactuals illustrating the negative externalities of resource exploitation and the tragedy of the commons. Using a simulation model, Keay and Allen explore the

(Continued on page 22)

What's Inside

Executive Director's Notes

Greetings Gentle Members:

First, in this issue of the *Newsletter*, you will find summaries of the papers to be given at the Clio and EHA sessions at the 2003 Allied Social Science Association (January 3-5) in Washington DC. I thank Price Fishback for his ever-efficient service in helping put together the program. For those who enjoy the social as well as the intellectual scene at ASSA, "Smokin'" Mike Haupert and the prosperous administration at UW-La Crosse will once again host the annual Clio party from 8:00-11:00 pm on Saturday, January 4 in "Smokin'" Mike's suite at the Grand Hyatt.

Now, please prepare the beverage of your choice; sit back; put your feet up; and get ready to enjoy the annual *Report on the Cliometric Society.* As you know, we are a Society of laws (the bylaws, that is), and they demand that your director prepare and submit the *Report* as approved by the trustees to the membership. For those of you who don't tear open the *Newsletter* in anticipation of the complete version of the annual *Report*, I once again offer the short version: I cashed the checks and paid the bills.

Now that only you diehards are left, let's talk about membership. The good news is membership continues to grow. We have roughly 420 "members." I write "members," because only a subset of "members" actually renews on a regular and timely basis. That's the bad news. My regards go to those "members" who renew on such a basis. If you do not think that you are one of those "members," then please renew when you receive your annual notice. Think of the Society as National Public Radio without the annual on-air fund drive.

As for finances, on the facing page is the Society's annual budget, and as you can see, the lights will remain on another year.

Finally, with respect to personnel matters here at the Home Office, Kyle Kauffman (Wellesley), formerly knows as "Our Man at ASSA," has (as they say here at NC State) "returned to teaching and research." I thank Kyle for his many years of service representing the Society at ASSA. The trustees have approved the appointment of Werner Troesken (Pittsburgh) as the new ASSA rep. He will begin his official duties at this years cocktail party. Look for him in a white tux and carrying a tray.

And that's all the news that's fit to print from the Society.

Lee A. Craig
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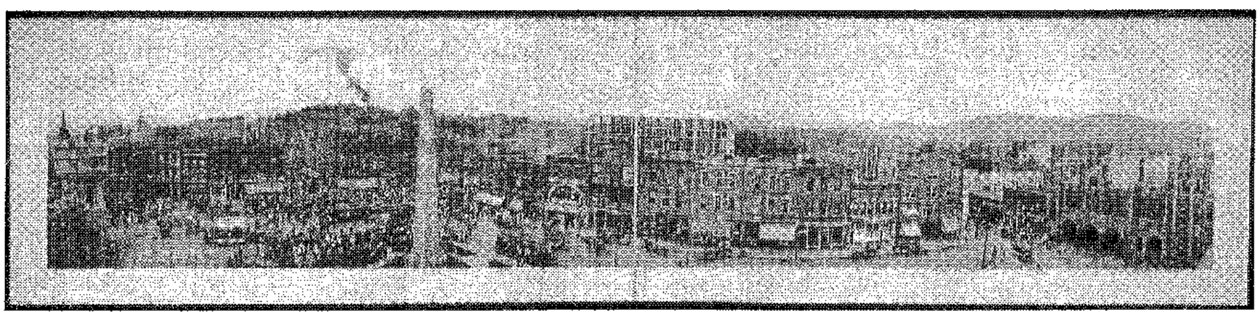
2002 Calendar Year Budget Report

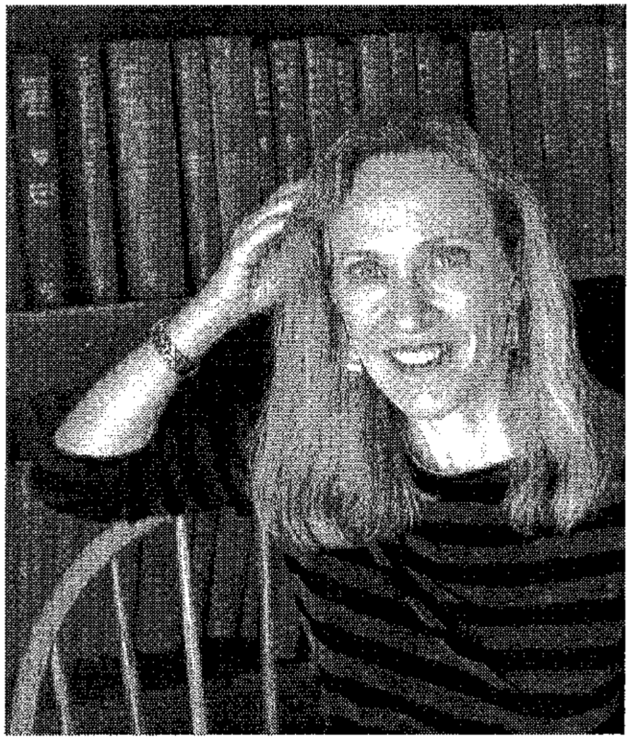
Projected Income

Dues – Regular	$7,000
Dues – Student	125
EEH Subscriptions	13,750
EHES Dues Collected by Clio	4,130
Donations	1,645
Interest and Other Income	2000
Total Income	$26,850
Projected Expenses	
Salaries	$2,650
Newsletter	4000
Academic Press	13,500
Clio Member Dues Remitted to EHES	3,000
IEHA Dues	175
Director's Travel and Trustees Meeting	1,000
Bank and Credit Card Fees	750
ASSA Meetings	650
Office Expenses	625
EH.Net Dues	500
Total Expenses	26,850
Operating Surplus	$0



North Carolina will be the site of the 2003 Clio conference May 23-25, 2003

An Interview with Claudia Goldin



Claudia Goldin is the Henry Lee Professor of Economics at Harvard University and Director of the Program on the Development of the American Economy at the National Bureau of Economic Research. She came to Harvard in 1990 after holding positions at the University of Pennsylvania, Princeton University, and the University of Wisconsin. She has been a visiting scholar at the Russell Sage Foundation, the Brookings Institute, and the Institute for Advanced Study at Princeton, and she is a fellow of the American Academy of Arts and Sciences and the Econometric Society. In 1999-2000, Claudia was President of the Economic History Association. She has served on the editorial boards of many journals in economics, history, and economic history. She co-edited the ***Journal of Economic History*** *from 1984 to 1988 and has been editor of the NBER monograph series,* ***Long-term Trends in American Economic History****, since 1990. In 2002, she delivered the Marshall Lectures at Cambridge University. This interview was conducted during the fall of 2002 by Elyce Rotella (Indiana) through a series of e-mail exchanges and a rambling conversation at the EHA meetings in St. Louis. Elyce writes: I first met Claudia when I was a graduate student at the University of Pennsylvania and she was a young assistant professor at Princeton. I remember she was at the first Cliometrics Conference I attended in 1976 and was clearly someone who was listened to in that rather raucous milieu. I only had the courage to open my mouth for a few tentative questions, so it was inspiring to see Claudia smoothly participating in the fun. She was a few years ahead of me in the profession, and I was a bit in awe. But when she asked me about my dissertation research, I felt at ease – like a colleague. We have been colleagues ever since. For much of our careers, we have both worked on questions about the role of women in the American economy, so we have always had a great deal to talk about. For one lovely semester we were colleagues in the same place when I was visiting faculty at Penn.*

How did you get into economic history? What road did you take? Who was influential in your choices?

As an undergraduate, I took mainly government, history, and economics courses. Among the best departments at Cornell at the time were government and history, and I took many courses in those fields, possibly even more than in economics. I took courses for the professors, not for the content, and the history professor with the most appeal was Walter LaFeber (and his appeal was nearly universal). He offered American foreign policy and diplomatic history courses, so my history education was a bit lopsided. I did take Paul Gates' American course, but it was dry, and I dimly recall that I did the reading and didn't attend all the classes. I deeply regret that, since I could have learned much from him had I gotten to know him well. All of this is less important than what happened when I went to Chicago.

I had no intention of studying economic history when I went to Chicago. My plan was to do industrial organization, for it was Alfred (Fred) Kahn who had the greatest influence on me when I was an undergraduate. My economics was mainly in IO, trade, and macro, not economic history. Nor did I do any labor, which at that time was mainly a discipline of institutional economics. My first year at Chicago was, like most Chicago students, steeped in price theory and money. I also took macro and general equilibrium (which was much like trade) and basics, like statistics and math. I found "my own," so to speak, in price theory and was excited by almost any real world question and application of price theory that came my way. Courses were very important to us at Chicago, even in our later years as graduate students. There were four quarters a year, and each offered different courses or different people teaching the same course. You took courses to learn the material and to learn it from particular people.

When I went to Chicago, I had no idea that the economics department at this university was going to be as phenomenal as it was and that I would be given the chance to learn every part of economics from the greats in the field. It became clear to me during my first year that my professors were the most brilliant individuals I would ever encounter and that my peers were also superb. The same praise cannot be heaped on the living conditions around Hyde Park. There were so few places to eat dinner (there still are very few) that we ate in Billings Hospital cafeteria, which appeared to serve the same food that the patients received. We ate and talked economics with medical paging systems blaring in the background, "Dr. Schwartz, Dr. Schwartz, you are wanted in radiology."

At Chicago, we all had to take distribution requirements; but these weren't a burden, since courses were so much fun. It was the professor who had to do all the work, after all. One of the distributions we had to take was economic history. We also had to take another in the history of economic thought, which was a separate distribution, as it should be. For my economic history course, I took Bob Fogel's American Economic Development. Not only was Bob a grand teacher and provocateur, the other students were awesome. Peer effects matter a lot. I found myself throwing out answers to big questions along with the other students even though we actually didn't know enough of the facts to be doing so. We were playing Little League as if we were in the World Series. We felt that the fate of the world depended on our answers. In all the years I have taught graduate economic history, I have been able to achieve this level of intellectual activity on the part of students on only a few occasions. One has to be there at exactly the right moment, with just the right comment or question or fact to get the group moving and thinking deeply. Whatever it was, it happened.

Your dissertation examined slavery in urban areas of the South. How did you decide on that topic? What was it about that topic that made you an economic historian?

One of the ways Bob got us to talk was that the requirement for the course was to write either several short pieces on a topic he assigned or an original research paper. I recall that most students chose the former, which is what made the discussions so intense. But I chose to write the research paper. It seemed more challenging. The question, of course, was what I would write about. My roommate Barbara was pursuing a Ph.D. in history at Chicago. She had been an undergraduate at Roosevelt University and knew most of the important and influential radical historians of the day (Chicago was teeming with them). She was, as they said, a "white chick doing black history." These were the days of the Black Panthers in Chicago, so she was entering a tough world. She was much in demand, and Eugene Genovese once visited our apartment to talk to this "white chick." Barbara and I would talk about black history when we returned home from our long days as beleaguered graduate students in the harsh Hyde Park world of the late 1960s. One day, she told me about Richard Wade's book, *Slavery in the Cities*. I thought about the facts and the explanation and used price theory and simple general equilibrium analysis (actually simple trade theory) to come up with an explanation that was consistent with Wade's facts concerning economics and labor markets in the South. Barbara and I talked a lot about this; we fought hard. I think I won. Gene Genovese was brought in by the other side, and I had to fight again. I recall a dinner that Barbara made. All I did was argue with Gene (Barbara was an atrocious cook, by the way.) My paper for Bob's course grew out of these debates. At no time during my research on the paper did I know that Bob and Stan Engerman were planning to work on slavery. The topic was mine. I had discovered it through Barbara and her historian friends.

I wrote the paper and handed it to Bob at the end of the course. I had also been taking urban economics, a subject that was becoming quite popular, and all the industrial organization courses I possibly could. There were about six professors at Chicago who taught the subject, including Stigler, Peltzman, and Coase. Bob was quite excited about my paper and called a meeting of Deirdre (nee Donald) McCloskey, himself, and me. Bob told me that the paper could become the central core of my dissertation. He praised the piece very highly and encouraged me to pursue the topic further, to ferret out more of the facts, and to study each city in depth. A central point of the paper was that changes in slavery in the cities were not due to what was happening in the cities, but rather to what was happening in the entire agricultural South. The cities were like small open economies. They were price takers, and quantities bounced around a lot. Unlike Wade's work, which claimed that the changes in the cities came about only from what was happening with the cities (such as fears of slave revolts), mine viewed the cities as part of the greater South. I can see in hindsight that this must have deeply appealed to Bob, whose ideas about slavery had been forming. Bob and Deirdre's support made me think seriously about using this piece as the core of my dissertation. The urban course I was taking fit in with this topic. I could be an urban economist who did some economic history. But very quickly I became an economic historian who did some urban and industrial organization. In the meantime, however, a new influence came on the scene at Chicago. Gary Becker was hired during my second year as a graduate student. Just as Bob and economic history began to enter my consciousness, a whole new set of price theory applications was revealed to me. Gary was working on the family, women, marriage, divorce, children, social interactions; I had never considered these topics to be part of the realm of the economist. My world, that of IO, concerned goods markets – the markets for highly tangible things. Gary's world was that of the intangible; it was a world of shadow prices, of hidden markets. It involved people. It was exciting. I became an instant convert and made labor my second field.

Tell me about the first Cliometrics Conference you attended. When was it? What are your impressions and memories?

My first Clio conference was in Madison, and it was the spring of my third year in graduate school. It was a very important meeting for me, because I got to meet the various University of Wisconsin faculty who would later lobby to hire me as an assistant professor the following year. I went to Wisconsin in 1971 and remained there for two wonderful years. One of the reasons I went to Wisconsin was to learn more economic history. I had received an offer from Princeton the same year but turned it down. There were no economic historians at Princeton, and they had not had one for a long time. I never took a field in economic history (I did IO and labor), and I did not feel comfortable teaching a graduate course as the sole economic historian. I needed to do a sort of post doc in economic history. Wisconsin was the perfect place to do it. It was a kind, supportive environment, with both the *Journal of Economic History* and *Explorations in Economic History*, the Cliometrics conference, and several faculty members who did economic history.

Although you worked on a number of topics, it seems to me that you really found your niche (or one of your niches) when you turned your detective skills to questions about women. *Understanding the Gender Gap* is the single biggest contribution of that work, but you wrote articles about women before the book. And, you keep coming back to questions about women, for example with your more recent research on the careers of college graduate women, the birth control pill, and blind auditions for orchestras. What drew you to trying to understand the economic history of women? What keeps drawing you back?

My work in economic history began with slavery. It then moved to the Civil War and the postbellum South and to differences in black and white women's work. I was struck by the very low estimates of white married women's labor force participation throughout the United States in the late 19th and early 20th centuries. Black women lived in poor households, to be sure, but many white women also lived in poor households. Why did black women become domestics, scrub women, children's nurses, laundresses, and agricultural workers, but white women did not? These were extremely menial positions, however households on the edge of survival would have been desperate. Why were black households so much more desperate than white households? Or were our historical sources not revealing the truth? What did women really do with their time, and why? I began with these questions and tried to confront them, but I wasn't pleased with the evidence. I decided instead to turn my attention to children and the family. Now was my chance to apply what I had learned in labor economics to economic history. How did families allocate the time of their members to work, education, household production, and leisure? But the more I worked on these issues, the more I realized that the biggest mystery was what the mother or the female head of the household was doing. When Bob Fogel set up the NBER's Development of the American Economy program in 1978, we talked extensively about what projects should be included in the group. The question we asked was, "What are the most important questions in American economic history that could be answerable if the researcher could get the data necessary to address them?" As we talked, I realized that long term change in the economic status of women was exactly what I wanted to work on. Economists, particularly those who worked at the NBER (such as Clarence Long and Jacob Mincer), had researched women's labor supply but not with a sufficiently long-run viewpoint and not using sources that went back to the 19th century. The field of female labor supply in economics as a whole was hot and exciting, but it wasn't deep enough. I was going to try to add that depth. I began this project around 1981 or so and tried to master the historical literature during my leave year at the Institute for Advanced Study at Princeton.

The field, I discovered, was highly controversial. Historians had formed their own group to research aspects of women's lives and economic status, and it seemed to me to have ideological overtones that interfered with objective science. It was a barrier that I often found difficult to surmount and, at times, made me want to shift into parts of economic history that seemed to have fewer ideological barriers, such as financial history and money and banking. But, I discovered, it was precisely this controversy that made studying the economic role of women most interesting. It is what draws me back to the subject again and again. Even though there has been enormous historical change in the lives of women, there is much constancy as well. Every generation believes that it has witnessed real, true, meaningful change with regard to women's economic and social roles. Yet how could that be? If some generation in the past had done so, why do more recent generations believe the same for themselves? The reason is that change with regard to women's economic role is inherently different from change in technology and institutions. But if every generation believes there has been change and if we can see that many of these generations were correct, then why do so many believe that there has been stasis going back a long way?

