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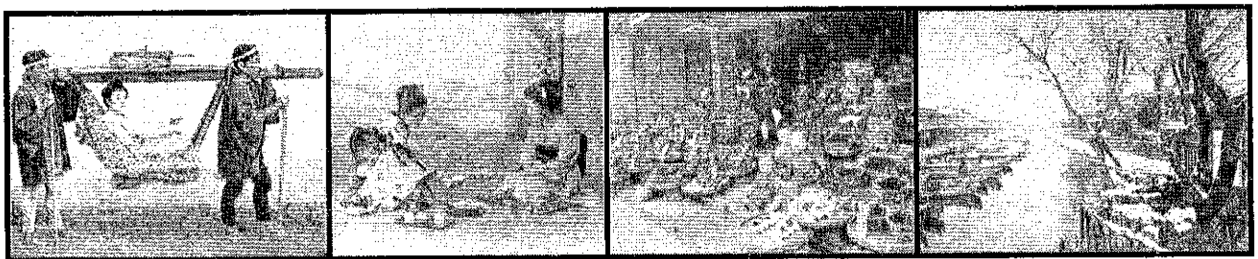

Scenes from turn of the century Japan

Report on the 43rd Cliometrics Society Conference

By Leticia Arroyo Abad (UC-Davis), Thomas Geraghty (North Carolina), David Nystrom (UC-Davis), and William Troost (UC-Irvine)

(Tahoe City) The Clio muse took us to beautiful northern California this year for the annual Cliometrics Conference, which took place June 3-5, 2005 at the Granlibakken Conference Center Lodge, located just south of Tahoe City, California. The conference was sponsored by the National Science Foundation and the All-UC Group in Economic History.

The Friday afternoon session began with a paper by **Marianne Ward** (Loyola) and **John Devereux** (Queens-CUNY) that revisits the question of comparative labor productivity in the United States and Britain between 1870 and 1950. The authors aim to reconcile various existing estimates in the literature and explain US leadership in terms of factor inputs and total factor productivity using new measures of land, labor, and capital inputs. Their results indicate a reaffirmation of the traditional US lead in labor productivity by 1870. This lead included not just manufacturing but also agriculture and services. The sources of US productivity advantage consist of higher human and physical capital per worker before 1910 and higher total factor productivity thereafter.

A number of discussants questioned the relationship between this work and the earlier literature on US/UK productivity differences. Nick Crafts (LSE) said his confidence in the authors' estimates was lessened by the erratic time path for relative US/UK productivity. Stephen Broadberry (Warwick) argued that some of their results conflicted with earlier work by both Maddison and Kendrick; the results of this paper imply no gap in UK/US productivity growth between 1870 and 1900, for example, while Kendrick's estimates suggest that US productivity growth was double that of the UK during the same period. Greg Clark (UC-Davis) said that the paper's implication that UK and US living standards were approximately the same between 1870 and 1900 also conflicts with other evidence, such as labor flows, that American living standards were higher.

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What's Inside

Executive Director's Notes

Greetings Gentle Members:

Okay, so here's one for you. I'm in the Reno Airport, returning from the 43rd Cliometrics Conference, held in Lake Tahoe (you can read all about it elsewhere in the *Newsletter*), and, since my boarding pass says I'm in "Boarding Group N," I'm waiting for the boarding queue to shorten so that I'll be among the last to board, and I'm just sitting there, see, and all of a sudden Wayne Newton walks up. Yes, THE Wayne Newton. Apparently, I'm the only person in the Reno Airport who seems aware of this. So he, Wayne, looks at me and smiles with that Wayne Newton smile, and I look at him and smile back, with that slightly awkward, completely unnatural academic smile. Now, Wayne is dressed in black. He's wearing a long-sleeved, black shirt, untucked, with the sleeves rolled up a notch or so, with black slacks, and black boots. Wayne's hair is perfect and very black, and Wayne has a great tan. I'm wearing a seersucker suit; my hair is not all that black anymore nor is it perfect; I do not have a tan.

For some reason having to do with my own insecurities, I'm not having good thoughts about Wayne. Maybe it's because guys like Wayne make it tough for guys like me to get dates to the prom, and even if we do get a date, we suspect our dates would rather be with Wayne. In any case, my first thought is, "You know, I could take Wayne in a fight." But then I stand up, and for a moment I'm standing face to face with Wayne, and the thing is, Wayne is taller than he looks on stage, and he's pretty broad-shouldered. And I'm thinking, maybe Wayne wouldn't be so easy to take in a fight. So now, I'm really hating Wayne, and just as easy as apple pie, he sticks out his hand and says, "How's it goin' man?" And I say, it's goin' all right, and for some reason I add that I'm a little surprised Wayne isn't flying charter. But Wayne says sometimes it easier just to hop a commercial flight at the last moment and "You know, mingle with the people a bit." And with that, Wayne and I start talking about, well, all kinds of things, including Cliometrics. And now I'm thinking, "You know, Wayne's not such a bad guy. Maybe he'd like to endow the Cliometric Society. Uhh, I mean the Wayne Newton Cliometric Society, or the Cliometric Society brought to you by Wayne Newton.

Soon though, I notice that in the lounge areas and queues around us some of "the people" are beginning to realize that Wayne Newton is talking to some dork in seersucker who looks like Wayne's accountant. Some women begin digging in purses for scraps of

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The top billing at the 2005 Vegas edition of The Tough Man Competition

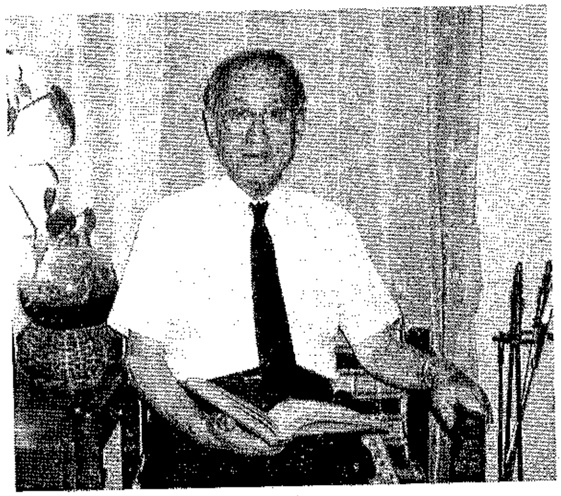
paper, and they start heading our way. And then a couple of women who just walked into the area realize it's WAYNE FREAKIN' NEWTON, and they go absolutely berserk. This affects the others who had to this point maintained their composure. And all of a sudden, I'm in the middle of a Wayne Newton feeding frenzy. Almost instantly, a series of concentric circles form around Wayne and me, with some shouting and jostling not unlike that surrounding a Board of Trade commodity pit. Then, at the peak of the frenzy, in response to the final boarding call for my flight, I begin to edge my way out of the conversation and the crowd. Just as I reach beyond the outer circle and turn my back to head to my gate, I hear Wayne Newton shout, "Hey man." I keep walking, but then again, louder: "Hey man." I turn and realize he's speaking to me, and he says, "See you around." I grinned awkwardly and waved, and maybe I even said, "Yeah, see you around." But I doubt if I will.

Lee A. Craig,
Executive Director

Call for Papers

The next Asia-Pacific Economic and Business History Conference will be held in Brisbane, Queensland February 16-18, 2006. Papers and proposals for sessions are invited on the conference theme, "Learning, Discovery, and Institutional Development," as well as other topics in economic and business history. The conference organizers are particularly interested in attracting papers that examine developments within the Asia-Pacific region broadly defined and/or papers that provide an international comparative perspective. Proposals for papers of up to 7000 words (not synopses) may be submitted up to **December 1, 2005.** Session proposals may be submitted up to **November 1** in a 500-word statement outlining the main objectives of the session. For more information, you may contact Professor Simon Ville, School of Economics & Information Systems Faculty of Commerce University of Wollongong Wollongong NSW 2522 AUSTRALIA sville@uow.edu.au or Dr John Singleton, School of Economics & Finance, Faculty of Commerce & Administration, Victoria University of Wellington, PO Box 600, Wellington, NEW ZEALAND John.Singleton@vuw.ac.nz.

An Interview with Yasukichi Yasuba



Yasukichi Yasuba (1930-2005), who died on April 13 this year, was Professor of Economics at Osaka Gakuin University. Previously, he was at Osaka University and Professor at the Center for Southeast Asian Studies, Kyoto University, later returning to Osaka University. He had been Visiting Scholar at Chulalongkorn University and Thammasat University in Thailand. He was also Visiting Professor at Chulalongkorn University, Visiting Fellow at Woodrow Wilson International Center, and Visiting Professor at the University of Pittsburg. He received his Ph.D. from Johns Hopkins in 1961 and can be considered one of the founding fathers of the Cliometric Revolution via his paper "The Profitability and Viability of Plantation Slavery in the United States." He returned to Japan that year to a post at Osaka University. In 1980, he was awarded the Suntory Foundation Prize in Japan for a book in Japanese on economic growth, which has not been translated into English. In 2002, he produced another book in Japanese on economic development in Southeast Asia, also not in English, although his paper, "Alternative Theories of Southeast Asian Development: A Japanese Perspective," does indicate the thrust of his thinking. A.J.H. Latham retired from the University of Wales, Swansea, Britain in 2003 and concluded this interview with Yasukichi Yasuba on October 6, 2004.

Professor Yasuba, I first came across your work in the classic Fogel and Engerman collection, *The Reinterpretation of American Economic History of 1971.* I found your paper on the profitability of plantation slavery in the United States extremely compelling, and for many years, it was required reading for students taking my course at the University of Wales on the economic history of the United States. They found your argument that the economic basis of rearing slaves was no different in essence to that of raising hogs to be shocking but logically indisputable. The selling price had to be greater than the costs of production to cover costs and give a return on capital. How did you come to get into the debate on slavery?

Johns Hopkins University, where I was a graduate student along with Fogel and Engerman, had a very interesting informal seminar, the economics journal club, where students and professors had discussions in the evenings with beer cans in their hands. In the club, a student introduced an article which everyone discussed. In one of them, perhaps in 1960, Stan Engerman introduced and supported the article by Conrad and Meyer on "Economics of Slavery in the Antebellum South," in which they discussed the viability of slavery based on the marginal efficiency of slave capital valued at the market price. Everybody seemed to agree with the argument, but I felt uneasy and asked a few questions. After much discussion, Stan seemed to agree with my point that the viability of the system should be decided on the profitability of the reproduction cost of a slave. Then I read the literature on slavery and wrote the first draft of a paper. You may be interested in knowing that the final version was based on a discussion with Fritz Machlup, who was there at that time. He was so involved as to correct my English, including the use of the word "viability" rather than "sustainability." The paper was also published in Hugh Aitken's *Did Slavery Pay* and even appeared in a collection of essays published in Poland.

You received your Ph.D. in 1961 from Johns Hopkins in political economy and published your first book the following year, *Birth Rates of the White Population in the United States, 1800-1860: An Economic Study.* Can you tell us something of your days at Johns Hopkins – who did you work with there, and what were your main findings?

Johns Hopkins was one of the best graduate schools in economics in the United States in the 1950s, with such teachers as Fritz Machlup, Simon Kuznets, Abba Lerner, Clarence Long, Evsey Domer, Mark Perleman, Richard Musgrave, Ed Mills, and Edith Penrose. The topic suggested by Simon Kuznets for my thesis was the explanation of a high but declining birthrate in the United States in the 19th century. I was interested in Turner's "Frontier Thesis" and thought that the two might be combined. My major finding was that people in the United States during the early 19th century were able to get married early everywhere because of the existence of free land nearby and, consequently, tended to have many children. As land became scarcer in the East later on, during the Antebellum Period, the ages at which women married became higher and higher, and birthrates declined. Because of Kuznets' disapproval of regression analysis, I had to invent a multiple rank-correlation method, which was so clumsy that few people read my book until Forster and Tucker of Australian National University wrote an excellent book **about** my book and largely supported my thesis with a multiple regression method. As a result, the thesis was accepted in the United States and incorporated in most textbooks on American economic history. This book was probably the first book on American economic history published in the United States by a Japanese author.

You were born in Tokyo, May 21, 1930. Can you tell us something of your parents, your childhood days, and your schooling?

My father, who was a student of Daisetsu Suzuki and General Nogi, was an employee of a big firm with multiple factories throughout Japan, and I had to move from one school to another every three to five years following my father. I found it difficult to cope with the local dialects in different places and was not accepted by my fellow pupils. So, I became rather introverted and was particularly uneasy with military training and military physical exercises. I was glad when the war was over and military training was replaced with sports like baseball and tennis, which I liked. My grade in physical exercise rose from a C to an A. I became less shy, and my grades in other subjects improved as well.

Later you were at the University of Tokyo from 1949 to 1956, taking a BA in American Civilization and an MA in Economics. Then you went to the University of Wisconsin-Madison to study economics. What brought you to the US?

I became familiar with American history at the University of Tokyo when I took a class from Professor Ken'ichi Nakaya, who taught a course in it. He was a pioneer in college education in Japan. He asked every student to read at least 100 pages of English-language books and articles per week and quizzed each student in class. Students also had to submit reports twice a week and map studies from time to time. Four of the 13 graduates from this program became students of American civilization. Three of them later became President of the American Studies Association of Japan. After that, I had to go through training from mostly Marxist professors at graduate school. I suffered, but it was good to study under such persuasive professors as Tsutomu Ouchi, MoritaroYamada, and Mikio Sumiya. This education produced at least two memorable articles – "Anatomy of the Debate on Japanese Capitalism" and "The Evolution of Dualistic Wage Structure." "Real Wages in the Early Stages of Industrialization" was also affected by this Marxist training.

Finally, I was very impressed by the summer seminar given by Merrill Jensen on the revolutionary period in the United States. When I got a Fulbright grant, he was kind enough to invite me to the University of Wisconsin and found me a room to live in with American students. Though I was fortunate at Wisconsin to have an opportunity to take a course in economic history from A.P. Usher, I moved to Johns Hopkins after a year, because it was so much better in economics. It also had good historians, like Fred Lane, Carl Van Woodward, Owen Latimore, and Charles Barker. I was most indebted to Kuznets as regards writing my thesis, but Machlup's influence overall was equally great. He should have been more highly regarded by economic historians, if only for writing a book on patent protection and another, *Production and the Distribution of Knowledge in the United States*, so early.

After completing your Ph.D. at Johns Hopkins, you returned to Japan to a post at Osaka University where you remained until 1969. What brought you back to Japan, and how did you find things on your return?

