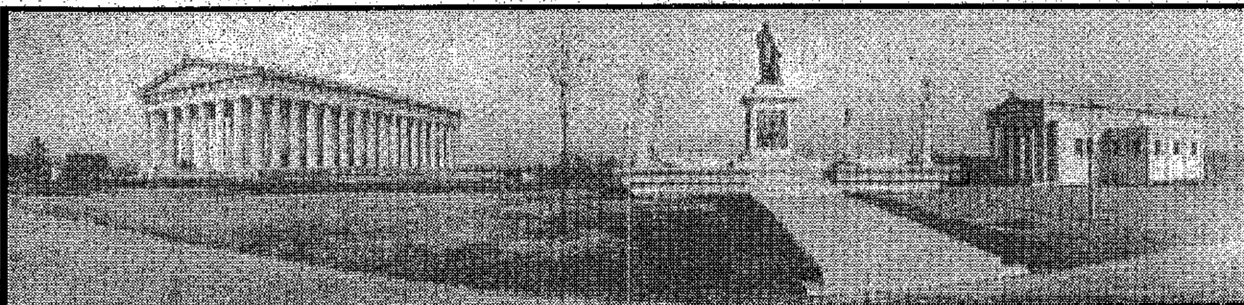
The Newsletter of

The Cliometric Society

Fall 2003 Vol. 18 No. 3



The Parthenon in Nashville, Tennessee c1909

Report on the 63rd Economic History Association Meeting

By Sam Allen, University of Arizona, and Todd Neuman, University of Arizona

(Nashivelle) From September 19-21, 2003, economic historians gathered in the music capital of the world, Nashville, Tennessee, to attend a lively conference with the theme "Transitions in Economic History." The 63rd Economic History Association meetings were organized by the following: President Tom Wiess (Kansas); Meeting Coordinator Marty Olney (Berkeley); the program committee consisting of Joshua Rosenbloom (Kansas), Peter Coclanis (UNC-Chapel Hill), Jane Humphries (Oxford), and Fred Bateman (Georgia); and the local arrangements committee made up of Jeremy Atack, Robert Margo, Peter Rousseau, William Collins, and David Carlton (all Vanderbilt). They are to be commended on a well-run and thought-provoking conference. A sampling of sessions follows.

The conference opened on Friday morning with concurrent sessions, including "People in Transition," which began with "Migration to the Agricultural Frontier and Economic Mobility, 1860-1880" by **James Stewart** (Reed College). Stewart examines migration decisions made between 1860 and 1880 by farmers on the American frontier. By studying wealth accumulation in Kansas, Nebraska, and the Dakota territories, Stewart is able to present new evidence for disequilibria. He considers who chooses to migrate, how they migrate, and the factors that influence wealth. Because prospective migrants had incomplete information about the fertility of land in this region, the payoffs to establishing frontier farms were uncertain. Stewart's linked sample of households from the 1860, 1870, and 1880 United States censuses allows him to investigate migration to the frontier, patterns of wealth accumulation among frontier migrants, and the likelihood migrants persisted at farming. Overall, the sample of migrants tended to be younger and poorer than the national average. He models the self-selection of migrants explicitly by estimating a structural "mover-stayer" model of migration and wealth accumulation. On average, migrants to the frontier fared well, as they had greater opportunities to

(Continued on page 22)

What's Inside

Executive Director's Notes

Greetings Gentle Members:

Okay, so there's this historian and this economist, see, and they walk into a bar. And there at the bar is this Chihuahua, no kidding, and he's drinking a Cosmopolitan. So the historian says to the Chihuahua ... Actually, there's no punch line to this joke. I was just trying to get your attention, because it's time to go over the annual budget of the Cliometric Society. Hey, it's no laughing matter. Anyway, as you can see from the table nearby, it looks like we'll be able to keep the lights on for another year.

So much for the budget; now on to more exciting things. First, this issue of the *Newsletter* includes the summaries of the Economic History Association and Cliometric Society sessions at the Allied Social Sciences Associations meetings in San Diego, CA January 3-5, 2004. Even the briefest glance at the summaries reveals that the committee, which included Dora Costa and Werner Troesken, has put together another outstanding program that you won't want to miss. Also, you will not want to miss the annual reception, otherwise known as the Cliometric Society Blow Out Bash, at ASSA. For the nth consecutive year, the CSBOB - as it's known here at the home office - will be hosted by our *Newsletter* publisher, Mike Haupert. The bash (uh, "reception") will be held on the evening of January 4 in Rockin' Mike's suite in the Manchester Grand Hyatt.

Finally, I'm delighted to be able to remind you that the Fifth World Congress of Cliometrics (which is sponsored by the Cliometric Society, in conjunction with the European Historical Economics Society, the Economic History Society of Australia and New Zealand, and the Canadian Network for Economic History) will be held at Venice International University, Venice, Italy, July 8-11, 2004. The program will be announced in December, and online registration at Eh.net will be available shortly thereafter. I look forward to seeing you in San Diego and Venice.

Lee A. Craig,
Executive Director

THE CLIOMETRIC SOCIETY
Department of Economics
Box 8110
North Carolina State University
Raleigh, NC 27695-8110
USA
E-mail: csociety@eh.net

Elected Trustees
Louis Cain — Robert Margo
George Grantham — Paul Rhode
Phil Hoffman — Kenneth Sokoloff
Jane Humphries — Alan Taylor

Ex Officio Trustees
Giovanni Federico, *EHES Representative*
Lee Craig, Executive Director, *The Cliometric Society*
Michael Haupert, *Cliometric Newsletter Editor*
John Murray, *EH.Net Representative*
Eugene N. White, Editor, *Explorations in Economic History*
Samuel Williamson, *Former Director*

The Newsletter of the Cliometric Society is published three times per year.

Michael Haupert, Editor
Jean Bonde, Managing Editor
Mary Beth Combs, Associate Editor
Pamela Nickless, Associate Editor

Copyright©2003 by The Cliometric Society, Inc.

2003 Calendar Year Budget Report	
Income	
Dues – Regular	$7,290
Dues – Students	125
EEH Subscriptions	15,265
EHES Dues Collected by Clio	4,250
Donations	1,700
Interest and Other Income	200
Total Income	$28,830
Expenses	
Salaries	$2,500
Newsletter	4,000
Academic Press	14,800
Clio Member DuesRemitted to EHES	3,000
IEHA Dues	200
Director's Travel and Trusetees Meeting	1,150
Bank, Credit Card, and Service Fees	800
ASSA Meetings	1,255
Office and Other Expenses	625
EH.Net Dues	500
Total Expenses	$28,830
Operating Surplus	**0**

Fifth World Congress of Cliometrics

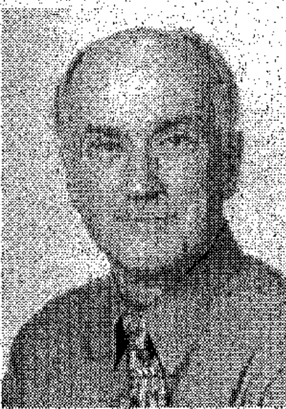
The Fifth World Congress of Cliometrics will be held July 8-11, 2004, at Venice International University, Venice, Italy. The Program Committee will put together an international program from the proposals sent by applicants, and the program will be posted on the Cliometric Society website early in 2004.

The Conference will be held on the island of San Servolo, Venice, on the premises of Venice International University. The island, only seven minutes by boat from St. Mark's Square, consists of 11 acres of park, a beautifully restored 16th-century Benedictine convent, and various residences.

All members of sponsoring organizations will be invited to attend. Advance registration will be open and conducted starting January 1, 2004. Due to space limitations, those interested in attending and staying on the island should register by February 15, 2004. Online registration will remain open until June 30, 2004.

Complete information about registration, lodging, and the Congress Registration Form will be announced on the EH.Net website in the near future. Applicants will be encouraged to use the registration form found there but will be able to submit the required information via e-mail, fax, or post.

An Interview with Peter Lindert



Peter Lindert is Distinguished Professor of Economics at the University of California-Davis and director of its Agricultural History Center. He is the author of numerous publications spanning subjects as diverse as the income distribution, sovereign debt, and soil quality. As noted in the last ***Newsletter****, his two-volume study,* ***Growing Public: Social Spending and Economic Growth since the Eighteenth Century****, is forthcoming from Cambridge University Press in 2004. Lindert has served as coeditor of the* ***Journal of Economic History*** *(1990-94) and as president of the Economic History Association (2001-02). He is also widely recognized as an outstanding teacher, winning the 1999 UC-Davis Prize for Undergraduate Teaching and Scholarly Achievement. This interview was conducted in person and via email during August and September by Paul Rhode (UNC-Chapel Hill). I was a student in one of the first undergraduate international economics classes that Lindert taught at UC-Davis after he moved from Madison in the late 1970s. It is with pleasure that I present this interview with Peter.*

How did you get into economic history?

My case testifies to the sheer drawing power of the subject matter. Even without an epiphany sparked by a great economic history teacher, I figured out that this was the career for me. The transition to economic history came in three stages. First, I knew that social science issues were fun, beginning with that good economics course that Dick Sylla and I took together in high school. But at that point, I was still headed for a career in physics. Then, in my sophomore year at Princeton, I fled physics for international affairs, with emphasis on economics plus history.

Why economics plus history?

I reasoned that it was the logical meeting place between my ability in math and my love of history courses. At first I got low grades in history courses, because I couldn't write. Over the years, I reshaped myself to fit this plan. My math atrophied, and I improved my writing. This is not to say that I didn't have any good courses in economic history. Jerome Blum taught an exciting course in European capitalism since 1750, confirming my previous decision to focus on economics and history. But I never had a mentor while I was a student. My real mentor was Jeff Williamson, who gave me on-the-job training at Wisconsin.

The third stage came during graduate school. As an undergrad, I had imagined that I would apply economics plus history to a career in the Foreign Service. Only in grad school at Cornell did I migrate toward the thought of an academic career, pushed by the likely sterility of life in the Foreign Service and pulled by the bright job market in academia.

Bright job market in academia?

Yes, outrageously bright in the mid-1960s. I had the good cohort luck to be entering the job market during 1966-68, at which time you could land a job in a department ranked better than that of your graduate school if you got just a few breaks. My big break was getting hired by Jeff Williamson and the amazing Wisconsin team of economic historians. They shared my enthusiasm for economic history and for issues of broad public interest.

Let me ask a follow-up question. I know that you have had an interest in Richard Easterlin's ideas from *Birth and Fortune* on the importance of cohort size. Is this based on your cohort luck? And what do you think of such long cycles today?

Yes, my own cohort luck probably made me especially receptive to Dick Easterlin's emphasis on cohort fortunes. I was lucky enough to be born just early enough to avoid the Vietnam draft, get that great job at Wisconsin, and get tenure just before those doors closed on equally able scholars a couple of years younger than me. So Dick had little trouble converting me to some of his ideas about cohort luck. Dick's important contributions on cohort fortunes predict that cohort shocks set up lasting waves. I believe more in the lasting, one generation effects than in the repeating waves. I think the waves turn out to be dampened pretty quickly between generations. Yet over the life span of one birth cohort, the effects of shocks early in life turned out to be permanent. The best 21st-century illustrations will be in China and the former Soviet Union, where the generations maturing under communism will carry poverty to their graves and the earning power of the younger generation will soar.

What was it like to be a part of the Wisconsin Economics Department during its heyday? Did you get some of the inspiration for your early work from that group?

Who wouldn't love working with a revolving cast of 10-12 great economic historians? Perhaps the peak came around 1972. Then the Economics Department had Ralph Andreano, Claudia Goldin, Nate Rosenberg, Jeff Williamson, and me; and the History Department had the Bogues, Phil Curtin, Dave Herlihy, Mort Rothstein, and Domenico Sella. We had an awesome research environment thanks to the well-funded Institute for Research on Poverty and a top demography group. Within the Institute, Nancy Williamson also provided crucial computer programming help. It certainly inspired much of my early research. A good example is described in the preface to Jeff's and my *American Inequality* book: We gave back-to-back seminars on our separate ideas on what drove movements in American income inequality. That got us excited and launched both our American inequality and our British inequality projects.

Most of that outstanding group of economic historians eventually left Madison. What happened?

They got better offers. In my own case, the better offer came from Davis, thanks to Alan Olmstead. He lured my family and me out there and talked his campus into making the offer.

Were you part of the early Clio meetings when they were hosted at Madison?

Yes, I ran those meetings for the six years 1972-77 and raised the NSF money for them. For me, the highlight came at the 1972 Clio meetings, which Claudia and I organized together. That was a barnburner of a Clio conference. Bob Fogel and Stan Engerman presented part of their book in progress on slavery, and we were amazed at the sparks it generated. Sparks also flew over Steve Marglin's "What Do Bosses Do?" A young assistant professor named Richard Freeman presented part of his fascinating book on Jim Crow and discrimination, the book that his financial supporters then suppressed. (Not that it's the only book Richard ever wrote!) Ron Lee unveiled his Malthusian model of England over six centuries. That conference was also the debut for Gavin Wright's "Political Economy of New Deal Spending." The other papers were stimulating as well. We've had other great Clio conferences since, but that one is still my personal favorite.