When I first began to write *Understanding the Gender Gap* as a real book and not as a group of articles, I realized that there was much that I did not understand about long-term gender change. I began to put away my economics and listen more carefully to those who were challenging what economists were saying. I found that my interpretation of these criticisms enriched my work. For instance, my piece on pollution theory (which I have finally written up after more than a decade) was one of the results. I also reconsidered the data from the US census and other sources and the role of social norms and stigma. My challenge was to integrate the criticisms with the fact that there actually was real, positive change across the 20th century. The question I had to answer was how did that change came about? What underlying factors motivated it (e.g. education, technology)? Why was it that there could be change in gender distinctions and in the economic status of women, and yet each generation could view itself as being in the midst of great change? I vividly recall when you first told me that your dissertation concerned the clerical labor force. It was before I was working on women in the economy, and I did not understand fully what the importance was of clerical work. But when I finally began to work on the subject, I realized that it was a crucial factor and that the growth of education and of the white-collar sector was fundamental.

You recently gave Marshall lectures at Cambridge University in April/May 2002 and used that occasion to look back at

what we know about the significance of gender. From your vantage point, 12 years after publishing *Understanding the Gender Gap*, how do you sum up what we know about the significance of gender? Do we understand the gender gap differently now? How do you think it will be different and our understanding will be different in another 12 years?

I used the occasion to rejuvenate a paper I wrote when I first began to write *Understanding the Gender Gap* – a pollution theory of discrimination. The idea is that the economic and social relationships that women have with men are different from those that black men have with white men or that Jews have with Arabs or that Protestants have with Catholics. Discrimination or bias or prejudice is different depending on the groups involved and has to be modeled that way. It cannot be assumed. It must be derived from first principles. In deriving it, we can understand far better why meaningful change occurs at certain times and not at others and why bias is different in certain workplaces than in others. We can use economic concepts to help us understand the fundamental struggle between men and women – between two groups that live together, have families together, eat together, and even have sex together. These interactions are clearly different from those between religious groups, ethnic groups, and racial groups. The Marshall lectures were called *An Evolving Force*. The first was "The Rising Significance of Gender," and the second was "The Declining Significance of Gender." They are linked by the pollution theory paper.

These days and for the last few years, you have been using your detective skills to examine education and inequality. How does one research project lead you to another? Do you see yourself heading towards some great synthesis coming from all your projects? What ties together the research you have done throughout your career?

My desire to know more about education comes, in part, from gender issues, but it is more rooted in the notion that America is a great land of opportunity. Open, free, forgiving education was America's gift to its people and to those who came here with very little. You and I are second generation Americans. My parents are as different from their parents as America is from the Poland or Russia their parents left behind. But it wasn't just impoverished Europe that was different from America. Almost all of Europe was. Why did thousands of communities in the United States and Canada spend large sums of money to educate their youth when Europe did not? What was the role of the demand for flexible skills in a technologically dynamic economy and geographically fluid society? What was the role of the supply of education in a relatively prosperous economy with a highly decentralized educational system? And, most important of all, how did the supply and demand sides for education alter the lives of generations of Americans and lead America to have a high and more equally distributed standard of living? These questions have always appealed to me. I took many detours until I felt that I had identified the relevant data sets and that I had enough comprehension of the subject. That's when I started working on education. I often write this work with a deep sense of appreciation for what America has been and still is. Perhaps I am deeply patriotic.

You are now working on the history of the NBER. Tell me about that project. How are you proceeding? How will it be made available?

I don't know if this will interest many people, but I'll tell you a little about it. Marty Feldstein and I realized that the history of the NBER is being lost with the death of the older generation. Little has been written down. Moe's (Moses Abramowitz) death was the wake-up call. Marty asked me if I would do some oral histories of those who had been at the NBER from the 1930s to the 1960s. I agreed to do it in large part because no one else was going to do it, and I knew it would provide important material for someone who would eventually write the history of the NBER. That person will not be me, although I will edit a volume of essays about its glorious past. I have, thus far, done seven interviews and have about three more planned. What has surfaced is a clearer understanding of the importance of the NBER in the lives of many great economists. It was, in the words of many, a gift to be able to think hard about large issues and not have to arrive at a conclusion rapidly because of pressure from the government or from some private consulting firm. The gift was, in many cases, the ability to think about difficult, long-term subjects and to do the work right – to ferret out the data and the information from untapped sources. The gift was the ability to do economic history. For example, this was true for Milton Friedman and Anna Schwartz, whose *Monetary History of the United States* could never have been written without the NBER. And it was also true of Richard Easterlin.

What has been the effect on your career of being a woman? What were the problems and opportunities? How have you been able to help other women?

The answer is somewhat related to what I said before about gender change in the economy and society. When I received tenure at Harvard, I was the first woman to do so in the economics department. I was also the first woman to receive a tenured appointment at Princeton in economics and the first, I believe, at the University of Pennsylvania. None of this ever impressed me. So much had gone on before these events. They were not newsworthy. To make them newsworthy is not to understand how much change had already occurred. Being historians makes us keenly aware of the past and less bound up in the present. I have not really seen my career as different because I am a woman. It may have been a positive factor as many times as it was a negative factor – I have not kept score. But, one of the things that I have found to be distinct about most of the academic women I have encountered, particularly in economic history, is that they do things with a sense of internal joy and personal accomplishment more than a need for external applause. I consider it a great blessing not to be as competitive as many of my male colleagues.

You have taken on a considerable amount of editorial work throughout your career. You were editor of *The Journal of Economic History* at a fairly early stage in your career while you were still an Associate Professor. Why were you willing to do this, and confident enough to do this, when you were still a fairly young scholar yourself? What did you learn from your experiences as an editor?

I became editor of the *JEH* for many reasons. One important reason is that many economic historians whom I greatly admire were editors of the journal. Richard Sylla was the editor at the time, and he inquired (with the assent of the *JEH* committee) if I would follow him. I could not because I was Director of Graduate Studies at the University of Pennsylvania, but I agreed to do the job the year after if Richard would remain for one more year. He did. Edith Sylla was visiting the Institute at Princeton, as was I, the year that Richard and I agreed on our *JEH* contract. I recall that Richard would often peruse articles from his lounge chair in his Institute apartment, his carafe of coffee, and Welsh Corgi at his side. He did the job with such apparent ease that it seemed almost enjoyable. It actually was a very pleasant experience, although I cannot say that I am ever as relaxed as is Richard. I learned a great deal from the job and from my coeditors, especially Deirdre. Editors learn how to craft an article, because they see how it isn't done.

How do you use your position as Director of the Program on the Development of the American Economy and editor of the monograph series on *Long-Term Trends in American Economic History* to influence and enhance research in and the position of economic history?

I'm primarily a facilitator. I come up with conferences every now and then that energize various groups of people. I hold a program meeting once a year, and I get others in the DAE to run the summer institute. Basically, I don't do much other than make certain that economic history is done at the NBER and that economic historians get together and interact with other NBER people.

In an article you published in 1995 in *The Journal of Economic Perspectives,* "Cliometrics and the Nobel," you drew an analogy between economics and medicine. You cast economic historians as family doctors rather than specialists. I like that, and it rings true, but I can't help noticing that family practitioners have lower prestige and earn lower incomes than do medical specialists.

I did draw the analogy that economic historians are the "general practitioners," whereas most other economists are "specialists." Let me go one step further. Economic historians are not only GPs, they practice nontraditional medicine. They use whatever tools work, independent of whether they pass the test of purists. Economic historians consider the entire organism (that is, economy and society) in ways that are not so tightly bound up in mathematical elegance and econometric efficiency that we lose sight of the big questions. There is a tradeoff between what can be done to the satisfaction of the purist and what gets to the heart of the real question. There has of late been a great deal of extremely good and insightful work in economic history from the specialist and purist quarter of economics. Really great economists know that truly interesting and consequential issues concern the long term. Everything else is "blips on blips." Recently, noneconomic historians have been writing about long-term change regarding economic growth, institutional change, technological change, the Industrial Revolution, the role of World War II in society and the economy, and the female labor force. The literature is vast and growing. It is often clever and extremely well informed. I view this as a real plus for economic historians.

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Call for Papers

Social Science History Association Annual Meeting

Baltimore, Maryland
November 13-16, 2003

The Social Science History Association will hold its 28th Annual Meeting, November 13-16, 2003, at the Wyndham-Baltimore Inner Harbor Hotel in Baltimore, Maryland.

The Program Committee welcomes the submission of all forms of participation--complete panels, individual papers, or posters, as well as offers to serve as chair or discussant by graduate students, faculty, and independent scholars.

Contributors should take note of the following SSHA rules and traditions:

a. Session participants should represent more than one discipline or institution.
b. Panels that include material from more than one place or time are particularly welcome.
c. To maximize the number of participants, individuals may present no more than one paper and participate in no more than two sessions.
d. Panels cosponsored by two or more networks are encouraged.

If you wish to submit a paper, panel or poster for the 2003 SSHA conference, you may do so at: www.ssha.org/ssha2003/cfp.html **by March 1, 2003.**

Notices of acceptance will occur by May 1, 2003. All accepted participants on the 2003 SSHA Program will be required to preregister for the conference, and to join SSHA (if not already members.)

Report on the All-UC Group in Economic History Conference

By Mary Beth Combs, Fordham University

(Claremont) The All-UC Group in Economic History Conference was held March 15-17, 2002 at Scripps College. The Scripps College Office of the President was the cosponsor. After receiving a warm welcome from President Nancy Bekavac, participants attended the opening session on "Industry: Connect or Disconnect?" In the first paper, "Do Frontiers Give or Do Frontiers Take? The Case of Intercontinental Trade in France at the End of the *Ancien Regime*," **Guillaume Daudin** (Stanford) examines the role of the French intercontinental trading maritime frontier in domestic capital accumulation at the end of the *Ancien Régime*. Daudin uses O'Brien's method to measure the amount of annual profits generated in this sector. He calculates the net gain by computing how much income and savings the resources invested in the intercontinental sector would have had, if they had been invested in the French domestic economy. Consistent with the notion of "hearth of growth," the findings suggest that this frontier was more important for its attractiveness to domestic capitalists than for the riches it distributed.

John Majewski and **Jay Carlander** (both UC-Santa Barbara) followed with "Imagining a 'Great Manufacturing Empire': Virginia and the Possibilities of a Confederate Tariff." The authors analyze the Virginia secession debates and question the widely held notion that the Confederacy unequivocally supported free trade. They argue that Virginian secessionists eagerly endorsed a Confederate "revenue tariff" that gave manufacturers in the Old Dominion an important advantage over northern competitors: the tariff accelerated Virginia's industrialization by classifying northern products as dutiable foreign goods. Their findings show that, far from conceiving their state as part of an agrarian nation committed to staple-crop agriculture, Virginians envisioned a Confederacy filled with large factories, teeming cities, and prosperous merchants. The authors further contend since Virginia was safely protected from more efficient northern competitors, the South gained the economic muscle it needed to sustain political independence.

The afternoon session, "Agriculture and Government," began with a paper by **Gary Libecap** (Arizona and NBER) and **Zeynep Hansen** (Washington University) entitled "Externalities, Small Farms, and The Dust Bowl of the 1930s." Libecap and Hansen provide a new and more complete analysis of the Dust Bowl, one of the most severe environmental crises in North America during the 20th century. Severe drought and damaging wind erosion hit the Great Plains, and while similar droughts also occurred in the 1950s and 1970s, there was no comparable level of wind erosion. The standard explanation for the Dust Bowl is that excessive cultivation of land in the 1930s exposed unprotected dry soil to the wind. The question Libecap and Hansen address is why cultivation was more extensive and use of erosion control more limited in the 1930s than in the later periods. The authors claim that the key distinguishing factor was the much greater prevalence of small farms in the 30s. These farms cultivated more of their land and cultivated it more intensely than did large farms. Moreover, because of their limited size, small farms captured fewer of the benefits of erosion control investments and hence were less likely to adopt them. In addition, the prevalence of small farms created a coordination problem for the joint adoption of erosion control that was solved only through direct government intervention to force cooperation under the Soil Conservation Districts. Other government policies, however, exacerbated the problem by subsidizing small farms thus delaying consolidation and more effective land use.

Alan Olmstead (UC-Davis) and **Paul Rhode** (UNC-Chapel Hill) continued with "Hog Round Marketing, Mongrelized Seed, and Government Policy: Institutional Change in US Cotton Production, 1920-60." They find that between 1928 and 1960 US cotton production witnessed a revolution, with average yields increasing roughly threefold. Moreover, the average staple length of the US crop increased significantly, reversing a long-run downward trend in cotton quality. The authors state that underlying these accomplishments were major innovations in cotton marketing, wholesale changes in the varieties grown, and the emergence of a vibrant commercial seed industry. Olmstead and Rhode analyze the key institutional and scientific developments that brought about this revolution in biological technologies and cite government programs as catalysts for change.

The Saturday morning session on "European Immigration to the United States" featured "The Prudent Gambles of European Migration to the United States, 1900-1914" by **Drew Keeling** (Berkeley) and "The Pro-Trade Effect of Immigration on American Exports during the Classical Liberal Period" by **William Hutchinson** (Vanderbilt) and **James Dunlevy** (Miami Ohio).

Keeling points out that popular accounts of Europeans braving the fearsome Atlantic to forge new lives in a distant and unfamiliar America often count hard-driving and exploitative steamship lines among the hazards which the fortune seekers had to overcome. He notes, however, that migrants and their transporters both gambled on uninterrupted large-scale demand in the United States for low-skilled European labor. Keeling examines how migration-related risks were evaluated and, in general, prudently managed. His results also demonstrate the unappreciated degree to which shipping enterprises and their migrant customers relied upon congruent responses to the overlapping challenges and uncertainties of filling American jobs with European workers a century ago.

Hutchinson and Dunlevy look at the impact of a stock of immigrants in the United States on American exports to their home country during the period 1870-1910. The data set used spans the exports of 44 commodities to 17 countries observed at five year intervals. Hutchinson and Dunlevy use a modified gravity model to examine this immigrant stock-export relationship and find that United States exports to a country were greater if there were immigrants from that country. The estimated strength of the effect varied across "Old" Europe, "New" Europe, and non-European groupings of the trading partner countries. Exports were also generally greater to other English-speaking countries and to countries with per capita incomes similar to the United States. This relative per capita income effect became stronger during the latter part of the period, whereas the immigrant stock effect diminished after 1885.

The second morning session, "Internal Migration in the United States," continued with "The Decline in Fertility, the Rise of Schooling, and the Life-Cycle Transition in Antebellum America" by **Susan Carter**, **Roger Ransom**, and **Richard Sutch** (all UC-Riverside). They explain the dramatic early decline in American fertility in terms of the life-cycle transition. The authors argue that prior to the transition grown children provided economic security for their parents' old age. As children reached adulthood, the workload of the family farm was gradually shifted to them, giving parents protection and support in the event of sickness or infirmity. After the transition, planned, self-financed retirement became the norm, and grown children were freed from parental control. Carter, Ransom, and Sutch show that this life-cycle transition was triggered by a multifaceted public policy initiative aimed at opening new lands west of the Appalachian Mountains to American settlement. An unintended consequence of these policies was a rapid rise in the out migration of young adults, the collapse of the patriarchal old-age security strategy, and a rapid shift to life cycle behavior. They test the model using cross-sectional, county-level data from 1840 and show that it outperforms both the target-bequest model of Easterlin and the labor market opportunities model of Sundstrom and David. The results demonstrate that the life cycle transition model is also consistent with a variety of patterns in the time trend data that are difficult to explain using alternative models.

Next, **James Stewart** (Northwestern) presented "Migration to the Agricultural Frontier and Economic Mobility, 1860-1880." Stewart states that after 1860 the frontier occupied the subhumid region of the United States, the transition zone between the humid East and the arid West. Thus, prospective migrants had incomplete information about the fertility of land in this region and, consequently, the payoffs to establishing frontier farms. Stewart uses a newly constructed sample of households linked between the 1860, 1870, and 1880 censuses to investigate migration to the frontier, patterns of wealth accumulation among frontier migrants, and the likelihood migrants persisted at farming. The self-selection of migrants is explicitly treated by combining the sample of frontier migrants with a nationally representative sample of households and estimating a structural model of migration and wealth accumulation. A central finding is that migrants' location-specific experience in agriculture off the frontier explains patterns of wealth accumulation and persistence on the frontier. This has implications for our understanding of late 19th-century agrarian discontent.