I was pretty satisfied with working on American economic history after I received my Ph.D. at Johns Hopkins, but Kuznets tried to persuade me to work on the problems of developing countries, particularly Japan since the opening of the country. He felt that studies on developing countries, including Japan, were at a low level. Studies by Lockwood and Rosovsky, who had to hire assistants to read material in Japanese, were not acceptable to him. E.H. Norman was good at Japanese but somewhat biased. Japanese economic historians themselves seemed to be mostly Marxists, and Kuznets told me that I should make the rest of the world understand my own country better. Osaka University was on the rise, with Morishima, Nikaido, and Ichimura. When Ichimura came to Johns Hopkins as a visiting lecturer, he invited me to come to Osaka. Osaka was very strong in economic theory and econometrics, but I did not join the group. I worked on the quantitative economic history of Japan, learning from Osaka's non-Marxist economic historians, Mataji Miyamoto and Yotaro Sakudo. My first article on Japanese economic history, "Economic Development in Preindustrial Japan, 1859-1895," written with them, was published in 1965 in the *Journal of Economic History*. Unfortunately, it was also at Osaka in 1965 that I began to suffer from depression, which began after I injured a motorcyclist while driving a car.

Can you tell us something of your findings on Japanese economic history during this period? How did your views differ from those of other Japanese scholars?

My view was somewhat different from the then prevalent Marxist economic history or that of traditional economic history. In my opinion, the Japanese economy grew basically along a neoclassical path with the help of the government on infrastructure, education, and the importation of knowledge from the West. There was very little industrial policy in the 19th century. The real wages of unskilled workers started to rise rapidly from the 1880s at the latest due to specialization in labor-intensive industries, and it was a natural course of development for Japan under free trade. The specialization accompanied a favorable change of the terms of trade. In my view, Japan became sick only when it started military aggression and adopted a strong industrial policy for militarization in pursuit of natural resources in the 1930s. This view was very different from that of the Marxists, Okhawa-Rosovsky, Minami, or Ranis-Fei, although I did tend to agree with much of Ranis' ideas.

From 1969 to 1980 you were Professor at the Center for Southeast Asian Studies, Kyoto University, meanwhile being a Visiting Scholar at Chulalongkorn University and Thammasat University in Thailand, 1971-72. You were still working on the history of the Japanese economy at this time, but your interests were beginning to move towards Southeast Asia in general. Can you tell us about the work you were doing, your time in Thailand, and your changing interests?

At Kyoto University, I worked on the development of Southeast Asia and compared it with Japan's experience. When I first published a Japanese language article in 1973 after a year living in Thailand, I stated that the conditions in Southeast Asia were deplorable apart from Singapore but that things were changing and if current policies were maintained, it would be heading for fast and equitable growth. Most of my colleagues at the Center for Southeast Asian Studies, who shared the pessimistic views of Watsusji, Huntington, and Myrdal, disagreed with me, and some of them urged me not to write such optimistic articles. So I wrote only a few nonproblematical articles in their journal, *Southeast Asian Studies*, and wrote more optimistic articles and comparative economic history articles on Japan elsewhere. Ashamed that I wrote so little for them, I decided to quit Kyoto after 10 years to go back to Osaka University, where my depression, which had recurred at Kyoto, continued to interfere with my work for almost 10 years.

In 1980, you published a book in Japanese on economic growth, for which you were awarded the Sunntory Foundation Prize. Can you tell us about the book and the award?

It was published only in Japanese and with great difficulty, because of my depression. It could not have been published without the encouragement of my vagabond daughter, who later became a cartoonist and folksinger. She won a championship as a singer in the "Britain in Japan" year several years ago and went to London to sing at the Royal Albert Hall. It was probably the first book that descriptively and quantitatively told the history of modern economic growth, combining the comparative economic history of Western countries and Japan, the economic development of developing countries, mainly in East and Southeast Asia, and the theory of economic growth. I should have published it in English, but my depression again interfered. It received one of the first Suntory Foundation Prizes, but I felt more honored when a former president of the Japan Center of Economic Research stated in an essay that it was one of the two best economics books available in Japan, along with Masahiko Aoki's *Distribution Theory.*

In 1994, you were appointed Professor of Economics at Osaka Gakuin University. You also held Visiting Professorships at Chulalongkorn University in 1982, the Woodrow Wilson International Center for Scholars in 1984, and the University of Pittsburg in 1985. Can you tell us about those days and your increasing interest in Southeast Asia? Did people find your ideas on Southeast Asia controversial?

My idea on Southeast Asia presumably answered Dick Easterlin's question, "Why isn't the whole world developed?" My argument was protect private property rights and maintain law and order under any form of government, build infrastructure and expand education and import foreign knowledge. A shortage of entrepreneurs and engineers can be overcome by education and training, including education and training abroad, and the invitation of foreign specialists, whether they come at the invitation of the government or come with direct investment. More importantly, prevalent corruption and the collusion of patrimonial politicians with foreign capital can be circumscribed by switching development from corruption-tainted, import-substituting industries to labor-intensive export industries, which cannot be corrupted easily. Southeast Asia was developed according to this recipe, which is not too different from that of the World Bank, despite Stiglitz's arguments against them. Other developing countries did not use this recipe and have failed to achieve economic growth. My ideas have not been accepted eagerly in Japan. Many of the Japanese economists working on Southeast Asia were either Marxists or specialists on local conditions. The latter emphasized Huntington's and Tetsuo Watsuji's severe environment thesis or Myrdal's soft state and corruption view. Others had beliefs related to overseas Chinese reluctance to invest in industry or simply imitated American development economists.

You brought out a new book in Japanese in 2002 on economic development in Southeast Asia and are still very busy. Perhaps you can tell us something about your new book, your current activities, and future plans?

The book is a collection of papers I wrote during the past 30 years on Southeast Asia in which I presented the ideas mentioned above. It made a lot of Japanese economists unhappy. Those who cannot read Japanese can see roughly what happened in my article, "Alternative Theories of Southeast Asian Development," because it more or less summarizes the contents of the book. I am currently working on a comparative economic history of Japan. I am also publishing an edited book, *Socioeconomic Development in Southeast Asia,* early next year in Japan. Another volume of collected essays on Japanese economic history will appear probably a year from now. Apart from all this work, I have been responsible for the invitation of Distinguished Visiting Professors at Osaka Gakuin University with the support of President Yoshigasu Shirai. So far we have had Jeff Williamson, Gus Ranis, Bob Fogel, Irma Adelman, Peter Mathias, Peter Temin, Eric Jones, Nate Rosenberg, and Larry Krause. This year I am interpreting Marvin McInnis' lecture. I may seem busy, but it is simply because recently I have not been much troubled by depression.

Can you tell us a little about the current state of cliometrics, and, in general, economic history in Japan, and the work

being done? What are the key issues that people are interested in?

Most of the Japanese cliometricians belong either to the group responsible for the compilation of Long-Term Economic Statistics (LTES) or to the Quantitative Economic History (QEH) group, with some belonging to both. Takafusa Nakamura and Juro Takahashi worked closely with the QEH, and I am a charter member. Both of these groups have been quantifying the economic history of Japan. The results of the former were published in the 14-volume LTES, and Ohkawa and Shinohara produced the revised version of the LTES in English as *Patterns of Economic Development in Japan.* There is still a lot of work to be done, however. Even for the Meiji Period, real wage data and capital stock data are wrong, and so their TFP growth rate cannot be used. QEH published a series of conference volumes and wrote the 8-volume *Economic History of Japan*, which is being published in English by Oxford University Press; their contribution has been substantial. However, most of the members did not try to confront head on either traditional or Marxist economic history in the way American cliometricians did in the United States. As a result, the economic history of Japan still needs much rewriting. Has anyone been generally satisfied by Ohkawa-Rosovsky's *Japanese Economic Growth*, with a trend acceleration, or the new version of Minami's *Economic Development of Japan*, which puts so much emphasis on unlimited supplies of labor and the turning point? I personally have been interested in income distribution and institutional changes since the days of my articles on slavery and on preindustrial Japan. I have been trying to establish a neoclassical, radical school of economic history or political economy and have done some pamphleteering activity in journals and a newspaper in Japan. A few of the QEH members have favorably responded to the proposal offered in my book, *Economic Development of Southeast Asia*, but I still have a long way to go.

Professor Yasuba, many thanks for agreeing to this interview.

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Canadian Network for Economic History Conference Report

By Marina Adshade (Dalhousie University), Patrick Coe (Carleton University), Marc Law (Vermont), Byron Lew (Trent), and Alex MacDonald (UBC)

(Kingston, Ontario) The Canadian Network for Economic History Conference took place April 15-17, 2005 at Queen's University in Kingston, Ontario, Canada and was brilliantly organized by Eona Karakacili (Western Ontario), Ian Keay (Queen's), and Frank Lewis (Queen's). Lake Ontario was fully ice-free in time for the event, but no one admitted to taking the opportunity to go for a swim.

The conference kicked off with a session on "Property Rights and the Standard of Living of Native Americans," chaired by Cherie Metcalf (Queen's). A team of **Ann Carlos** (Colorado), **Frank Lewis**, and **Alexander MacDonald** (UBC) presented "Nutrition and the Standard of Living of Native Americans and Europeans in the Mid-Eighteenth Century." They explore the living standards of Native Americans in the Hudson Bay region in 1740. Using a utility function that allows for differences in food quality, the authors conclude that the superior diet of the Native Americans allowed them to experience living standards that were comparable to those of contemporary, low-wage English workers. Stuart Wilson (Regina) asked whether there were any differences in life expectancy, leisure time, and other non-consumption factors that might have raised or lowered relative Native American utility. Mary MacKinnon (McGill) suggested using settlers in New England as a comparison group rather than low-wage English workers. Angela Redish (British Columbia) wanted to know whether allowing for differences in the variety of goods consumed might in fact lead to larger differences in living standards.

Tony Ward (Brock) followed with "Institutional Constraints on Indian Farming on the Canadian Prairies, 1885 to 1920." He asked why, after being moved onto reserves in the late 19th century, Native Americans were unsuccessful farmers. According to Ward, the main reasons for their lack of success were institutional constraints that made it difficult for Native Americans to acquire capital and access commercial markets. Marilyn Gerriets (St. Francis Xavier) wondered whether these institutional constraints were designed with a view to forcing Native Americans to become laborers rather than farmers. Marvin McInnis (Queen's) was curious why the emphasis on reserve farming was on arable rather than livestock farming. Carlos thought this might be because the Department of Indian Affairs considered arable farming "civilizing," and Alan Green (Queen's) felt the location of the reserve might have played a role.

The second session, "Political Influence and Institutions: Two Case Studies," chaired by Marc Law (Vermont), began with **Timothy Guinnane** (Yale) talking about "The Passage of the Uniform Small Loan Law," written with **Bruce Carruthers** (Northwestern) and **Yoonseok Lee** (Yale). They look at which variables were important determinants of the passage of the law across states. Empirical evidence points to the presence of credit unions, banks, and large firms as being useful predictors of passage, while little evidence of spatial dependence across states was uncovered. David Green (UBC) wondered whether there was any evidence of a momentum effect in the data – that is, as more states passed legislation, did passage become more likely in other states? MacKinnon suggested modeling the first year that legislation was attempted rather than the year it passed. Herb Emery (Calgary) wanted the authors to look at whether the passage of the uniform small loan law was correlated with the passage of other legislation associated with the progressive movement, such as health insurance.

The morning concluded with **Mauricio Drelichman** (UBC) speaking on "Sons of Something: Taxes, Lawsuits and Local Political Control in Sixteenth-Century Castille." Using litigation records from 1490 to 1834, Drelichman proposes that tax exempt status was not sufficient to explain increased ennoblement. The legal costs associated with the litigation required to become a petty noble (hidalgo) exceeded the present value of the tax that would be avoided if the litigant was successful. He goes on to argue that the main incentive to become a hidalgo was to gain decision-making power over common land. David Green felt that the flight to nobility could have led to a decline in human capital formation as there was an exit from the skilled trades and that this might help explain Spain's economic decline around this period. Mar Rubio (Pompeu Fabra) wondered whether the increased litigation associated with the flight to nobility was more a cause or a symptom of the decline of Spain. Hidalgos could be called upon to join the king's army. Richard Sicotte (Vermont) asked whether this was typically the case; the author replied that the last record of a hidalgo being called upon was in 1505.

The afternoon started with the session "Comparisons of Economic Development," chaired by Patrick Coe (Carleton University). **Herb Emery** presented "Natural Resource Exports, Wealth Accumulation, and Development in Settler Economies: Northwestern Ontario and South Australia 1905-1915," written with **Livio DiMatteo** (Lakehead University) and **Martin Shanahan** (University of South Australia). The authors compare the wealth holdings of probated decedents in two British settler economies, the Thunder Bay District in Northwestern Ontario and South Australia, to investigate the determinants of successful development around natural resource exports. They believe that these two regions can be fruitfully compared, because institutional quality was similar in both regions and both regions were involved in the export of wheat during the decade under investigation. They find that while the average wealth level in South Australia was substantially higher in 1905, the average change in wealth during the subsequent decade was equivalent in the two regions. They also claim that South Australia was able to obtain more of the income associated with the production and transportation of wheat, because much of the ownership of the shipping and transportation infrastructure was held locally compared to the Thunder Bay District. Hence, the authors argue that the key to capturing the linkages from natural resource production is to eventually generate domestic sources of capital rather than relying on external sources.

Many individuals in the audience wanted to know if ownership of the capital associated with the transportation of wheat was local to the Thunder Bay District, would that district really have been able to capture the rents. They also asked whether this would have changed patterns of investment and improved the prospects of Thunder Bay relative to other regions. Emery said their claim is not that ownership would have affected the location of investment, but that had ownership been locally held, decedents would have died with greater wealth. Marvin McInnis (Queen's) asked the authors how the forestry industry in Thunder Bay would play in their analysis. DiMatteo (Lakehead University) replied that the income from wood products was likely small at the time. Prior to 1917, there was no pulp and paper industry there, although there were some sawmills. Keay questioned how changes in housing prices would have affected their analysis of decedent's wealth levels. The authors said that while housing prices in the Thunder Bay District were probably rising during this period, they were not certain what was happening to housing prices in South Australia. And, while the wheat boom may have contributed to increasing prices, drought conditions in the early 20th century may have dampened them.

In "Infrastructure, Trade-Driven Growth Potential and Economic Development in Two Dominions: Canada and Australia Compared, 1917-1975," **Carl Mosk** (Victoria) explores the roles of institutions and geography in explaining the relative growth performance of Canada and Australia during the 20th century. He claims that the main impact of institutions on growth lies in the social capacity to invest in infrastructure in response to improvements in income, while geography matters through its impact on international integration. He asserts that while both Canada and Australia had similar institutions, and while both responded to increases in income by investing in infrastructure, Canada was relatively more successful because of its proximity to the United States. He attempts to demonstrate this by creating a summary growth potential measure by equally weighting three domestic infrastructure variables with a trade-based variable and by showing that the evolution of this index tracks the actual performance of the two economies.