What advice do you have for those who love economic history and aspire to careers in an economics department?

Have exactly two fields, and keep your eye on issues that interest a wide audience. The reason for having two fields is simple enough. To get hired in economics, you want to mix economic history with one other field to fit a lot of job slots. Declaring three or more fields is not credible for a market entrant. Declaring just one is risky, and not just for economic historians. In a two-field strategy, economic history is not at all the weaker of your two cards. It opens up a lifetime of opportunities for intellectual arbitrage, because most economists are clueless about the history side of their field. If you have economic history plus labor, you can easily publish in labor economics journals (if you wish), because you have a history dimension to offer. The same sort of thing is true if you have economic history plus macro or international and so on. My other piece of advice is to keep choosing issues for your research that are of interest to a wide audience. Choose projects driven by issues, not by recent journal literature, or by techniques, or by data sets. In the long run, you want to be readable and widely cited. Ask yourself, "What could get me into the *Journal of Economic Perspectives* someday?" (a goal that has eluded me so far, along with the goal of getting on the cover of Rolling Stone).

Could you give some examples of good research driven by issues?

There are many. At the risk of slighting other works I admire, I'll single out two from American economic history: Alex Field's tour de force in the 1984 *AER* entitled "Asset Exchanges and the Transactions Demand for Money," and Claudia Goldin's *Understanding the Gender Gap*. Both attack issues of broad concern and deliver socially useful conclusions. Grad students should study works like these to learn how to follow through on an important intellectual mission.

When you started out in economic history, revisionism – taking the hypotheses of other social scientists and historians and testing them – was the rage. The tests often led to rejection with little positive knowledge advanced in its place. How did this trend contribute to the discipline's development, especially in relation to the field of history?

I agree with your premise that we spend too much of our energy rejecting others' past writings. The world gains less from this at today's scholarly frontier than from fresh creativity.

You have a disparate research record. How is it that you moved from questions about the gold exchange to soil composition to social spending? Is there a common thread there, or were there external influences along your career path that moved you in different directions?

There's no coherence to my research program, aside from my getting inspired by present-day developments. I still don't know what I want to be when I grow up, so I just keep following current issues. A disadvantage of this wandering is that I'll probably never be known as the top expert on any one big topic. The advantage to this is that it keeps me alive.

You are known for your emphasis on undergraduate teaching. How does the time and energy you devote to teaching affect your research mission?

Undergraduate teaching is a valuable reality check when you're choosing what to write about. You should always prefer issues with wide audiences. Ask yourself, "If no undergraduate will ever care about the question, what good is the answer?" Teaching undergrads is a great way to keep that focus when choosing your next project.

So you view teaching and research as complementary. Let's explore time pressures further. Both in your work on fertility and in your video on "Economic History: The Motion Picture," you dwell on the time bind that grips young adults, especially married professionals. What brought you to this subject?

Time pressure has loomed large in my thinking about the economy since the 1970s under the following influences: the basic historical fact that time costs march ever upward, Gary Becker's theory of time allocation, and Lin's and my struggle to balance careers and kids. As skills advance, the time bind on early adults will keep getting tighter and tighter. I share the conjecture of Bob Fogel and Dora Costa that this time bind has risen especially for professionals, whose work time has probably risen while blue collars spend less time at work. The tricky part for young adults today is that the true shadow price of your time is so far above your rising wage that you can gain in future productivity if the world will let you take extra vacation time.

Professionals often compete in a rat race to prove themselves early in their careers. The academic tenure process is one example and partnership in law firms is another. I wonder if you have given much thought to the role of the "up-or-out" decision process. Actually, I am more interested in how the scholarly life cycle works in a field like economic history, where it takes a long time to accumulate knowledge about the past.

On the economics side, economic historians win in mid career and later, because they don't burn out as much as theorists and go on accumulating publishable insights later in life. The rush to tenure is tough because of the time required to write a good historical article and the lengthening delay in gaining acceptances from economics journals. Fortunately, the EHA has begun to attack this problem with its new initiative of supporting graduate student research. New practitioners can submit their publications earlier in their assistant professorships. It will bring corresponding gains for assistant professors in history too.

How did economic history gain such strength at UC-Davis? In your Economics Department, you have Greg Clark, Alan Olmstead, Alan Taylor, and yourself, with teaching help from Gary Walton.

Alan Olmstead did the heavy lifting. After he launched his own research career at Davis, Alan used his persuasive powers to gain the faculty slots that were filled by me in 1977, by Mort Rothstein in history in 1984, and by Greg Clark in 1990. He even played a role in Gary Walton's deanship at Davis in the early 1980s. The only one of these hires he didn't shape was that of Alan Taylor, who was hired by Davis's international economics group. We economic historians stayed out of that hiring process to respect the freedom of our non-history colleagues. Obviously, we're delighted that they chose Alan Taylor.

I know you have spoken of certain natural equilibrating mechanisms – the inherent interest and importance of the subject – that will keep economic history going as a scholarly enterprise. Could you elaborate, and do you worry (as I do) whether a substantial body of working knowledge will be lost if the field just becomes a "part-time" enterprise?

Yes, despite my optimism about the inherent appeal of the field, I do worry about trusting that outside scholars will keep discovering the joy of economic history. Too often they do, but from too low a knowledge base. I cringe when a prominent economist "discovers" the paradox that rich countries don't invest nearly as much in poor countries as in other rich countries or that knowledge externalities are key to economic growth. Those of us who took the right courses knew all that as undergrads. Maybe we should run "Got history?" ads in the economics journals.

Selected Bibliography:

Lindert, Peter

"The Bad Earth? China's Soils and Agricultural Development since the 1930s," *Economic Development and Cultural Change* 47 (July 1999), 701-736.

Growing Public: Social Spending and Economic Growth since the Eighteenth Century, 2 vols. Cambridge University Press, 2004.

Key Currencies and Gold, 1900-1913. Princeton University Press, 1969.

"Land Scarcity and American Growth," *Journal of Economic History* 34 (December 1974), 851-884.

"The Payments Impact of Foreign Investment Controls," *Journal of Finance* 26 (December 1971) 1083-1100.

Shifting Ground: The Changing Agricultural Soils of China and Indonesia, MIT Press, 2000.

"Unequal English Wealth since 1670," *Journal of Political Economy* 94 (December 1986), 1127-62.

Voice and Growth: Was Churchill Right?" *Journal of Economic History* 63 (June 2003), 315-350.

"What Limits Social Spending?" *Explorations in Economic History* 33 (January 1996), 1-34.

"When Did Inequality Rise in Britain and America?" *Journal of Income Distribution* 9 (July 2000), 11-25.

"Who Owned Victorian England? The Debate over Landed Wealth and Inequality," *Agricultural History* 61 (Fall 1987), 25-51.

Lindert, Peter, Gregory Clark, and Michael Huberman, "A British Food Puzzle, 1770-1850," *Economic History Review* 48 (May 1995), 215-237.

Lindert, Peter and Jeffrey Williamson, *American Inequality: A Macroeconomic History*, Academic Press, 1980.


Woman having her social security number tattooed c1939

Report on the Economic History Society Conference

By Bishnupriya Gupta, Warwick and Michael Haupert, UW-La Crosse

(Durham) Economic historians from around the world gathered in historic Durham, England, April 4-6, 2003 for the annual conference of the Economic History Society. Trevelyan College, one of the colleges comprising the University of Durham, hosted this year's conference. The picturesque campus, located on the south side of the city, provided an ideal setting. The reporters were only able to attend a sampling of the sessions offered. Those sessions reported here reflect the interests of the reporters and are not indicative of the relative quality of the sessions which are not reported.

As usual, the conference opened with a day of sessions devoted exclusively to new researchers. The following eight sessions featured 23 newly minted or nearly completed Ph.D. students exhibiting the fruits of their labors: Aspects of Early Commercialization, Eighteenth Century Economic Thought and Government, Imperial Trade, Market Structure and the Firm, Early Modern Communities, Welfare and the State, Government and Society from the Later Nineteenth Century, and Modern Growth of Small Economies.

The conference proper got under way on Saturday morning with concurrent sessions on the physiological standard of living, labor, and contracting. The session on labor was opened by **Joseph Ferrie** (Northwestern) and **Jason Long** (Pompeu Fabra), who compare career mobility in the US and in the UK, 1850-1880, using panel data. They state that geographical mobility was much higher in the United States, with US workers showing greater occupational mobility both within a generation and across generations. Eighty percent of sons of unskilled fathers held better jobs. Discussants raised questions on the impact of the Civil War in the US. They also wondered about the difference between the experiences of the immigrants relative to the general population. It was suggested that given the low share of agriculture in economic activity in the UK, a comparison between the UK and the Netherlands would be more relevant.

Tim Hatton (Essex) and **George Boyer** (Cornell) look at low unemployment of the Golden Age in Britain in the context of long run changes in unemployment. Using unemployment data from 1870 to the present, the multivariate regression analysis uses explanatory variables such as productivity growth, structural change, and labor market institutions. While productivity growth emerges as a determinant, much of the low employment of the golden age is captured by a dummy variable for the period.

David Stead (York) opened the session on contracting by presenting "Land and Society in England, 1700-1850." He notes that in the 18th and early 19th centuries in England almost all agricultural land was owned by landowners who leased it out to tenant farmers for a fixed rent, often renewable annually. Almost no substantial attempt has been made to explain this unusual system of farm tenancy. He explores the risk sharing between landlord and tenant using agency theory and determines that equilibrium in the market for English farm tenure was probably not achieved by the use of fixed rents.

In "From Court to Prospectus: Company Law and Its Use in Victorian Britain," **Wade**

Shilts (Luther College) asks why it takes so long for a law to have its intended consequences come to pass. He focuses on the series of incorporation laws passed in England from 1844-1862 and the puzzling lack of business enterprises which took advantage of those laws. He argues that the reason for this apparent irrational behavior was the lack of clarity in the exact meaning of the laws.

Graham Brownlow (Dublin City) and **Frank Geary** (Ulster) followed with "Puzzles in the Economic Institutions of Capitalism: the Contractual Nature of Irish Industrialisation," in which they examine the Irish yarn market. One such puzzle is how exactly hierarchical firms can coexist with free market exchange. The authors argue that Coase's classic transaction cost explanation is incomplete, because it ignores both interfirm cooperation and the determinants of levels of transaction costs. They seek to shed light on this by considering the historical resolution of the firm versus market coordination problem as it was worked out by agents in the linen industry in Ireland during the 18th and early 19th centuries.

Carsten Burhop (Bonn) closed out the session with "Executive Rewards and Firm Performance: The Case of Large German Banks, 1854-1910." He discusses the link between executive compensation and firm performance in a principal-agent setting for large, German, joint-stock banks during the 19th century. He concludes that even during the 19th century the bank managers were very well paid and their pay was incentive related.

Two sessions were allotted to the subject of child labor. In the first, **Peter Kirby** (Manchester) questions Hugh Cunningham's largely unchallenged assertion that unemployment among children in agriculture was high in the 19th century. Kirby is critical of the evidence used to support this claim. In particular, he casts doubt on the use of the 1851 census to quantify the number of children at work in agriculture. The census systematically disregarded children under the age of 15. He maintains that the absence of children at work in the census does not reflect the actual situation in rural England as many children worked on family farms.

Bishnupriya Gupta (Warwick) and **V. Bhaskar** (Essex) challenge another well-known paper in the literature in "Nutrition, Efficiency Wage, and Child Labor: A Reexamination of Evidence from 19th-Century United States." Goldin and Parson (1989) demonstrated that families with children settled in areas of low wage industries, such as textiles. These industries allowed children to work, as opposed to high wage industries, where child labor was absent. Using the same data set, Gupta and Bhaskar contend that this was a result of limited mobility among unskilled workers rather than lack of parental altruism.

Jane Humphries (Oxford) continued with an examination of "Child Labor in the Industrial Revolution." Using autobiographical sources, as well as family budget surveys in England, she provides new insights into the composition of family incomes.

In "Pauper Apprenticeship and the Market for Child Labor in the Later 18th Century," **Katrina Honeyman** (Leeds) presents evidence from West Yorkshire to show that the parish apprenticeship system, consisting primarily of children, was a source of cheap, unskilled labor for early industries between 1780 and 1820. Contrary to the contemporary and historical perception of the importance of long distance movement of children, the bulk of child labor for manufacturing enterprise was drawn from within the region, and poor children made a special contribution in the early stages of industrialization. These children received little training, and until the age of 13, there was little distinction between boys and girls in the type of work performed or the wages paid. Questions from the audience focused on the economic viability of this form of worker, the level of remuneration, and the extent to which parish apprenticeship provided training. They wanted to know what happened to these child workers once the period of apprenticeship was over.