In the session on "Migration and Income," **Thomas Maloney** (Utah) spoke on "Home, Neighborhood, Job: Birthplace and Neighborhood Effects on African American Occupational Status and Occupational Mobility in World War I-Era Cincinnati, Ohio." He says that as African Americans migrated to northern US cities in the early 20th century, settled into developing black communities in those cities, and entered into industrial labor markets, their job prospects may have been widened or narrowed by the influence of either of their "homes" – their place of birth or their new neighborhood. Some researchers have argued that black migrants who came from rural places may have been less prepared for life in the urban North, and therefore their job prospects may have suffered relative to migrants from urban places in the South. Researchers also have speculated about the labor market impact of residence in the growing racially-segregated neighborhoods of northern cities. Maloney examines these issues using new data that links the 1920 US Federal Census record to World War I selective service registration records. These data provide unique evidence for studying relationships between birthplace, residence, and occupational mobility in this important time period. The results indicate that migrants from rural places and migrants from urban areas in the South had very similar occupational distributions and similar rates of upward mobility in Cincinnati. Further, while residents of the West End, Cincinnati's developing ghetto, were more likely to be unskilled laborers, it appears that they had rates of upward occupational mobility similar to those of African Americans in other parts of the city. Somewhat more surprisingly, West End residents suffered less downward occupational mobility over time than did African American workers in other Cincinnati neighborhoods.

Next, **Jason Long** (Northwestern) presented "Rural-Urban Migration and Socioeconomic Mobility in Victorian Britain." Victorian Britain experienced the most rapid and thorough urbanization the world had yet seen. People left the countryside for the cities to such an extent that by mid-century Great Britain had become the first predominantly urban society in history. Long addresses two related questions: Who were the rural-urban migrants? and What were the returns to rural-urban migration? Specifically, he examines the nature of the selection mechanism by which some moved to urban areas and others remained rural and assesses the treatment effect of migration in terms of attaining higher socioeconomic status. He uses new data on 28,000 individuals matched between the 1851 and 1881 Censuses of the Population of England and Wales and builds a structural econometric model to assess the effect of migration and the nature of migrant selection, controlling for the endogeneity of the migration decision. Long's results suggest that those who left the countryside for the cities did not come from the bottom of the economic and social ladder; rather, they were better off initially than those who remained in rural areas. Urban migrants were positively selected. In other words, their prospects in the urban labor market were superior to those who did not move. Moreover, their prospects in the rural labor market were also superior. Finally, the decision to move was by and large a fruitful one. The treatment effect of urban migration was large and positive across all socioeconomic strata. On average, people who moved to the city were substantially more successful in improving their socioeconomic status than they would have been had they remained in rural areas, and they were more likely to experience upward intergenerational occupational mobility.

In the afternoon roundtable session, "The Industrial Revolution," **Joel Mokyr** (Northwestern) presented "The Greatest Frontier: Why (Really) was There an Industrial Revolution?" Mokyr summarized the first part of his forthcoming *The Gifts of Athena: Historical Origins of the Knowledge Economy*. He begins with the assumptions that technological change is at the heart of modern economic growth and that technology is, above all, knowledge. Mokyr lays out a set of tools to understand more precisely the epistemological aspects of useful knowledge and then applies them to the task of the historical transformation of the West during the Industrial Revolution. He concludes that intellectual history may be too important to be left to intellectual historians and that a large number of historiographical issues are ripe for reconsideration when we examine the economic impact of the Enlightenment and the Scientific Revolution on the development of technology.

The first Sunday session, "Recent Lessons from the Latin American Frontier," began with "The Impact of Chilean Fruit Sector Development on Female Employment and Household Income" by **Lovell Jarvis** and **Esperanza Vera-Toscano** (both UC-Davis). The authors study modern fruit sector development in Chile, which began in the mid-1960s and accelerated in the mid-1970s in response to government economic reforms, rising international demand, and the transfer and adaptation of fruit technologies that greatly increased the profitability of fruit production. Chile developed a system that used labor in the orchard and in post-harvest treatments to improve fruit quality and prepare it for lengthy transit to export markets. Demand for labor rose along with fruit output. Women, who traditionally had not worked in agriculture on a salaried basis, found new employment opportunities, mainly as casual laborers. Jarvis and Vera-Toscano use a detailed data set on 690 temporary agricultural workers for each day of 1991. Their goal is to provide information on how new employment opportunities affect women, their households, and the rural sector.

Next, **Joshua Skov** (Berkeley) talked about "Brazilian Amazonia: An Integrated Perspective of a Twentieth-Century Frontier." Skov examines the economic development of Brazilian Amazonia by building an analysis around four conceptual angles: initial institutional conditions; Amazonia's place as a hinterland, subject to national trends and policies of Brazil as a whole; large-scale development projects and investments; and the region's unique environment. More common approaches have focused on economic activities (often ranching, agriculture, or forestry), and there are few integrated histories of the region. Skov advances knowledge on the topic by researching trends whose components have often been described in isolation or anecdotally.

The session on "Finance: Who's in Charge?" featured "Captured by Whom? The Political Economy of the SEC" by **Eric Helland**, **John O'Brien**, and **Marc Weidenmier** (all Claremont McKenna) and "Loyalty and Concentration in the Merida Notarial Credit Market, 1850-1899" by **Juliette Levy** (UCLA). Helland, O'Brien, and Weidenmier study the impact of the Securities and Exchange Commission on regional exchanges. They argue that two key SEC decisions in the late 1930s and early 1940s helped regional exchanges capture market share at the expense of the NYSE. The preliminary empirical analysis shows a positive and significant relationship between returns on regional exchanges and changes in the SEC budget for the period 1935-1988. The authors also find a negative but insignificant relationship between seat returns on the NYSE and AMEX and SEC budget changes. They note that their findings are consistent with the hypothesis that regional exchanges captured the SEC.

Levy analyzes the role of notaries in the development of the credit market in 19th century Merida, Mexico, between 1850 and 1899. During this period, Levy notes that an agricultural export boom supported the growth of commercial activity, but national legislation delayed the creation of local commercial and trading banks. In the absence of banks, notaries public became the primary locus of securitized credit transactions in Yucatan. Levy analyzes the activity of all the notaries in Merida, Yucatan's capital, and shows that notaries helped mediate the relationship between lenders and borrowers. She contends that expertise, reputation, and networking skills were determinants of each notary's success in the competitive market for clients. Moreover, the success of one particular notary and his gradual dominance over all credit contracts in Merida affected the distribution of loans within the economy. Her findings suggest that as notarial credit became centralized in the office of one notary, it compounded the effect of the boom and further contributed to the concentration of loans towards agricultural investments.

Personal Reflections

What Economic History Means to Me

By Paul M. Hohenberg

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How does one choose one's field of endeavour, and one's sub-field within it? Is it really chance, for example an encounter with a charismatic teacher, reinforced by strong path dependence? Or is it destiny, based on deep-seated, innate affinities and capacities?

My own training was in engineering, although I realised even before completing the course that my vocation lay elsewhere. The initial decision to study engineering had been made rather by default. My father felt that my temperament was unsuited for medicine and rather too well suited for law, which left only one legitimate profession, as it then seemed. At any rate, I began the study of economics on my own after college, while holding an industrial research job, and wound up doing an MA in international studies by way of transition to the social sciences. Here I encountered economic history in the person of Charles P. Kindleberger, who would later supervise my doctoral thesis, and was hooked. That he happened to be studying France certainly had something to do with it, since I was a native and retained both francophony and -phily. The final sign came a year or so later, at MIT, when my interest in economic history survived unease at the overly ideological approach taken by Walt W. Rostow, this being the time of his too-famous *Stages of Economic Growth* [1].

At any rate, the die was cast, reinforced by the stimulating presence at MIT of M. M. Postan and the fine year I spent doing research in Europe, principally Paris. I could go on multiplying the names of scholars encountered, and places visited, from then onwards, but the point is quickly made. Economic history means keeping excellent company, as well as getting to know interesting places (often rather less superficially than most visitors can). While no generalization can adequately describe all one's colleagues, most of them have turned out to suit my own intellectual style. They tend to show balance, of the single-minded or hedgehog economist with the dilettante - I use the word in its etymological sense of taking delight in - and fox-like historian. Yes, we can be pompous, dogmatic, overly critical, or lose our way among technical or factual minutiae. All in all, however, one is seldom bored with economic historians.

I have found other advantages to the field as well, in particular a use for my love of languages, books, and maps. On the other hand, being an economic historian has proved a mixed blessing in terms of a career. Not only has the field known ups and downs as regards fashion and therefore opportunity - in both history and economics - but the predisposition it encourages for work across and at the edges of disciplines can in itself be dangerous to one's professional health. At least in the United States, economics surely, and history probably as well, give great weight in matters of appointment, promotion, and tenure to the judgement of those who take it as their duty to guard the borders of the discipline. I finally found a home in a technological university where my research interests, while certainly tolerated, formed no part of my formal duties. This was not all bad, in the sense that I was forced to keep up my credentials as an economist and was also strongly motivated to participate in the collective life of the economic history profession, but it did not contribute to very rapid productivity.

Thus the community of economic historians has been important to my scholarly life, and I have been privileged to know many scholars from a variety of countries. These people have been more varied in their interests than would, I think, be typical of other small research communities. Economic history cuts across not only spatial units but also subjects and time periods, yet its active practitioners remain sufficiently few that a wide variety of specialists share conferences and journal pages. Most of us thus develop the habit of engaging without either excessive diffidence or presumption in discourse when the topic is relatively unfamiliar to some. The possible cost in superficiality seems bearable to me in view of the gain in flexibility, range, and courtesy. Particulars aside, one soon realises that many of the same issues crop up again and again in different contexts. And some of us, at least, are mindful of the need to limit the use of jargon, and so are able to clarify our thoughts along with our language.

The breadth of our profession and its practitioners is also manifest in their links to cognate disciplines, in my case population history, urban history, and the history of technology. All have standing as separate sub-disciplines, with the full apparatus of societies, journals, and meetings, but they are small enough to be, of necessity, open. Of particular importance in my own social practice has been the Social Science History Association. Long congenial to this generalist, it has undergone transformations that both attract and repel. On the one hand, historical demographers (and others) from outside North America have increasingly felt at home there, giving the meetings added interest. At the same time, and most surprisingly in view of the currents prevailing at the outset (1975), many fields of historical inquiry have been invested by post-modern and post-structuralist currents with their roots in the humanities. We have come far from the day when it seemed that social science - read quantification - would take over the humanities, and the turnabout is not one most economic historians find congenial. Whether the more recent European association is moving in the same direction is something I have yet to learn by direct experience.

Within the profession of economic history, one can distinguish those who build theoretically structured edifices and those who undermine or shake those constructs, those who advance theories or models and those who put them to the test. The distinction is akin to one made by Robert Solow between Big Think and Little Think types. Two things seem clear: that the two generally find one another uncongenial and even hard to respect, and that each in fact badly needs the other. Unlike the case of physical structures suggested by the metaphor I used above, the critics tend to exhibit more technical skill than do the system-builders. Deflating theories offers a wonderful opportunity to show off ingenuity in technique and/or diligence in going after primary data. We Big Think people, on the other hand - lest there be any doubt in which camp my tent has mainly been pitched - can usually just master the secondary literature, since we cover so much more ground. Ideally, of course, a scholar will cut her or his teeth on the grubby details - where no less a thinker than Goethe situated the Divinity - and only later, suitably armed with caution, venture into flights of theoretical fancy. Yet the realities of comparative advantage and natural temperament make us tend to specialise along this line of cleavage, no doubt to excess. My own approach has been to take from the theories of others what they have to give, without feeling the need to pass judgement on the whole, and with no compunction in turning their insights to whatever intellectual ends best suit my own project. Models, after all, are never true, at best only useful and stimulating.

Since my training is in economics, I barely qualify as an amateur historian. So it is best to leave to others extended reflections on the intellectual value of our field to that larger discipline. If history is indeed a seamless web, then economic history offers another cut through it, an alternative to the old focus on political and military highlights, yet something besides the currently fashionable emphasis on the victims of conflict. It is easy to forget that, in past times as today, most people have gone about their business most of the time neither triumphant nor desperate. What that business was and how it got done is all the more interesting as we too often take for granted our own, quite different, everyday experience of material life. Of course, as economic historians we synthesise, generalise, perhaps caricature. We throw around portmanteau terms such as medieval cities, European marriage patterns, mercantilist policies, proto-industrial modes of production, industrial revolutions, etc. Yet such constructs, fragile as they are, not only speak to real phenomena but are in fact unavoidable. Compared to other historians it is not so much that we are more given to generalising and theorising as simply that we are more explicit about it.

What then of economics, which reigns over the social sciences, though some would argue from a walled-up fortress? In my capacity as an economist who from time to time comments publicly on the issues of the day, I am frequently asked to forecast interest rates or share prices, etc. I then point out that, as an economic historian, I predict only the past. There is something to the point besides a prudent evasion of the question. Economics is about understanding as well as predicting (*pace* Milton Friedman), and economic history even more so. The counterfactual beloved of cliometricians is really nothing more than the plausible story one can tell of what should have happened but did not, for example (to take a case of very recent history indeed), an explosion of growth in post-communist Russia by analogy with post-1948 Germany.

Let me try to be a little more systematic about two contributions of economic history to economics. One is the treatment of time. Most economists deal with it reductively at best, or, fixated on equilibrium, ignore it altogether. Microeconomics texts' treatment of production merely distinguishes *the* short run and *the* long run, not even always recognising that decision making takes place on multiple levels with variable time scales. Others treat time as a pure discount meter, with the erosion of future value ticking away at the interest rate. Many focus only on the short run, bowing to bottom-line-obsessed investors and election-fixated politicians[2]. The recent American debate on social security finance demonstrates how awkwardly economists respond when forced to contemplate the somewhat distant future. They persist in seeing the problem in fiscal terms, when its central feature is clearly the looming drop in the ratio of workers to total population. Even the study of economic development in the 'South', though it comprises far-reaching structural changes, often lacks a concrete sense of historical unfolding, of spurts, plateaus, declines, and stealthy development as alternative patterns to a lock-step advance. Here I must give the devil his due: for all its problems, Rostow's 'take-off was at least grounded in (stylised) historical experience and therefore represented an advance on abstract models of accumulation and structural change. More generally, economic history, at least as I view it, points us toward underlying long-run factors to explain economic performance and change, as opposed to incidents of policy and personality or transient events (though these too have their historians).

If one can criticise the treatment of time in economics, things are much worse as regards space. It is not too much to say that geography has been the stepchild among social sciences, certainly in the United States, and economics stands convicted of severe neglect towards this poor relation despite some recent efforts to remedy matters. Even in the fields of urban and regional economics, space is most often reduced to cost of transport. When did you last see a proper map in an economics journal? Economic history offers the opportunity to take space seriously – as distance, landscape, topography, amenity, separation, and connection. Here my model must be Fernand Braudel – although the *Annales* School I once found so congenial has also veered away from its earlier central concerns.

The historical study of urban systems provides a good illustration of the importance of taking space seriously. My own work in this area (much of it together with Lynn Hollen Lees) departs from most other treatments in using a dual model, one that brings out both central place and network relations between cities, where others have worked with single urban hierarchies based largely on population size. The point here is not to justify this model, although it has found quite wide acceptance, but to recall its firm grounding in contrasting spatial patterns. Whereas central place models focus on interurban distances and geometric configurations of urban arrays, network relations are spatially flexible and follow lines of communication, notably waterways. I have argued that the contrast extends to many dimensions of urban life, from the links between population size and economic activity to politics and culture. But the starting point is clearly space considered as more than distance or cost alone.

What, then, of the future? How economic history will fare is no longer my direct concern from the point of view of a career. That was probably determined by my failure to join the cliometric bandwagon at the outset. Those who did so have been far more likely to gain acceptance from their fellow economists. Did the substantive achievements of the New Economic History fulfil the early claims and compensate for the weakening of ties to historians? I leave it to others to judge. Yet in the past decade or so, a number of these more forward-looking colleagues have clearly achieved for economic history a new place in the sun, from - to take only American examples - the Nobel Prizes awarded Robert Fogel and Douglass North to the prominence the media have given to work by economic historians on labour markets, technological change, property rights, and other 'hot' issues. To rub shoulders with such people and be at least marginally of their company has afforded me pleasure, profit, and pride.

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1 Cambridge, 1960.
2 My colleagues working in ecological economics do consider the long run, albeit in generally apocalyptic terms and with so little faith in markets that they risk losing touch with the rest of the discipline altogether.

History is the witness that testifies to the passing of time; it illuminates reality, vitalizes memory, provides guidance in daily life and brings tidings of antiquity.