An animated discussion followed Mosk's presentation. Many in the audience were critical of his index for investment in infrastructure, which equally weights measures of educational achievement, health, and physical (transportation/ communications) infrastructure. In particular, much skepticism was expressed concerning the way Mosk measured physical infrastructure (the sum of the number of telegrams, radios, televisions, and motor vehicles per capita). Richard Pomfret (Adelaide) queried whether trade policy (i.e. tariffs) might influence differences across the two countries in the number of radios and TVs per capita. Redish felt that adding together these variables was an extremely problematic way to aggregate different types of physical infrastructure. She also wondered why power sources (electricity, for instance) were ignored in his index, since presumably power generation infrastructure is important for growth. Finally, Ron Shearer (UBC) offered the view that variables like the number of radios and TVs per capita may measure the effect of rising incomes but may not adequately reflect infrastructure investment that contributes to economic growth.

The session ended with **Richard Sicotte** and **Kirsten Wandschneider** (Middlebury College) reporting on "Fertilizer, Fiscal Crises, and the War of the Pacific," written with **Catalina Vizcarra** (Vermont). The authors investigate the fiscal consequences of the War of the Pacific (1879-1884) on the national finances of Chile, Peru, and Bolivia. During this war, Chile defeated the combined armies of Peru and Bolivia, acquiring territories on the Pacific coast of South America from both countries that contained rich deposits of sodium nitrate. At the time, sodium nitrate was widely used as a fertilizer. Export taxes on nitrate were an important source of Chilean government revenue after the war, which allowed Chile to invest heavily in transportation, education, and other infrastructure. The authors perform a counterfactual analysis to estimate the revenue that each government would have earned from nitrate export taxes if the war had not happened and the borders changed. They discover that while Chile gained significantly from the war, Bolivia's forgone revenues were significant in proportion to its obligations. Additionally, they argue that Peru's forgone revenues would probably not have been sufficient for Peru to service its large debt load but would probably have allowed it to negotiate better terms with its bondholders.

Lewis asked how the depletable nature of nitrate deposits would affect the analysis. Sicotte said that because these nations probably had high discount rates in the short run, it seems reasonable to conduct the counterfactual analysis ignoring the issues concerning the optimal extraction of a depletable resource. Rubio thought that by ignoring the issues of "resource curse" and the loss to Bolivia of its seacoast, the authors were disregarding important dimensions of the issue. The authors were sympathetic to these points and noted that their analysis is still preliminary. Jeffrey Williamson (Harvard) inquired whether the lost revenue from nitrates could be made up by tariffs on imported goods. The authors replied that indeed tariffs on imports did rise in Bolivia and Peru. Finally, Drelichman felt that the larger question, which the paper did not address, was why Chile spent the windfall it earned so wisely.

The first day wrapped up with "Energy Consumption and Growth," chaired by Marc Badia-Miro (Barcelona). **Richard Pomfret** addressed "Resource Abundance and Long-Run Growth: When Is Oil a Curse? Effects of Oil Discoveries on Kazakhstan's Economy." He examines whether the development of the oil sector in Kazakhstan during the 1990s benefited its economy as a whole or only certain regions. According to Pomfret, such an analysis may shed light on the debate on "resource curse," since how the benefits of resource booms are shared could be indicative of the quality of institutions. While good institutions may result in the benefits of resource booms being shared widely, poor institutions may give rise to a concentration of the benefits among elite groups in society. Using data on household consumption surveys from 1996 (prior to the development of the oil sector in Kazakhstan) and 2002 (in the midst of the oil boom), Pomfret shows that the benefits from the post-2000 oil boom did not result in higher living standards in the oil-producing regions but have been associated with higher living standards in the capital city of Astana and the metropolitan center of Almaty, where the country's elite resides.

Drelichman wanted more information on the ownership of oilfields, royalties, and the industries related to oil production, since that would determine how the benefits of an oil boom are distributed. Pomfret responded that oil production in Kazakhstan generally occurs in joint ventures between multinationals. Royalties tend to go to political leadership and other elites. Redish wondered if there were any efforts to distribute the benefits from the oil boom more widely through equalization payments (the expenditures of which may not appear in consumption surveys) or whether there was much in-migration to oil-producing areas. Pomfret said that there was not much evidence of internal migration. Rubio asked if government expenditures in Kazakhstan were expanding in response to revenues from oil. Pomfret replied by saying that public accounts data are unreliable and that it is hard to assess this. Carlos questioned whether high inflation rates in 2002 make it difficult to compare the 1996 and 2002 surveys. Pomfret did not feel that inflation was problematic, since the survey asked respondents for their consumption in quantity units rather than in terms of value.

Mar Rubio concluded the day by talking about "The Apparent Consumption of Fossil Energy as an Indicator of Modernization in Latin America by 1925: A Proposal Using Foreign Trade Statistics," written with **Mauricio Folchi** (Universidad de Chile and Pompeu Fabra). Comparisons of living standards across Latin American countries prior to the 1930s are hampered by the absence of consistent data on aggregate production. Rubio and Folchi make a first effort at measuring the relative economic development of Latin American countries in 1925 by constructing estimates of consumption of fossil fuel energy per capita. They note that there is a large literature in economics that argues that the level of industrialization and economic development in a society can be gauged by its development of mechanical power and, hence, its consumption of fossil fuels. Using foreign trade statistics from Latin American countries and their principal trading partners, as well as data on domestic production of coal and petroleum, Rubio and Folchi estimate fossil fuel consumption per capita for 25 Latin American countries in 1925 and find that while Cuba, Chile, Argentina, and Uruguay were among the largest per capita consumers of fossil fuel energy at the time, El Salvador, Bolivia, Haiti, and Paraguay were among the lowest.

Williamson began the discussion by encouraging more scholars to engage in this kind of research. He went on to ask Rubio why they focused on the quantity of fossil fuels consumed in each country without examining prices. Presumably, the relative price of fossil fuels consumed would influence the quantities consumed. Rubio agreed that prices are important and noted that she and her coauthor eventually intend to incorporate prices into the analysis. However, curiously, quantity data were easier to find than price data. Kris Inwood (Guelph) wished to know whether the authors intended to incorporate firewood into their analysis. Rubio stated that they intend to eventually, since this was an important energy source in Brazil and Argentina. However, doing so may be difficult since there was no clear market for firewood. Sicotte felt that Brazil's position in Rubio and Folchi's ranking of per capita fossil fuel consumption seemed too low. Rubio answered that Brazil's placement in the ranking of fossil fuel consumption per capita was also consistent with her placement in rankings of capital imports per capita.

The conference continued Saturday morning with the session "The Market for Canadian Labor in the Twentieth Century," chaired by Marina Adshade (Dalhousie). In "Canada's Wage Distribution in the First Half of the Twentieth Century," **David Green** and **Alan Green** utilize a panel of census data for 1911-1931 in order to examine the wage structure for Montreal and note the changes in inequality over the years of growth and depression. They wish to examine whether the collapse of skill differentials found in the US after World War I holds true in Canada as well. They find a similar pattern of wage compression from 1911-21 but not from 1921-31. Over the period 1911-31, the growth in wage inequality was greatest in the upper end of the distribution. Shearer observed that prices were flexible during the 1921 recession but became rigid by 1931. George Grantham (McGill) pointed out that Canada had large scale immigration during the 1920s, while the US had imposed restrictions. Gillian Hamilton (Toronto) wondered about the affect of the higher French birth rate in Montreal.

Next on the docket, **Mary MacKinnon** presented "Resisting the Melting Pot: A Case Study of the Long-Term Impact of Maintaining Identity on Franco-Americans in New England," written with **Daniel Parent** (McGill). They speculate that the experience of French-Canadian immigrants assimilating may be instructive in evaluating the prospects for Hispanic immigrants today. Pressures for French-Canadian immigrants to retain their language were particularly strong, yet in the long run, these immigrants also assimilated. MacKinnon and Parent are able to measure several variables, including educational attainment by generation, fertility, and location, and find that military service in particular has a strong influence on assimilation.

Williamson put forward that the integration of French-Canadian immigrants provides strong evidence of the integration of labor markets between Canada and the US. Ruth Dupre (University of Montreal) wondered if using Italian immigrant behavior was an appropriate benchmark against which to compare outcomes for French Canadians in Quebec with those in New England. DiMatteo remarked that Italian immigrants were particularly likely to be found as day laborers, suggesting the importance of human capital. Inwood pointed out the potential influence of French parochial schools in New England. Sicotte considered the role of the Depression in increasing geographic mobility, while Carlos suggested comparing the impact of foreign-born mother vs. father. Emery noted that two income families were more common among French-Canadian immigrants in New England.

The session closed with "Canadian Economic Development and Factor Movements before the Great Depression" by **Stuart Wilson** (Regina). He utilizes the particularly high quality Canadian time series data available on immigration, foreign investment, and real GDP. Using an unstructured VAR approach, Wilson looks for Granger causality among the three variables, showing that per capita income growth leads to investment inflows. Initially domestic capital finances a growth spurt, but foreign capital follows, crowding out domestic capital and leading to increased growth. Foreign capital inflows seem particularly responsive to domestic investment but do not generally follow immigration. McInnis warned that timing is one issue, but foreign capital and domestic capital flowed into different sectors of the Canadian economy. David Green wanted more structure to the model, because investment flows are based on expectations.

The next session, chaired by Eona Karakacili, featured dissertations. **Catherine Douglas** (UBC) presented her work in progress, *Enclosure and Agricultural Development in Scotland.* Noting the rich data available for Scotland, she constructs a per capita agricultural output series to test the impact on productivity of Scottish enclosures, linked by some to growth. Karakacili commented on the existing property rights structure within the open field system. Grantham stated that Adam Smith had linked agricultural productivity improvement in Scotland to the Act of Union, providing Scotland with a larger market in England. Law expanded on this point by suggesting that enclosure could be endogenous.

Shih-Tse Lo (Concordia) followed with *Strengthening Intellectual Property Rights: Experience from the 1986 Taiwanese Patent Reforms*. The standard line is that IPR benefits accrue largely to developed nations. After pressure from the US and fearing retaliation, Taiwan introduced patent laws in 1986, providing an excellent natural experiment to examine the impact of IPR on a developing country. Lo examines changes in patents issued and in R&D expenditures in Taiwan due to new IPR. R&D spending increased, but it is not apparent that patent activity changed, especially patents awarded to Taiwanese inventors. But, because patents are not used for protection in all industries, he divides industries into two categories in regards to their use of patents, using the US as a benchmark, and then examines R&D spending across these two sets. The results conform to his hypothesis that inventive activity does increase with IPR. Mosk asked about the importance of short patents, used successfully in Japan. David Mitch (Maryland-Baltimore County) wondered about the significance of the location of production versus R&D. Carlos clarified that after the implementation of new patent laws, all imports into Taiwan would then be subject to this legislation.

The last dissertation presented was *Education, Debt Capacity and the Hard Budget Constraint for Ontario Municipalities in the 1930s* by **Almos Tassonyi** (Calgary). Since his work is just under way, he reported on the themes he is presently exploring. Rapid expansion of the Canadian economy from 1900-1914 saw substantial infrastructure expansion, including school construction, to support rapid population growth. Much of this growth was financed by municipal borrowing. With the onset of the Great Depression, many municipalities could not service their debt. In response, the Provincial Government of Ontario imposed borrowing constraints. In addition, municipalities undertook debt restructuring with banks. He will be studying the impact of this crisis on Provincial-municipal relations. Di Matteo saw a comparison between Ontario and Alberta, as Alberta defaulted on debt while many Ontario municipalities were allowed to go bankrupt. Mitch put forward the importance of distinguishing between operating and capital budgets and asked whether these constraints were targeted solely at operating budgets.

The afternoon session, "Monetary Shocks and Banking in the Nineteenth Century," was chaired by Donald Paterson (British Columbia). **Angela Redish** spoke on "The Role of Gold in the Deflation of the Late 19th Century," written with **Michael Bordo** and **John Landon-Lane** (both Rutgers). Deflation in the late 19th century occurred in a period of increasing globalization, real economic growth, and a nominal anchor in the form of the gold standard. Comparisons can be made to the current era, with inflation targeting now playing the role of the nominal anchor in lieu of the gold standard. The empirical results for the United States, the United Kingdom, France, and Germany from 1880-1913 suggest that these economies were largely classical, money shocks had few real effects, and changes in output were driven largely by real supply shocks, not by gold shocks. Lewis wondered about the effect of traded vs. non-traded goods and asked if it could be that the price levels were co-integrated; he suggested a test to see if the price level was exogenous. Drelichman felt that compared to Germany, the French figures had an institutional bias given the differences in the banking systems. Rubio suggested that the authors need to look at trade and investment in terms of the stock of gold in each country, given that the trade balance and foreign direct investment varied across countries and overtime.

David Jacks (Simon Fraser) presented his paper, "Populists vs. Theorists: Futures Markets and the Volatility of Prices," on the effect of futures markets on the volatility of commodity prices. He began with a review of the history of futures markets, focusing on the contempt and backlash associated with futures trading as well as the general disagreement on its effect on prices. Using a model of adaptive expectations to represent a market without futures traders and a model with rational expectations to represent a market with futures trading, Jacks finds that the market representative of the one with futures markets experienced lower price volatility than the one without. He then went on to discuss case studies provided by historic "natural experiments."Lou Cain (Loyola and Northwestern) commented that the Chicago Board of Trade developed futures markets in the 1850s to deal with wheat shipping problems and asked why they proposed this solution at that time. Jacks responded that there was a bad harvest that year, increasing competition in the face of prohibitive tariffs and no viable alternative to this system. Williamson pointed out that the results are understated because of a selection bias: unstable markets are the first to get futures markets. Paul Klein (Western Ontario) felt that although rational expectations reduced volatility, the conceptual link between the model and the market was missing. Redish thought that the chronology of the arrival of futures markets would provide some evidence about the volatility of the markets affected. Sicotte said that looking at contracts would tell us more about the internal workings of the market and cited the sugar prices and the quota system as an example.

The session wrapped up with "Imperial Regulation and the Constitution of Early Canadian Banking" by **Ron Shearer.** He asks why the Canadian Banking System took on the structure and operating system that it did. While Hamilton's Bank of the United States influenced the development of banking in Lower Canada, its effect on banking in Upper Canada is less clear. Shearer argues that the Board of Trade and the British Treasury had a much greater influence on the banking system in Upper Canada and that this influence dominated when the banks merged in the 1840s. The struggle to gain homeland control over imperial bank regulation was an important part of the process of gaining sovereignty over economic policy.

Redish wanted to know whether the defining features of Canadian banking (i.e. branching and private bank notes) were made in Canada or imported from Hamilton or the treasury. The author replied that branch banking came from Hamilton and private bank notes came from the Scottish system. MacKinnon wondered about the impact of the 1837 rebellion and the family compact. Mitch quizzed Shearer about the interaction between the bank and the state by asking if the bank of Upper Canada worked as the government's banker. Guinnane was curious why wild cat banks were considered a disaster in Canada but not in the United States. Shearer said that they were not a disaster but a failure, because they could not compete with chartered banks. Carlos noted that English banks may have been slow but they had the advantage of well-developed capital markets.