The session on consumption was opened by **Gerben Bakker** (LSE), presenting "Tradable Amusements: The Integration of Entertainment Markets in the Western World, 1776-1940." Before the 20th century, theatrical entertainment was a service that could hardly be traded. In the 1900s, however, cinema technology transformed it into a tradable product, standardizing its content and "automating" the production process by making a nearly infinite number of copies of just one live performance. In this way, cinema integrated local and national markets into an international entertainment market. Bakker explains why international market integration did not take place in the industry until 1900 and how film technology caused international market integration, including its effect on European and American government policies.

Valerie Burton (Memorial, Newfoundland) followed with "A 'Devil's Bargain': Work, Wages and In-Port Spending in the 19th-Century British Merchant Marine." She looks at how and when British crews were paid, as well as the level of wages they claimed. She seeks to discover what considerations were brought to the wage bargain and how they were relevant to the social relations within which seafaring labor was produced and reproduced.

Finally, **Olaf Mertelsmann** (Hamburg) discussed the Estonian moonshine industry during the 1940s. He observes that the production of illegal vodka became widespread in the Estonian countryside during WWII. Although alcohol was scarce during the War, its demand remained high, leading to the growth of the moonshine industry. It was not until after the War, when a more restrictive moonshine policy was enforced, that the industry declined. Lower prices, economies of scale, and higher risks made moonshining partly a branch of organized crime, a situation which prevails today.

John Turner and **Charles Hickson** (both Queen's, Belfast) opened the banking session with "The Trading of Unlimited Liability Bank Shares in 19th-Century Ireland: The Bagehot Hypothesis." They use probate records and the archives of the Ulster Banking Company to examine the wealth and occupational characteristics of individuals who bought or were given bank shares over a twelve-year period. They also test whether the price paid for a bank share differed depending on an individual's wealth. In addition, they discuss information-gathering incentives of individual sellers and bank governing bodies. Their findings suggest that the shares of the Irish joint-stock bank were not transferred to impecunious individuals, even in periods when there was an increased probability of bank distress, indicating little support for the Bagehot hypothesis that owners of joint-stock shares would have little capital to risk losing.

Paul Auerbach (Kingston) and **Michael Haupert** (UW-La Crosse) followed with "Bank Response during the American Civil War," a look at the behavior of northern banks during the Greenback era. They explain the relatively modest inflation that occurred in the North despite a substantial increase in the fiduciary currency as a function of the multiple money system that existed at the time.

In "Branch Banking, Bank Competition, and Financial Stability," **Kris Mitchener** (Santa Clara) and **Mark Carlson** (Federal Reserve Board) attempt to reconcile the seemingly opposite findings regarding the effects of branching on bank stability by focusing on the change in the structure of the banking industry that occurs when branch banking is legalized. Unit banks that enjoyed a local monopoly found themselves in competition with branch banks. The resulting decrease in profits forced some banks to merge, consolidate, or liquidate, forcing weak banks from the market, thus stabilizing the industry.

Discussion from the audience was robust. Turner was urged to provide a bit more background on the banking industry in Ireland during his period of study. In particular, he was asked if bank failures in Ireland were common during this time. Participants wanted to know if Haupert and Auerbach had sufficient data to look at bank performance across states in a cross-study analysis. And, Mitchener was queried as to why limited branch banks and branch banks behaved so differently in his sample.

In a most interesting session entitled "Fish and Fasting," presenters focused on the importance of the fishing industry and the practice of fasting. **Sara Pennell** (Institute of Historical Research) spoke on "Delicious Fasts? Fish Days, Faith, and Finance in Early Modern England." She relates that weekly fasting was one of the few Roman Catholic practices to survive the Reformation in England and find a regular place in the Anglican ritual calendar. Ordinances governing Anglican fasts were concerned from the outset with the negative abstention from meat rather than the positive promotion of fish as the dish of choice on such days. Nevertheless, the so-called fish days loom large in dietary histories of the period. Pennell explores the workings of religious belief, economic policy, and dietary dispositions that combined at first to sustain, but later depose, fish days as significant domestic and communal events across the 17th century.

Regina Grafe (LSE) followed with "Fasting and the Fish Trade in Iberia in the Early Modern Period." Grafe investigates the origins of the rise of dried and salted fish consumption in Iberia. She establishes the timing of its rise and analyzes its development by looking at consumption patterns, as well as shifts in relative prices, offering a detailed account of the driving forces behind the rapid increase in fish consumption during this period.

The session ended with **Steve Hindle** (Warwick) discussing his work on charity, consumption, and abstinence in 16th-century England. He focuses on an unexplored dimension of poor relief: the giving of relief bread. During this period, almsgiving in kind was expected of all households who were able to do so. The provision of food by even the "middling" class was a type of "charity of abstinence" in that the donors were expected to go without one or two meals a week and give the food instead to the poor. Gradually, this gave way to a "charity of consumption," as numerous testators endowed charities for the provision of weekly loaves of bread to the poor. Hindle explores the extent to which these charities complemented and conflicted with one another.

The conference drew to a close with a second session on child labor, opened by **Simon Wegge** (CUNY) and **Carolyn Tuttle** (Lake Forest College). They compare child labor in Britain, Germany, and Belgium in two different industries: mining and textiles in the middle of the 19th century. The figures for Continental Europe are somewhat lower than for Britain. All three countries introduced labor legislation regulating hours of work, while Germany introduced mandatory schooling in 1839. One question raised by the audience had to do with evidence about the differential effect compulsory schooling and other labor laws had on monitoring and enforcement.

Farley Grubb (Delaware) takes a new look at the debt shifting arrangements of the German immigrants to the US in the 18th century. Thirty-five percent of parents and 40% of their children entered servitude to pay for the cost of passage. These children were 10-12 years of age and paid half the adult fare. Contrary to the existing view in the literature that German parents were willing to benefit from the sale of their children, Grubb says that the parents facing servitude themselves were declared indigent by law and the children were taken away to be bonded labor until the age of 21. Consequently, selling children into servitude for passage could prove a shorter term bondage for the children than being bonded until 21.

Jon Moen (Mississippi) and **Brian Gratton** (Arizona State) address the question of ethnicity in the decision to send children to work. In other words, were European immigrant families more likely to send children to work rather than to school? Using IPUMS data for 1880, 1910, and 1920, the regression analysis finds that cultural differences do not matter. A move from agriculture to industry is more likely to influence child labor practices than ethnicity.

The Queen at Durham

Durham featured many pleasant distractions to compete with the stimulating sessions, including the Norman cathedral and Durham Castle (both constructed in the 11th and 12th centuries) soaring prominently above the cityscape in the town center. The conference also showcased lectures by some of the leading scholars of English economic history. **Deirdre McCloskey** (Illinois-Chicago) discussed bourgeois virtues as the 2003 Tawney Lecturer, and **Sir Tony Wrigley** (Cambridge) gave the plenary lecture, "The Quest for the Industrial Revolution," on Friday night. Field trips were also available to Beamish, Newcastle, or Darlington for those who did not get their fill of history during the sessions. The conference was packed with activity and passed all too quickly. Be sure to join us next year when the EHS will gather in London from April 2-4 at the University of London. Information can be found on the Society webpage, http://www.ehs.org.UK.

Clio and the Nobel Peace Prize: A Decade in Retrospect, A Lifetime in the Making

By Michael J. Haupert

Economic historians have contributed to the development of economics in many ways, combining theory with quantitative methods, constructing and revising databases, and discovering and creating entirely new ones. This has made it possible to question and reassess earlier findings, thus increasing our knowledge, refining earlier conclusions, and correcting mistakes. In addition, this field has added greatly to our understanding of economic growth and development, affording the economic historian the valuable element of time as a variable, which the traditional theorist does not enjoy. The use of history as a crucible to examine economic theory has deepened our knowledge and understanding within fundamental areas of research as to how, why, and when economic change occurs. It is perhaps in this area where the greatest contributions of economic historians have appeared.

That opinion was shared by the Nobel Prize committee, which awarded the Prize ten years ago to Professors Robert Fogel (Chicago) and Douglass North (Washington University). As the committee noted, Fogel and North were pioneers in the branch of economic history known as cliometrics. While this was certainly a well-deserved award for both Fogel and North, it was also a cause for celebration for cliometricians in general. The accomplishments of Fogel and North brought long-deserved attention to their work and the field of economic history in general. It was the dawning of a new era; at last, it appeared, the respect and attention it deserved would be focused on the field of economic history.

While the spotlight has remained on the work of Fogel and North, the residual attention on economic historians and their work has not held up as well over the past decade. Perhaps this is best summed up by Lars Magnusson, who, in a recent *JEH* book review, asks whether we should read a particular work mainly for historical reasons "as an interesting individual example of a now rather defunct specie: the economic historian?" Is economic history in danger of becoming a relic? Has the market for economic historians dried up? Are we an endangered species? These questions will be explored at greater length in future issues of the *Newsletter*. This article, the first in a series examining the evolution of economic history as a discipline, will focus on the high water point of economic history and the impact of the award on the lives and careers of the deserving recipients.

The 1993 Nobel Prize in Economics

In October of 1993, the Royal Swedish Academy of Sciences announced the award of the Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel jointly to Professors Robert W. Fogel and Douglass C. North "for having renewed research in economic history by applying economic theory and quantitative methods in order to explain economic and institutional change." As the committee pointed out, both men were then, and continue to be, leading figures within the field of "new economic history," which is now known as cliometrics.

When asked to reminisce about the award, both noted the benefits it has had on the acceptance of their work outside of economic history. North said the biggest impact on his life of winning the Nobel Prize is that "before I won the Prize people generally thought my views were crazy. Now that I have won the Nobel Prize people believe everything I say." He is not sure which of those is worse. On a more serious note, he and Fogel say that the impact on their lives has been, and continues to be, enormous. Both of them still receive more invitations to speak than they can handle a decade after the award.

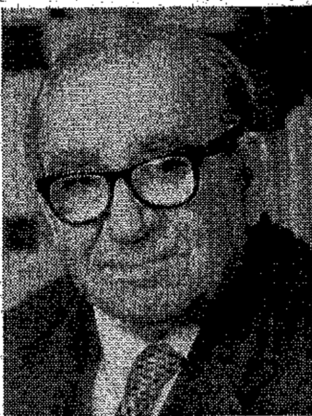
Beginning with the notification of receipt of the award, which came via a telephone call at 5:30 a.m. and culminating with the actual award's ceremony, both gentlemen said the whole series of events was like something out of a dream. Both cited the week leading up to the ceremony in Stockholm as the most memorable and thrilling part of the entire event. They were met at the airport by an attaché from the Foreign Office, who served as their guide and advisor, taking care of all the needs of the laureate and their guests. The week was filled with endless conferences and meetings and presentations, each more exciting and fascinating than the next. North says that the award took on a special meaning for him, because he had nominated Bob Fogel on several occasions. When informed that they were cowinners, he expressed his delight at sharing the award with Fogel. North and Fogel have acknowledged that the impact of receiving the Nobel still continues to be felt in their lives today. The attention paid to their work has been a benefit in the sense that it is more widely read, more influential, and funded and pursued by others to a greater degree than before. It has also, however, served as a distraction. The demands on their time from outside sources who seek speaking engagements, advice, and consultation have taken its toll. Both men state that they have less time to spend on their research than they did ten years ago.

Not only do the requests consume time, they can impart an emotional drain as well. North mentioned the heartrending letters he receives from all over the world from people needing help. A typical example is the letter he received from a young woman in Africa who wrote telling her story. She had lost her family, been raped continually over several months, and now was trying to get her life back together and requested financial help. With limited time and resources, he cannot possibly acknowledge all of these requests. "It is simply impossible to live up to them. If I provided financial aid for all the people who ask for it, I would have used up the Nobel money many times over. In those cases where the letter is such that I have felt I might be able to do something, I have usually forwarded it to someone hoping that some help could be provided."

Despite the attention, winning the Nobel has not caused either man to change his professional life in much respect. Both still teach and continue to pursue largely the same research agendas that interested them before the award. North just completed a book entitled *Understanding the Process of Economic Change*, which is a continuation of the research that led up to the Nobel Prize. Fogel points to the renewal two years ago of the NIA project (Early Indicators of Later Work Levels, Disease, & Death) for an additional five years as evidence that interest in the type of research he and his colleagues at the Center for Population Economics are doing is still strong. "In addition to this work," adds Fogel, "we are also engaged in a project to explain the decline in age-specific disabilities during the 20th century."

Robert W. Fogel

Robert Fogel was born in New York City in 1926, four years after his parents and brother migrated to the United States from Russia. He earned a BA at Cornell University in 1948, an MA at Columbia in 1960, and his Ph.D. in economics from Johns Hopkins



University in 1963. "I began my graduate training with the naive belief that by combining the study of history and economics I would quickly discover the fundamental forces that had determined technological and institutional changes over the ages and that such knowledge would point to solutions to the current problems of economic instability and inequity," says Fogel. But, he continues, "as I became aware of how little was actually known about these large processes and their interconnections, I began to focus on more discrete issues."

Such issues would take the form of his major works on railroads, slavery, and demography. Fogel recognized early in his career that to answer such questions much greater use had to be made of quantitative evidence, so he mastered the most advanced analytical and statistical methods available and successfully employed them in his research. "It was only later that I discovered that the training program I had worked out for myself was unorthodox for an economic historian."