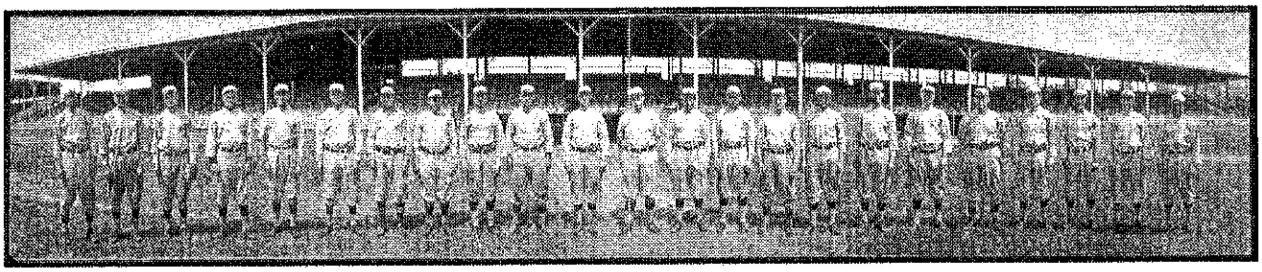
- Cicero

EHA Meetings *(Continued from page 1)*

relationship between the biological sustainability of the eastern Arctic stock of bowhead whales, the profitability of the 17th, 18th , and 19th-century Dutch whaling industry, and the policy tools available to regulators during the era of exploitation. They find that neither foreign competition nor subsidies were the cause of extinction; on the contrary, open access was sufficient to ensure that both profits and biological stock would quickly disappear. McEvoy thought it noteworthy that the model required that effort, not catch, be constrained in order to maximize profit and preserve the whale population. The question of why whaling monopolies did not play a larger role historically was raised.

In the final paper of this session, "Externalities, Small Farms, and the Dust Bowl of the 1930s," **Gary Libecap** (Arizona) and **Zeynep Hansen** (Washington University) seek to econometrically reexamine the role of small farm size as a causal factor of the catastrophic erosion in the Great Plains during the Dust Bowl. The authors point to similar droughts in the 1950s and 1970s, which evidenced no comparable level of wind erosion, as well as long-term trends in increasing average farm acreage as the logical basis for the exercise. The standard explanation for the Dust Bowl is that over-cultivated land exposed unprotected dry soil to the wind. Libecap and Hansen argue that the more prevalent small farms of the 1930s resulted in more extensive cultivation and more limited use of erosion control as a result of financial needs and an inability to capture much of the benefits of erosion control investments. Further, the prevalence of small farms created a coordination problem for the joint adoption of erosion control that was solved only through direct government intervention to force cooperation under the Soil Conservation Districts. Government policy had both created the problem through the land policies of the Homestead Act and exacerbated it by subsidizing small farms, delaying consolidation, and by more effective land use. Discussant McEvoy felt that the policy generalizations are somewhat troublesome, as they require that the government know some optimal farm size. He also raised the question of the endogeneity of farm size: Are farms poor because they are small or vice-versa? Moreover, he thought the environmental story was more complex, as grazing activities, for example, would not induce erosion in such a way.

Beginning the session, "Networks, Patent Rights, and Technological Change," **Ross Thomson** (Vermont) offers some empirical findings from his study of 1,434 US patents from 1835-1865. He claims that patenting made private knowledge of frontier techniques available to all, which enabled individuals to invent in any field. Thomson characterizes the patenting process and its institutions that spread technical knowledge widely: patent examiners, patent agents, draftsmen, engineers, and the technical press. Patent samples for several industries reveal that patentees were commonly employed within industries for which they invented, indicating that industry-specific knowledge was central in directing invention and understanding industry patents. Two exceptions were noted, as both machinists and individuals in professions connected to patenting invented frequently and widely. Both professions possessed broadly applicable knowledge and ties to various industries. Petra Moser (MIT) stated that the patterns of concentration in patenting were not surprisingly strong and that the "knowledge barriers to entry" suggested by Thomson were more reflective of the role of



The annual gathering of the EHA took place in St. Louis Oct. 11-12, 2002.

licensing and usage in the dissemination of technical understanding. Moser believed that narrative evidence of interaction among patentees and evidence from licensing might further elucidate how patent laws create a framework for repeated interactions within the inventive community.

David Meyer (Brown) presented "Iron Foundries Rule the Heavy Capital Equipment Industry in the East, 1820-1860," where he offers insights into the role of machinists' networks in transferring knowledge and affecting innovation in the manufacturing machinery industry. In a period of great industrial change, iron foundries proliferated in the metropolises of the East Coast and their immediate environs and to emerge in prosperous agricultural and industrializing areas. Meyer proposes that machinists were effective conduits for technical knowledge, because they received few benefits from holding back information and incurred substantial costs from being excluded from technical networks. Thus, much of the technical knowledge remained part of machinists' practices in the iron foundries. Most of the leading machinists gained their technical expertise through training in the foundries, and technical information moved among foundries as workers changed jobs. Discussant Moser commented that the story of why innovators would rely, or would need to rely, on such informal knowledge networks merits further attention. Moreover, without significant narrative evidence on knowledge sharing and cooperation, the evidence presented appears to represent correlation more than causality. It was suggested that the role of apprenticeship also be further examined.

Bhaven Sampat (Georgia Tech) finished the session by presenting work he had done with **David Mowery** (Berkeley). "Patenting and Licensing University Inventions: Lessons from the History of Research Corporation" is an historical case study of the link between public US university research and private market activity. Sampat and Mowery examine the history of Research Corporation, a nonprofit organization that handled patenting and licensing activities for most major US universities before 1980. The rise and fall of the Research Corporation highlights university-industry relationships over the past two decades and also has some implications for recent research on the role of markets for technology in US economic history. The Research Corporation grew rapidly in the 1940s and 1950s, expanding the number of licensing agreements held with US universities. But a rising cost structure, combined with an increasing reliance on donated "home-run" patents, spelled doom for the public/private venture. Discussant Moser pointed out that a deeper quantitative analysis of the available 34 years of data, combined with more context on general trends in US patenting and the types of patents, might be equally causal in the declining efficacy of the Research Corporation.

A large crowd convened for the first plenary session, "Cliometrics, the New Institutional

Economics and the Future of Economic History," to hear **John Nye** and **Douglass North** (both Washington University) discuss the future of economic history. Nye and North are unsatisfied with the current trend in the discipline, which shows some of the best work to be "merely applied economics." They believe there needs to be more history applied to the economics and theory supporting the empirical modeling. This can be done by utilizing the "institutional narrative" that incorporates the new institutional economics (NIE) and rational choice theory with a historical discussion of crucial events of the past. This approach, they claim, will improve the validity and results of the discipline.

Gregory Clark (UC-Davis) began the discussion by asking what the institutionalists have been doing if not the institutional narrative. Nye denies that the NIE is the institutional narrative. This is the problem they are trying to identify: there is no framework upon which economic historians can build. Another question was raised about how their narrative takes into account evolutionary views. Nye disputes that evolutionary theory is appropriate when studying agents who are aware of what their actions may cause, as opposed to biological mutation, which occurs without reference to future expectations. Good economic science must consider both the underlying belief structure and the intentions of agents. If behavior is so different between agents, asked one audience member, how much time should be devoted to understanding these two objectives? Additionally, the point was made that economic history seeks to answer questions, not build theory. The details are an end in themselves. Nye responded that these arguments are what have caused economic historians to back away from committing to a single place in economics, but that is precisely what needs to be done. Lastly, a historian in the audience asked if the new movements in history address the issues that Nye and North raised. The authors firmly believe that economic historians need to be conscious of telling a consistent historical story through time based on sound theory.

The session entitled "Regulating Grain" began with Metin Cosgel (Connecticut) speaking on "Ottoman Taxation in Palestine, Syria, and Transjordan in the Sixteenth Century: the Determinants of Kism Rates." In this region, as opposed to other parts of the Empire, there were two types of taxes. The first type, input taxes, depended upon the quantities of inputs. The second type, output taxes, was based on the quantities of final goods. These taxes were collected either by the central government, local soldiers, or religious foundations. Cosgel uses several social, economic, and political variables to test what influenced these tax rates. He finds that the tax system was regressive, which, he claims, was unintentional as the Ottomans prided themselves on being fair. David Feeny (University of Alberta) thought that the paper needed more detail about the area and the way in which taxes were actually constructed, i.e. did the Ottomans monitor all inputs and outputs? Feeny also wanted to know why fairness was so important to the Empire. Points raised in the discussion included whether there was different tax treatment for non-Muslims and the significance of the three different recipients of tax revenue. It was pointed out that the importance of fairness may have been a function of the Islamic religion.

In "The Public Provision of Disaster Relief in China in the Eighteenth Century," **Carol Shiue** (Russell Sage Foundation and University of Texas) focuses on the interaction between local and central governments incentives concerning the provision of disaster relief in China in the late 18th and 19th centuries. Disaster relief took the form of money provided by the central government for grain as well as tax remissions for the affected area. Local officials were supposed to store grain during normal conditions, which was to be dispersed locally but purchased by the central government when disaster struck. Grain storage was costly. Therefore, if the area had good access to trade, e.g. private markets, the local government did not have to store grain but could purchase it with money provided by the central government. Hence, the more central relief provided, the less precautionary (with respect to storing grain) the local officials were. Shiue shows that local governments responded to market incentives, while the central government contributed moral hazard via its system of disaster relief. Feeny felt the paper would benefit from more description of the product and financial markets. Shuie was asked about the possible effects of local government corruption. Since she does not believe that it was different across provinces, this washes out her analysis. She was also asked why the government provided relief at all. Relief was much skewed towards the province housing the central government, and the Qing Dynasty worried about stability outside of this province.

Alan S. Taylor (UC-Davis) opened "The Market and Property Rights in Early American History" with his paper on the creation of the American-Canadian borderland via a case study of the establishment of Upper Canada (modern-day Ontario) from 1783-1814. Canadian officials attempted to establish a British stronghold in the New World by motivating British loyalists living in the US to once again become part of the monarchy. The British offered cheap land and low taxes to anyone living in Upper Canada. Taylor concludes that the British were only partially successful, as they did attract many inhabitants to Upper Canada; in most cases, however, they were not loyalists. Rather, they were poor farmers who wanted cheap land or pacifists driven out of the US for not contributing to the Revolutionary War effort. They were not people with great patriotism or firm political beliefs. John Majewski (UC-Santa Barbara) appreciated this bit of social history sprinkled with politics but wondered what the story really meant. He felt that Upper Canada ultimately failed because of the lack of democracy, making this a particularly interesting addition to the New Institutional Economics literature. Naomi Lamoreaux (UCLA) asked about the potential comparison with Texas. The main differences, Taylor believes, were that Texans were armed and belligerent and would rather have been Americans than Mexicans. Meyer inquired why there were so few people who took advantage of Upper Canada. Taylor said that it was because the British had such a negative image at the time and there were limited market opportunities despite the cheap land.

Next, **B. Zorina Khan** (Bowdoin College) examines the relationship between legal and economic development in Maine in her work, "Legal Disputes, Markets, and Economic Growth in Early America." In particular, she utilizes a data set of 30,000 lawsuits to address two main issues: the relationship between litigation and economic activity and the transition to capitalism from colonial America. Kahn finds that litigation, which reflected market activity, was primarily concerned with debt issues in the early 18th century as opposed to property issues later in the period. Kahn also contends that earlier in the period litigants were mostly from the same town, indicating that economic interaction took place within communities.

After 1800, litigants were from different towns, signifying the development of more impersonal markets between communities. She sees this transition to capitalism as less turbulent than other accounts. Additionally, Kahn's data allow her to trace the decline of the "moral economy." Majewski recommended that a comparison of Maine's courts with that of another state would better support Kahn's contention that Maine's courts were efficient. He questioned the court efficiency because of the observation that many of the court cases involved a small subset of the population. Comparing Maine with another state would illustrate whether this was a common characteristic of the period. With respect to the claim that the transition to capitalism was relatively smooth, Majewski argues that efficient court proceedings do not imply that there was no social tension or conflict associated with the transition. A look at individual cases would provide a clearer conclusion. Libecap brought up the possibility of corruption in the Maine courts, which Kahn believes was not prevalent. Winifred Rothenberg (Tufts) asked how Kahn was distinguishing between debt and property cases with respect to mortgages. Kahn granted that the distinction is a difficult one, but she recorded the few mortgage cases as property ones.

"Private Enterprise, Public Good? Communications Deregulation as a National Political Issue, 1839-1851" by **Richard John** (Illinois-Chicago) closed out the session. John's paper concerns the movement to limit government involvement in regulating mail delivery and electric telegraphy between 1839 and 1851. Unlike privatization of the postal system, the communications industry was the subject of great national debate concerning federal policy. Ultimately, deregulation prevailed for communications but failed with respect to the postal system. Although communications were deregulated in 1851, the industry was still limited by state legislators and federal court rulings. John provides a detailed history of the reasons for and against regulation in the two industries and what factors affected the final outcome. Majewski points out that because regulators benefited from federal control of the post office, we should be surprised that there was any debate over its regulation at all. Additionally, he speculates that the debate about telegraphy regulation may have been sparked by the concerns over postal system control. Majewski conjectured that people were fearful of the communications industry turning out like the postal industry, i.e. being a perquisite for legislators. Libecap said that the main difference in outcomes for the two industries was due to the postal system providing many more jobs and patronage than telegraphy. Thomson proposed that the differences in regulatory treatment might have stemmed from the differences in types of clients in each industry. Rothenberg thought that the issue raised by John was not one of public versus private institutions, but rather what the government could do versus what it could not. As she put it, post offices were much easier to build than telegraphy lines.

"Public Utility Ownership in Nineteenth-Century America: The 'Aberrant' Case of Water" by **Scott Masten** (Michigan) kicked off the session on public vs. private water. Private firms dominated US water supply throughout most of the 19th century. But while other public utilities remained overwhelmingly private, construction of new public works, combined with conversions of private water works to municipal control, had tilted the balance to public ownership by the turn of the century. Masten traces the greater public ownership of water works to a set of factors that exacerbate appropriation and contracting hazards for water relative to other public utility services. He evaluates the theory relative to historical record, examining historical accounts of the problems of private contracting for water services. He also looks at the ability of the theory to account for trends in the ownership of water works and variations in ownership across 378 water works serving US municipalities with populations over 10,000 in 1890.

Werner Troesken (Pittsburgh and NBER) presented "Municipalizing American Waterworks, 1897-1915." His coauthor, **Raymond Richard Geddes** (Fordham) was not present. The authors develop and test three explanations for public ownership: public interest, regulation, and transactions costs. They employ a large data set containing information on the municipal acquisition of private water companies in the US between 1897 and 1915. These data allow the isolation of the effects of high water rates, water quality, financial difficulties, and extensiveness of distribution system in determining the probability of subsequent municipal takeover of private companies operating in 1897. After controlling for such factors, the evidence is consistent with a transactions costs interpretation of municipal acquisition, and there is relatively little support for regulation-based and public interest interpretations. More precisely, the evidence indicates that municipalities were unable to credibly precommit to respecting the property rights of private water companies once investments were made, resulting in a rational reduction in investment in water provision by private companies. Local governments, in turn, used this "rational under-investment" as a pretext for municipalizing private water companies.

Nicola Tynan (Dickinson College) followed with "Private Water Supply in Nineteenth-Century London: Reassessing the Externalities." Public health externalities played a large role in driving the 19th- and early 20th- century trend from private to government ownership of water works in Britain and the US. The prevention of cholera and typhoid epidemics was a major reason for London's switch from private to public water supply in 1902. Reformers argued that water companies failed to internalize positive externalities from filtration, wastewater removal, continuous supply, and network expansion. Using data on cholera fatalities in London during the 1849 and 1852 outbreaks, Tynan tests for health externalities across water company supply regions. She concludes that a piped water supply does not convey large positive health externalities. Benefits to piped water were largely private. The probability of contracting cholera depended on the quality of one's own water supply, not that of neighbors. Using sewerage to remove human waste did generate externalities, but in the mid-1800s they were negative.

Louis Cain (Loyola and Northwestern) qualified the papers as "breathtakingly brilliant," but he also identified several dimensions that they did not explore. In his view, the authors failed to adequately explore the role of water drainage and sewage and its interdependence with water provision. Further (with Masten excepted) they did not address alternative uses for water, such as firefighting, which was arguably as relevant to a political explanation for the private/ public issue as was public health.

The session "Migration, Unification, and Globalization" opened with "Rural-Urban Migration and Socioeconomic Mobility in Victorian England" by **Jason Long** (Colby College). Victorian Britain experienced the most rapid and thorough urbanization the world had yet seen. Long looks at two related questions: Who were the rural-urban migrants, and what were the returns to migration? He answers these questions using a new dataset of 28,000 individuals matched between the 1851 and 1881 population censuses and a structural econometric model that controls for the endogeneity of the migration decision.

"Monetary Union, Institutions and Financial Market Unification: Italy 1862-1905" was presented by **Gianni Toniolo** written with **Giovanni Vecchi** (bith Universita di Roma Tor Vergata) and **Leandro Conte** (Università Siena). The authors ask if history offers any clue as to why three years after the introduction of the single currency, EMU financial markets are not yet fully integrated. They investigate a previous case of financial market integration following monetary unification, that of Italy after 1863. The prices of the *Rendita Italiana* 5% (Italian Consols) across the six regional stock exchanges studied did not fully converge until 1886-87, 25 years after *de jure* monetary unification. The authors contend that markets remained relatively fragmented because of powerful vested interests resisting the legal and regulatory changes needed to make arbitrage across individual stock exchanges efficient. A single Italian financial market appeared only when the State was able to regulate markets nationwide.