The day ended, appropriately, with the session "Sports and Alcohol Do Mix," chaired by Ian Keay. **Lou Cain** reported on "Similar Economies, Similar Histories, Different Structures: Transatlantic Contrasts in the Evolution of Professional Sports Leagues," research conducted with **David Haddock** (Northwestern). They use the English Football League and the National Baseball League as a model of how industries evolve in the face of differing constraints, specifically, in this case, geographic dispersion. Long distances traveled between games in the US made it difficult for players in the National Baseball League to supplement their income with standard employment, leading to an earlier adoption of professional players in the US. The entertainment value of the games also affected the evolution of the league. Games between mismatched teams drew fewer spectators than games between high quality teams. As a result, the baseball league developed a system in which a fixed number of teams were allowed to compete, with entry to the league controlled by the teams within it. The English football league, with lower travel costs, could afford a league with more teams, a system of automatic promotion into the top league, and no geographic monopoly.

Guinnane wanted to know why it was that a city the size of New York could not have sustained 100 teams so that the city level operated like the whole of the UK in terms of its league structure. Mosk indicated that in Texas there are many teams and many levels of leagues and thought that once you include the whole league structure, the two countries don't look that different. Pomfret stated that since cricket is a closed cartel, the football league is really an outlier. He felt that the reason soccer developed this way was the result of either a screening problem or that it was path dependence; people thought the existing structure was fair and when the Premier League tried to break away, it was unfair. He said that in cricket it is impossible to get into the second division. Sicotte asked about the level of revenue sharing between teams within the league, if there was a difference in this respect between the National and American leagues, and if there was a difference in terms of an individual team's ability to profit from local broadcast rights. Lewis asked if a bad team and a good team can appeal to the same audience in England, then what is the incentive for teams to invest in players. Shearer noted that baseball and soccer are very different games in that it is possible in soccer to have a very lopsided game even if the outcome shows a one goal difference. Blowouts are rare and ties are common. Given this, how meaningful are the parity ratios? Williamson added that a really lousy team can win in soccer but not baseball.

The session closed with "Canadians and Prohibition: An Analysis of the 1898 Referendum" by **Ruth Dupre,** written with **Desire Vencatachellum** (HEC). They explore the temperance and prohibitionist movement in Canada and its determinants using the results of a nationwide referendum conducted in 1898. According to the authors, the movement in Canada was largely driven by Protestants, as it was in the US, but that different cultural and political institutions led to less severe outcomes in Canada. Since the argument against alcohol consumption in the US was based on moral grounds, total prohibition was advocated. In Canada, the objection was largely to alcohol abuse rather than the moderate consumption of alcohol. Eventually, the introduction of state-controlled liquor distribution led to the weakening of prohibition in all provinces, with Quebec leading, followed closely by

British Columbia. Guinnane led the questions by asking if economists have forgotten how to aggregate data. He argued that the strength of the results is misleading due to the aggregation and suggested looking at the variance of the results within individual districts. Paterson felt that because there appear to be differences in alcohol consumption between different cultures, it would be worthwhile to look at immigration patterns and concentrations of different cultural groups in different counties. Mitch said that alcohol regulation has its own political economy, and he wanted the authors to compare that to the political economy of prohibition. Cain asked about the use of taxes to control consumption. Dupre responded that for those advocating total prohibition, taxes simply gave permission for this "bad behavior."

Sunday morning's session began with "Health, Fertility and Economic Growth: Canada and France," chaired by Marvin McInnis. **Claude Diebolt** spoke on "Becker vs. Easterlin: Education, Fertility and Growth in France after World War II," written with **Cedric Doliger** (both University of Montpellier). They empirically test the causal linkage between fertility and education in post-World War II France. Their motivation for this research was to test whether the underlying mechanism of the linkage seemed to be more in agreement with Becker's "value of time" theory or Easterlin's "relative income" theory. Their results indicate that secondary and higher education directly and negatively influenced the fertility of couples and that fertility was indirectly and negatively influenced by perceived opportunities in the labor market as seen by the participants. The authors felt this indicated that the two theories of Becker and Easterlin were, in fact, similar and complementary. Decreases in the fertility of couples is linked, primarily through the Becker model, to an increase in opportunities, an increase in the scope for investment in human capital, and an increase in female participation in the labor force. Williamson raised his concern that the level of aggregation used in the study may be too high to yield the level of detail required. He felt that more work needs to be done to examine the curious positive effect of the 60+ age group on GDP growth. Lewis noted that only one causality was identified and the study should be expanded to include others.

Kris Inwood continued with "The Long-Run Decline and Rise of Canadian Stature," written with **John Cranfield** (Guelph). They investigate long-run changes in height in Canada using data from military and prison records, which diminished during the 19th century and rose during the 20th century. Inwood announced that once data collection is complete, they would have data on household characteristics that may bring added analytical precision in their efforts to pin down the driving forces behind changing Canadian stature. The authors see diet, disease, and work intensity as possible avenues of influence. General discussion centered on potential extensions, such as extending the analysis beyond the 40 years listed and comparing the series to a record of American height to see whether the turnaround in stature change occurred at different or similar times in the two countries. Also discussed was the issue of selection bias, raised by Emery and McInnis, who pointed out that there may have been young students lying about their age to volunteer for WWI and that the Boer War was a strictly volunteer affair. Inwood was skeptical about the extent of the bias on WWI data, as it comes from a fairly broad conscription with, at most, a very minor incidence of "illegal" enlistees, and agreed that there may be a potential for bias in the Boer War data.

The last session of the conference was "Investment in Human Capital and Invention," chaired by Gillian Hamilton. **David Mitch** contributed "International Perspectives on the Causes and Consequences of the Rise of the Engineering Profession and of Its Allegedly Delayed Development in Britain," where he explores his ongoing look at the delayed development of the engineering profession in Britain. In this study, Mitch looks at occupation-by-industry categories within the profession of engineering across countries to examine claims of delayed development, especially the charge that England fell behind the United State and Germany because English universities failed to absorb the abstract sciences. He argues that though the general standard of comparison in examining the delayed development of England has been the level achieved in Germany or the United States, this might not be the appropriate comparison as this measure is unrelated to the question of what would have been optimal for the Victorian and Edwardian economies.

In the discussion, there was a good deal of interest in obtaining comparative information on the relative scarcity of engineers, which, it was proposed by Williamson, might be obtained through the salaries and options that engineers in different countries were receiving. McInnis pointed out that many British engineers got their education from specialized institutions as opposed to universities, and, as such, these institutions were likely more important for the development of the British engineering profession. Keay expressed the view that the supposed decline of British universities might not be all that significant since formal education in France did not seem to improve the state of its engineering profession and that there may be many feasible substitutes for forming a technical elite.

The session and the conference were rounded off by **Dhanoos Sutthiphisal** (McGill), who investigates the combined effect of geography and learning-by-producing on inventive activity in "Learning-by-Producing and the Geographic Links between Invention and Production: Experience from the Second Industrial Revolution." Using data on the share of patents and the share of labor force by region in the United States during the Second Industrial Revolution, Sutthiphisal shows that in both high-tech (electric) and low-tech (shoes and textiles) industries, regional shifts in production were not accompanied by corresponding shifts in invention. Rather, the location of invention seemed to be most closely associated with where individuals with appropriate technical skills were located. In comparing across industries, Sutthiphisal found that old (shoes and textiles) and new (electric) industries differed markedly in the geographic patterns and characteristics of inventors, with the electric inventors being, on the whole, more educated, younger, and more geographically mobile.In the discussion, concern was raised that perhaps innovation and adoption might be more appropriate measures due to biases arising from using patents. However, Grantham pointed out that this is not a study of productivity but rather of the production of patentable knowledge, for which patents are the appropriate measure. Adshade said that, in terms of comparing across regions, Sutthiphisal should take into account that it would have been less profitable to invent in the southern United States due to lower education and, thus, lower technological adoption.

The meetings were wrapped up without a firm commitment on the location of the next meeting, scheduled for fall 2007, but with a firm commitment that someone will firm up a commitment sometime soon.

BOOK PREVIEW

Poisoning the Well: A Century of Sickness and Denial

By Werner Troesken

*Note: The following is an abridgment of Chapter 1 from **Poisoning the Well** by Werner Troesken (Forthcoming 2006).*

The Death of Michael Galler

Late one night in New York City in June 1868, Dr. Marlin Dupuis was summoned to the home of Michael Galler. Galler was vomiting thick, darkly-colored blood. Owing to the blood's dark color and the absence of a cough or frothing around the mouth, Dupuis believed the blood came from the patient's stomach. Dupuis prescribed diluted sulphuric acid to kill the pathogen, whatever it was, that resided in his patient's gut. The doctor also prescribed a morphine elixir to help ease Galler's nerves; in fear for his life, Galler's pulse was racing. The next day Galler started to feel better, and while the vomiting continued, it contained no blood. But two days later, Galler felt exhausted and observed blood in his stools. Dupuis returned to Galler's home and this time prescribed ammonia along with the mixture of water and sulphuric acid. Rather than morphine, he ordered Galler some champagne to help calm his nerves. Supplementing the sulphuric acid with ammonia and champagne appeared to have a beneficial effect; within 12 days, Galler's mysterious illness disappeared, or at least the symptoms of the disease had.

But three to four weeks later, in July 1868, Galler had a relapse. He was again vomiting blood, and Dr. Dupuis observed that it smelled like wine. When Dupuis asked his patient what could have been causing the vomiting, Galler attributed it to some beer he had been drinking or to riding horseback. Although Galler said he was not in any pain, the doctor prescribed an opium elixir to be taken every two hours. In the days preceding his death on August 9th, Galler ran a high fever, experienced diarrhea, his pulse was feeble, and he had a hard time keeping down any food; he was able to ingest only buttermilk and beer. Dr. Dupuis attributed Galler's cause of death to a bleeding ulcer, although he could not say what had caused the ulcer. A short time later, Galler's widow, Elizabeth, buried Michael at the Lutheran Cemetery on Long Island.

Except perhaps for his taste for beer and wine, Galler was an ordinary man. He and Elizabeth had emigrated from Germany in 1853 and settled in New York City soon thereafter. Michael worked as a cabinetmaker, while Elizabeth assumed the duties of motherhood, bearing the couple's first and only child in 1858. According to the Census records, the child was a girl named Amelia, and she survived at least until the age of two.

Michael Galler's death also seemed ordinary, and it too would have gone unnoticed by anyone other than his family and friends had it not been for Dr. August Wedekind. Three months after Galler's death, Wedekind went to the New York police carrying a $1,000 bill Elizabeth Galler had given him. According to Wedekind, in January 1868, Elizabeth came to his medical office and explained that she was unhappy in her marriage and wanted to have her husband killed. She wanted the doctor to sell her a poison that would kill her husband either quickly or slowly. Wedekind later testified that when he "indignantly refused" this request, Mrs. Galler asked him to keep their conversation private and promptly left his office. Wedekind did not hear of Mr. and Mrs. Galler again until November, when he visited another apartment in the building in which the Gallers lived. On that occasion, Wedekind heard from a neighbor that Michael Galler had died a mysterious death from excessive vomiting.

In his version of the events that followed, Wedekind claimed that when he learned of Michael Galler's mysterious death he became suspicious and wrote a note to Mrs. Galler reminding her of their alleged conversation in January. Mrs. Galler responded promptly and arrived at Wedekind's office on Orchard Street that very same evening. She came alone and offered to "pay well" if the doctor would keep quiet about all that he knew. When Wedekind said he would not hide his suspicions "for thousands of dollars," Mrs. Galler said she would pay him $1,000 in hush money. Two days later, on the evening of Friday, November 12, Mrs. Galler came to Wedekind's along with her brother-in-law and a $1,000 bill. She gave Wedekind the money and asked for a signed receipt in return. The next morning Wedekind went to Galler's apartment, ostensibly to inform her that he was going to the coroner's office with his suspicions and the $1,000 bill.

A short time after Wedekind told officials his story, New York police had Michael Galler's body exhumed. R. Ogden Doremus, a prominent New York chemist, then examined the corpse for the residue of poisonous compounds commonly used in homicides. Doremus tested specifically for organic poisons such as strychnine and inorganic poisons such as arsenic and corrosive sublimate, but he found none. The only other agents found in Galler's body were morphine and lead. Galler had ingested the morphine on the advice of Dr. Dupius, and trace amounts of the drug were found in the victim's stomach and intestines. In contrast, the lead was dispersed throughout Galler's body. It was found in a black substance that lined the stomach, it was found in the small intestines, it was found in the muscle tissue, and it was found in the liver, which contained about 5.5 milligrams.

Was it possible that Elizabeth Galler had poisoned her husband using lead? While rare, it was not unheard of to use lead as a means of poisoning. There were cases in the United States and England where women murdered spouses or loved ones by spiking drinking water and food with lead. In contrast to arsenic and other common poisons, lead imparted a sweet taste to water and food and could be consumed without detection. Furthermore, it was generally believed that alcoholics and heavy drinkers were much more susceptible to the toxic effects of lead than were more moderate drinkers. Perhaps Elizabeth Galler came to recognize that her husband's penchant for beer and wine left him particularly vulnerable to the effects of lead and she exploited that vulnerability.

Ogden Doremus, however, believed that the amount and distribution of lead in Galler's body was inconsistent with a deliberate homicide. Based on the data reported in newspapers at the time, Galler's corpse probably contained no more than 1/4 of a grain of lead. Autopsies of individuals who were documented victims of lead poisoning typically revealed lead levels three to ten times higher. Although Doremus did not explicitly draw such comparisons in his public comments, they were probably what motivated him to claim that there was not enough lead in Galler's body to have caused death. Doremus also argued that while alive, Galler exhibited none of the more common symptoms of lead poisoning, such as paralysis, a blue gum line, and colic. Furthermore, if someone had tried to poison Galler, the murderer probably would have given the victim a large amount of lead over a short time period, and this would have caused all of Galler's fecal matter to become black with sulfide of lead. Because Doremus failed to observe such a result in his examination, he reasoned that the lead Galler absorbed must have been administered gradually, in small amounts spread over a long period of time.

Following the autopsy, New York officials declared that Michael Galler "came to death from causes unknown to them." The coroner then issued a statement "honorably discharging" Mrs. Galler, even though she had never been formally arrested, and declaring that "there was not, in his opinion, the slightest suspicion against her."