Fogel credits his wife Enid as the person who has done the most to help him pursue his career. He met Enid Cassandra Morgan during the election campaign of 1948, when she was a Sunday school teacher and a leader of youth organizations in New York City. "Over the years, Enid has been both my most confident supporter and my keenest critic. She has been the overseer of my social conscience, pulling me back to reality when she saw that my preoccupation with the abstract aspects of scientific issues had led me to extenuate their deeply human aspects."

Robert Fogel began his career with an appointment at Rochester University in 1960. He is currently the Walgreen Distinguished Service Professor of American Institutions in the Department of Economics at the University of Chicago, where he has taught since 1964 (with the exception of a six-year tenure at Harvard University from 1975-81). He is also director of the Center for Population Economics, housed at the University of Chicago. He has been a Research Associate with the National Bureau of Economic Research since 1978, including a thirteen-year term from 1978-91 as the director of the Program on the Development of the American Economy.

He has been granted several honorary degrees and titles, as well as positions on the board of editors of the *Journal of Economic History*, *Explorations in Economic History*, *Social Science History*, *Southern Studies*, and *Economics and Human Biology*. He has served as the president of the Economic History Association (1977-78), the Social Science History Association (1980-81), and the Committee on International Conflict and Cooperation for the National Academy of Sciences (1998). In addition, he has held fellowships and grants from numerous institutions, including the National Institute on Aging, the Exxon Educational Foundation, the Ford Faculty Research Fellowship, and the National Science Foundation.

Robert Fogel's breakthrough work was his book, *Railroads and American Economic Growth: Essays in Econometric History*, published in 1964. At the time of publication, economists believed they had established that modern economic growth was due to certain important industries having played a vital role in development. Fogel set out to measure this impact, which he did with extraordinary precision. The result was not what economists or historians expected. He rejected the existing hypothesis, instead arguing that the sum of many specific technical changes, rather than a few great innovations, determined economic development. While it may be intuitively plausible that the great transport systems play a decisive role in development, Fogel discovered that really they did not. He constructed a counterfactual to highlight the contributions of the railways to the growth of the American economy. He found that they were not absolutely necessary in explaining economic development and that their effect on the growth of GNP was less than 3%. Few books on the subject of economic history have made such an impression as Fogel's. His use of counterfactual arguments and cost-benefit analysis made him an innovator of economic historical methodology.

The publication of *Railroads* "represented a very major milestone – it was as if we now had proof that we had left the bumpy and unpaved dirt road of the first few years and could see ahead a straight and well-paved highway into the future," says Lance Davis in his EH.Net review as part of Project 2000. "Cliometrics did not really begin to flower until the publication of Fogel's study of the impact of railroads on American growth in the 19th century," he adds, noting how it generated an entire subdiscipline of parallel studies and, more importantly, provided a methodological foundation for the systematic study of economic history and long-term economic growth.

Fogel attempted to estimate what America would have been like had there been no railroads. Although historians were familiar with counterfactual arguments, the idea of an explicit counterfactual was still a foreign notion in the early 1960s. Fogel used social savings as a tool to measure the value of the introduction of the railroad. "The concept of social savings is itself an important research tool," states Davis, but at least as importantly from a methodological point of view, "the measure was defined operationally, so that Fogel's calculations could be tested against alternative estimates and against possible alternative definitions."

Railroads showed how well economic history could benefit from the careful application of theory and econometrics. The work immediately generated substantial controversy, and even today, some quibbling over minor details occurs. However, time has failed to overturn Fogel's major conclusions: that per capita income growth would have been set back only a few months had the railroads never been invented, and there was no other industry that was likely to have been more important than the railroads. Since the publication of *Railroads*, the great majority of economic history has been written by scholars employing those basic economic and econometric tools.

Another book that made an impression as indelible as Fogel's railroad research was his own controversial *Time on the Cross: The Economics of American Negro Slavery* (coauthored with Stanley Engerman in 1974). They treated slavery as an institution and examined its role in the economic development of the United States. They also showed that the established opinion that slavery was an ineffective, unprofitable, and precapitalist organization was incorrect. Fogel and Engerman argued that slavery did not fall to pieces due to its economic weakness but collapsed because of political decisions and that in spite of its inhumanity it had been economically efficient. This research was understandably highly controversial both within and outside the field of economics. It attracted considerable attention and generated volumes of research in an attempt to either refute or refine the findings.

Fogel has stressed that it is lack of relevant data more than lack of relevant theory that is often the greater problem in research. In this way, economic historians have made some of the greatest contributions to the fields of economics and history by discovering and compiling new data sets that can then be used by future researchers to better understand the evolution and growth of economies over time.

Fogel's third area of research, which he is most actively involved in today, has been economic demography. Unlike his other two major projects, this one has generated little controversy. His conclusion is that less than half of the decrease in mortality can be explained by better standards of nourishment before the breakthroughs of modern medicine. This leaves the greater part of the decline unexplained. According to Fogel, a systematic analysis demands an integrated study of mortality rates, morbidity rates, food intake, and individual body weights and statures. This line of research has brought together biomedical and economic techniques, resulting in cross-discipline research that has spawned its own journal, *Economics and Human Biology*.

Douglass C. North

Douglass North is currently the Spencer T. Olin Professor in Arts and Sciences at Washington University and the Bartlett Burnap Senior Fellow at the Hoover Institute. His current work focuses on property rights, transaction costs, economic organization in history, a theory of the state, the free rider problem, ideology, growth of government, economic and social change, and a theory of institutional change.

Born in Cambridge, Massachusetts, North graduated with a triple bachelor's degree in political science, philosophy, and economics from the University of California at Berkeley in 1942 and later, in 1952, earned a doctorate in economics there. He served as a US Merchant Marine from 1941 to 1946.

North began his academic career at the University of Washington in Seattle, where he spent 33 years as a member of the economics faculty, including a twelve-year tenure as department chair and five years as director of the Institute for Economic Research. He was editor of the *Journal of Economic History* for five years and president of the Economic History Association in 1972. He was a member of the Board of Directors of the National Bureau of Economic Research from 1967 until 1986. North joined Washington University in 1983 as the Henry R. Luce Professor of Law and Liberty in the Department of Economics in Arts & Sciences and served as director of the Center in Political Economy from 1984 to 1990. In 1999, he founded the Center for New Institutional Social Sciences at Washington University to foster research into the evolution of social, political, and economic institutions that shape societies and economies around the world.

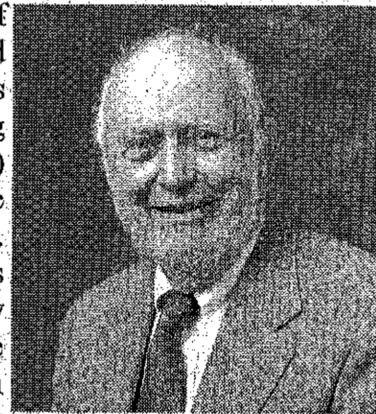
For the last 15 years, North and his wife, Elisabeth Case, have spent summers in northern Michigan. He works on research in the morning; hikes with his dog, plays tennis, or goes swimming in the afternoons; and often spends evenings listening to music at the nearby Interlochen Music Camp. "It is a wonderful place for that mixture of research and leisure which has made my life such a rich experience," North says in a brief biographical sketch. "I would be remiss if I left the impression that my life has been totally preoccupied with scholarly research.

True, it has been the fundamental focus of my life, but it has been intermingled with a variety of activities that have complemented that central preoccupation and enriched my life. I continue to be a photographer; I have enjoyed fishing and hunting with a close friend; and have owned two ranches, I learned to fly an airplane, and I have always taken seriously good food and wine."

Like Fogel, Douglass North made his initial impact with research on the American economy. However, whereas Fogel disputed the importance of one sector of the economy in explaining economic growth, North focused on the impact that individual sectors could have in explaining economic outcomes. He sought to explain the causes of growth of the antebellum American economy. Starting with an export based model he had previously formulated, he showed how one sector (the cotton industry) could stimulate development in other branches, ultimately leading to specialization and interregional trade.

North made his initial impact in the area of what has become known as institutional economics with his research on productivity in ocean shipping. This article has become one of the most quoted research works in economic history. In it, he shows that organizational changes played a greater role than technical changes. It is this work that has perhaps defined North's career more than any other. He has frequently stressed that economic, political, and social factors must be taken into account if we are to understand economic growth. His research continues to explore how these institutions have been affected by ideological factors.

In a number of books, beginning with *Institutional Change and American Economic Growth* (coauthored with Lance Davis in 1971), North has demonstrated the importance of the role played by institutions (including property rights) on economic development. North maintains that new institutions arise when groups in society see a possibility of profiting that is impossible under prevailing institutional conditions. If external factors make an increase in income possible, but institutional factors prevent this from happening, then the chances are good that new institutional arrangements will develop.



In her EH.Net Project 2000 review of *Institutional Change,* Cynthia Taft Morris called it "an early major step in the evolution of the thinking of Douglass North and his collaborators on the "new" neoclassical theory of institutional change – the institutional arm of the new economic history that began to flourish in the 1960s." She went on to point out that the theory of institutional change developed by the authors has now become so familiar as to forget that it was ever new and controversial. "The great strength of the neoclassical theory of institutional change is that it yields an insightful and plausible "explanation" of a wide range of institutional changes over time in individual market economies where the private profit motive is strong and neoclassical-type market supply responses are already widespread." She points out that the theory also has its limitations, most evident in the study of cross-country differences in institutional responses to the profit motive.

In *Institutions, Institutional Change, and Economic Performance* (1990), North posed the fundamental question of why some countries are rich and others poor. His conclusion is that institutions are a major determinant in the profitability and feasibility of economic activity. The greater the institutional uncertainty, the greater become the transaction costs and the greater the drag on economic growth and development. North has tried to explain the difficulties that some countries have in maintaining economic growth by focusing his analysis on political and legal frameworks. He has forced economists to rethink when economic "laws" are sufficient as an explanation of a given problem and when other factors must be taken into account.

Ten Years Later

In addition to rigorous research and demanding travel, both Nobel laureates remain active in the classroom. Professor Fogel is presently teaching courses on population and business ethics and a course on the economics and demography of marketing, while Professor North is offering an undergraduate seminar for freshmen and a jointly taught course in law and economics. Next spring, he will offer his graduate seminar in institutional economics and economic development. Neither has changed the nature or the primary focus of his teaching in response to the award, and both remain accessible to graduate, as well as undergraduate, students. Fogel describes the attraction of teaching by noting that "when one is engaged with students who are both very curious and very bright, it is never quite clear who is teaching whom."

Neither has a ready explanation for why the award did not have an apparent lasting impact on the field of economic history. Attention has increased on the type of research in which they have been involved, specifically demographic issues and new institutional economics, but for economic historians working beyond those areas, the benefits have not been apparent. This is disappointing, in part because both feel economic history should play a bigger part in the education of future economists. Fogel believes that economic history should play a pivotal role in both the graduate and undergraduate education of economists, while North points out the importance of economic history in introducing a dimension of time to economics as a critical reason why it should play a central role in the training of economists. Without considering time, we are left with a static and relatively useless set of theories for solving economic problems.

The accomplishments of Professors Fogel and North, the accolades accorded the importance of their work, and the legion of economic historians following in their paths with significant contributions to the economics literature all speak favorably for economic history. Yet the market does not seem to be responding. Economic history is not an important part of most economics curriculums, the number of positions dedicated to economic history is small, and their influence is not apparent. While the awarding of the Nobel Prize to two economic historians in 1993 is evidence that economic history has made an indelible impression on the discipline, the question remains as to what kind of impact economic historians will have on the field in the future.

The current crop of economic historians is likely to have much to say about the mark we leave for the students of the future. More about this remains to be said. For now, the future promise and past success can mingle, reminisce, and plan. That will literally be true next month at the ASSA meetings, where both Doug North and Bob Fogel will be active participants in the meetings and have indicated that they hope to be able to attend the Clio reception. Try to find the time to stop by, say hello, discuss the future, revel in the past, and thank the pioneers who have blazed the trail we all follow today.

Works Consulted:

Davis, Lance, "Review of Robert W. Fogel *Railroads and American Economic Growth: Essays in Econometric History*" Economic History Services, Jul 1, 2000. http://www.eh.net/bookreviews/library/davis.shtml.

"Douglass C. North and Economic Theory." in *The Frontiers of the New Institutional Economics* (J. N. Dobrak and J. C. Nye,eds.). San Diego: Academic Press, 1997, 13-28.

Fogel, Robert

The Escape from Hunger and Premature Death 1700-2100: Europe, America, and the Third World (the Ellen McArthur Lectures). Cambridge Studies in Population, Economy and Society in Past Time. Cambridge: Cambridge University Press, Forthcoming 2004.

The Fourth Great Awakening and the Future of Egalitarianism. University of Chicago Press, 2002.

http://papers.nber.org/cgi-bin/familyinfo.pl?a=a&user=robert_fogel. NBER.

http://www.nobel.se/index.html. Nobel e-Museum.