Jeff Williamson (Harvard) finished the session by presenting "Who Protects? World Experience Since 1870." Using a new worldwide database, he examines protection in both the European industrial core and in their English-speaking offshoots. The provision of protection experienced fast growth before World War II, while it was associated with slow growth thereafter. However, protection was always associated with slow growth in the European, Latin American, and Asian periphery. After dealing with the issue of tariff impact, Williamson explores what other reasons countries might have for protection.

Mary McKinnon (McGill) commented on all three papers. She was impressed by the papers and, referring to the session theme, asked the presenters to extend their work by evaluating some larger questions. In what ways was more mobility *better*? What were the restrictions on mobility, and to what extent were they being reduced (Long)? Specifically, were there connections between financial policy unification in Italy and political unification (Conte et al.)? Can the role of protection, as opposed to simple revenue generation, be broken out and analyzed (Williamson)?

"Reversal: How 1492 Changed the World" was the subject of the second plenary session. It dealt with the hotly debated question: Why are some countries rich and others poor? **James Robinson** (Berkeley) gave a presentation about a book he has written with **Daron Acemoglu** and **Simon Johnson** (both MIT). They use urbanization and population density to proxy for wealth in 1500. This shows a sharply contrasting picture to modern wealthy countries. They explore the "geography theory" and "institutions theory" to explain this phenomenon. The authors argue that only the institutions theory can explain this reversal of the last 500 years. In particular, the institutions established through European colonialism were more likely to promote investment which led to wealthier countries. They date this reversal to the end of the 18th and beginning of the 19th centuries, when an interaction of geography and industrialization allowed these institutions to flourish. They conclude that geography cannot explain why countries are poor, but it may have influenced the choice of location for

European colonization. Price Fishback (Arizona) began the discussion by asking if urbanization was a good measure of income in 1500. Robinson grants that the data are rough, but contemporary accounts imply that their view of income in 1500 is accurate. Another audience member claimed that per capita income was an inappropriate measure of well-being in the preindustrialized world because of the high mortality rates due to disease. Robinson disagreed, because although mortality rates were high, the people who they consider (like the Incas) were actually better off than rural populations. The point was made that the question should be not why some countries have bad institutions but why some have good ones. Robinson concurred, and the authors have it on their agenda. Jean-Laurent Rosenthal (UCLA) ended the session by asking what the authors intend to do next. Robinson replied that they are working on smoothing out details and determining what exactly it is that leads to institutional change. He concluded that historians are well positioned to understand this change, but economists are not as they do not ask the right questions.

Noel Johnson (Washington University) opened "The Provisions of Government Services" with his paper entitled "Banking on the King: the Evolution of the Royal Revenue Farms in Old Regime France." French kings would sell the right to collect taxes on farms. The king would receive revenue in a lump sum, and the new tax collector would be responsible for the actual collection of taxes. Initially, tax farms were auctioned to small, local collectors. Beginning in the 1660s, however, a large monopoly formed to engage in tax farming. Johnson examines the surprising impact of this transformation, which was a large increase in royal revenues. He believes that the increase occurred because the monopoly, which the kings increasingly used as a financial intermediary, had the power to prohibit them from reneging on the sale of tax collecting rights as had previously occurred. When they frequently reneged, the price of leases purchased by tax farmers fell. When the monopoly forced the kings to stop reneging, prices and revenues rose. Philip Hoffman (Caltech) wanted Johnson to investigate why the kings seemed to have reneged on tax farmers in times of war. He also questioned why the kings did not have a government agency that performed the duties of the tax farming monopoly.

In "Government Equity and Money: John Law's System of 1720," **Francois Velde** (Federal Reserve Bank of Chicago) undertook the task of summarizing the rapid rise and fall of John Law's system between 1716 and 1720. Law created a system of public and private finance which allowed him to convert the entire national debt of France into equity. The system also issued fiat money into which the new equity was eventually converted. This ultimately resulted in large inflation and the downfall of the system. Velde attempts to answer questions about the validity of such a system and the intentions behind Law's actions. Hoffman thought highly of the pursuit to accurately recount the system but wanted to know more about the politics of the plan and its long-run consequences. Additionally, he wondered what would have happened to the French economy and financial markets if Law had never existed or if he had succeeded.

Dan Bogart (UCLA) considers the transformation of the construction of roads in 18^{th}- century England in "Privatizing the King's Highway: Institutional Change and the Development of Road Infrastructure in England, 1690-1840." Specifically, he considers the establishment of "turnpike trusts," which were organizations that granted Parliament the right to build roads and levy tolls on them. Bogart says that turnpike trusts caused an increase in road investment and reduced transportation costs. He also indicates that the spatial pattern of trusts was determined by local traffic patterns. Hoffman questions why turnpike trusts did not arise in France or elsewhere if they were really welfare-enhancing institutions. Perhaps, Hoffman posits, it was because of political reasons. The English Parliament proceedings, with its format of negotiation, may have been the institution that permitted turnpike trusts in England and not France. Bogart was asked if some of the decrease in transportation costs might have been due to technological improvements in wagons, but he contends that there was not much technological change in wagons over the period. Lastly, it was suggested that Bogart compare the turnpike trusts of England to the case of late 19th- century American roads, which were also successful but did not employ trusts.

"The Sources of Southern Regional Distinctiveness" began with **Scott Redenius** (Bryn Mawr) written with **David Weiman** (Barnard). They conjectured that one of the reasons the postbellum South lagged behind the rest of the country was the seasonality of its credit demands due to its specialization in cotton. Because of season-specific demands of farmers, local Southern banks had to borrow during the production season when rates were high and invest funds during the off-season when rates were low. The Federal Reserve Act alleviated the seasonality problem. The creation of the Federal Reserve's discount window gave Southern banks access to credit at a consistent rate, and the regional Fed banks allowed a quick and cheap transfer of funds to Southern banks. Harold Woodman (Purdue) asked for several clarifications. He wanted to know which reformers sought relief through the Federal Reserve Act. In general, he thought the authors needed to pay more attention to the social, economic, and political environment – who was borrowing from whom, were landlords or banks responsible for high rates, and did farmers ever provide enough deposits to avoid the seasonality problem?

In "Technical Choice: Mechanical Cotton Pickers or Strippers in Texas, 1947-1962," **Wayne Grove** (LeMoyne College) and **Craig Heinicke** (Baldwin-Wallace College) examine the decision by Texan cotton farmers to adopt mechanical spindle pickers versus strippers for harvesting. The authors observe that in the high plains region of north-central Texas and Oklahoma, strippers were primarily used for harvesting cotton, unlike the rest of the South which used spindle pickers. Specific characteristics of pickers relative to strippers determined where each would be adopted. Pickers were more expensive but provided higher quality harvesting than strippers, so only larger farms could justify the expense. Pickers were better in places with a great deal of rain, but strippers were better under windy conditions. They conclude that it was weather variables that determined which farmers used which device. Woodman requested more details about the actual farmers making the choice and how they made their choices. Did they choose by trial and error or by observation? He believes that a discussion of the process of technological change and the rationality of the agents would benefit the paper.

The session continued with **Gavin Wright** (Stanford), who claims that the South is still politically and economically distinct, despite the convergence it has exhibited in income, wages, and urbanization since World War II. The areas in which the South is still distinct are corporate taxes, environmental standards, and spending on education. Wright says that the tradeoff between jobs and the environment has been biased toward jobs in the South. These jobs represent a different kind of unskilled labor in that they employ immigrant, mobile labor. Woodman disagrees with the premise of the session, believing instead that the South is not distinct but has just taken advantage of specialization. He thought that Wright's examples, rather than showing the South's distinctiveness, show the similarities of the South to the rest of the country. Meyer asked about the validity of reports that no venture capitalists have been interested in the South since World War II. Wright disputed this claim.

In the session entitled "Creating and Safeguarding Private Enterprise," **Gregory Besharov** (Duke) and **Kevin Davis** (Stanford) presented a comparison of the development of corporations in Britain and America. They seek to explain what they identify as a British development trap: the century-long hiccup in the evolution of the corporation in Britain. They argue that strategic agents, not laws, hindered the development of the corporation. They assert that because they were captured by financial self-interest, British authorities did not have incentives to create fraud- and corruption-curbing legislation. The revenue needs of the Crown, as well as the long-standing association of the corporate form with privilege and rent-seeking, undermined institutional change in England. They conclude that because of this need for positive regulation, one cannot say that the Bubble Act of 1720 set back British development. In his discussion, John Drobak (Washington University) asked whether it needed to be more explicitly established that the long lull in corporate chartering in Britain constitutes a development trap. Reference to broader growth statistics and further industry examples were mentioned.

In "The Public Promotion of Private Organization," **John Wallis** (Maryland) presented a theory "thought piece" on the role of organizations and government in growth. Beginning with the proposition that economic development requires the growth of organizations, both public and private, Wallis asks where these organizations come from, what determines how many there are, and how they are formed. His hypothesis is that, at its root, government has the greatest power to restrict growth through restrictions on assembly and that in prior historical periods and institutional environments growth was hindered by limiting assembly and the growth of organizations. He argues this was done to limit threats to the existing ruling powers. Drobak wanted some definitional clarity on what constitutes organizations and thought a more prominent role for institutions would strengthen the argument.

Kerry Pannell (Bowdoin) considers the role of private interests in providing public consumer protection in her paper, "Origins of the Better Business Bureau: A Private Regulatory Institution in the Progressive Era." She tells the story of local organizations of advertisers that were originally begun to encourage higher ethical standards for retailers in a rapidly expanding consumer marketplace. By restraining deceptive advertising practices, the Better Business Bureau addressed rising consumer dissatisfaction with fraudulent advertising, thereby enhancing the credibility of the advertising of any particular firm and thus its value. Pannell explores the extent to which the Better Business Bureau was created to ward off consumer protection legislation and to what extent its emergence can be attributed to the desire to promote growth in the developing consumer market. Both discussant and attendees were impressed and fascinated by the documentary evidence. Questions centered on how advertising rates and frequency responded to BBB evolution and how the research might be used to provide further insight into the significance of consumer protection on growth.

Brent Goldfarb (Maryland) kicked off the session on 20th-century new technology and growth with his work entitled "Adoption of General Purpose Technologies: Understanding Adoption Patterns in the Electrification of US Manufacturing, 1880-1930." Past studies of the diffusion of pervasive technologies such as the electric motor have failed to take into account the varied technological challenges in their application. In a careful examination of the adoption patterns of the electric motor in automobile manufacture, printing, and paper making, the author establishes that the technological difficulty of adapting the motor to particular tasks has central explanatory power in the order of adoption. He asserts that significant variation in adoption rates can be found not only between industries but also between different processes within industries and firms.

The session progressed with "The Most Technologically Progressive Decade of the Century" by **Alexander Field** (Santa Clara). Because of the Depression's place in both the popular and academic imagination (and the repeated and justifiable emphasis on output that wasn't produced, income that wasn't earned, and expenditure that didn't take place), it seems startling to propose the following hypothesis – the Depression years were, in the aggregate, the most technologically progressive of any comparable period in US economic history. Field makes two claims: first, that during this period businesses and government contractors implemented or adopted on a broader basis a wide range of new technologies and practices, which resulted in the highest rate of measured, peacetime, peak-to-peak multifactor productivity growth in the century, and secondly, that the decade produced advances that replenished and expanded the larder of unexploited or only partially exploited techniques, thus providing the basis for much of the labor and multifactor productivity improvement in the 1950s and 1960s.

Scott Wallsten (World Bank) closed out the session with "Returning to Victorian Competition, Ownership and Regulation: An Empirical Study of European Telecommunications at the Turn of the Twentieth Century." The current wave of telecom liberalization actually represents a return to private provision and competition in many countries rather than a new phenomenon. The early 20th century saw great variation in sector structure, with state-owned monopolies in some countries and vigorous competition in others. Wallsten uses an original data set compiled from turn-of-the-20th-century industry documents and scholarly works to test the effects of government monopoly service, private provision, and operating licenses on early telephone development. Controlling for per capita income and, when possible, country and year fixed effects, he finds that state monopoly provision correlated with lower telephone penetration and higher long distance prices than privately provided service.

Stephen Broadberry (University of Warwick) saw the fundamental question as, "Why does it take so long for a new technology to diffuse and hence raise productivity?" The factors are multiple and different across every industry. Goldfarb's paper used one large industry (automobiles) and two smaller ones (paper making and printing) as case studies, but perhaps another heavy industry was worth examining. Further, a neglected factor (the extent of competition and government regulation) should also have been addressed. He cautioned Field that the small differences in compounded annual growth rates that formed the basis for his study should be used with care. It also should be acknowledged that there are methodological caveats with using very short periods, with very high variance and very small differences in means. Similarly, Broadberry saw a weakness in the Wallsten paper because of its dependence on dummy variables in the regression analysis. He encouraged the author to extend his fine institutional analysis by incorporating not only public but also private institutional influences. From the audience, Joel Mokyr (Northwestern) suggested that Field should let the data guide his periodization and asked whether product innovation was picked up by his Total Factor Productivity analysis. To Goldfarb, he proposed using a counterfactual social savings analysis to buttress his arguments.

The following prizes were awarded at the banquet on Saturday night. The Arthur H. Cole Prize for outstanding article published in the *Journal of Economic History* from September 2001- June 2002 went to Suleyman Ozmucur and Oevket Pamuk (both Bogazici University) for their article "Real Wages and Standards of Living in the Ottoman Empire, 1489-1914." It appeared in the June 2002 issue. The Allen Nevins prize for outstanding dissertation in US or Canadian economic history during 2001/02 was awarded to Joseph Davis (Duke) for "A Quantity Based Annual Index of U.S. Industrial Production, 1790-1915: An Empirical Appraisal of Historical Business Cycle Fluctuations," completed under the direction of Michelle Connolly (Duke). The Alexander Gerschenkron Prize for outstanding dissertation in non-US or Canadian economic history during 2001/02 was given to Graciela Marquez Colin (El Colegio de Mexico) for "The Political Economy of Mexican Protectionism, 1868-1911," completed under the direction of John Coatsworth (Harvard). The Jonathan R. T. Hughes Prize for excellence in teaching economic history was presented to Barry Eichengreen (Berkeley). The Alice Hanson Jones Prize for the best book in North American economic history published in 2000 or 2001 went to Gloria Main (Colorado) for her book, *People of a Spacious Land: Families and Cultures in Colonial New England,* published by Harvard University Press in 2001. Also announced at the meeting was the Agricultural History Society's Wayne D. Rasmussen Award for the best article on agricultural history not appearing in *Agricultural History* for the calendar year 2001. The winners are Alan Olmstead (UC-Davis) and Paul Rhode (North Carolina) for "Reshaping the Landscape: The Impact and Diffusion of the Tractor in American Agriculture, 1910-1960," which appeared in the September 2001 issue of *The Journal of Economic History.*

The EHA Conference offered many activities for the participants. Among these was a reception at the old St. Louis Courthouse, hosted by the Washington University Department of Economics and the Center for New Institutional Social Sciences. The annual EHA President's Banquet convened on Saturday night, at which several economic history awards were presented. Peter Lindert (UC-Davis), the out-going EHA president, gave a talk entitled "Voice and Growth: Was Churchill Right?" The 2003 EHA Meetings will take place in Nashville, Tennessee under the watchful eye of new EHA president Thomas Weiss (Kansas).

Report on the XIII Congress of the International Economic History Association

By Tim Leunig, LSE

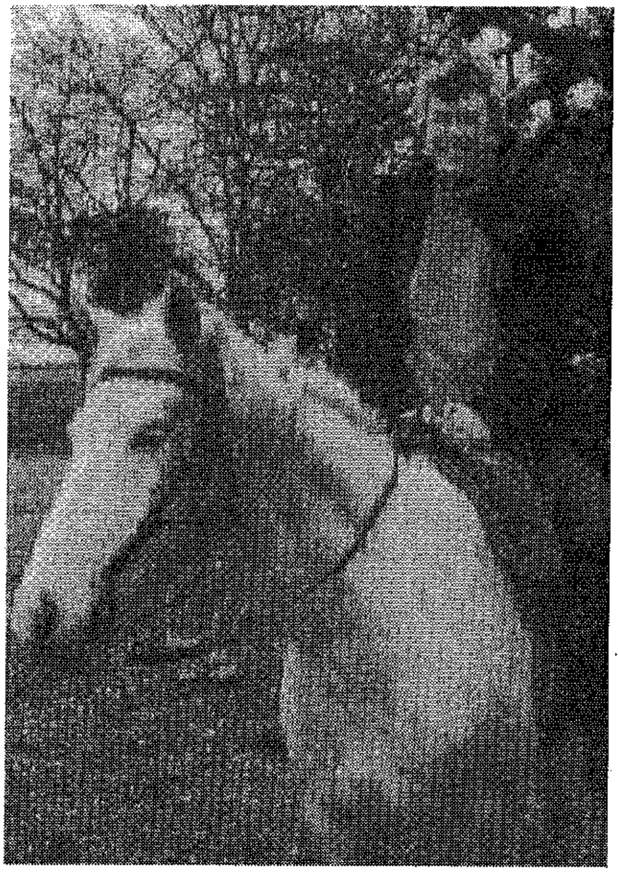
(Buenos Aires) The venue for the XIII Congress of the IEHA was Buenos Aires, Argentina, held July 22-26. The Association, which was organized in the 1960s, marks its first Congress of the 21st century by convening outside of Europe or the United States for the first time. Many thanks to the local organizing committee and coordinator Florencia Schindler for their outstanding work. Even in this difficult time in Argentina, the local organizers were able to provide scholarships for many scholars from poorer areas of the world. For details about their success in this area, please see President Roberto Cortes Conde's welcoming speech available online at EH.Net. Just click on the IEHA link.