Unlikely Patterns

Twelve years after Michael Galler died, a mechanic in Keighley, England was also stricken with an illness that lacked any observable bacterial or viral cause. For six months the man languished, and at the end of his life, he suffered from a painful colic, vomiting, constipation, a blue line around his gums, and epileptic-like seizures. Unsure of what caused the mechanic's demise, the attending physician requested that an autopsy be performed. The autopsy revealed the patient had a slightly enlarged heart and granular kidneys. The victim's corpse was also analyzed for the presence of heavy metals, particularly lead. While no lead was found in the victim's brain and heart, there was a trace amount of lead in the kidneys, and about a grain of lead was found in the liver and spleen combined. The doctor performing the autopsy concluded that the mechanic had died from "granular kidney, accelerated by lead poisoning." The lead found in the victim's body was traced back to his drinking water – the public water supply in Keighly was distributed through lead pipes.

In the case of the mechanic from Keighley, lead-contaminated water was not the primary cause of death, but it was a contributing cause that exacerbated an underlying pathology in the victim's kidneys. Could something similar have happened in the case of Michael Galler? Following Galler's autopsy, Ogden Doremus suggested just such a possibility while discussing the case with members of the press. According to the chemist, there was enough lead in Galler's body to produce death if "the patient was very low [in terms of overall health], but in an average condition there was not sufficient lead to warrant the conclusion that it was the cause of death." As to how Galler had ingested the lead, the chemist speculated that since much of New York's water was "partaken through lead pipes," this was an "avenue through which" lead might have gained "access to the system."

The possibility that lead water pipes contributed to Michael Galler's death did not generate universal concern. In its reporting on the case, the *New York Times* said nothing about lead water pipes, and the paper's published accounts do not even include the comments by Ogden Doremus linking Galler's lead intake to the city's use of lead pipes. In contrast, the *New York Herald* was willing to consider the broader implications of Michael Galler's death and raised these issues in an editorial shortly after the autopsy. The *Herald*'s plea elicited what might charitably be described as a limited response from the Board of Health.

The idea that lead water pipes contributed to Michael Galler's death raises at least three questions. First, is there any evidence that Galler suffered from an underlying illness or physical disability that would have left him particularly vulnerable to the effects of lead? On this score, the historical record is clear: Galler was a heavy drinker, and, as noted above, immoderate alcohol consumption impairs the body's ability to eliminate lead. The effects of mixing alcohol and lead were illustrated in a series of animal experiments conducted during the early 20th century.

Second, if lead exposure contributed to the death of Michael Galler, why had his doctor failed to observe any of the more common symptoms of lead poisoning, such as paralysis, a blue gum line, and colic? On this score, one is tempted to challenge the competence of Galler's doctor, Marlin Dupuis. Perhaps Dupuis missed something important.. By his own admission, Dupuis had never completed medical school, and the autopsy of Galler's corpse revealed no evidence of a bleeding ulcer, which Dupuis had originally identified as the cause of death. During the grand jury investigation of August Wedekind, there was also evidence that Dr. Dupuis was unable to write his own name. An observer in the 21st century cannot also help but wonder about the so-called medicines administered to Galler: ammonia and sulphuric acid. Having said this, by the standards of 1870, Galler's medical treatment was not all that bad; most doctors at this time used chemicals like ammonia in an effort to reduce fevers and destroy pathogenic agents.

But whatever the shortcomings of Galler's medical care, it is easy to attach undue significance to the absence of a blue gum line, paralysis, and colic. Not all, or even most, adult victims of lead poisoning exhibited such symptoms. As a result, even those prominent and wealthy enough to afford the best medical care often suffered for long periods of time before their physicians were able to uncover the true cause of their suffering.

Third, is there evidence to suggest that Michael Galler's tap water contained unduly high lead levels? The published accounts of Galler's autopsy, and the finding of significant lead in his system, prompted New York authorities to conduct a few suggestive experiments. In the most revealing of these experiments, the chemist for the metropolitan Board of Health tested the tap water in his own home for lead. He found that it contained .11 grains per gallon, or 1.88 parts per million (ppm). To put this in perspective, current EPA guidelines state that tap water should contain no more than .015 ppm, suggesting that the chemist's own tap water had lead levels that were 125 times greater than current EPA guidelines. Unfortunately, it is difficult to know how representative the chemist's tap water was of other households in New York City, and for reasons known only to the Board of Health, no broader and systematic study of lead levels was undertaken. Perhaps other household taps carried less lead, perhaps more.

Nevertheless, even by the standards of 1870, .11 grains per gallon was considered a dangerously high lead count. At the time, most observers believed that any water containing more than .1 grains of lead per gallon posed a serious risk to human health, and many experts placed the safe threshold even lower, between .025 and .05 grains per gallon. While the chemist relayed no information about what effects, if any, water with such a high lead content was having upon his own health, he did write that his findings explained a recent case of lead poisoning in New York City. An elderly man who was "completely prostrated with paralysis" had been poisoned because his cook regularly soaked his morning breakfast of wheaten grits in tap water.

After the Board of Health published these results, the *New York Herald* ran a short article warning readers of the possible dangers associated with using lead water pipes. Although the paper claimed the results were "of a character to alarm the residents of New York," it printed the warning at the end of the paper on page seven.

The next time anyone appears to have published data on lead levels in New York's water supply was in 1936, more than half a century after Michael Galler's death. In this case, two researchers at Long Island University ran several experiments to estimate the amount of lead New York City water would dissolve from the interior of water pipes. From the perspective of 2004, their findings are startling. When New York water was allowed to remain in service pipes for more than a few days, it would have routinely dissolved enough lead so that water from taps contained about 4 ppm, 267 times greater than current EPA standards and 40 times greater than the levels recommended by the United States Public Health Service in 1936. In light of these findings, the *New York Times* ran a very short story in which it recommended that homeowners in the city flush their pipes when returning home from summer vacations. The story was printed on page 21.

More of the Same?

Michael Galler's death was not the first time people associated a mysterious illness in New York City with the use of lead-contaminated water. Such associations began in 1848, when New York City finished construction of the aqueduct bringing water from the Croton River in Westchester County to the city. At 41 miles long, the Croton aqueduct was justifiably recognized as a "sublime engineering feat" that promised to bring the city an unending supply of pure water, free from the taint of disease. Prior to the introduction of the Croton water supply, New York residents had to rely on surface wells scattered throughout the city for drinking, bathing, and household cleaning. Surface wells were often polluted by nearby privies and cesspools and were therefore an excellent breeding ground for cholera and typhoid. Because water from the Croton River was largely free of such bacteriological pollution, its introduction helped reduce outbreaks of these and other waterborne diseases. For example, the annual death rate from typhoid fever fell from 6.1 deaths per 1,000 persons before the introduction of the Croton water supply to 2.6 immediately afterward, a reduction of more than 50%.

But soon after the Croton water was brought to the city, some physicians began "observing anomalous derangements of the system, and obscure neuralgic arthritic and gastritic (sic) affections." The symptoms appeared consistent with "the slow action of a metallic poison" and "could not be referred to any other source than the water drank by their patients." Dr. Chilton, a chemist, recounted an example when he had been called to examine the water taken from leaden pipes in a house in the city. Several people in the house had been "seriously ill," apparently by the home's tap water, and Chilton found lead in the water. According to Dr. Chilton, "the effect of lead from drinking of Croton water under such circumstances, is of frequent occurrence, but not recognized as such by the physicians, or rather not attributed by them to the true cause." Unfortunately, Chilton was not trained as a physician, and it is difficult to assess the veracity of his claim that doctors were under-diagnosing the frequency of water-related lead poisoning in the city, or at least it is difficult to do so without additional evidence. City officials, prominent New

York doctors, and the Croton Aqueduct Board, however, assured city residents that they had little to be concerned about.

In 1851, George H. Kingsbury published a short article in *The New York Journal of Medicine*. Kingsbury was a physician in New York City and described four cases of lead poisoning he had recently treated. In each of these cases, Kingsbury claimed that lead-contaminated tap water was the source of the poisoning. The first case involved a middle-aged physician living in the city who had been suffering from an odd constellation of symptoms, including severe abdominal pain, constipation, jaundice, nausea, diminished appetite, rapid weight loss, sleeplessness, and irritability. The patient had visited prominent physicians throughout the city in search of a diagnosis and cure. One thought he had cholera, another thought "biliousness" (liver problems), and yet another suggested the patient was a hypochondriac. Eventually, one doctor discovered a blue gum line in the patient's mouth, a telltale sign of lead poisoning, and suggested the patient discontinue his use of city tap water. The patient's condition quickly improved after he stopped drinking city water but returned when the patient, who had not fully believed his doctor's claim that tap water caused his illness, began drinking the water again.

In the years that followed the publication of his article, Dr. Kingsbury faded into obscurity. Few people seriously discussed his findings, and the handful of physicians and public health experts who did usually dismissed them as insignificant or anomalous. As Kingsbury faded away, so too did questions about the safety of New York's water system, at least with regards to its use of lead water pipes. Periodically, the *New York Times* would publish an article that addressed the health problems stemming from lead water pipes, but these articles would usually be tempered with observations about how "rare" such problems were.

According to the *Times*, it was the absence of salts in the water that allowed the water to become impregnated with lead, not the lead itself. Even when it raised safety concerns about lead pipes, the *Times* always took pains to stress that the city's water supply was perfectly safe and free of lead. It was only when city residents were away from New York that they needed to take precautions like flushing their pipes before drinking the tap water: "The precautionary measure then to be adopted in regard to those who during the summer from change of locality may have to drink water other than the [city's] are…to let the water run for quite a long period."

That the reporters and editorial staff of the *New York Times* were indifferent, or even hostile, to claims regarding the dangers of lead water pipes is not surprising. When not couched in terms of a broader story about murder and extortion, the issue did not really grab anyone's attention. The city government itself appears to have ignored the issue entirely. Except for a few brief months after Michael Galler's death, the city made no effort to analyze and publish data on the lead levels found in tap water nor did the city take any steps to remove and replace the lead pipes in its system. Indeed, the first effective measure to reduce lead levels in the city's water supply occurred 123 years after Michael Galler's death. In 1992, New York City began treating the public water supply with chemicals to help limit the amount of lead leached from the interior of old water pipes.

New York City's decision to treat its water, while laudable and appropriate, took place long after the most serious damage had been

Cape Town between 1812 and 1922. The scientists examined the teeth of these individuals and found that they contained extraordinarily high concentrations of lead. The circumpulpal lead concentrations in primary teeth had a mean level of 109, while secondary teeth had a mean level of 315 (µg/g). To put this in perspective, the lead levels observed in the teeth of many Cape Town residents were similar to the lead levels observed in modern and well-documented cases of lead poisoning with fairly severe symptoms, such as paralysis and encyphalopathy. The scientists attributed these high lead levels to the city's use of lead cisterns and piping to store and transport water. A study of Cape Town tap water conducted in 1914 found that running water contained lead concentrations between .05 and .4 ppm, 3 to 27 times greater than current EPA standards. Water that was allowed to stand in pipes or cisterns overnight had lead concentrations between 2.3 and 7.63 ppm, 153 to 509 times greater than current EPA standards.

Glasgow, Scotland began using lead pipes to distribute tap water during the early 1800s. Although some chemists and medical experts believed that the chemical properties of the city's water – the water was soft and highly corrosive – made it dangerous to use lead pipes, the city and the water company dismissed these concerns and plunged ahead with their plans to use lead piping. In a few years, most people forgot about the warnings made by the medical and chemical experts and drank the city's water, believing the frequent claims that Glasgow's public water supply was among the purest and healthiest water provided anywhere in the world. Not only this, but by the 1890s, the same British doctors who were warning Britons not to drink the water in Sheffield and Huddersfield because it was contaminated with lead were extolling the virtues of Glasgow's water, claiming that this was one instance where lead piping was perfectly safe. What additional assurances could those who first doubted the safety of Glasgow's water want? Even physicians highly attuned to the dangers of water-related lead poisoning were pronouncing the water safe.

Suggestive though they may be, the stories of Cape Town, Glasgow, and New York are limited in one fundamental respect: they ignore the population on whom lead water pipes had their most devastating effects. Today, it is well-known and widely accepted that even low lead exposure can cause serious developmental delays in young children. It is somewhat less well-known that maternal lead exposure increases the risk of miscarriages, stillbirths, and infant mortality. But during the 19th and early 20th century, there was only a primitive understanding of how lead affected fetal and child development, and this primitive understanding prevented physicians, even those highly sensitive to the dangers of lead, like Dr. Kingsbury, from fully identifying the relationship between lead water pipes and premature death among the very young. It is tempting to say that the magnitude of this relationship was unimaginably large, but it is not unimaginable today. As the next chapters show, it is possible, with the rights kinds of evidence and techniques, to roughly gauge the effects of lead water pipes on the unborn and the very young.

"I have only two regrets – that I have not shot Henry Clay or hanged John C. Calhoun."

~Last words of President Andrew Jackson, died 1845.

Report on the Economic History Society Conference

By Nicholas Dimsdale, Oxford, and Helen Paul, St Andrews
(with assistance from Natalia Mora-Sitja, Oxford)

(Leicester) Two hundred economic historians from Britain, Continental Europe, Asia, and North and South America gathered at the University of Leicester in historic Leicester, England, April 8-10, 2005 for the annual conference of the Economic History Society. The reporters were only able to attend a sampling of the sessions offered. The following report covers a small portion of the papers presented and does not reflect on the quality of the papers offered but rather the interests of the reporters.

The conference followed EHS tradition by opening with a day of sessions devoted exclusively to new researchers. This enables researchers at the beginning of their careers to showcase their work and receive feedback from established academics. This year there were two sections divided into four parallel sessions.

The first section consisted of sessions on trade, heath, music, and politics. "Trade: Theory and Practice" covered 18th-century economic theory and included case studies of Peru, Northern England, and West Asia. "Health and Income" focused on analyses of standards of living, household migration, and women's wages, and "Music and Economics" considered the effects of music on the socioeconomic environment, as well as the influence of that environment upon the frequency of new musical compositions.

The fourth session, "Political and Consumer Pressures in Modern Britain," was chaired by Chris Wrigley (University of Nottingham). **Matthew Badcock** (University of Central England) presented "The Changing Geographies of Constituency Campaigning in Late 19th-Century British General Elections." Political campaigning in Britain was marked by bribery and intimidation, and the costs of electioneering were large. The Corrupt and Illegal Practices Act of 1883 placed a ceiling on election expenditure, limited the sorts of expenditures allowed, and required detailed costings to be submitted by candidates. Badcock considers the effects of the Act upon constituency campaigning and traces the move to a two-party system and the professionalism of constituency-based organizations and central offices. He also provides evidence that legislation led to a more strategic use of funds; parties focused their resources on seats that they had the greatest chance of winning.