Railroads and American Economic Growth: Essays in Econometric History. Johns Hopkins University Press, 1964.

"Response to questions," E-mail to Michael Haupert. October 28, 2003.

The Slavery Debates, 1952-1990: A Memoir. Walter Lynwood Fleming Lectures in Southern History, Sixty-Third Series. Baton Rouge: Louisiana State University Press, 2003.

Fogel, Robert and Stanley Engerman. *Time on the Cross: The Economics of American Negro Slavery.* Little, Brown and Company, 1974.

Magnusson, Lars, "Review of The Problems and Methods of Economic History," *Journal of Economic History* (September 2003) 928-929.

Morris, Cynthia Taft, "Review of Lance E. Davis and Douglass C. North *Institutional Change and American Economic Growth*" Economic History Services, Nov 4, 2000. http://www.eh.net/bookreviews/library/morris.shtml.

North, Douglass

The Economic Growth of the United States 1790-1860. New York: W.W. Norton, 1961.

http://news-info.wustl.edu/sb/page/normal/146.html. Washington University News and Information Faculy Experts Directory.

http://www-hoover.stanford.edu/bios/north.html. Hoover Institute.

http://www.nobel.se/index.html. Nobel e-Museum.

Institutions, Institutional Change and Economic Performance. Cambridge University Press, 1990.

"Professor North's comments," E-mail to Michael Haupert. November 17, 2003.

"Professor North's responses." E-mail to Michael Haupert. October 21, 2003.

"Sources of Productivity Change in Ocean Shipping 1600-1850," *Journal of Political Economy* 76 (1968).

Understanding the Process of Economic Change. Forthcoming.

North, Douglass and Lance Davis. *Institutional Change and American Economic Growth.* Cambridge University Press, 1971.

Smoler, Fredric, "The Fourth Great Awakening: A Nobel Prize-winning Economist and Historian Says We're in the Middle of One of America's Major Periods of Reform," *American Heritage* (July/August 2001) 70-75.

Two Pioneers of Cliometrics: Robert W. Fogel and Douglass C. North. Miami,OH: The Cliometric Society, 1994.

EHA Meetings (Continued from page #)

improve their economic well-being and tended to accumulate wealth faster than households not living on the frontier.

Mary MacKinnon (McGill University) and **Chris Minns** (Trinity College) presented "Conspicuous by Their Absence: French Canadians and the Settlement of the Canadian West," written with **Alan Green** (Queen's University). They investigate settlement patterns in Western Canada following the wheat boom, which took place between 1896 and 1914. This migratory phenomenon is particularly intriguing, because the French-speaking Canadians opted not to move west and were therefore highly under represented in Western Canada. Green, MacKinnon, and Minns argue that the event fundamentally altered Canada's linguistic balance. There does not appear to have been an information problem, since the Canadian government created numerous advertisement campaigns to promote movement west. A sample of individual-level data from the 1901 Census of Canada, data from the US 1900 IPUMS, and data for 1908 collected by the US Immigration Commission allow the authors to consider various factors affecting the costs and benefits to francophones of moving to different destinations. They find francophones largely moved to cities in the northeastern United States, and they conclude that French Canadians, on average, had less to gain from moving west. Demographics contribute to understanding this distinction. French Canadians exhibited lower literacy rates and higher fertility rates. These characteristics, along with the earlier age of marriage for francophones, were of major importance in discouraging migration to the west.

In the session "Banks and Asset Markets during War and Depression," **Isabel Schnabel** (Manheim) began with her analysis of bank failures during the German banking crisis of 1931. Among her conclusions are that deposit withdrawals were related to indicators of bank liquidity and solvency, not simply the consequence of a run on the German currency. She also finds weak evidence to support the hypothesis that branch banks were more stable than unit banks. Finally, her results suggest that there is evidence of a "too-big-to-fail" phenomenon during this event. Discussant David Wheelock (Federal Reserve Bank of St. Louis) pointed out that Schnabel's moral hazard argument is not tested directly and questioned if it explains why banks were weak. He encouraged Schnabel to strengthen her argument with evidence that "too-big-to-fail" actually caused the behavior observed during this time period. Without such evidence, it is hard to form the counterfactual "how big would the crisis have been without this policy?" He liked the paper and lauded its contribution to the literature, but he felt that perhaps the crisis period could benefit from a tighter definition.

The session continued with a presentation by **Daniel Waldenstrom** (Stockholm School of Economics) and **Bruno Frey** (IEER, University of Zurich). They study two different ways of describing historical events. The first is the *ex post* analysis used by historians, made in retrospect, based mainly on qualitative interpretation of facts. The second is a quantitative analysis of *ex ante* assessments of contemporary actors, reproduced by employing historical statistics. They use German and Nordic countries during WWII for their research, in which they estimate structural breaks in government bond prices and contrast them with the events that historians claim were viewed as important by that period's contemporaries. They find large differences between these

Peter Lindert and Naomi Lamoreaux at the EHA Meetings

two methods. In addition, they introduce a systematic distinction between sudden and gradual structural breaks. Ken Snowden (UNC-Greensboro) said the paper should be retitled "Why trust a historian if you can ask a bond trader?" He cited three contributions this work made to the literature: new country data, breaks dated with a new algorithm which classified them as sudden or gradual, and a comparison of these breaks, as measured by a bond price, with historical accounts. He felt that the authors had missed an opportunity. Given their new data and new techniques, it would have been nice to compare their results for Germany to those in the existing literature.

Marty Olney stood in for **Hanan Morsey** (George Washington University), who was detained by the ravages of Hurricane Isabel. Morsey, in "International Financial Crisis Contagion in the Interwar Period," looks at financial market breakdowns during the 1930s. She examines the behavior of the international financial markets during this time and the links between them. She also presents new historical evidence on individual company stocks. Her results indicate that the events driving days of market jitters in the early 30s were related to German debts and reparations, as well as to news of financial crises elsewhere. In addition, they reveal higher market co-movement in crisis time, indicating contagion. Richard Sullivan (Federal Reserve Bank of Kansas City) stated that Morsey's research represents a significant contribution. The new data she uses does get at the issue of sources of transmission of contagion; however, he observed that it takes a bit of work to tease this out. According to the author, contagion is caused by asymmetric and incomplete news. Sullivan's critique is that the author needs to add analysis of news. Were markets accurately identifying the news? Did it react differently to accurate vs. inaccurate news? Also, what about non-survivors? He thought it would be interesting to know what happened to the approximately 32% of firms that did not survive.

The geographically appropriate session, "The American South in the 19th Century," was opened by locals **William Hutchinson** and **Robert Margo** (both Vanderbilt), who discussed "The Transition from Slavery to Freedom and Its Impact on Factor and Output Markets: The Case of the US South." They analyze the real and monetary factors that affected southern markets. The National Bank Act may have had different regional impacts on relative prices in its attempt at establishing a national currency. Hutchinson and Margo conclude that real and monetary shocks were compliments. Discussant Jonathon Pritchett (Tulane) noted the important questions raised by the authors. He focused on the drop in land labor ratios implied in the paper and the use of an IS/LM model rather than one of the more contemporary macroeconomic models.

John Murray (Toledo) followed with "Family, Literacy and Skill Training in the Antebellum South: Evidence from Charleston." Murray looks at the relatively high rate of illiteracy in the antebellum South and tries to discern its cause and what affect it had on the region. In general, he finds a key relationship between family structure and literacy, which in turn leads to success later in life. In order to do this, he uses a fascinating data set from a Charleston orphanage. Discussion centered on how representative the sample is. Pritchett suggested that the fact that parents choose to place their children in the orphanage implied they had an unusually high demand for education.

"From the Great Depression to the New Deal" broadened the scope of study beyond the South. In his paper, "A New Deal for the Forgotten Man? Wages, Unions and the Distribution of Transitory and Permanent Employment during the Interwar Period," **Ryan Johnson** (Brigham Young) assesses the impact of New Deal programs on the wages and employment of black workers between WWI and WWII. During the interwar period, increases in productivity adjusted real wages and unionization had a significant impact on how transitory and permanent employment was distributed across black/white and female/male workers. By utilizing data by industry from 1916 to 1950, Johnson is able to create a dynamic model to analyze the influence of the National Recovery Act of 1933. He finds that increases in the productivity adjusted real wage and unionization significantly increased blacks' share of transitory employment relative to permanent employment. Also, during this time, the first minimum wage laws were going into effect. These high-wage policies of the 1930s had a significant impact on wages and on unionization. While these policies were effective in increasing wages above a level justified by worker productivity, they caused a disproportionate share of the employment downturn to be allocated to black workers.

Next, **Jason Taylor** (Central Michigan) examined the passage of the National Industrial Recovery Act (NIRA) from a game theoretic perspective in "The National Industrial Recovery Act of 1933 and the Compliance Crisis of 1934." During the summer of 1933, the NIRA sanctioned, supported, and even enforced cartelization of industries. Antitrust laws were effectively suspended, and firms were required to write industry-wide, cartel "codes of fair competition" that acted to fix prices and wages, establish production quotas, and impose restrictions on overall capacity. The NIRA had a compliance division consisting of approximately 1400 employees across the nation. The compliance division was initially effective in using the "blue eagle" emblem to promote compliance. However, recent studies show that the NIRA underwent a compliance crisis within a short period of time. By the spring of 1934, it became apparent to firms that the NIRA enforcement mechanism lacked the ability to enforce its mandate; as a result most of the cartel agreements fell apart. The game theoretic model produces several implications regarding the likelihood of firms choosing to collude. Taylor tests the model to further explore the nature, causes, and extent of the NIRA's crisis in compliance. To gain insights into competing aspects of cartel theory, he examines the output effects of cartels in the months prior to the compliance crisis.

The first plenary session of the conference was "What the IMF and the World Bank Can Learn from the Past and What Economic Historians Can Learn from the Present." As luck would have it, **Jim Boughton** (IMF) was detained by Hurricane Isabel and the tree she put through his house. Consequently, Chair Peter Lindert (UC-Davis) read Boughton's presentation, "The IMF and the Force of History." Boughton focuses on the historical events that created and later shaped the IMF. These included the Treaty of

Versailles, the Great Depression, and World War II, as well as the Cold War, African independence movements, Vietnam, globalization of financial markets, the debt crisis of the 1980s, and the collapse of communism. **Ha-Joon Chang** (Cambridge) followed with "Economic History and Development Strategy: Are We Learning the Right Lessons?" Chang questions the popular view in policy circles that liberalization is always best for developing countries. He observes that many developed countries today, including Britain and the United States, were quite protectionist in the past. He drove home this point with an amusing presentation of American currency and the trade views of each founding father featured on the bill. Naomi Lamoreaux read a paper by her colleague **Ken Sokoloff** (both UCLA). In contrast to Chang, Sokoloff argues current data does show causality between growth and some of the policies of trade liberalization promoted by the IMF. He contends that the optimal policy of nations can evolve over time just as technology and firm behavior do. Consequently, what may have worked in the past will not necessarily work today.

Saturday's sessions began with "Development Transitions since World War II." In "Technology and Development," **Alice Amsden** (MIT) continued the theme from the plenary session. She argues that where technology plays a critical role, the usual benefits from free trade will not likely lead to economic growth in developing countries. Contrary to the assumption of technology being a free good, it tends to be tacit and difficult to reproduce. This makes it hard for latecomers to catch up and negates any Pareto optimality with respect to competitive policy. When technology is not free, developing countries can either act to raise their productivity or to lower their wages in order to compete even in markets in which they, in theory, have a comparative advantage. In fact, when viewed in this light, Anderson feels it likely that current developed countries greatly benefited from having policies that sheltered them from competitive world markets.

Takashi Hikino (Kyoto University), in "Japan's Post-WWII Development," suggests that we look closely at the underlying microeconomic foundations. Japan's post-WWII economic development challenges economists in two opposing ways. Hikino states that high economic growth from the 1950s to the 1980s does not fit well within a standard microeconomic theory, because price distortions created by government's industrial policy apparently did not result in suboptimal performance of growth. He also believes zero or negative economic growth since the 1990s does not please conventional macroeconomic theories, because recovery policy prescriptions coming out of textbooks, whether Keynesian or monetarist, have not cured the economy's serious illness.

Helen Shapiro (UC-Santa Cruz) finished the session with "Incorporating Firm Strategy into Development Theory and Policy." There is general agreement among economists that minimizing state intervention and simply "getting the prices right" is not sufficient to sustain economic growth in lesser developed countries. Within policy circles, attention has been redirected to reforming the state and increasing its regulatory capacity. Yet, despite the fact that the private sector is now seen as the engine of development in developing countries, neoclassical economics has paid little attention to the firm. Implicit in neoclassical theory is a world of competitive industries, in which firms are price-takers, and oligopolized industries, in which firms create and exploit competitive advantages. To the detriment of both, these two literatures remain largely distinct, particularly with respect to developing countries. Shapiro concludes that it is incumbent upon economists to bring the firm into their analysis and policy prescriptions. Failure to do so leads to an inability to account for anomalous results and increases the potential for policy mistakes.