For those who have been to Buenos Aires before, and especially for those who study Latin America, joy at the very low prices was tempered by sadness that the country could have fallen so far so quickly. Even in the last six months, banks have installed thick metal panels over the glass to prevent nighttime attacks, beggars are numerous, and the shops are empty. Poor it may be, but Buenos Aires proved to be as safe as any large city and certainly safe enough to walk around. Some people started off the conference in the Hilton conference hotel, which at $145 without breakfast was swish but distinctly pricey. But as the week went on, more and more people realized that the city was safe and the taxis reliable, so they moved out in favor of more reasonably priced hotels. And what happens when demand goes up? That's right, prices do too. At the beginning of the week, the Lancaster (a domestically owned, four star hotel a dollar taxi ride from the conference hotel) was charging $25 a night including breakfast. By Monday the price had risen to $29, by Wednesday $35, before reaching $38 by the end of the week. It was enough to cheer any neoclassical economist.

It was, of course, impossible for your correspondent to cover all 400 papers, and the sampling which follows was dictated by time, personal interest, and language skills.

Herman Van der Wee, former President of the International Economic History Association, gave the opening address on "Flexibility and Growth: The Discipline of Economic History in the Mirror of its Past." He assured the audience that both the profession and the IEHA were in good shape, using the attendance numbers and the variety of topics and approaches used as evidence. He also surveyed the field of economic history, looking at the different ways in which scholars have handled questions. He stated that neoclassical economics had not proven to be as fruitful a methodology as many had expected and some had claimed and instead argued that both game theory and economic sociology were richer and more powerful ways to approach history. He added that economic historians should be bolder in their claims that history is a good testing ground for theories.

The session entitled "Global Electrification: Financing and Managing Networks of Power from the 1880s to the 1970s" was convened by **Mira Wilkins** (Florida International University), **Will Hausman** (College of William and Mary), and **Peter Hertner** (Martin Luther University). They are jointly writing a book on this topic. Their central thesis is that multinational enterprises initially pushed electrification, with domestic firms becoming more important as



Professor MacKinnon conducting field research.

electrification became better established. There will be chapters on capital intensity, the relationship between electrical manufacturers and operators, foreign direct investment (especially by US firms), holding companies (especially in Europe), the spread of electricity in the British and French empires, the rise of electricity grids, the role of governments (especially in Latin America), the troubled interwar era (especially in Europe), domestication and nationalization, and the recent reemergence of multinational firms in a more deregulated setting, as well as a "statistical spine" chapter.

In a session on anthropometrics, **Stephen Morgan** (Australia) compares the heights of people in China and Taiwan, as well as part of Japan, in the interwar era. He finds that the patterns are very similar. There was some skepticism about the data. The sample size for Taiwan was very small indeed, while that for northern China was very large.

Timothy Cuff (Westminster) tests the Komlos hypothesis: that areas that were better integrated into the market economy were worse off or, at the very least, shorter. He has county level data for Pennsylvania from 1810 to 1845. He proves that the Komlos view is confirmed – integration stunts. Some of the audience was skeptical, noting that the paper has no direct measure of market integration, relying instead on indirect measures, such as the presence of a canal in the county. In addition, the regressions had low R^2 (0.06 and below) and some multicolinearity problems.

Jukka Jalava (Finland) opened the session on "Technology and Human Capital in Historical Perspective," by presenting "Technology and Structural Change: Productivity in the Finnish Manufacturing Industries, 1925-2000." This work, applies straightforward neoclassical growth accounting techniques to Finland. The authors find high rates of both labor productivity and total factor productivity (TFP) growth since 1925, especially since 1990, the latter particularly associated with ICT and even more particularly with the Nokia phone company. Using shift share analysis, they show that the Finnish story (unlike that of the US) was very much one of TFP growth, in which capital deepening was essentially unimportant. Discussant Bart van Ark (University of Groningen) liked the paper but argued that the "catch-up" story favored by the authors could not have worked in the 1990s when Finland was clearly at the technological frontier. He also questioned why we should limit ourselves to manufacturing, especially since manufacturing had never been a large part of the Finnish economy.

Camilla Josephson and **Lennart Schon** (both University of Lund) go well beyond standard growth accounting methodology to look at the determinants of TFP growth in Swedish manufacturing from 1854 to 1994. They use a Cobb Douglas model and find that the primary cause of TFP growth is not machinery, but the white-collar share of the labor force. They go on to develop a three factor-cum-sector model, with a labor intensive sector (domestic industry), a capital intensive sector (paper, export oriented), and a human capital intensive sector (electrical goods, also export oriented). According to Josephson and Schon, history divides into three periods: before the first oil shock (when all three sectors had similar TFP growth rates), the 70s (when no sector experienced TFP growth), and the recent period (in which export oriented sectors had higher TFP growth). They also find a spillover from the human capital intensive sector to the labor intensive sector in the early 20th century via mechanization that was possible because of electricification. Again, the productivity driver for both the capital and human capital sectors was the white-collar share of the labor force. Van Ark praised the paper for going beyond growth accounting into causal statements. He noted that a Cobb-Douglas model was restrictive and warned authors not to read too much into the 1970s slowdown, which looked much like the rest of northwest Europe. He also argued that the authors should think more about whether technology was Hicks neutral or whether capital and human capital were complements. This is an important issue in understanding the causes of TFP growth.

Jani Saarinen with **Svente Lingarde** (both University of Lund) spoke on contrasting patterns of development in Sweden and Finland from 1963 to 1997. The authors use patents by Swedish and Finnish firms in the US as a measure of the breadth and depth of research activity. They show that Sweden patented more than Finland, at least until the early 1990s, and that Swedish patent activity was more broadly based, perhaps reflecting Sweden's greater export orientation. Discussant Ken Sokoloff (UCLA) thought that the paper needed more background information on the two countries for those outside Scandinavia. He also said that it would be good to use the richness of patent data to a greater extent, for example by looking at who was patenting rather than just at the total number of patents. He warned the authors to take the Griliches point seriously, that patents may measure R&D inputs, not outputs.

In his paper, **Marvin McInnis** (Queen's University) looks at Canadian engineering and technological exploitation in the second industrial revolution, starting from the observation that growth was higher in Canada between 1897 and 1907 than anywhere else. He finds that the story is more than just about westward settlement and extensive growth based on wheat. It also has to do with greater technological exploitation, with high technology industries having higher growth rates. Canada had the fourth highest level of industrialization at this time, based on labor (immigration), capital (from the London market), and entrepreneurship (partly from the US). So where did the engineers – essential for the second industrial revolution – come from? 30% were imported, half from the UK and half from the US, while 70% were domestically trained. Sokoloff noted that the paper was in its early stages and needed more work. He urged McInnis to look at earnings rates to try to distinguish between push and pull factors.

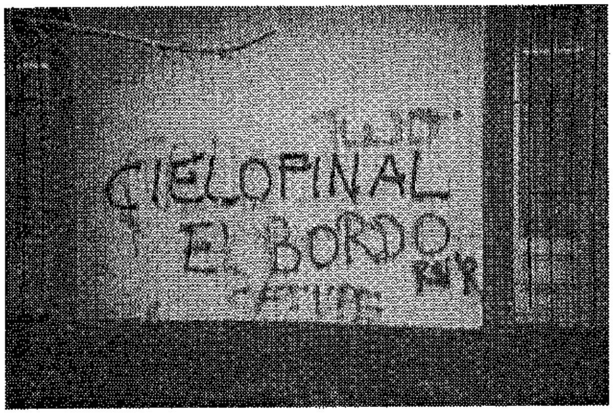
Jaime Reis (University of Lisbon) explores Portuguese economic history to ask whether human capital mattered in early industrialization. He uses a new source – a state enquiry into the state of industry, which includes data on wages, capital, and the number of workers. These data show that urban workers earned on average twice as much as rural workers, implying greater productivity from urban workers. But skills were independent from formal schooling, since literacy was rare. Instead, Reis says that the skills were learned on the job. More generally, he contends that although human capital mattered in determining output, the quantity of labor, and especially capital, mattered more. He also finds, interestingly, that capital and human capital were complementary.

In the last paper of the session, **Tim Leunig** (LSE) employs weekly productivity data for individual workers spinning cotton in a New England cotton mill to ask whether workers learned on the job. He finds that they did, with productivity doubling over two years. Although labor productivity rose with worker experience, capital productivity did not as inexperienced workers were allocated less capital. Since workers were paid piece rates, this meant that experience did not affect unit labor costs. As such, the firm was indifferent to worker turnover rates and who they hired. This was useful for female workers, who needed to balance the demands of paid and family work, and to immigrants, who found it easier to get work. As such, the capitalistic system of piece rates and frequent quits is an example of how the market ameliorates, not accentuates, social prejudice.

The "Early Modern" dissertation session included **Joerg Baten** (University of Munich), **Liam Brunt** (Oxford), **Oscar Gelderblom** (University of Utrecht), and **Michael Limberger** (Universiteit Antwerpen, UFSIA). Brunt began by discussing how the British industrial revolution was based on moving people from agriculture into industry. But since these people needed to be fed, that implied an agricultural revolution. His thesis prepares and explains new estimates of labor productivity in British and French agriculture, 1705-1845. He finds that, compared with France, the British advantage was in output per acre rather than output per worker. Using the Arthur Young data set, he constructs a cross-sectional model that shows that two innovations – turnips and fertilizers – raised yields, but clover did not. He then estimates French productivity, using French data and coefficients from the British model to show that British advantage was real and stemmed from better crop rotation and use of fertilizer. In contrast, the UK climate was worse for output. He then goes on to state that previous authors' comparisons of yields in 1700 and 1860 led them to overstate agricultural yield growth, because 1700 had an abnormally poor harvest and 1860 an abnormally good one. He uses the neoclassical assumption that the gross yield to the farmer (including positive externalities for one season from the soil improvements that some crops generate) must have been the same for all crops or the farmer would have simply planted more of the higher returning crop. He estimates the externalities by subtracting the market value of each crop from the maximum value of the highest value crop. This analysis shows that turnips had the highest level of externalities of the various agricultural improvements during the period. He also finds that fertilizer, especially lime, was very valuable to yields, but that as an industrial by-product it had zero elasticity of supply. Finally, he looks at plough design and finds that "they got what they paid for." Knowledge was crucial in the diffusion of designs, so that plough designs, good and bad, were clustered. He concludes that there was little rise in yields pre-1705 and little after 1775, however, the period 1705-75 was one of significant progress. This dissertation was a joint winner with Joerg Baten.

"The Modern, Before World War I" dissertation session included **Muriel Neven** (University of Liege), **Monika Pohle Fraser** (European University Institute), **Juan Roses Vendoiro** (Universidad Carlos III), and **Simone Wegge** (CUNY Staten Island). Wegge looks at migration from Germany to the US during the 19th century. The question she asks is "who went, and who stayed," using the German Hesse-Cassel region (with 50,000 emigrants) as a case study. The records are remarkable, with trade and village and family size known for each emigrant. Emigration was expensive; the passage cost about one year's wages. Wegge uses economics and sociology to ask whether workers were pushed by poor conditions at home or pulled by the prospect of new opportunities. In economic terms, she finds that artisans left, but neither farmers nor laborers did. Tools were portable, whereas land was not. Furthermore, land markets were illiquid, reducing opportunities for farmers to convert their asset into money. Laborers, in contrast, were simply too poor. She also observes that areas with primogeniture had higher emigration than those with partible inheritance, as those with no prospect of inheritance had nothing to gain by staying. Wegge uses sociological techniques to show that information mattered. Emigration was a chain process, with the likelihood of emigration positively linked to the numbers of people having emigrated from the same village. Finally, she shows that local wages mattered, with low wages acting as an important spur to emigration. Wegge's dissertation was the winner in this category.

The other dissertation sessions which ran concurrently were "Antiquity and Middle Ages" and "Modern, After World War I."



Michael Bordo fans pay tribute to their hero.

There was only one dissertation presented in the "Antiquity and Middle Ages" category, and it was by **Yadira Gonzalez de Lara** (European University Institute). The post WWI session was won by **Chibuike Uche** (LSE). **Chiaki Moriguchi** (Stanford) and **Jeroen Touwen** (Leiden University) also presented.

Susan Hirsch (Loyola) was first in line in the next session, presenting joint work with **Janice Reiff** (UCLA). They look at careers in the Pullman railcar manufacturers, 1915-1970. The firm had a last in/first out redundancy rule, so workers who had been there a long time could consider themselves safe from any real risk of unemployment. Hirsch and Reiff point out that older workers were less likely to leave, even when better paid jobs were available in munitions factories. The authors attribute this to greater risk aversion. They find that blacks were less likely to be promoted than whites in the 1920s but were no more likely to leave. The firm may have offered blacks fewer chances than whites, but it offered them as many chances as other firms. Paul Johnson (LSE) questioned whether older workers lower propensity to leave did imply that they were risk averse, noting that a final salary pension scheme locked workers into their jobs, especially once they had built up a certain amount of service.

Mary MacKinnon (McGill University) followed, using Canadian Pacific railroad records to ask who went on strike in the turbulent years between the completion of the Canadian Pacific Railroad at the end of the 19th century and WWII. Her sample includes railway carriage makers and boilermakers, including a high proportion of skilled workers. In 1908, the company unilaterally cut wages. The union demanded and got a government conciliation process whose conclusions they rejected in favor of a strike. The company was able to break the strike using legal UK strikebreakers and illegal US ones (immigration was restricted). From 1914, the policy was officially one of harmony. In reality, the union was merely ineffective, and workers left for more radical unions such as those involved in the Winnipeg general strike of 1919. In the 1920s, forced conciliation slowed down moves to strike, with the delay allowing both sides to learn from the equivalent US union's disastrous strike. The Canadian union backed down and so survived.

Gerrylynn Roberts with **Robin Mackie** (both Open University) look at job mobility among chemists in Britain during the 20th century, using the 9000 members of the Institute of Chemistry as a source. They find that job mobility increased after WWII. This rise in mobility was caused by pull factors, with success – as judged by career trajectories for a more limited sample of workers – being determined by professional quality rather than loyalty to an employer.

In a work of real scholarship, **Kees Mandemakers** (International Institute of Social History) looks at intergenerational career mobility among the middle classes in the Netherlands. Each school in the Netherlands has its own archive, and Mandemakers has taken a sample of 20-30 individuals from 80% of selective schools in 1880 and 70% of the schools in 1920 as the basis for his work. Most of the pupils from these schools were drawn from the middle class. The Netherlands also has comprehensive registration data, so Mandemakers is able to trace not only the pupils' own career trajectories, but that of their fathers as well. He states that, in general, sons' first jobs were of lower status than their fathers' final jobs; however, this was less pronounced in 1920. In contrast, sons' last jobs were generally of higher status than their fathers'. Mandemakers develops a probit model that relates social origins, school, school performance, and career outcomes.

Alison Parkinson (Nuffield College) studies female workers in 19th-century Britain. Despite the contemporary ideal of women as wives and mothers, almost two million women worked during this time period. Since employment was unavailable to many, self-employment acted as an alternative to destitution. This was particularly true for women who valued the freedom and economic independence that was unavailable to those in domestic service. Parkinson uses the records of the Sun Fire Insurance Company, which had one-third of the market, to investigate the nature of women's self-employment. This source proves better than trade directories, as it covers small firms more effectively. She finds that one-half of female self-employment was in textiles (a "female" industry), but of the one-half that was not, many were working in "male" industries. The general view is that women proprietors were middle-aged and either widowed or spinster sisters working together. According to Parkinson, there is some truth to this, but only for women in male trades who were 10 years older than those in female trades. She is also able to link individual women to their families through the census to show that women were often not caretaker managers. They kept the firm going for a son to inherit, as many remained in charge even though they had sons old enough to take over.