In "The British Co-Operative Movement as a Consumer Pressure Group-45," **Nicole Robertson** (University of Nottingham) looks at the Co-op's own products, as well as its rhetoric and its attempts to lobby the government in consumers' interests. The Co-op's campaigns covered a wide range of issues and different methods for achieving its goals. For instance, during the First World War, the Co-op campaigned against wartime profiteering and also modified its own retail prices so that shocks to wholesale prices were not entirely passed on to consumers. It prided itself on its "unadulterated" foodstuffs but also campaigned for adequate housing for the working classes. In addition, Robertson highlights occasions where the Co-op fell short of its own lofty ideals. On one memorable occasion it sold a bottle of milk containing a mouse.

Raymond Westphal (Oslo) ended the session with "Where Backbenchers Play:

Parliamentary Oversight of the Supply Committee during the First Labour Government, 1924." He takes a look at government expenditure on the British Navy during the interwar years and explores the influence of individual rank and file politicians on national policy. Usually, defense policy is assumed to be created by the Cabinet in conjunction with military experts. However, individual Members of Parliament represented special interest groups, often due to the fact that naval spending had a disproportionate impact on particular local economies. MPs could embarrass the government with apposite questions and also threaten large-scale revolt, so they could never be entirely overlooked by policymakers.

The second section was similarly diverse. "Measuring Change" considered long-run processes of change over the 19th and 20th centuries. It included research into changes in human capital in India, structural and institutional change in Africa, changes in GDP in Singapore, and measures of social capital worldwide. "Money and Markets" covered economic relations between early modern Lisbon and Amsterdam, Austrian-Hungarian monetary policy, and the London Stock Exchange in the 20th century. "Landholding and Property Rights" raised issues of property rights at various locations and times from medieval France to 18th-century England.

The fourth session, "The Analysis of Decision-Making," was chaired by Helen Paul (St. Andrews). **Anne Murphy** (University of Leicester) was first up with "Trading Options before Black-Scholes: A Study of the Market in Late 17th-Century London." Modern mathematical methods of pricing options were unknown in the 18th century. However, by considering data culled from contemporary brokers' ledgers, Murphy is able to provide evidence that customers were using options in a sophisticated manner. They employed derivatives to protect themselves against volatility in the underlying share prices, much as modern traders would.

In "Improving Credibility by Delegating Judicial Competence: The Case of the Judicial Committee of the Privy Council," **Michael Ebeling** (Kassel) studies the effect that a government's credibility in maintaining legal standards would have on the economy of that country. The Judicial Committee of the Privy Council (JCPC) was the final court of appeal for the British Empire, and, upon independence, Commonwealth states could elect to maintain this system. Ebeling argues that a state's continued use of the JCPC was an indicator of judicial independence of that state and signaled its willingness to uphold private property rights. He believes that this would have a positive impact upon the state's GDP. His econometric analysis does not undermine this hypothesis, but the JCPC's influence was less important than a country's own institutions and the size of its black market.

The conference continued with its usual sessions. **Phillip Cottrell** (Leicester) started the session on money and markets with "The Farrer-Wright Group and the Genesis of London-Based Imperial Banking, 1824-65." He notes that this London-based banking group, which flourished from the 1820s until the 1860s, was concerned with colonial banking and had important interests in Australia. The group drew on the savings of aristocratic Catholic families and channelled them into its banking activities, which showed a high degree of financial sophistication. The activities of the group have led some to question the perceived view of English joint stock banking in comparison with the Scottish model.

Bernard Attard (Leicester) presented new estimates of Australasian government borrowing in mid-late 19th century London collected from archival material and from data published in public accounts. He uses these estimates to revise the existing series, which are based either on estimates of British portfolio investment (as in the work of Hall and Simon) or on estimates of net receipts from loans raised in London from colonial public accounts (as calculated by Butlin). The new series extends back to 1855 and borrowing is broken down by colony.

Kris Mitchener (Santa Clara & NBER) and **Marc Weidenmier** (Claremont McKenna & NBER) examine the effect of empire on bilateral trade flows during the gold standard (1870-1914). They test whether membership of a currency union and membership of an empire boost bilateral trade and attempt to determine whether previous estimates of joining a currency union are overstated due to the omitted variable of empire. The authors use the British *Statistical Abstract* to construct new and more comprehensive data on bilateral trade flows between 286 country pairs and 12,000 bilateral pairs. They quantify the effects of empire by focusing on the effect of tariffs; for example, compared to its European trading rivals, Britain followed a low tariff policy within its empire. The analysis uses an augmented gravity model, where distances between partners are the determinants of trade.

Franklin Noll (United States Bureau of Engraving and Printing) spoke on "The High Cost of Debt: Very-High-Denomination Treasury Notes and US Treasury Debt Management, 1955-69." Noll sheds light on post-World War II US debt management policy, which experienced the administrative problems of managing a debt that had ballooned during the War. He explains that during the early postwar years, the US issued Treasury notes in denominations of up to one million dollars; this large accumulation of short-term debt in small denominations led to high administrative costs. In February 1955,

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in an attempt to reduce costs, the US increased the size of Treasury note denominations to one hundred million. In 1969, when electronic bookkeeping was introduced, it became feasible to reduce the denomination of notes.

The session on making economic policy opened with a paper by **Pedro Fonseca** and **Sergio Monteiro** (both Rio Grande do Sul) on "Economic Policy and Crisis in Brazil: The Second Vargas Administration (1951-54) and the Goulart Administration (1961-64)." The authors suggest that the policies of the two administrations follow a pattern that is similar to a model proposed by Barro, who describes a government faced with the dilemma of lowering inflation and speeding up growth. The government tries to improve its credibility by starting with anti-inflationary measures, but over time its policies become more random. In the final stage, the costs associated with restrictive policies lead to the abandonment of financial austerity, and, as a result, credibility falls and stabilization fails.

In "Tale of a Death Exaggerated: How Keynesian Policies Survived the 1970s," **Jim**

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Tomlinson (Dundee) states that histories of postwar Britain assume that the 1970s witnessed the death of Keynesian policies, which ceased to be significant in British economic policymaking. He disputes this contention and argues that Keynesian policies were challenged and temporarily eclipsed but later made a comeback.

Anna Spadavecchia (Reading) examines whether government financial subsidies of postwar Italian industry assisted or inhibited the performance of firms and whether these subsidies resulted in the permanent commitment of public funds. She uses data on a sample of firms in Northern and Southern Italy and finds that, although Southern firms benefited from government assistance, their behavior was motivated by a desire to reduce the risk of bankruptcy rather than by profit maximization.

In "The Winning Hare? Structural Change and Productivity Performance in Ireland and Portugal, 1979-2003," **Pedro Lains** (Lisbon) compares structural change and productivity performance in Ireland and Portugal. He notes that in the 1990s Ireland was successful in closing the productivity gap with the leading European economies, while Portugal continued to lag and experienced a slowdown in its productivity rate. Lains conducts a shift share analysis for 56 industries that compares productivity in the two economies and shows that the higher recent growth in Ireland is due to higher labor participation rates and an inflow of young, skilled labor.

The session on economic geography opened with a paper by **Guillaume Daudin** (OFCE) on "Do Frontiers Give or Do Frontiers Take? The Case of Intercontinental Trade in France at the End of the Ancien Regime." Daudin examines the influence of four major French ports on the process of domestic capital formation. He considers whether the maritime frontier helped or hindered development in the rest of the economy and points out that if the intercontinental sector became an enclave, its impact on the economy might be small.

Fernando Collantes (Zaragosa, Spain) turned attention to the effects of industrialization on the economic transformation of eight mountainous regions in four Western European countries. He shows that, despite the trend towards specialization associated with industrialization and urbanization, many patterns in social and economic organization remained unchanged in these communities. Although economic pressures exerted on rural mountain communities were similar across Western Europe, the timing and social costs of change varied across countries, and the social costs of late industrialization were high.

Mark Casson (Reading) talked about whether the geographical structure of the British rail network from 1875-1914 was efficient in terms of the traffic which needed to be carried. Casson uses 2,000 proposals deposited by railway promoters, which include information on schemes that were built, those which were authorized but not built, and those that were not authorized. He uses these proposals to construct counterfactual scenarios, which can be compared with the railway system that was built. He concludes that the railway system that was built was inefficient compared with the best practical alternative.

The session on tyranny opened with "Inequality within a Minority: Jewish Wealth in Vienna, 1938" by **Michael Pammer** (Johannes Kepler University). According to Pammer, the declarations of wealth required by the Nazi authorities are a reliable data source, although some concealment of wealth may have occurred. He estimates a Gini coefficient for the whole Jewish population, with a correction for the poorest class (who did not make declarations).

Kim Oosterlinck (Free University, Brussels) reported on the functioning of the Paris stock exchange under Nazi influence during the Second World War. Oosterlinck describes the microstructure of the market, changes in market organization, and the manipulation of stock market prices by the Nazis. The author's findings suggest that indexes of stock market prices should be used with caution, as most stocks could not be traded even though their prices were quoted.

In his research, **Olaf Mertelsmann** (Tartu, Estonia) explores the importance of private sector economic activities in Estonia during late Stalinism. His findings indicate that the Soviet state could not have existed without an extensive private sector. Twenty-five percent of national income was generated privately, which included about two-thirds of total food production. Moreover, without reliance upon garden plots, starvation might have occurred.

Anne Laurence (Open University) uses data collected from the archives of Hoare's Bank to trace the financial careers of six women customers of the bank. She determines that in the early development of private banking, customers generally were well-connected and brought the bank valuable business. It was not a time when bankers needed to be assured about the solvency of their customers, but a time when customers needed to be assured about the solvency of their bank.

The session on productivity and growth began with "South Sea Company Subscription Share and Warrant Values in 1720," by **Gary Shea** (St. Andrews). Shea postulates that the valuation of company shares has to be split into two components: a fractional claim upon a share in the firm and a bundle of share warrants. Shea says that the information in the share warrants may assist the understanding of the South Sea Bubble and warrant values may provide a test of market efficiency.

In "Industrial Production and Industrial Productivity in Germany," **Carsten Burhop** (Munster) presents new estimates of labor productivity and a new index of production for 13 industrial groups in Germany from 1871-1913. He compares the new estimates to estimates provided by Hoffman and discovers that Hoffman underestimated production in metals and chemicals. The cyclical behavior of the new index suggests a stable pattern of peaks, and the data do not provide evidence of a great depression (1873-96).

Gerhard Kling (Utrecht) and **Markus Baltzer** (Tubingen) look at the predictability of German growth rates from 1870 to 2003. Their study applies a theory of regime shifts outlined by Bordo and Haubrich, which claims that regimes with lower reliability and high persistence of inflation show better predictability of growth rates. In the case of Germany, the Classical Gold Standard showed weak predictive ability, but this improved in the disturbed interwar period, which indicates a lack of credible monetary policy. Predictability declined under the Bretton Woods system, and credibility diminished in the later years of the fixed exchange system.

Harald Edquist and **Magnus Henrekson** (both Stockholm School of Economics) reported on the impact of a technological breakthrough on the diffusion of technology and on the level and growth of productivity. They analyze the effects of three breakthroughs (the steam engine, electrification, and the ICT revolution) and attempt to determine whether they are unique or whether they follow a general pattern. They find important differences between each of the major innovations and conclude that no general pattern of economic growth resulted from the breakthroughs.

Christopher Kingston (Amherst) talked about "Marine Insurance in Britain and America, 1720-1824" in the session on business governance. In Britain, Lloyds of London dominated marine insurance, and vessels were insured by private individuals bearing unlimited liability. In the US, private underwriting was displaced by joint stock companies. Kingston feels there is evidence that agency and information problems may account for the difference in insurance practices. Specifically, the Bubble Act of 1720 hindered the development of marine insurance corporations in Britain, but in America the restrictions of the Bubble Act ceased before the Napoleonic Wars, which allowed marine insurance corporations to dominate private underwriting.

In "Debt Discharge and Entrepreneurship in England, 1880-1939," **Paolo di Martino** and **R. Gomez** (both LSE) use information from the *London Gazette* to examine the conditions under which debtors were discharged. They state that the concept of discharge allowed part of a debt to be cancelled once bankruptcy had been accepted. Discharged entrepreneurs were allowed to restart in business under Common Law, a right that was not permitted under other legal systems. The results suggest that English procedures for discharging debts were less fair and less consistent than some historians have claimed.

Roger Lloyd-Jones (Sheffield Hallam University) and **Josephine Maltby** (University of Sheffield) consider corporate governance and personal capitalism in three British manufacturing companies. They ascertain that each firm was characterized by

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a form of personal capitalism, in which holding companies were used to retain personal control in the presence of a widening pattern of share ownership.

Prasannan Parthasarathi (Boston College) delivered a paper on "Cotton Textile Exports from the Indian Subcontinent, 1680-1780" in the session on early modern cotton. Parthasarathi presents new estimates of Indian cloth production and exports and discovers that, during the period studied, India held a central position in the international textile trade; it exported to South East Asia, the Middle East, and West Africa.

Giorgio Riello (LSE) uses theories of ecological imperialism to explain the rise of cotton in the 19th century and the displacement of previously dominant fabrics, such as linen and wool. Riello observes that cotton was the only textile fiber not produced in Europe and maintains that if the level of textile production reached with cotton had been attempted with wool, Europe and Australasia could not have absorbed the impact on their environment. His findings indicate that the textile revolution should emphasize the nature of the raw material and the importance of overseas markets.

The session on occupational change was opened by **Tony Wrigley** (Cambridge), who has taken on the task of improving late 18th-century English county population data, which still rests largely on the work of John Rickman. Wrigley shows that parish records on marriages can be improved and margins of error reduced by correcting annual totals for marriages from 1754 onwards. When compared with Rickman's data, the new estimates for county totals for decennial periods from 1761 to 1791 imply a substantial amendment to the previous estimates.

Amanda Jones (Cambridge) aims to obtain a quantitative measure of economic development in West Riding, 1740-1890. Her work uses a major new data set documenting the evolution of the county male occupational structure, which is drawn from West Riding parish registers and censuses. She feels that census data is an important source for information on female employment.

Peter Kitson (Cambridge) uses new data collected on occupations in Northumberland from 1762-1891 to study changes in the male occupational structure. Kitson's data indicates that the county was economically diverse, with important industrial and agricultural sectors.

In "The Occupational Structure of London, 1670-1891," **Leigh Shaw-Taylor** (Cambridge) utilizes data collected on the occupation of fathers from baptism records of London parishes to provide a snapshot of London's male occupational structure in 1817. Shaw-Taylor then extends the picture of male occupational forward to 1891 and backward to 1670.

Neil Rushton (Cambridge) spoke on a comparison of tithe and manorial demesne grain output before and after the Black Death in southern England during the session on crisis in the countryside. He studies two manorial settings in southern England, where it is possible to measure output from demesne farms, as well as tithe received on two rectory manors, and discusses the problems of using information from the accounts of rectory manors.

Ben Dodds (Durham) continued the session with "The Black Death in Perspective: Grain Production in the Northeast, 1250-1348," in which he examines the pre-Black Death tithe receipts of Durham Priory and provides evidence about agricultural production levels in northeast England. He observes that the Northeast was a region with high population growth that suffered from the effects of conflict between England and Scotland.