As is customary, Saturday afternoon was devoted to the dissertation sessions, chaired this year by Paul Rhode (UNC-Chapel Hill) and Mark Thomas (Virginia). The contenders for the Nevins Prize for best dissertation on a North American topic were: **Ryan Johnson** (Brigham Young), "The Economic Progress of American Black Workers in a Period of Crisis and Change, 1916-1950;" **Marc Law** (Vermont), "Specialization, Information, and Regulation in American Economic History;" and **Claire Priest** (Northwestern), "Currency Policies and the Nature of Litigation in Colonial New England." The finalists for the Gerschenkron Prize for best dissertation on a non-North American topic included **Alfonso Herranz-Loncan** (University of Barcelona), "Infrastructure and Economic Growth in Spain, 1845-1935;" **Mu Yang Li** (Stanford), "Essays on Public Finance and Economic Development in a Historical Perspective, China, 1840-1911;" and **Petra Moser** (MIT), "Determinants of Innovation: Evidence from 19th-Century World Fairs." Later that evening at the Presidential Banquet, the winners were announced. Petra Moser was awarded the Gerschenkron Prize, and Claire Priest won the Nevins Prize.

The plenary session, "Perspectives on the American Music Industry" by **John Rumble** (Vanderbilt), was followed by a reception and the Presidential Banquet. President Weiss's address, "And Now for Something Completely Different," was completely different and will be published in the *Journal of Economic History*. Be sure to keep your subscription current so that you do not miss this delightful surprise.

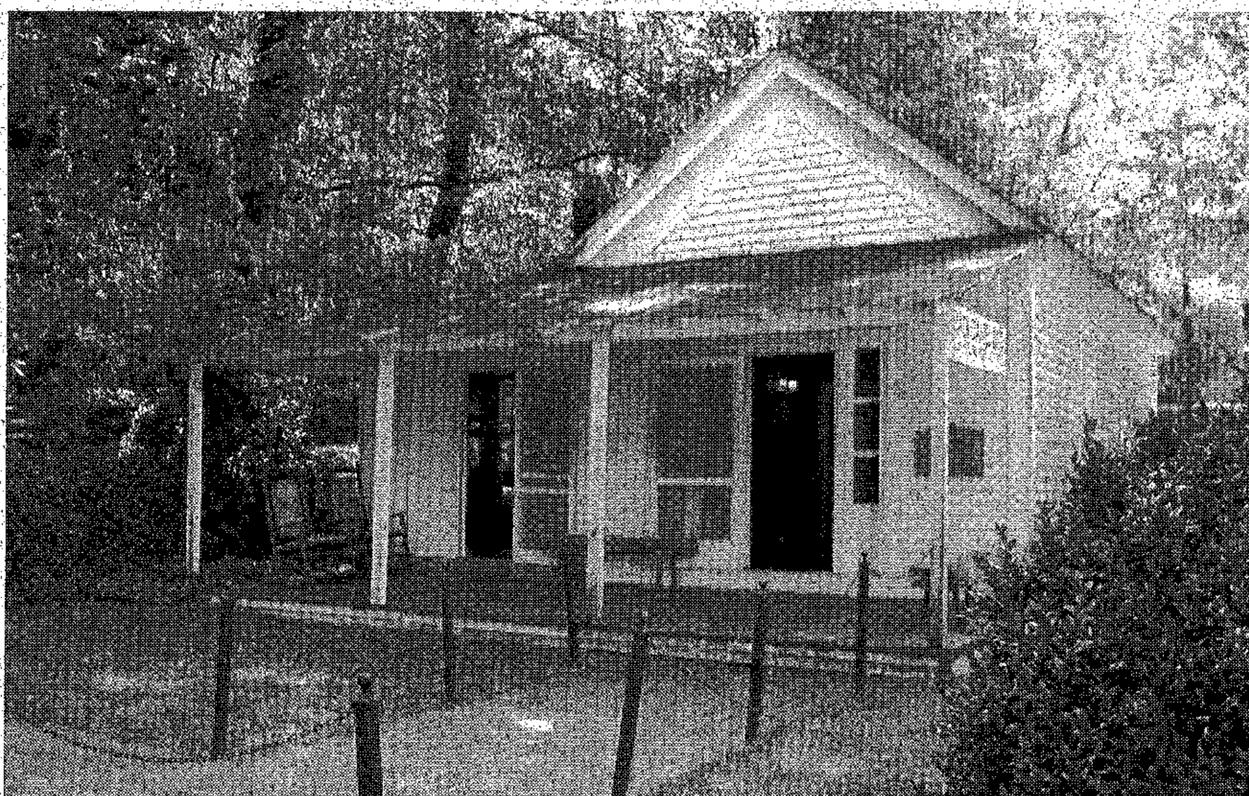
Sessions continued Sunday morning, with "Revisiting Old Questions with New Data." **Farley Grubb** (Delaware) opened with "Two Theories of Money Reconciled: the Colonial Puzzle Revisited." Grubb revisits the old debate of testing the quantity theory of money in Colonial America. He has collected new data on specie money to better test this theory. He finds in Pennsylvania strong evidence supporting the quantity theory of money. Alexander Field (UC-Santa Clara) notes that Grubb's paper makes an important empirical contribution to this ongoing debate, but he would like to see further information on how the data was gathered. Discussant Winifred Rothenberg (Tufts) wanted to see the same issue explored using data from Massachusetts.

Andrew Coleman (Michigan) followed with "Transportation Infrastructure, Market Specialization and Migration: Household Evidence from New York State after the Construction of the Erie Canal." He studies how the Erie Canal resulted in a reduction in the transportation and transaction costs for people in upstate New York. The resulting increase in the returns to specialization eventually drove home production of cloth from the market. Rothenberg commented that the paper is compelling but recommends some effort be put into finding price data for this area.

Finally, **Anne McCants** (MIT) discussed "Wealth Inequality in Eighteenth-Century Amsterdam: A Case Study of the Poor to Middling Citizenry." McCants examines the poor and middle class of Amsterdam and their geographical distribution in the city. A thorough look at the lower middle class has been difficult in the past, because these people are normally left out of tax registers and asset accounts. In order to overcome this obstacle, she constructs material from burial, baptism, and marriage records to deduce the status and life of these people.

Sunday afternoon sessions concluded the conference. In "Transitions in the International Economy," **Max-Stephan Schulze** presented "Trade, Convergence and Globalization: The Dynamics of Change in the International Income Distribution, 1950-1998," work he jointly authored with **Philip Epstein** and **Peter Howlett** (all LSE). They investigate the evidence for convergence in per capita incomes across 124 economies between 1950 and 1998 and assess the impact that international trade patterns had on this process. The authors use a distribution dynamics approach to assess the dynamics of both growth and distribution simultaneously instead of the traditional analysis of income convergence, which has tended to focus on growth and to leave issues of distribution largely aside. They ask whether the interaction between economies trading with each other affected the dynamics of the international income distribution. In order to strengthen their analysis, they use a large sample of economies to investigate post-World War II convergence in per capita incomes as a world phenomenon, not one driven primarily by the rich OECD nations.

Bishnupriya Gupta continued with "The Early Modern Great Divergence: Wages, Prices and Economic Development in Europe and Asia, 1500-1800." His coauthor is **Stephen Broadberry** (both Warwick). They argue that the "great divergence" between Europe and Asia was already well underway before 1800, pointing out that the prosperous areas of Asia between 1500 and 1800 look more similar to the stagnating southern,



For purely historic reasons alone, a visit to the Jack Daniels distillery was in order for some EHA participants. While there, the original 19th-century office could be toured...among other sights of interest.

central, and eastern parts of Europe than the developing European northwest. In India and China, grain wages were comparable to those in northwestern Europe, but silver wages were substantially lower. The high grain wages of the most prosperous parts of India and China can be attributed to the high share of agriculture in economic activity and the high yield of rice relative to wheat, with comparatively little development of a high value added structure above the subsistence agrarian system.

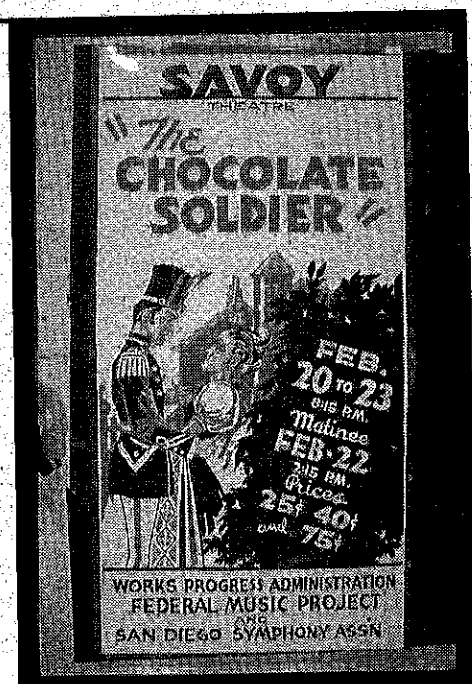
The session closed with **W.G. Huff** (Glasgow), who spoke on "Financial Transition in Pre-World War II Southeast Asia and Japan." Huff uses a range of statistics to explore financial transition in Southeast Asia and Japan before WWII. He argues that the slowness of Southeast Asia's financial transition is explained by a continued ability to tap natural resources, a predominance of small farmers, and the *laissez-faire* stance of governments. By contrast, Japan could not depend on abundant resources for growth. Japanese experience demonstrates how political objectives pursued by a committed government can accelerate financial transition and the eventual rewards of achieving this in terms of economic development and military power.

The Economic History Association will next convene September 10-12, 2004 in San Jose, California. New President Joel Mokyr has chosen the theme "Technological Change and Economic Growth in History" for the 2004 gathering. This will be the first conference under the direction of Carolyn Tuttle (Lake Forest College), the Society's new meetings coordinator. For more information on next year's conference, visit the EHA website at EH.Net. As the participants broke up in 2003, the distant echoes of the Mamas and the Papas crooning "California Dreaming" could be heard encouraging one and all to reconvene in San Jose next fall and at the EHA/Clio sessions in San Diego in January.

TRAVEL GRANTS

The Cliometric Society announces a new grant program. The Society will offer travel grants to graduate students presenting papers at the Cliometric Society or Economic History Association sessions at the Allied Social Sciences Associations meetings in San Diego, CA, January 3-5, 2003.

Interested graduate students should contact: Lee A. Craig, Executive Director, Cliometric Society, Department of Economics Box 8110, NC State University, Raleigh, NC 27695-8110 or Lee_Craig@ncsu.edu.



BOOK PREVIEW

Water, Race, and Disease

By Werner Troesken

Note: The following preview of ***Water, Race, and Disease*** *by Werner Troesken is forthcoming in 2004 from MIT Press.*

I. The Puzzling History of African-American Mortality

The Civil Rights Movement was a watershed event in American history. In the words of Gavin Wright, the movement was a "revolution," an event that not only improved the economic and political lives of millions of individuals, but an event that changed, in fundamental ways, the nature of an entire country. Like the British antislavery movement and the collapse of Soviet communism, the Civil Rights Movement transformed a society from the bottom to the top. There was political advancement – the proportion of the African-American population registered to vote doubled, rising from less than 30% in 1960 to 60% in 1970. There was also economic advancement – wages and occupational mobility for African Americans increased dramatically as a result of the passage of the Civil Rights Act and the creation of the EEOC. This was particularly true in the American South, where, during the 1960s, the black-white wage deficit was cut nearly in half and well-paying jobs once reserved only for whites became available to blacks. Similar improvements can be documented in terms of educational funding, rates of educational enrollment, literacy, access to housing, credit and housing markets, poverty, crime, and a host of other indicators of overall social and material well-being.

There was, however, at least one exception to this general pattern of improvement. The Civil Rights era witnessed almost no improvement in African-American life expectancy, in either absolute terms or relative to whites. Looking at the entire population or focusing exclusively on individuals living in urban areas suggests that black life expectancy was stagnant during the 1960s and rose only slightly during the 1970s. It is also notable and important that, regardless of time period, urban dwelling blacks experienced much larger absolute improvements in life expectancy than did their rural counterparts. If we examine black life expectancy *relative* to white, similar patterns emerge. For the overall population, the deficit in black life expectancy stagnates at about 7 years after 1960. For the urban population, the upward trend in relative improvement stagnates between 1960 and 1970 and rises by about 5 years during the 1970s and 1980s.

Because the experience of urban-dwelling blacks is the primary focus of this book, it is desirable to further document and explain their mortality experience. I compare the improvements in black life expectancy that occurred in New York, where blacks were highly urbanized, to those that occurred in North and South Carolina, where blacks lived primarily in rural areas. Black New Yorkers gained an additional 16 years of life between 1920 and 1940, while the life expectancy of blacks in the Carolinas increased by about half that amount. It is tempting to attribute the differing experiences between New York and the Carolinas to a North/South effect. However, there is also evidence of improvement in African-American mortality when one examines crude mortality rates in Southern cities.