Patricia Thane (University of Sussex) looks at the career trajectories of graduates of Cambridge's all-women Girton College in the 20th century, using college records, surveys, and oral history techniques to ask why they are consistently less successful in conventional terms than male Cambridge graduates. She claims that Girtonians were twice as likely to remain unmarried as the general population, especially before women were allowed to continue to work after marriage. Almost all of these women practiced birth control long before the pill became available. That said, the pill delayed childbirth within marriage, allowing careers to be established first. In contrast, a proportion of earlier generations achieved the same by delaying marriage. And yet, she finds that women felt that school teaching was the only career available to them, with 60% becoming teachers in the 1920s, gradually falling to 20% fifty years later.

Marco van Leeuwen (University of Utrecht) presented work in progress that uses annual Swedish census data collected by priests from 1785 onwards. The data are particularly comprehensive for younger workers, who van Leeuwen finds were highly likely to change jobs, with most moves being lateral rather than representing career progression.

John Brown (Clark University) and **Gerhard Neumeier** (University of Freiburg) look at the local and long-distance migration to Munich before 1910, a period in which immigrants brought conflict by undermining collective agreement in the coal industry. They use two rich sources of data, firm worker records, and Munich residency applications, to look at job shifts as a measure of career mobility. They estimate a hazard model with 1500 job matches. At its broadest, they find that skilled workers had stable jobs, whereas the unskilled were mobile. In addition, workers were more likely to quit when they had been in Munich longer and became more aware of alternative jobs.

David Mitch (University of Maryland-Baltimore County) utilizes farm labor books for Norfolk, England, between 1900 and 1937 to test whether continuity of employment and continuity of attachment (i. e. working for the same farm, but intermittently) increased over time. He shows employment became more continuous but that the picture for attachment is more ambiguous. The traditional reason put forward is that pasture replaces arable farming, making the farms' labor demands more stable over the year. Combined with a thin labor market, this increased the attractions of continuous labor contracts. Mitch contends that weekly farm labor costs did stabilize over time, but unfortunately there is no evidence that pasture increased!

Jason Long presented a paper written with **Joe Ferrie** (both Northwestern), where they compare geographical and occupational labor mobility among people during the 20s in the US and between 1850 and 1880 in the UK. They use the Mormon computerized censuses for the period to match fathers and sons. Marx claimed that Europe was more class based than the US. They find that UK workers were half as likely to move to another county and half as likely to be upwardly mobile. Workers in both countries were equally likely to be downwardly mobile. 57% of those with unskilled fathers remained unskilled in the UK, while the figure in the US was only 17%. Many became farmers, an option not available in land-scarce Europe. Long and Ferrie also use probit analysis to show that a father's social class is a better predictor of the son's social status in the UK than in the US, and education was more likely to lead to social progress in the US than the UK. The Mormons proved Marx right.

Franco Barchiesi with **Bridget Kenny** spoke on the effects of deindustrialization on blacks in South Africa. Under apartheid blacks were restricted to unskilled jobs, although in reality many worked in semiskilled areas and were unionized. They use oral history techniques to show that the job problems occurred because blacks expected political changes to lead to a better material standard of living. For workers in some industrial sectors, these positive political developments conflicted with deindustrialization.

Juan Martin Moreno looks at Argentina between 1874 and 1997, focusing on small firms in the informal urban sector. He contends that the informal urban sector was not the driver of productivity growth and prosperity, but rather an alternative to destitution. He says it was not "red tape" that led workers to enter the UIS but the lack of alternative legitimate jobs. Using a technically advanced but economically underdeveloped probit model, he shows that women and the unskilled were more likely to be in the UIS. The role of gender as a determinant declined over time, while that of schooling increased, reflecting the social and economic changes in Argentina and the world more generally.

In the session titled "Conflict Potentials in Monetary Unions," **Farley Grubb** (Delaware) investigates the reasons for and consequences of the US monetary union that was mandated in the US Constitution. The current literature is very pro-Hamilton, but Grubb argues that the monetary union led to excessive price volatility, with prices in different states moving in different directions. In addition, he finds a large price spike on adoption. In contrast, states managed their own pre-1788 currencies well. The question he asks is: If state money worked so well, why did the Constitution ban it? According to Grubb, bankers disliked tax-backed state money, because it rivaled the specie-backed money that they issued. As a result, they made sure that they packed the state's delegation to the convention. For example, every member of the largest delegation, which was from Philadelphia, was a banker. So money, rather than buying the government, bought the Constitution.

Jurgen Nautz (Kassel University and University of Vienna) spoke on the Austro-Hungarian monetary union, arguing that currency unions are about culture and politics as well as economics. Although Austro-Hungary had a joint central bank in 1867, Hungary had considerable economic autonomy and wanted its own central bank. This was thwarted by a move to the gold standard by 1900, but different groups in the empire used membership of the central bank for political ends. In the end, the bank was unable to prevent the economic effects of disastrous political discord.

Krim Talia (Stockholm School of Economics) looked at the decline and fall of the Swedish currency union 1914-24. He contends that, contrary to the literature, the money supply did not increase during this time. Instead, the war led people to convert paper money into gold, forcing the authorities to suspend convertability. The war was an asymmetric shock, with Swedish trade surpluses meaning that Swedish notes were worth more on international exchanges that Danish or Norwegian ones. Since all could be exchanged internally, bad money drove out good, leading the Swedes to threaten to leave the union. As a result, notes and then coins were not allowed to move within the union, and, effectively, it was a union no more. Talia argues that Scandinavian central bankers were unfamiliar with the effects of paper money and poor at operating the system. The question is not why the system collapsed but why it survived.

Nuno Valerio (ISEG-Technical University of Lisbon)) looks at the effectiveness of monetary union in the Portuguese Empire. The empire had internal tariffs prior to 1961, free trade within the Empire 1961-71, followed by the reimposition of tariffs in 1971. He claims that monetary union did not work well under free trade, because trade flows were unequal. As a corollary, it worked better after 1971, when the source of the problem was removed by tariff barriers. Michael Bordo (Rutgers) thought the paper could be improved by making it comparative across space as well as across time, with the French CFA franc zone as an obvious and successful comparator.

The XIII Congress closed on July 26, and the participants left Argentina with heartfelt thanks to the organizers and presenters. We are sure that Roberto Cortes Conde was correct when he said in his welcoming speech, "But Argentina is not destroyed. Her physical and human capital is intact. Once confidence is restored, she will be in a condition to recover and grow again."

Call for Papers

2003 Economic History Association Meetings

Nashville, Tennessee
October 19-21, 2003

Interested scholars are invited to submit proposals for papers to be presented at the 63rd Annual Meeting of the Economic History Association in Nashville. Papers are welcome on any topic in economic history, broadly defined. Some, but not all, of the sessions will be devoted to the theme: **Transitions in Economic History.**

Program proposals, due January 31, 2003, can be submitted to the Program Committee (Joshua Rosenbloom, Fred Bateman, Peter Coclanis, and Jane Humphries) at: http://www.eh.net/EHA/Meetings/prop_03.html.

Proposals may also be submitted by mail. Please send **three copies** of a 3-5 page abstract and a 150 word abstract suitable for publication in the *JEH* to:

Joshua Rosenbloom, Chair
Department of Economics
1300 Sunnyside Ave.University of Kansas
Lawrence, KS 66045-7385

For more information, you may contact Joshua Rosenbloom at jrosenbloom@ku.edu

B.L. ANDERSON

Bruce L. Anderson, who died at the age of 60 August 11, 2002, was that rare anomaly in the British academic community, a man of the right. A true "Scouse," he was born and bred in Liverpool where his father was a printer. He graduated in economics from the University of Liverpool and completed his postgraduate work in economic history there. He then moved to the School of History at the Victoria University of Manchester to work on financial institution and investment. He returned to a post in the Department of Economic History at Liverpool University, where he was soon promoted to Senior Lecturer.

Among his most notable books are *Money and Banking in England 1694-1914*, *Capital Accumulation and the Industrial Revolution*, and *Commerce, Industry, and Transport: Studies in Economic Change on Merseyside*. There were numerous contributions to other books and learned journals, including quite recently *The Current State of Economic Science* (S.B. Dahiya, ed.) and *Fra Spazio E Tempo: Studi in Onore de Linzi de Rosa* (I. Zilli, ed.).

Never a man to shrink from an opportunity to promulgate his views, he once drove across Europe before the fall of the Iron Curtain to give a paper in Budapest to an International Economic History Congress. There, after a typically forthright exchange of views, he was witnessed chasing an Irish Marxist down the street! He was also a prodigious country walker, until ill-health began to limit his activities. He had only just taken early retirement from the University and leaves a widow and two grown children.

MALCOM (MAC) URQUHART

Malcolm Urquhart was born Dec. 12, 1913 in a small town in Alberta. He received his graduate degree in economics from the University of Chicago in 1942. Mac then moved to Cambridge, Massachusetts for a year, where he was an instructor in economics at MIT. In addition, he worked on the Financial Research Program of the National Bureau.

After the war, Mac accepted an appointment at Queen's University. During the decade of the 1960's, Mac was Director of the Economic Institute at Queen's (1960-1), Head of the Department (1964-68), President of the Canadian Economics Association (1968-69), and a Member of the Provincial Committee on the Healing Arts. In 1966, he was named a Fellow of the Royal Society of Canada and was President of its Humanities and Social Science division in 1975-76. He was also awarded honorary degrees by Bishops University (1981) and Queen's University (1991).

The work that establishes Mac as one of the major figures in Canadian economics is *Historical Statistics of Canada*. Mac was manager and editor of the six-year project (1959-1965), as well as its driving force. Since 1965, *Historical Statistics* has been the starting point for most work in Canadian economic history and the inspiration for a great deal of research as well. The other monumental work, and indeed the crowning achievement of a career that spanned over 60 years, is his *Gross National Product, Canada, 1870-1926*.

Mac is survived by his wife, Elizabeth, and his children, Anne Arrowsmith and David Arrowsmith.

BOOK PREVIEW

State Banking in Early America: A New Economic History

By Howard Bodenhorn

Note: The following preview is an excerpt from the introductory chapter of ***State Banking in Early America: A New Economic History****. Published by Oxford University Press, November 2002.*

An outpouring of recent theoretical and empirical research places financial intermediaries center stage in the process of economic growth and development. Through their dealings with customers as depositors, borrowers, consignors, entrepreneurs, and shareholders, financial intermediaries have an advantage over other market participants in gathering and processing information on the likelihood of success for at least some entrepreneurial projects. The better financial intermediaries are at gathering and processing information, the better the overall economic performance. Scarce capital will be directed to its most productive uses and the gap between potential and actual aggregate output (or income) will be narrower than if financial intermediaries are less productive. Indeed, a number of recent cross-country empirical studies show that countries with more advanced financial sectors tend to experience faster economic growth.

In an earlier study, I showed that the US experience in the first half of the 19th century was consistent with the cross-country empirical studies. States with more banking facilities per capita in 1830 experienced greater rates of economic growth up to 1860 than states with less developed banking sectors. While the state-level evidence was consistent with the convergence hypothesis (that wealthier states grow more slowly and poorer states grow more quickly so per capita income should converge through time), it also shows that more financially deep economies, which also tended to be the wealthier economies, grew faster. Consider the 1850s. A 10% increase in the initial stock of money per capita in 1850 increased the annual average rate of real economic growth over the decade by 41.3%. Alternatively, a 10% increase in the initial stock of bank loans per capita increased the annual average rate of real growth over the decade by 23.4%.

In this instance, modern economic and statistical techniques have uncovered a process appreciated by contemporary observers and commentators. Writing in 1831, Nathan Appleton provided a prescient statement of the link between finance and economic development. "Bank capital," wrote Appleton, "consists of money, which the proprietors do not choose to employ themselves, but have established a fund, to be employed by the active and enterprising classes of society. It is thus placed where those classes can command it, at their pleasure. Abundance of such capital is, in its highest degree, favorable to public prosperity, by exciting industry and extending trade." While modern economists may disagree with some of Appleton's word choices, many are in broad agreement with his hypothesis, namely, that banks play a pivotal role in the process of economic development. Although some continue to question the importance of banks qua banks, they tend to agree with the broader proposition that financial services, more generally, have a role to play in economic development.

It is important, however, not to claim too much. While banking was pivotal, financial intermediation was not the wellspring of economic growth for any country, region, or state. A well-functioning financial sector may contribute to economic growth, but even a well-conceived and well-regulated financial sector will not overcome unfavorable resource endowments, low rates of human and physical capital accumulation, suboptimal population growth rates, low labor force participation rates, or inefficient and counterproductive government policies outside the financial sector. At the same time, even a poorly designed, inefficient financial sector will not bring an otherwise vibrant economy to a standstill. The early American experience is consistent with the notion that states that promoted financial development – either through liberal chartering (as in Massachusetts), or through free banking (as in New York), or through state-supported, broad-based branch banking (as in Virginia) – consistently experienced moderate to high rates of economic growth. Despite the seeming differences in these approaches to bank chartering and regulation, the common thread was financial liberalism. When the public outcry for more banking facilities grew loud, these states allowed the sector to grow. Not all states followed this policy, and some paid a heavy price.

It is typically unwise to argue by example, but two examples stand out. After poor government policy choices in Pennsylvania in the 1810s and 1830s undermined the state's banking sector, the state effectively stopped chartering banks until the 1850s. As a result, Philadelphia's banks fell behind New York's in their ability to accommodate growing credit demands. There were a host of factors that led to New York displacing Philadelphia as the nation's financial and commercial center, but it is possible that lagging banking facilities played a part. Similarly, Louisiana's restrictive banking policies in the 1840s have been cited as a cause for the decline in their share of Mississippi and Ohio River basin produce moving through New Orleans and financed by New Orleans' banks. The steamboat, the Erie Canal, and the railroad all acted to redirect traffic away from New Orleans and toward New York, but declining credit facilities also influenced trade patterns.

This book explores regional differences in banking structures, which bear indirectly on the connection between financial and economic development. To the extent that a single theme emerges, it is that the US benefited from its free banking philosophy. Although I adopt the term "free banking," it should not be confused with free banking in the sense that Austrian economists such as Lawrence White, George Selgin, and others use the term. They have in mind a very specific set of laissez-faire conditions, facilitating the emergence of a spontaneous order of inside and outside money. Austrian free banking theorists assume that the government defines neither the unit of account nor the medium of exchange. Both arise endogenously from the free contracting between banks and their customers. Early American banking, no matter how liberal the chartering requirements, were not free banks in this sense. The federal government defined the base money (gold and silver) and the unit of account (the dollar). State legislatures required and courts enforced dollar-denominated bank contracts. Banks unable or unwilling to redeem their banknotes in gold or silver were typically considered bankrupt and closed down. Banks and banknote holders could not write legally enforceable contracts in something other than the government-defined base money.

Within the narrower US context, the term "free banking" is generally used to refer to a very specific set of legal conditions for opening a bank defined by a New York state law of 1838. Under the terms of the 1838 law, a prospective banker could open a bank wherever and whenever he chose once he registered with the state comptroller and deposited a specified quantity of state or federal bonds as a guarantee against fraud and failure. Instead of free banking, a better description of this era would be "bond-secured note issue" banking. Regardless of the term used to describe it, New York's law proved versatile, exportable, and popular, and some variant was eventually adopted in 21 states.

As I use "free banking" here, I have in mind neither of these narrow constructions. I use the term to reflect the workings of the early American Madisonian polity, in which state governments ceded as little power to the federal government as seemed practicable. This decentralized federalism provided state legislatures with a great deal of flexibility in their approach to economic issues. Individual states decided whether to underwrite the construction of basic infrastructure (such as roads, canals, harbor clearing, and banks) or not. If a state's citizens decided that the state might have a role, they were then free to define the limits. Thus, Massachusetts and Rhode Island chartered banks liberally but tended not to take an activist role. Neither provided much capital to new banks, neither chose to place government officials onto the boards of directors of banks, and neither state offered any implicit guarantees to the banks' customers. In Virginia, the state provided one-fifth of the Bank of Virginia's initial capital, appointed directors, and inspected the books but left most of the decisions to the board of directors elected by the private shareholders. Kentucky, Tennessee, and Illinois stepped in when private investors would not and formed wholly state-owned banks, which provided banking services as the state endeavored to attract settlers and push the frontier westward.

This book is a study of the financial experimentation that took place in the United States between 1790 and 1860. Some experiments succeeded; others failed. The important lesson to be learned from this history is not that some bad ideas which caused financial hardship were adopted; rather, it is that there was no single best banking system. Where branch banking succeeded in Virginia, it failed in Alabama. Bond-secured note issue worked in New York, but it failed in Michigan and Minnesota. A state-owned bank thrived in South Carolina; another imploded in Illinois. The lesson is one that is important for modern developing countries who may too quickly attempt to imitate the banking structures of the developed world: that a successful banking system is one that is flexible, predictable, and incentive compatible. It is one that also meets the needs of borrowers, depositors, and shareholders and reduces downside risks to a generally agreed upon level. This implies that we cannot a priori define an optimal, one-size-fits-all banking system. We need to know something about the formal and informal institutions underlying an economy and something about the risk preferences of its citizenry. Historically, outsiders view Americans as experimenters and risk takers. Nowhere is that more apparent than in their early banking policies.