Richard Hoyle (Reading) utilizes price data, information on area sown, and the volume of grain produced in the previous decade to shed light on the effects of the famine of 1622-1623 on an agricultural estate. He asserts that although the collapse was serious and was followed by several years of low output, the famine was not the result of entitlements, as argued by Sen and others, but due to a setback in production.

In the session on immigration, **Bernard Deacon** and **Sharron Schwartz** (both Exeter) employ data on 40,000 19th-century migrants from Cornwall to the Americas to document patterns of Cornish migration. They determine that those who went to the US tended to stay, whereas most of those who traveled to South America worked for some years in mining and returned to Cornwall with their savings. The authors offer insight into motives for migration, the type of communities from which migrants came, and the recruitment networks that supported their decisions to migrate.

Chris Minns and **Marian Rizov** (both Trinity College) use census data from Canada and the US to analyze the incidence of self employment among emigrants to Canada and the United States in the early 20th century. They state that self employment is typically associated with high levels of human capital, and their results provide evidence of differences in immigrant self selection between the two labor markets.

In the session on early modern consumption, **Ian Archer** (Oxford) presented research that utilizes royal, aristocratic, and gentry household accounts to examine consumption patterns in 16th-century London. He compares his data to data on overall expenditure in the metropolitan area and attempts to obtain a picture of London's status as a court city. He also assesses the nature of the relationship between royal and aristocratic consumers and London tradesmen.

In "The Diet of the Labouring Poor in England, 1550-1730," **Craig Muldrew** (Cambridge) uses data from institutional accounts, household accounts, and budgets between 1550 and 1730 to provide an empirical investigation into the diet of the laboring poor. Muldrew concludes that beer and meat appear to have been more important than is generally assumed.

In the session on Latin American development, **Maria Heloisa Lenz** (Rio Grande do Sul) presented "The Construction of Railroads in Argentina in the Late 19th Century: The Major Role of English Companies." She explores the construction and financing of Argentinian railroads within the context of territorial expansion. According to Lenz, the railroad building was carried out by British companies that were financed by British investors, and the railroad program performed a major role in national consolidation, making possible territorial expansion following the Desert Campaigns of 1874 and 1878.

In the session on technology and growth, **Petra Moser** (MIT) asked "Do Patents Facilitate Knowledge Spillovers? Evidence from the Geography of Innovations at the Crystal Palace." She looks at the effect of patenting on the diffusion of knowledge and finds that data on the exhibits at the Crystal Palace show that the share of patented innovations varies widely across industries and that differences in patenting behavior are robust to differences in patent laws. She says that patents help to spread knowledge, while an absence of patenting is directly related to geographic concentration.

Valerio Cerretano (Cambridge) followed with "International Cartels and Technology Transfer, 1890-1948." She reviews the history of international cartels during the interwar period, using data from the archives of leading companies and government sources. She argues that international cartels had an important effect on technology transfer and industrialization.

The session on rural poor relief started with **Paul Warde** (Cambridge) reporting on the development of welfare provision in the

Lutheran Duchy of Wurttemberg from 1500 to 1700. Warde uses the accounts of poor relief administration, petitions, court cases, and other government records and focuses on the district of Leonberg, an area containing about 10,000 inhabitants. He explains that although the community had only a small amount of surplus income, it benefited from strong communal organization; the relief system relied on the use of communal granaries, which built up buffer stocks of grain against the threat of famine.

In "The Agrarian Origins of Early Modern Poor Relief: English-French Comparisons," **Richard Smith** (Cambridge) compares welfare revenues in rural communities in England and France in the 17th and 18th centuries. His study works backward in time from the evidence that is available on welfare funds collected by the French Committee of Mendicity in 1791. Smith contrasts the system of welfare provision in France with the English system of rate-based relief, where revenue was provided by agrarian property owners, and establishes that late 16th-century England had many features that made it similar in its welfare practices to 18th-century France. By the early 18th century, however, revenue raised for funding welfare expenditure in agricultural communities was higher per capita than in urban areas.

Tracy Dennison (Cambridge) spoke on "Poor Relief in Rural Russia: Evidence from the Yaroslavl Province, 1750-1860." Dennison takes archival evidence from a family estate in central Russia to assess welfare provision in Russian serf society. Her findings disagree with the conventional view that Russian peasant society had a relatively egalitarian distribution of wealth. Russian peasant society was highly stratified. Feudal dues and taxes were attached to communal land for which peasants were collectively responsible, communal land was allocated only to those who could afford to pay feudal dues, and communes generally were unwilling to assist the poor.

The session on employment and labor opened with a paper on "Apprenticeship, Training, and Guilds in Preindustrial Europe" by **Patrick Wallis** (LSE). He looks at the relationship between apprenticeship and the acquisition of craft skills and the problem of allocating the costs of training between masters and apprentices. Wallis argues against the previously held view that apprentice contracts were structured to enable masters to recover the cost of training by paying below market wages in later years of service and that guilds might have provided a way of enforcing such contracts. He cites high rates of noncompletion, which included up to 50% of apprentices and claims that apprentices behaved in an opportunistic way. He also believes that guilds were ineffective in preventing such behavior. His findings indicate that the master/apprentice arrangement minimized the costs to the master and placed the burden of learning on the apprentice.

David Stead (York) identifies three income risks faced by English farm laborers between 1730 and 1850: the demand for farm laborers was subject to wide variation from year to year, the duration of the employment contracts of laborers declined during the period and created greater job insecurity, and many agricultural workers were at risk of not being paid if adverse weather forced outdoor work to be abandoned. The practice of lack of payment for "wet time" was established by the late 18th century, shifting the risk of bad weather on to the laborer.

In "Adjusting to Economic Downturns in the Catalan Textile Sector, 1880-1913," **Jordi Domenech** (LSE) uses firm level evidence to show that in spite of weak unionization and lack of collective bargaining institutions, piece rates in cotton spinning and weaving were not subject to competitive rate cuts and remained fixed over the cycle. Negative demand shocks led to reductions in hours worked, output, and employment. The stability of piece rates depended upon a highly flexible labor market.

Nicholas Dimsdale (Oxford), **Nick Horsewood** (Birmingham), and **Arthur Van Riel** (Netherlands Economic Institute) presented "Unemployment and Real Wages in Weimar Germany." They apply the Layard-Nickell model of the labor market to an analysis of a new quarterly data set and find that demand shocks, combined with stickiness of money wages, were important in explaining unemployment in interwar Germany. The authors explain that the political processes of wage determination under the Weimar regime resulted in real wage pressure and aggravated unemployment. Falling demand and wage pressures raised unemployment in the slump between 1929 and 1932, while growing demand and the wage policies of the Nazis assisted recovery in the 1930s. The mutual reinforcement of these factors may explain the severity of the interwar cycle in Germany.

The session on modern consumption began with "The Evolution of Entertainment Consumption and the Emergence of Cinema, 1890-1940" by **Gerben Bakker** (Essex). He offers the view that the growth of cinema was largely driven by demand. Bakker applies Nelson and Winter's theory of the growth of firms to quantitative and qualitative data on consumer expenditure in the US, Britain, and France and demonstrates that consumer habits evolved with the new cinema technology and led to the formation of a new product service.

Lesley Whitworth (Brighton) describes the British Council of Industrial Design, an organization set up by the British coalition government in the later stages of the Second World War to improve the quality of postwar design. Whitworth suggests that the early work of the council, which was intended to benefit the British public and to assist in the promotion of exports, was laudable but overambitious.

Richard Coopey (University of Wales, Aberystwyth) and **Dil Porter** (De Monfort University) look at the response of British mail order retailers to the home shopping revolution. They find that for much of the 20th century "home shopping" was dominated by the Big Five specialist mail order retailers. These firms benefited from improvements in British distribution since the 1960s but have experienced difficulty in adjusting to the contemporary retail environment.

Judith Spicksley (Hull) kicked off the session on women and family economics with "Women, Accounts, and Numeracy." She explores the extent of women's numeracy in the early modern period, a neglected topic compared with work on women's literacy. Her results suggest that, in terms of basic arithmetical skills, women of gentry status may have been more numerate than their male counterparts. This was partly the product of a gendered system of education and also because of the need for gentlewomen to keep household accounts. During the 17th century, mathematical skills for men grew in importance and women were excluded.

Elizabeth Griffiths and **Jane Whittle** (both Exeter) continued with a case study of one woman, Alice le Strange, and her accounting practices between 1610 and 1654. The keeping of household accounts can be seen as a natural extension of the duties of a housewife, since the boundaries between household and farm accounts was blurred. The accounts of Alice Le Strange are remarkably complete over the time period studied and include both household and estate accounts.

In "Sons and Mothers: Family Relations and Sources of Family Income in Early Industrial Britain," **Jane Humphries** (Oxford) extracts quantitative and qualitative evidence from 595 working class autobiographies during the Industrial Revolution. She investigates the economic roles of mothers and fathers and finds that there was a predominating reliance upon the earnings of the male head, with mothers mainly engaged in domestic activities. Less than 40% of mothers augmented family incomes, and many women worked only in response to a family crisis that incapacitated the male bread winner or made him unemployed.

The session on the Great Divergence began with a paper by **Stephen Broadberry** and **Bishnupriya Gupta** (both Warwick) on "Cotton Textiles and the Great Divergence: Lancashire, India and Shifting Comparative Advantage, 1600-1850." The authors find that the shift in comparative advantage in the cotton trade from India to Britain was a key episode in the Great Divergence of living standards between Britain and Asia. Specifically, the growth of British imports of cotton goods from India created opportunities for substitution as the new products became increasingly fashionable. As a result, British producers could not compete with Indian imports. The successful search for laborsaving technical advances allowed unit labor costs to be reduced below those prevailing in India. It was not until after the Napoleonic wars that this change in competitiveness became apparent.

In "Triple Engines of Growth: Why Europe Not Asia?" **Alvaro Pereira** (York) argues that preindustrial Western Europe was not special to the world economy but that it became special. Western Europe forged ahead of the rest of the world in the 18th century by developing the triple engines of growth: human capital, technology, and organizational change. Pereira says that after the Renaissance there was a dramatic increase in literacy rates in Western Europe, which were correlated with economic development. Human capital was enriched by the development of the scientific method, and, by the end of the 18th century, Western Europe had developed superior technology. These technologies are associated with organizational change, which took the form of organizing factory production.

David Flacher (University of Paris XIII) identifies three phases in household consumption since the 18th century: the consumer revolution of the 18th century, the consumption good revolution during the second half of the 19th century, and the growth of mass consumption during the second half of the 20th century. He proposes a model that provides a link between the Industrial Revolution and the evolution of consumption. His hypothesis about consumer behavior depends on the presence of products that integrate new techniques and allow the rate of growth of the economy to converge to that of the developing sector.

The next Economic History Society conference will be held at the University of Reading from March 31-April 2, 2006. It will run in conjunction with that of the Social History Society. The conference will be located on the University of Reading's main campus. Information, including registration, accommodations, and travel, can be found on the EHS website at ehs.org.

Lee Soltow 1923-2004

Lee Soltow, a distinguished scholar of the distribution of income and wealth, died on August 28, 2004. To the very end, Lee studied patterns of income and wealth with a passion almost unique in scholarly endeavors. In addition to his wife, he is survived by three children.

Lee Soltow completed his undergraduate and graduate work at the University of Wisconsin, receiving his Ph.D. in 1952. No doubt being surrounded by the progressive environment of Wisconsin helped developed his passionate interest in the plight of the poor and disadvantaged. In 1950, he came to Ohio University, at that time a small teaching-oriented university nestled in the foothills of Appalachia, and remained there his entire career. Lee began by running a Department of Statistics but in the mid-1960s switched to the Department of Economics. During his first nine years at Ohio, Lee published in the *American Economic Review*, *Review of Economics and Statistics*, *National Tax Journal*, and the *Southern Economic Journal*, just to name a few. Most of these papers dealt with some aspect of income and wealth distribution in the United States and foreshadowed his more significant work that followed.

In the 1960s and 1970s, Lee (aided by grants from the Ford, Rockefeller, and National Science Foundations) wrote a series of path-breaking books on income and wealth distribution, including *Toward Income Equality in Norway* (1965) and *Patterns of Wealthholding in Wisconsin since 1850* (1971). He weighed in on two scholarly debates in the late 1960s with important papers on British income inequality and inequality in the United States. He questioned the fashionable notions that the US was a rather equalitarian society in its frontier days but also the prevailing view that income distribution materially became more unequal during the 19th century. Lee solidified his scholarly reputation with a book that he edited, *Wealth and Income*, in the *Studies in Income and Wealth* series for the National Bureau of Economic Research in 1969. However, without a doubt, Lee's most magisterial work was his *Men and Wealth in the United States*, published in 1970. He completed an exhaustive examination and comparison of wealth data from the decennial US censuses for 1850, 1860, and 1870. He brought to light a variety of issues, including evidence on the wealth accumulation of new immigrants and insight into the distinction between northern and southern wealth patterns in the late antebellum era.

While Lee Soltow eschewed fancy and speculative interpretations of data, that did not mean he was without imagination, and indeed he was often ingenious at finding data that others had ignored and making intelligent inferences from the numbers. One example is his paper on wealth distribution in 1857, using data on the tithing habits of Mormon, published in *EEH* in 1979. His book, *Distribution of Wealth and Income in the United States in 1798* (1989), cleverly used heretofore largely neglected data on the short-lived national property tax of 1798.

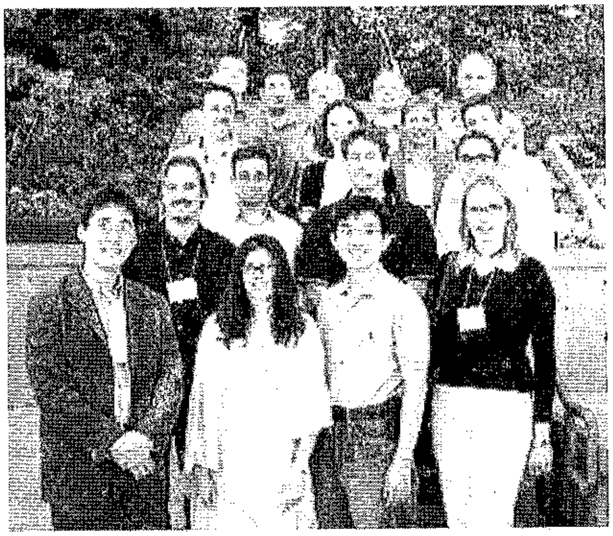
Lee was a scholar's scholar and also a gentleman. He was polite, kind, and gentle and will be greatly missed.