These patterns are puzzling. How is it that during a time of great material and social gain (the 1960s) there was so little improvement in African-American health, while during a time of social and political deprivation (the early 1900s) there was so much? More precisely, the Civil Rights Movement, and the legislative changes that grew out of the movement, wrought tremendous improvements for African-Americans economically, politically, and socially. Why did these material and social gains not manifest themselves in increased life expectancy? The rapid absolute and relative improvements in life expectancy that occurred during the early 20th century are equally puzzling. At this time, African Americans were politically disenfranchised, racial animus was everywhere, lynchings were commonplace, schools and other public conveyances were segregated, and black institutions were woefully underfunded. And, while there was economic progress, the extent of that progress is subject to debate. Given these obstacles, how is it that life expectancy, both in absolute terms and relative to whites, increased for urban-dwelling African Americans?

An equally important set of questions revolve around the variation in the health experiences of urban-dwelling blacks across different cities, regions, and time periods. There was both absolute and relative improvement in African-American life expectancy in the typical city, but there was much variation between cities.

II. Solving the Puzzle of African-American Mortality

The simplest way to resolve the conflict between the data on life expectancy with generally accepted historical observations is to refute the data. This approach is, however, unsatisfactory on at least three levels. First and foremost, the relevant data are the product of years of demographic research and, by nearly all accounts, provide a reasonably accurate measure of trends in life expectancy. Second, the patterns can be observed in a wide variety of data sources. They can be found in data aggregated at the federal, state, or local level. They also can be observed in the North and the South and in cities, large and small. Because the patterns are so widespread and can be found in so many independent sources, it seems unlikely the resulting patterns could be a statistical artifact or that the patterns are systematically biased in one direction or another. Third, for years historians have been using identical data to make the point that state and local officials discriminated in the provision of public health. Historians often argue that interracial disparities in disease rates reflected theses inequities. For example, between 1900 and 1920 blacks died of typhoid fever at roughly twice the rate whites did. Because typhoid was usually transmitted through water tainted by sewage, historians have attributed such differences to the failure of cities to install water and sewer mains in black neighborhoods. The data that underlie this and other comparisons of black and white mortality are ultimately derived from the same sources as the data presented here. So if the data here are flawed, the data that have allowed previous historians to routinely attribute interracial differences in disease rates to inequities in public services are also flawed. Setting aside genuine scientific concerns about data quality, this line of thought makes it impossible to say anything at all about the sources of interracial disparities in health.

In lieu of nihilism, I propose taking another look at the arguments historians have come to accept as fact, although this is not a proposal for wholesale revisionism and abandoning all that we currently know about African-

American history. It is, rather, a proposal to reconsider a fairly modest and narrow set of facts; those associated with the provision of public water and sewer. Access to public water and sewer was of central importance to the mortality experience of blacks and whites in turn-of-the-century America. In 1900, two waterborne diseases, typhoid and diarrhea, had a combined death rate of 186 deaths per 100,000 persons; only respiratory diseases such as tuberculosis and pneumonia killed more. Also, waterborne disease rates alone understate the importance of water and sewer systems for morbidity and mortality, because as explained in chapter 2, even individuals who survived their bouts with typhoid and diarrhea in the short run had an elevated risk of heart disease later in life. They also would often later contract virulent cases of tuberculosis, pneumonia, or flu, because their immune systems had been so compromised in fighting off typhoid.

The revisions I propose are as follows. During the late 19th and early 20th century, racial inequities in the provision of public water and sewer were much less pronounced than in other arenas, such as education and criminal justice. Indeed, in terms of disease reduction, African Americans benefitted more than whites when municipalities improved public water and sewer systems. Why did public water and sewer systems differ so much from other public services? Public water and sewer systems were an exceptional case, because discrimination in this arena was costly to white politicians and voters in at least three ways. First, given the networked structure of these systems, it was difficult to deny African-American households and neighborhoods service without also denying white households and their neighborhoods service. This was particularly true during the late 19th century when cities were much less segregated than they are today and when cities were in the process of installing and extending water and sewer systems. Second, in a world where blacks and whites lived in close proximity, "sewers for everyone" was an aesthetically sound strategy. Third, failing to install water and sewer mains in black neighborhoods elevated the risk of diseases spreading from black neighborhoods to white.

Collectively, these propositions help resolve the puzzling history of African-American longevity and suggest the following argument: the rapid *absolute* and *relative* improvements in health and life expectancy that occurred during the early 20th century were driven, in large part, by the installation of water and sewerage systems; by the 1960s, water and sewer systems were largely complete, and as a result, the improvements in health slowed. It is important to emphasize that this argument applies only to African Americans living in urban areas. It cannot explain (the relatively limited) improvements in life expectancy that occurred among African-Americans living in rural areas for the simple reason that water and sewer systems were not being built in unincorporated rural areas for either whites or blacks. In 1920, about one-third of the African-American population lived in urban areas, and by 1940, this number had increased to 40%. Over the same twenty-year period, the proportion of the white population living in urban areas remained constant at roughly 55%.

The argument that the absolute and relative improvements in black life expectancy were driven by the introduction of water and sewer service depends on two strong propositions. The first proposition is that water and sewer systems had large effects on human mortality and morbidity, regardless of race. In this regard, estimates in chapter 3 suggest that about one-quarter of the decline in human mortality that occurred between 1900 and

1940 can be directly attributed to the elimination of waterborne diseases. But this statistic alone understates the benefits of water and sewer systems. As I show in chapters 2 and 3, access to clean water promoted better overall health, less stress, and a bolstered ability to fight off other diseases, and in this way, clean water reduced mortality from diseases that were not directly waterborne, such as heart disease and pneumonia. When one considers these secondary effects, the benefits of eliminating waterborne diseases were even larger.

The second critical proposition is that urban-dwelling blacks benefitted disproportionately from improvements in water and sewer systems. In this regard, chapter 6 shows that in the typical American city the installation of a water filter reduced black typhoid rates by 53% while it reduced white typhoid rates by only 16%. In some cities, evidence of disproportionate benefits is even stronger. African Americans benefited disproportionately from such investments, because they were less able than whites, who were better informed and wealthier, to engage in the household-level actions needed to prevent typhoid such as boiling water and purchasing bottled water, which was much more expensive than tap water. The idea that the ability to prevent typhoid privately varied across socioeconomic groups is developed in chapter 3.

III. The Contributions of This Book

The primary contribution of my work is the basic thesis that African-American households in urban areas had greater access to public water and sewerage than commonly believed and that they actually benefited disproportionately from such investments. To my knowledge, no previous historical work has stated, tested, and explored the generality of this hypothesis across cities and regions or used such a wide variety of evidentiary sources as does this book. Along these lines, one of the questions raised by existing research focuses on the variation in the extensiveness and equity of water and sewer systems across cities. Put more simply, why did some cities, such as Memphis, build large and relatively equitable systems, while other cities, such as Savannah, build less extensive and less equitable systems? The arguments developed here explain the intercity variation we observe in water and sewer systems. In particular, this book suggests that intercity differences in the level of residential segregation and in the magnitude of disease spillovers were important determinants of the extensiveness and distributional fairness of urban water and sewer systems. Understanding these forces can, in turn, help explain some of the inter-city variation in the mortality experience of blacks.

More generally, the statistical and econometric evidence offered later in the book is particularly important. While statistical and econometric methods play a vital and expanding role among demographers, economists, legal scholars, political scientists, and the like, historians have largely abandoned numbers for more literary and poetic concerns. This is unfortunate, because there are many important historical questions for which there can be no substitute for a quantitative approach. And such is the case here. Consider the oft repeated claim, "germs knew no color line." There is no question that white public officials frequently said that diseases like tuberculosis and cholera originated in black or poor immigrant neighborhoods and subsequently spread to white. But in the absence of hard statistical evidence, it is impossible to know whether such statements reflected fact, xenophobia, political opportunism, or some combination of all three. And even if we could know, quotations are of little use in assessing magnitudes. How big were disease spillovers? How much lower would white disease rates have been if diseases had not spread from black to white communities and vice versa? How important were disease spillovers? Did they prompt local politicians to spend public dollars in ways they otherwise would not have? The answers to these questions are essential if we are to understand how and why African-American life expectancy rose so sharply during the early 20th century, and yet these questions will remain unanswered if we rely exclusively on quotations and literary allusions.

Call for Papers

Economic & Business Historical Society Conference

Anaheim, California
April 22-24, 2004

The Economic & Business Historical Society welcomes proposals for presentations on all aspects of business and economic history at its 29th annual conference. In keeping with the traditions of the Society, the Society seeks proposals for both individual papers and panel sessions. Graduate students are invited to apply and may qualify for reduced registration fees.

Proposals for individual papers should include an abstract of no more than 500 words, a brief CV, postal and e-mail addresses, and telephone and fax numbers. Panel proposals should also suggest a title and a panel chair. Graduate students and non-academic affiliates are welcome. **Proposals must be submitted by January 15, 2004.**

Proposals may be submitted using the online submission form, by email to kweiher@utsa.edu., and via conventional mail to:

Ken Weiher, Chair
Department of Economics
Business Building 4.01.10
College of Business
The University of Texas at San Antonio
6900 North Loop 1604 West
San Antonio, TX 78249-0631

Both the annual membership ($25) and conference registration fees are modest. Final arrangements with the hotel are being concluded, and the details will be posted in the very near future.

Index of the Clio Newsletter Interviews

An Interview With	Issue	Yr	Pages	Interviewed By
Abramovitz, Moses	July	1993	3-6, 23-26	Alexander Field
Berry, Thomas S.	July	1997	3-6	William J. Hausman and Marilyn Gerriets
Cole, W.A.	July	1998	3-6, 21-22	A. J. H. Latham
David, Paul	July	1999	3-10	Susan B. Carter
Davis, Lance E.	February	1990	3-10	John Lyons
Deane, Phyllis	July	1996	3-8, 30-32	Nicholas Crafts
Easterlin, Richard A.	February	1993	3-6, 15-18	Ken Sokoloff
Engerman, Stanley	Spring	2000	3-10	Tony O'Brien
Feinstein, Charles	Spring	2003	4-15	Mark Thomas
Fishlow, Albert	October	1998	3-6, 24-25	Eugene White
Fogel, Robert W.	July	1990	3-8, 20-29	John Lyons
Gallman, Robert, E.	February	1992	3-9	Bill Hutchinson
Goldin, Claudia	Fall	2002	4-12	Elyce Rotella
Habakkuk, John	October	1997	3-6, 28-31	Mark Thomas
Hartwell, R.M.	Spring	2001	3-10	Mark Thomas
Hughes, Jonathan	October	1991	3-6, 18-26	Charles Calomiris
Jones, Eric	October	1992	3-6, 23-24	Nancy Folbre and Michael Huberman
Lebergott, Stanley	July	1992	3-6, 17-21	Fred Carstensen
Lindert, Peter	Fall	2003	4-8	Paul Rohde
McCloskey, Deirdre	Spring	2001	3-13	Mary Beth Combs
Meyer, John	February	1995	3-6, 20-24	John Brown
Neal, Larry	February	1999	1, 9-13	Sam Williamson, Lou Cain, and John Lyons
North, Douglass C.	October	1993	7-12, 24-28	Gary Libecap
Parker, William N.	July	1991	3-8, 19-25	Paul Rhode
Ransom, Roger	Summer	2000	5-14	Kerry Odell
Richard Sutch	Fall	2001	3-12	Tony O'Brien
Rockoff, Hugh	Summer	2003	3-9	Howard Bodenhorn
Rosenberg, Nathan	October	1994	3-6, 27-29	William C. Sundstrom
Rostow, W. W.	July	1994	3-8, 26-32	John V. C.Nye
Schwartz, Anna J.	July	1995	3-7	Eugene N. White
Sylla, Richard	Spring	2002	3-9	Howard Bodenhorn
Temin, Peter	October	1999	3-6, 41-45	John Brown
Urquhart, Malcolm	October	1995	3-6, 18-22	Marvin McInnis
Weiss, Thomas	Summer	2002	3-12	Joshua Rosenbloom
Williamson, Samuel	Fall	2000	5-15	Lee Craig, Mike Haupert, and John Lyons

Personal Reflections

Economic History: A Continuing Exercise in Interdisciplinarity

By Richard Tilly

Reprinted from *Living Economic and Social History*, Pat Hudson (ed.)
Glasgow: Economic History Society, 2001.

Economic history is to me an ongoing interdisciplinary project. It represents a marvellous compromise between the disciplines of economics and history. How and why I came to see it in that light calls for a few autobiographical observations. These are followed by some comments on how the disciplines have made themselves felt in my own special fields of research and teaching.