Chapter 2 turns to the establishment and governance of early American banks. Early banks could not legally open for business until they received a charter from their state legislature. After the American Revolution, there was a large pent-up derived demand for investment funds, and banks seemed a good way to supply them. High demand for loanable funds and low supply meant that the profit potential was great. Legislators recognized this and used it to their own, and sometimes the state's, advantage. The chartering process became a method of rent extraction. For those aspiring bankers capable or fortunate enough to get a charter, the issue was establishing a corporate structure that met public demands for credit, legislative demands for transparency, and shareholder demands for accountability and profitability. In response, banks developed simple but effective corporate hierarchies to channel instructions down the chain of command and to send information back up. This chapter uses the modern theory of the firm and principles of corporate finance to show that bankers built relatively sophisticated corporate structures that mitigated numerous principal-agent problems. In general, compensation policies and managerial practices aligned officer and shareholder incentives.

Chapter 3 sheds light on several long unanswered questions: What did early American banks do on a daily basis? How did they lend? To whom did they lend? For how long? And, what sorts of projects did they finance? Most interpretations of the period emphasize the so-called real-bills doctrine. The doctrine held that banks should lend only to the most credit worthy borrowers and only at very short terms, generally 30-60 days. The premise underlying this theory was that banks that loaned to people who met their commitments would meet their own. Traditionally, scholars recognize that many early US banks did not slavishly follow real-bills prescriptions and have chastised them for not doing so. Chapter 3 agrees with the traditional histories in that early banks did not adhere to strict real-bills policies, but it offers a different, more sanguine interpretation of the banks' choices. Early American banks were socially beneficial engines of growth precisely because they violated the precepts of the doctrine. Bankers were just as innovative and entrepreneurial as leaders in other sectors, and they underwrote and financed industrial experimentation.

While Chapters 2 and 3 draw a portrait of a typical antebellum bank in broad strokes, Chapters 4-10 fill in the details of regional differentiation in state banking. Chapters 4 and 5 chronicle the development of state banking in New England from its colonial antecedents through the Civil War. Chapter 4 discusses a recently emphasized feature of the region's banks, namely their small size and familial organization. New England's banks were not impersonal dispensers of credit in anonymous markets. Rather, they were formed by and served as the financial arms to extended kinship networks of artisans, traders, and manufacturers. Chapter 5 offers a new interpretation of the other defining characteristic of New England's banking structure: the Suffolk system. The Suffolk Bank of Boston operated a regional clearinghouse for banknotes, thereby facilitating the use of currency in trade. While traditional interpretations emphasize the benefits that accrued to the public from this operation, this chapter shows that the Suffolk Bank used intimidation and coercion to put and keep the clearing system in place. This system is analyzed using modern theories of networks, including the inherent externalities of increased membership and appropriate pricing rules. Because the Suffolk Bank mispriced its services, an alternative network was established, and the system collapsed.

Chapters 6-8 highlight the notable features of banking in the Middle Atlantic region. Chapter 6 discusses the inauspicious beginnings of American banking. America's first commercial bank, the Bank of North America, was chartered by the Continental Congress to assist war finance. After the war, the bank came under attack in the Pennsylvania legislature, its charter was revoked, and the bank nearly removed to Wilmington, Delaware. Within a short time, its charter was restored, but Pennsylvania chartered a rival institution. The political antagonism surrounding the charter-mongering that took place in Mid-Atlantic statehouses expressed itself in cutthroat competition in Philadelphia, New York City, and Baltimore. Economists generally view such competition favorably, but it inhibited these banks from cooperating in the face of common threats. Distrust inhibited the establishment of clearinghouses until the 1850s. Moreover, state demand for credit and the insistence that banks finance the construction of canals and other internal improvement projects undermined bank stability and placed them in harm's way during economic downturns.

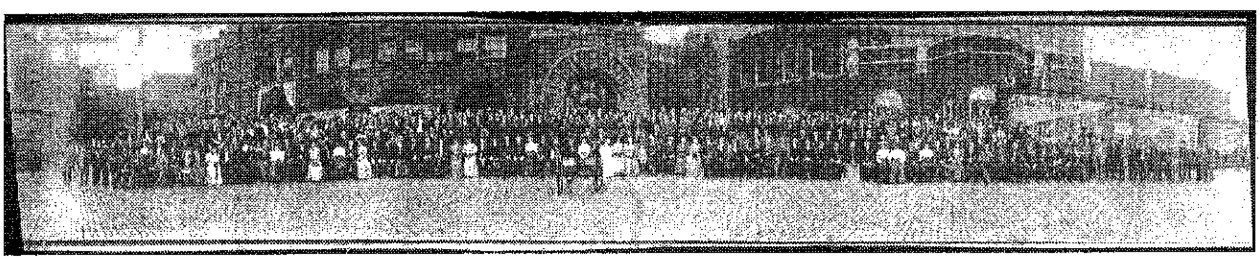
Chapter 7 offers a fresh interpretation of the New York Safety Fund, America's first experiment in bank liability insurance. The Panic of 1819 and the wave of bank failures that followed induced legislators to seek out alternatives to shareholder liability as a means of protecting noteholders and depositors from losses due to bank failures. New York legislators debated several proposals between 1819 and 1827 before they finally settled on one. While the legislature did not accept the details of its mutual guaranty system, they established a co-insurance scheme similar to the modern Federal Deposit Insurance Corporation. Each bank paid insurance premiums to a common fund from which noteholders of failed banks were reimbursed. The Safety Fund was innovative and ahead of its time in some regards, but the system collapsed just nine years after its establishment when 11 banks failed in rapid succession. Using many of the insights developed in studies of the savings and loan crisis of the 1980s and failure of the Federal Savings and Loan Insurance Corporation in 1989, Chapter 7 shows that the Safety Fund's bankruptcy resulted from a host of contributing factors, including excessive risk-taking, adverse selection, fraud, and inadequate supervisory oversight.

Free banking may be the most discussed feature of early American banking. On one side, free banking is seen as the culmination of radical laissez-faire philosophies that influenced mid-19th-century business policy. While free and open competition may be appropriate in other lines of business, it can be and usually is disastrous when allowed in banking markets. The other side views free entry and open competition in banking in the same favorable light as competition in every other industry. Chapter 8 traces the political and intellectual development of the free banking debate. It then turns to modern interpretations. The evidence shows that the US experience can be interpreted to support either position depending on the period in which it focuses. Free banking created a sort of gold-rush mentality in 1837 Michigan and 1838 New York. Massive entry was followed by widespread failure. Later experience, however, was generally more favorable. After 1845, failure rates among free banks fell dramatically and occurred at about the same rate as traditionally chartered banks. The remainder of the chapter highlights the modern debate and provides new interpretations of the period, including discussions of the note issue paradox and the perverse seasonality of note issues that also appeared under the post-Civil War National Banking Era. Because postbellum federal banking law was modeled on New York's antebellum free banking laws, it is not surprising that bankers in both eras faced similar incentives.

Chapters 9 and 10 constitute the final, substantive section of the book. The former details the development of banking in the South and West. Although these two regions were culturally distinct, they nevertheless adopted similar banking policies. In both regions, banks received large state subsidies, they became embroiled in various public infrastructure projects, and they operated in accordance with what historians have labeled the commonwealth ideal. That is, banks were expected to promote social welfare and the common good. The final section of this chapter reinterprets the commonwealth ideal in economic terms. Building on the seminal insights of Joseph Schumpeter and Alexander Gerschenkron, the chapter shows that southern and western banks were designed to help late-developing economies catch up with early developers. A secondary role of these institutions was to insulate the regional economy from the potentially devastating effects of financial panics, extended recessions, and debt-deflation cycles. In effect, these banks reinflated depressed economies, which slowed or stemmed a rising tide of personal and business bankruptcy.

Chapter 10 then details the defining features of southern and western banking systems. It turns first to the plantation banks of the Deep South. In an effort to encourage immigration and commercial agriculture, these state-subsidized banks simultaneously monetized agricultural economies and provided long-term mortgage credit for farm purchase and improvement. In the end, this experiment ended in failure, not so much because of an inherent inconsistency between the two objectives as from bad timing. Six of seven plantation banks, with a combined capital in excess of $20 million, were established in the mid-1830s and had inadequate opportunity to put themselves on a sound footing before the Panics of 1837 and 1839 devolved into an extended commercial depression. Chapter 10 then turns to a discussion of these regions' notable banking import, namely free banking. In general, the western experience with free banking was not as good as New York's, but it was not as bad as some earlier writers suggested either. Banks failed, and this section offers a critical assessment of several competing theories. The final section considers how branch banking promoted financial stability. Where the large number of small unit banks in the northeastern United States inhibited the formation of effective mutual guaranty coalitions, the small number of large branch banks in the South and West encouraged the establishment of such coalitions. There was, however, an arduous learning process. New evidence shows that interbank coalitions formed in the late 1830s were neither as effective nor as stable as those formed in the late 1850s. The lessons learned in the earlier period translated to success 20 years later.

Finally, Chapter 11 places the US banking system within the context of the early 19^{th}-century macroeconomy. The available evidence shows that banking services grew in accordance with overall growth in the economy. One exception occurred in the mid-1830s when a speculative wave poured over the United States, and banking grew faster than most economic indicators. High credit demand drove up bank profitability, which induced entry and increased bank capital and specie leverage ratios. The bubble burst when actions at the Bank of England sharply drove up short-term interest rates, which diminished bank profitability and pushed some into insolvency. After 1843, bank lending and private investment moved together up to the outbreak of the Civil War. Federal policy during the war, particularly the National Banking Acts of 1863 and 1864, rationalized US banking structure and diminished the importance of state banking and the differences inherent in a decentralized federalism.



National Bankers Association St. Louis c1906

Cliometrics and EHA Sessions at the 2003 ASSA Meetings

Saturday, January 4, 2003 Death, Taxes, and Public Spending in Economic History
8:00AM Convention Center, Room #9

Joerg Baten, University of Tuebingen and Andrea Wagner, University of Munich – Autarchy, Market Disintegration, and Health: The Mortality and Nutritional Crisis in Germany During the Early Years of the Nazi Regime, 1933-1937

Werner Troesken, Pittsburgh, and Joseph Ferrie, Northwestern – Death in the City: Mortality and Access to Public Water and Sewer in Chicago, 1880

John Wallis, Maryland – Debt, Default, and Revenue Structure: State Government Finances in the 1840s

Price Fishback and Shawn Kantor, Arizona, and Ryan Johnson, Brigham Young University – Welfare Programs and Crime in Cities During the Great Depressio

Saturday, January 4, 2003 Money, Banking and the Gold Standard
10:15AM Convention Center, Room #9

Paul Auerbach, Kingston University, and Michael Haupert, University of Wisconsin – LaCrosse – Bank Response During the American Civil War

Christopher M. Meissner, Cambridge – Committee Structure and the Success of Connected Lending in Nineteenth Century New England Banks

Mark Carlson, Board of Governors, Federal Reserve System, and Kris Mitchener, Santa Clara University – The Effects of Branching on Bank Competition and Financial Stability

Michael Bordo and John Landon Lane, Rutgers University, and Angela Redish, University of British Columbia – Deflation and Depression: Evidence from the Classical Gold Standard

Saturday, January 4, 2003 The Nature and Sources of Modern Economic Growth
2:30PM Convention Center, Room #9

Timothy Hatton, University of Essex – Can Productivity Growth Explain the NAIRU? Long-Run Evidence from Britain, 1871-1913

Alvaro S. Pereira, University of British Columbia - When Did Modern Economic Growth Really Start?

Naomi Lamoreaux, UCLA, and Jean-Laurent Rosenthal, UCLA and INRA-LEA – Organizational Choice and Economic Development: A Comparison of France and the United States During the Mid-Nineteenth Century

Marianne Ward, Loyola College of Maryland, and John Devereux, Queens College – New Evidence on Catch-Up and Convergence after 1872

Saturday, January 4, 2003 Earnings and Savings in Free and Slave Labor Markets
10:15AM Convention Center, Room #12

Howard Bodenhorn and Christopher Ruebeck, Lafayette College – The Economic Consequences of Race and Mixed–Race: Evidence from the 1860 Census

Siddarth Chandra, Pittsburgh – Race, Ownership, and Wage Inequality in the Netherlands Indies

Alan G. Green, Queen's University, Mary MacKinnon, McGill University, and Chris Minns, Trinity College Dublin – The Earnings Gap Between Rural and Urban Canada in 1901

Pascal St-Amour and Désiré Vencatachellum, University of Montreal – The Secondary Market Evaluation of Slaves in Nineteenth-Century Mauritius

Saturday, January 4, 2003 Education and Intergenerational Transfers Across Time and Space
2:30PM Convention Center, Room #12

Marina Adshade, Queen's University – Liberation Revisited: Education, Technical Adoption and the Household Labour Supply

Claude Diebolt, Magali Jaoul, and Gilles San Martino, Université Montpellier – Primary Education by Administrative Department in France in the 19th Century: A Cliometric Analysis in Terms of Convergence

Diane J. Macunovich, Barnard College – Effects of Changing Age Structure and Intergenerational Transfers on Patterns of Consumption and Saving

John Murray, University of Toledo – Family Literacy in the Antebellum South

A Letter from the Editor

Season's Greetings Fellow Clioms:

Tis' the season to be jolly, and though the state of Wisconsin is going broke, UWL will still manage to host the Clio cocktail party at the ASSA meetings. Chalk this anomaly up to the beauty of state budgeting: spend the money, and it is gone forever; save it, and it will be gone when you go back to get it. Lucky for us, I spent the money on a down payment for a suite before the state figured out it was broke. Anyway, be sure to join us on Saturday, January 4th from 8-11 pm in the Grand Hyatt. The room number will be revealed at each of the Clio and EHA sessions (see schedule on facing page) or by calling the front desk at the Hyatt and asking to be connected to my room.

It is time once again to consider your gift list for this holiday season. When making that list for yourself or a loved one, don't overlook the fine selection of items available from the Clio Catalog. This year we are featuring a nice cheese log (surplus from last May's meeting in La Crosse) carved in the shape of our Nobel laureates. Supplies are limited, so order soon. Of course we also have our usual goodies: autographed copies of working papers authored by Lee Craig, monogrammed Clio pens leftover from previous meetings, and famous economist trading cards. Write for a price list – delivery is guaranteed by December 24th. And don't forget that a gift membership in the Cliometric Society makes a nice stocking stuffer.

This issue features the usual assortment of meetings reports, a book preview, and a nice interview with Claudia Goldin. The issue grew too large, especially considering the insert with the program papers, so a couple of items had to be postponed until the spring issue. Renew your membership so that you don't miss the retrospective, a report on the Cliometrics Ph.D. offered by the University of Munich, and our mystery interview guest. We still have room for a book preview, so if your tome is due out in 2003, let me know, so we can tip off the membership in advance. What better way to get your book on the reading lists of economic history classes next fall?

In closing, let me make my usual plea for reporters, interviewers, and books to preview. The *Newsletter* thrives on the skills of its talented volunteer members, and the warm feeling you get inside (probably due to the free cup of coffee I offer) goes a long way, even if it doesn't make an impact on your vita.

Happy holidays, good luck with your grading, and I look forward to seeing you in Washington DC early next year.

Smokin' Mike
Editor

Call for Papers

Annual Cliometric Society Conference

Raleigh, North Carolina

May 23-25, 2003

The annual Cliometrics Society Conference in 2003 will be held on the weekend of May 23-May 25, 2003, in Raleigh, North Carolina. The conference is designed to provide extensive discussion of new and innovative research in economic history. Typically, 12 papers are selected for presentation and discussion. These are sent out to all conference participants in advance. In the session devoted to each paper, authors make a five-minute opening statement, and the rest of the session is devoted to discussion by all conference participants.

Conference participation is by invitation only, but every attempt is made to invite a mixture of new and established scholars. All participants are required to attend the entire conference. **The deadline for proposals and requests to attend the meetings is Monday, February 3rd, 2003.**

Those wishing to present a paper should provide a 3-5 page summary of the proposed paper. Paper presenters and those wishing to attend the conference should also provide their addresses, phone and fax numbers, and e-mail addresses. Those presenting papers will be notified by March 3, 2003 and are expected to provide a completed draft of the paper in the proper format for the conference volume by April 8, 2003.

We prefer that applicants submit their materials using the application form under the Cliometrics Conference listing at the www.eh.net website. You can go directly to the form by going to the following address: http://www.eh.net/Clio/Conferences/prop_02.html

Proposals may also be sent by mail, fax, or e-mail to:

Cliometrics Conference Secretary
Department of Economics
University of Arizona, Tucson, AZ 85721
Phone 520-621-2821

Fax (care of Carole Merly) 520-621-8450
E-mail merly@bpa.arizona.edu.