As a boy I made the discovery that history could be great fun, at once entertaining and edifying. It seemed to offer an intellectual escape from the prison of the drab present, a way of envisioning alternatives. As my formal education progressed, however, I found that history could also disappoint. Partly, no doubt, this followed from the oft-repeated tedium of having to memorise long lists of dates, Great Events and Great Men. Looking back, though, I now see those tedious exercises themselves as a response to a deeper malaise: history's lack of a general organising principle other than chronology. In those days, at my midwestern U.S. university in the early 1950s, history tended to be either political history, dominated by great men and ideas, or intellectual history, dominated by great thinkers, and marked by a profusion of 'explanations' at least as numerous as the number of periods observed. Entree Economics 1a: Principles of Economics. What an eye-opener! Armed with the vision of a 'competitive economy', I soon found myself able to realise that a large part of what went on in a country such as my own could do so independently of the great (and not-so-great) ideas of statesmen, generals and philosophers and independently of a government willing the results. Here, I sensed, was an important field of study, one with practical implications for contemporary problems. This first exposure, however, did not suggest to me that economics could have anything to do with history. How that connection came about is a story of its own.

Enter Rondo Cameron. To round out my undergraduate history major, I needed a few more course credits in the sub field of modern European history. And there it was: Economic History, more specifically, as I recall, the history of European industrialisation. This was a great new experience. 'Europe' became something other than just the checkerboard of different languages, diplomatic intrigues and wars it had been to me. It was now the seat of dynamic economic forces which were to transform the world. One result was that European history without those economic forces quickly became a terribly incomplete, virtually irrelevant, project. Another had to do with economics. For the idea of an economy radically transforming itself and growing in size was mind boggling. And it was an idea, I must add, that economics had not prepared me for. Was it consonant, I asked myself, with the Principles of Economics I had learned? When I and my fellow students posed such questions to Rondo C., he tended to light up his pipe, briefly disappear behind a cloud of smoke, and then reappear with delphic pronouncements containing references, if memory serves, to differences between 'static' and 'dynamic' views of the world and such like. What came across though was our mentor's evident belief that such questions were important, too important for quick, syllogistic responses; and also that if economic history did not harmonise with economic doctrine, the dissonance *could* reflect unfavourably on the latter. That stuck.

On to graduate school. Here economics took centre stage; and the roles of economics and history reversed themselves. The key question became: is history relevant for economics? As budding economic historians, we began to feel that economics was too formalised and in need of the stronger empirical foundations that history could supply. But did economists think so? At that time, perhaps fortunately, the answer tended to be 'yes'; for the problem of economic development (or of 'underdevelopment' as the topic was then unsentimentally called), stood high on the economics agenda. These were the heydays of W. W. Rostow, Simon Kuznets, Alexander Gerschenkron, Walther Hoffmann, Alexander Cairncross, John Habakkuk, Phyllis Deane and others whose work suggested considerable overlap between contemporary and historical problems of economic growth and development. Important works emerged from this general context: Rondo Cameron's *France and the Economic Development of Europe*, David Landes'. contribution to volume six of the *Cambridge Economic History of Europe* (in a later variant known as *The Unbound Prometheus*), in the U.S. field, Doug North's *The Economic Growth of the United States*, or Bob Fogel's book on railroads and U. S. growth. Also in the U.S. about this time cliometrics was born. Economics and economic history had never seemed closer.

What emerged from the experience just sketched out was, methodologically speaking, a belief in economic history's dual mission: (a) as a means for understanding, perhaps helping to solve, contemporary economic problems by carrying on a dialogue with economics and demonstrating the value of a historical perspective; and (b) as a vehicle for interacting with historians and providing their work with the benefits of an economically informed history. In my own professional career this belief was to be sorely tested, I admit. But as I look back, I do not see grounds for total disillusionment.

In my adopted country, Germany, I enjoyed working the interdisciplinary angle in both directions. At first, to be sure, I found little room for manoeuvre on the economics side. German economics (in the mid-1960s) was less mathematical, more policy oriented and more open to an historical approach than its American counterpart. And German economic historians, possibly for that reason, showed little interest in the more explicit use of economic theory and quantitative techniques in their work that already characterized American cliometrics. In German economic history the dominant theme was industrialisation, a broader and 'softer' variant of the same growth paradigm that also held sway elsewhere (and especially in the U.S. and Great Britain). The principle addressee appeared to be history, rather than economics. In fact, the German field eschewed the use of economics to such a degree that in a 1969 survey I felt obliged to characterise it as 'playing Hamlet without the prince'. In my own work I tried to show my economist colleagues that history contained some useful economics, for example by suggesting how government restraints on certain types of banking could call forth efficient institutional alternatives; and some of my students, with other topics and examples, did the same. As time went on, German economic history came to contain more economics, though much less so than did the Anglo-American historiography. There have been exceptions, of course. But were we to view economic history as a martini cocktail, and economics as its input of gin, then we would find very few dry martinis in Germany's historiography, and many more in the Anglo-American one.

In the mid-1960s, historians proved more receptive to economic history. Thus early on, I could gain the impression that fruitful interactions were possible vis-a-vis German history. Whereas an older historiography had stressed the role of the German (and Prussian) state in shaping economic development since the late-eighteenth century, more recent work involving regional differentiation, including some of my own, showed that market forces were in general a more powerful factor than had been acknowledged, and that state-driven initiatives produced, or threatened to produce, economic 'solutions' clearly inferior to market-driven results. The tendency to associate economic change with state action also led the older historiography to ignore the extent to which the German economy of the early nineteenth century was an 'open' one, thus downplaying the extent to which it could (and did) realise significant gains from foreign trade, in particular from trade with Great Britain. But the important point I wish to make here is that such findings were taken up by German historians and put to use in reinterpreting modern German history, e.g., by Hans-Ulrich Wehler, by Jurgen Kocka, and by others. For these historians, initially at least, were fighting on two fronts: against the old guard, with its emphasis on ideas, the state and the nation, on the one hand, and against the background of student revolt and a threatened politicisation of research, on the other. An important aim was to upgrade the importance of economic and social conditions as determinants of historical change without giving in to dogmatic Marxist-Leninist demands. This applies to the statemaking era of the nineteenth century; but it also applies to later periods, for example to the analysis of World War One and its aftermath, where economic history has contributed to new perceptions of the overall achievements and limitations of the Weimar Republic.

By emphasising economic history's interdisciplinary achievements I do not mean to suggest that our field does not face some serious problems today. The propitious conditions of the golden age of the 1960s are no longer with us. Times have obviously changed. Mainstream economics has become more and more mathematical. True, econometrics has also grown; and many economic historians have kept abreast of the changes. But overall there is no denying that, say, by the 1970s, a gap on the empirical and historical flank of economics had emerged and was visibly widening. It still is. That is to say, there were and are ample grounds for worrying and wondering about the relations between economic history and economics. The old question of the relevance of economic history for economics and its converse is still with us. Perhaps the fault lies with economics and its preoccupation with mathematical scholasticism, as some economists themselves say. Even then, however, as Larry Neal has recently pointed out, a strategy of persuasion is needed if we, as economic historians, are to go on doing our interdisciplinary job. But we need the historians too! And they have also begun to pose a problem, for in recent times their discipline has seemed to be travelling along a culturalist plane, with little interest in what economic history has to offer. Once again, however, this is a challenge to which our field must respond, perhaps along the lines of the 'New Institutional Economics', as one economic historian - who has recognised this very challenge - has suggested.

Richard Tilly (b. Chicago, 17. 10. 1932) is Emeritus Professor of Economic and Social History, University of Munster, Germany. He was educated at the University of Wisconsin, Madison. Since 1966 he has been Director of Institut fur Wirtschafts - und Sozialgeschichte, University of Munster.

This essay must not be further reproduced without permission from the Economic History Society and the author. Information about ***Living Economic and Social History*** *(ISBN 0-9540216-0-6) and an order form can be found at http://www.ehs.org.uk/essay.htm.*

Call for Papers

Economic History Association Meetings

San Jose, California
September 10-12, 2004

The program committee of the EHA invites paper proposals on all topics in economic history for individual papers, as well as for entire sessions. Submissions for entire sessions should include separate proposals for each paper to be presented.

Interested scholars are requested to send four copies of a 3-5 page abstract and a 150-word abstract (suitable for publication in the *Journal of Economic History*) to B. Zorina Khan, Department of Economics, 9700 College Station, Bowdoin College, Brunswick, Maine 04011 (bkhan@bowdoin.edu). Papers may also be submitted online at http://www.eh.net/EHA/Meetings/prop_04.html. **The deadline for submission is January 30, 2004.**

The dissertation session will honor the top six dissertations in economic history completed during the 2004-05 academic year. Please see: www.eh.net/EHA/meeting. **The deadline for submission is May 28, 2004.**

Graduate students are encouraged to attend. Travel and hotel subsidies, registration and meal discounts, and the possibility of scintillating conversation are all offered as enticements.

For further information, contact Meetings Coordinator Carolyn Tuttle at tuttleeha@lfc.edu or the:

Economic History Association
Thomas Weiss, Executive Director
(785) 864-2840
eha@mail.ku.edu

A Letter from the Editor

Happy Holidays Clioms,

Once again I have the privilege of addressing you amidst the hustle and bustle of a busy end of the year. Finals are upon us, and multiple holidays surround us at this time, not the least of which is the annual ASSA meetings, featuring sessions sponsored by both Clio and the EHA. Well, perhaps the ASSA meetings aren't considered an official holiday yet by the postal service (mail *is* still delivered during the meetings) or the television networks (no celebrity variety shows featuring economists will air during the meetings), but I'm sure it's just a matter of time before that pans out. After all, if foodies, classic cartoon fans, and home decorators can get their own networks, can economists be far behind?

In that spirit, I took great interest this fall in catching up with two of our most highly decorated members, Douglass North and Robert Fogel. As I am sure you are aware, this year marks the tenth anniversary of the awarding of the Nobel Prize to these two pioneers of cliometrics. It was certainly a holiday atmosphere which surrounded the ASSA gatherings and the Clio faithful ten years ago. The question now is what happened to the glow of attention that economic history basked in at the time. Why has it failed to hold up, and what is the future of the field?

With this issue, we will begin a multipart examination of that very question and celebrate the pinnacle of attention for economic historians – the awarding of the Nobel. I had the pleasure of chatting with our laureates about the award, how it affected their careers and lives, and what impact it has had on the field of economic history in general. In future issues, we will turn our attention to ourselves and focus on the future of economic history, why it is often treated like the poor stepchild of departments, and what can be done about it. But for now, let's enjoy the holiday atmosphere and celebrate past accomplishments. After all, we are historians...

Speaking of celebrating, be sure to join us at the ASSA meetings for the annual Clio reception. Note that this year we will host the reception on Sunday night, instead of our usual Saturday night get together. The Sunday night gig will be held in my suite at the Manchester Grand Hyatt. The room number will be announced at the Clio and EHA sessions on Saturday and Sunday. If you miss the announcement, just call the hotel and ask to speak to me, and I will reveal our secret location. Festivities will commence at 8 pm and will continue until 11 or so. Some years that "or so" is a lot later than others, although last year we ended promptly at 11 so I could lick my wounds over the embarrassing loss the Packers suffered in the playoff game that was going on during the reception. Since at this writing it appears the Packers won't even make it to the playoffs, I should be in a more receptive mood this year.

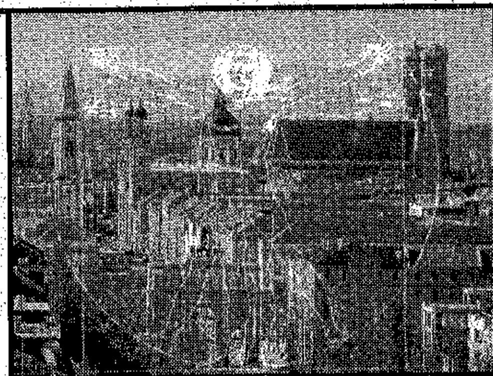
By the way, this is my opportunity to repay all of those reporters who toiled throughout the year to write the conference summaries, so please be sure to stop by and thank them in person, grab a drink, catch up with old friends, and tell me about your forthcoming book so that I can preview it in an upcoming issue.

Rockin' Mike
Editor

Call for Papers

The 2nd Annual Conference on Economics and Human Biology

Munich, Germany
June 10-13, 2004



This interdisciplinary conference will explore the symbiotic relationship between humans, as biological beings, and the economy, broadly conceived. Selected papers will be included in a special issue of *Economics and Human Biology*. Relevant topics include but are not limited to:

- The impact of economic processes and economic policy on biological welfare and health outcomes.
- The impact of government intervention programs on the human organism.
- Feedback effects from human biological outcomes to the economy.
- The use of anthropometric indicators to assess welfare, poverty, and malnutrition.
- Health as a component of Human Development.
- The conceptualizations of health in economic theory.
- Related statistical, econometric, and methodological issues.

Submissions are welcome in the fields auxology, anthropometry, biological anthropology, demography, development economics, economic history, epidemiology, health economics, human biology, health sciences, medicine, nutritional science, physical anthropology, public health, sociology, statistics, and econometrics.

We expect to be able to subsidize travel expenses and accommodation of participants.

Please submit abstracts (300 words) electronically only (as soon as possible), but not later than **15 March 2003**, to one of the organizers:

Joerg Baten: Joerg.Baten@uni-tuebingen.de
John Komlos: JK@econhist.de