Clio Conference *(Continued from page 1)*

A second group of comments revolved around the issue of measuring labor and capital (both physical and human) inputs. William Collins (Vanderbilt) noted that US labor force estimates typically underestimate female and child labor used on farms. Larry Neal (Illinois) emphasized the difficulties of measuring labor input into home manufacturing and transport service sectors. Lee Craig (North Carolina State) thought that US market integration and the resulting increase in work hours on American farms might bias productivity estimates toward the UK and wanted the authors to use output per hour worked as an alternative productivity measure. Crafts wondered why the authors had chosen to amalgamate capital and land into a single input. In addition, Joerg Baten (Tubingen) stated that years of schooling do not capture all information about human capital inputs, while Alan Taylor (UC-Davis) suggested that the authors perform a sensitivity analysis of their results to different measures of human capital input.

There were also several questions related to sectoral productivity estimates. Price Fishback (Arizona) asked about the estimates of labor productivity in retail trade and services. Neal was curious whether US government sector productivity was really as low as in England, as was assumed by the authors. Marc Flandreau (Institute of Political Studies, Paris) asked why relative productivity in the finance/services sector, which had stayed constant between 1870 and 1937, suddenly fell by 23% by 1950. Crafts noted that the estimated US productivity lead seems not to have been sector-specific, even including agriculture, and felt that there was some factor behind the US productivity advantage, such as greater scope for scale economies.

Finally, there were queries regarding methodological issues in estimating the productivity numbers. Michael Haupert



Attending a Cliometrics Conference for the first time (l. to r.)
Front: Debin Ma, Leticia Arroyo Abad, Duol Kim, Kirsten Labuske
2nd Row: Dan Bogart, Ahmed Rahman, William Troost, Clemens Jobst
3rd Row: Marc Flandreau, Stacey Jones, Ari Van Assche, Jesse Czelusta
Back: Chris Kingston, David Nystrom, James Roumasset,

(UW-La Crosse) pointed out that productivity estimates may vary by the choice of year used for the benchmark. Stephen Quinn (Texas Christian) questioned whether productivity estimates based on 1950 benchmarks are accurate enough to make correct estimates of 1880 productivity levels, while Taylor wondered about a potential index number problem.

The Friday session continued with a study by **Stephen Broadberry** and **Bishnupriya Gupta** (Warwick), in which they analyze the emergence of Britain as the dominant world producer of cotton textiles in the context of competition with Indian producers. The authors contend that Indian exports of cotton textiles to Britain during the 18th century stimulated the British manufacturing sector through a strategy of import substitution. Low Indian wages provided incentives for British cotton textile producers to adopt laborsaving machinery, spurring the Industrial Revolution. This process was delayed by war-induced increases in the price of raw cotton and high transport costs.

Several questions addressed the issue of India's response (or lack thereof) to British industrialization in cotton textiles. Robert McGuire (Akron and UCLA) and Quinn wanted a discussion of India's failure, until after 1850, to adopt British cotton textile innovations. Inability to finance the needed investment was cited as a potential cause. Neal asked why Indian wages did not rise in response to the 18th-century expansion of the cotton textile trade, which should have provided incentives to mechanize. Peter Lindert (UC–Davis) put forward that labor requirements in Indian textiles may have changed over time due to changes in labor-capital relations and work intensity. Jesse Czelusta (Stanford) posed the question of whether there is an "abundant labor" curse, analogous to a "resource curse," in which low wages stymie innovation. Jan Luiten van Zanden (IISG) pointed out that India was not a homogenous economy but one composed of different regions, with different wages, and asked whether technology differed by region.

Other commentors, including James Roumasset (Hawaii - Manoa), were interested in the role of trade protection and colonial policy. Crafts observed that if the authors' story is valid, then rising trade protection in early 19th-century Britain may actually have slowed down the Industrial Revolution in cotton textiles. Neal wondered why transport costs remained high during this period and thought that the protected monopoly position of the East India Company before 1815 may have played a role here. Roger Ransom (UC–Riverside) stated that the evolution of British colonial policy toward India played an important role in converting India from exporting cotton textiles to raw cotton. Farley Grubb (Delaware) asked if there were other sectors to which this import substitution story might apply.

Finally, there were a couple of questions regarding the substitutability of inputs and how that may have been affected by new sources of supply for raw cotton. Taylor suggested that a Leontief production function might be more appropriate than the Cobb-Douglas function used by the authors, given the apparent limited substitutability of labor and raw cotton in the production process. Alan Olmstead (UC–Davis) countered that there was plenty of variability in the types of raw cotton available on world markets over time and by country and that some types (southern US, for example) were better for spinning and would have reduced manufacturing costs compared to Indian raw cotton. Ransom agreed that a greater focus on the role of the US in supplying high-quality, low-price cotton to world markets in the face of rising global demand for cotton during the late 18th and early 19th century is needed. Gary Richardson (UC–Irvine) felt the authors might want to estimate their wage and productivity variables directly without using a specific production function, the choice of which might affect the results.

Friday was brought to a close by **Jesse Czelusta** who tackled the question of the existence of natural resource endowments. Czelusta finds that for most minerals, prices exhibit no clear long-term trend, while quantities have increased substantially. The author points to technology- and knowledge-driven production increases within existing areas of production as the key explanation for this continued abundance of minerals, thus bringing the concept of "resource endowment" into question.

A number of discussants focused on institutional concerns. Shawn Kantor (UC–

Merced) said the paper lacked an institutional framework, including issues of property rights and appropriation. Crafts related that the "resource curse" story is typically one in which an abundance of resources leads to institutional failure – the development of a "kleptocracy." Gupta wanted him to consider colonies and information on breaks in firm ownership (foreign-owned vs. nationalized) in the data set. Collins emphasized that the big increase in the degree of international market integration in minerals trade after World War II might be important in interpreting the results. Alex Field (Santa Clara) stressed the importance of technological advances in smelting, refining, recycling, and downstream manufacturing, which allow more efficient resource extraction. This allows industries to use cheaper, lower-quality raw materials, explaining resource abundance. Lindert felt that some analysis of the determinants of exploration effort might be useful.

Several participants suggested that the issue of resource *depletion* had been neglected. Broadberry observed that the sample of countries did not contain many examples of countries that exhausted their resource base, which may bias the elasticities. Lindert recommended that global, rather than national, data be used to prevent overemphasis on countries with expanding resource bases. Grubb suggested oil as a possible counter example and questioned how much of the story presented is ultimately about mis-measurement of global reserves. Roumasset thought the research could benefit from an infusion of resource economics, including distinctions between reserves that are known and estimated or economically recoverable vs. not. Michael Bordo (Rutgers) asked whether this study refutes one typical argument made against a gold standard – that it can't work due to gold depletion. Clark wanted the author to collect British data on long-run coal and tin prices and quantities and to use these sectors as an example of resource depletion. He also pointed out that, prior to 1850, many resource-rich areas were not well-explored (e.g., the Amazon or the western United States), which might explain some of the author's findings. Baten further suggested that mining and output prices are known well back into history and wondered how far back the study could be extended.

The dependence of resource abundance on the substitutability of different resources for each other was discussed. Richard Sutch (UC-Riverside) emphasized the substitution principle: when prices of one mineral rise, people switch to other cheaper ones, which also helps to alleviate any resource depletion problem. Olmstead felt the analysis might fruitfully focus on the services minerals provide, rather than just the minerals themselves. He also thought Czelusta should look at the demand side (e.g. do few substitutes for a given mineral lead to an inelastic demand for it?) as well as the supply side. Ransom asserted that the "optimist case" for resource availability always requires being able to find a substitute.

Michael Haupert threw the first pitch on Saturday morning with "Is it Work or Is it Play? The Evolution of the Professional Baseball Labor Market." In the mid 1970s, professional baseball players blazed the trail for all professional athletes by gaining the right to bargain competitively for their wages. Before that time, the labor market for ballplayers was a classic monopsony, as players were bound to their original teams for the duration of their careers. Using a novel data set constructed from financial records of the New York Yankees from 1914-1944, Haupert estimates marginal revenue product of individual players and labor exploitation rates for players in the pre-free agency period. As theory predicts, players were not paid their estimated marginal revenue product.

One subject of discussion was the team used in this study. The New York Yankees is and was an elite sports franchise. As such, one may wonder if these results might hold true for major league baseball in general. Another topic raised was the difficulty in estimating the effect a player has on revenue. Fishback pointed out that it is extremely difficult to separate the league product from the team product. Fans may attend games to watch major league baseball regardless of the players put onto the field. The use of "scabs" or replacement players during the NFL strike during the 1980s could be studied to ascertain such an effect.

Nick Crafts followed with "Fogel vs. Chandler: Revisiting the Social Savings of American Railroads in 1890," written with **Anthony Venables** (LSE). A long debated topic in the economics literature is the impact that American railroads had on the American economy. Crafts and Venables challenge the prevailing estimates by identifying the ways that social savings is inadequate as a measure of the economic benefits of railroads. In addition, they have developed a model quantifying these effects. The authors chose the malt liquor industry to test their model, because, as Crafts readily admitted, it was an industry very dear to his heart, as well as one characterized by scale economies and market power. Their results confirm that the true social savings does underestimate the welfare gains. However this underestimate is not enough to exceed a Fogel-type upper bound.

An issue that was repeatedly raised during the discussion was the difficulty in measuring what Roumasset termed "virtuous circles" brought about by transportation improvements. Many agreed that it is tremendously difficult to quantify exactly how much of TFP growth can be attributed to railroads in this rapidly changing era. Ransom explained that, in addition to TFP

Alex Field and Greg Clark swap recipes in the sun.

growth through agglomeration, Chandler made a large point about the huge improvements in speed brought about by railroads. This improvement in speed could reduce the need for such large inventories and tremendously improve personal transportation. The authors explained that a more recent version of their paper tries to account for this speed of transport.

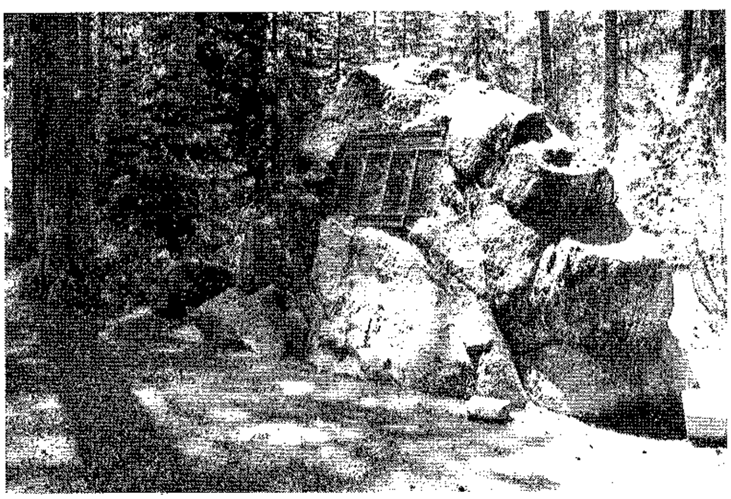
The final presentation of the morning was made by **Debin Ma** (National Graduate Institute for Policy Studies, Tokyo) and **Jan Luiten van Zanden**, who spoke on "Wages, Prices, and Living Standards in China, Japan, and Europe 1738-1925." Three additional authors contributed to this work – **Robert Allen** (Oxford), **Jean-Pascal Bassino** (Paul Valery), and **Christine Moll Murata** (Tuebingen) – a Clio record. A popular focus in economic history has been the comparative standard of living of Asians and Europeans. The authors have amassed systematic data on wages, prices, and consumption baskets from Imperial ministry records, merchant account books, and local gazettes in an attempt to fill in the gap for China in the 18th and 19th centuries. These data are then compared to Japanese and

European evidence to assess the relative levels of real income in terms of grain wages and the more rigorously defined concept of welfare ratio. This comparison paints a much less optimistic picture of Asian economic performance than the revisionists, such as Pomeranz, suggest.

The overwhelming sentiment of the discussants was that they believed the results of the authors, yet they felt they were in some ways open to criticism from the revisionist school. Gary Richardson (UC-Irvine) pointed out how the cities chosen might be criticized by other scholars. Another part of the discussion focused on the use and weighting of consumption bundles. Clark stated that it was unrealistic that 20% of the Chinese consumption bundle was devoted to alcohol. Baten felt the assumption that rent is a constant percentage of income in all areas is unrealistic, considering the vast differences in the cost and quality of housing between rural and urban areas.

A tasty and nutritious lunch enjoyed on the sun-drenched patio proved to be just the tonic to re-energize Clioms for the Saturday afternoon session. **Kirsten Labuske** (Tuebingen) and **Joerg Baten** presented "Patenting Abroad and Human Capital Formation." They refine estimates of human capital formation for several countries in the period between 1880 and 1913 by considering the interaction between the number of patents each country received in Germany and lagged schooling rate variables. The German patent market was an attractive case due to the variety of countries patenting inventions in this economy, even countries without patent systems of their own.

Several members of the audience were concerned that a foreigner's decision to patent in Germany had more to do with the German economy than with the foreigner's home country. McGuire said that perhaps foreigners would be more likely to patent in Germany if they wished to sell or produce their innovation there. Should a product be better produced somewhere else or more appropriate for another market, it would have been less likely to be patented in Germany. Taylor held the opinion that a foreigner would have been more likely to patent in Germany if his/her country was more similar to Germany. Another concern among audience members was that high schooling rate variables would also be a sign of a wealthy, industrialized country with stable institutions. Clark suggested throwing in more institutional indices and GDP per capita data. Grubb remarked that patents don't really measure human capital at all, since some cultures value the arts more than technology; for example, a German may go to school to learn chemistry, while a Frenchman may go to school to learn poetry.



The Donner Party ate each other here.

James Roumasset (Hawaii) and **Ari Van Assche** (UC-Davis) followed with "Malthus to Solow: A New Classical Approach to Induced Innovation." They look at the transition that

European countries made from a Malthusian economy, in which living standards were largely determined by land/labor ratios, to a modern Solow economy, in which living standards were unlinked from land scarcity and linked to capital accumulation. In this model, the economy starts out in a state of autarchy, with each economic agent using its land and labor to produce its own food. As population increases, the scarcity of land relative to population induces a vertical division of labor, where some agents continue to grow food, while others create land-saving intermediate goods, which they trade for food.

Taylor suggested endogenizing population growth. Until recent centuries, as population grew, standards of living deteriorated. If the link between land scarcity and standard of living were broken, this would have had an effect on population growth. He said since population growth drives this model, the effect of the transition on population growth should be captured. Several members of the audience considered the model to be vague and wondered whether it would better explain other times and places in history. Broadberry asked if the model would apply to China during the same period. China also had a very large population, but this did not induce a similar transition to take place. Ma indicated that one factor that may have allowed the division of labor to take place would be lower transaction costs. He recommended considering how larger populations allowed greater expenditure on roads and also wondered how institutions developed in the West which allowed the transition to take place.

Stacey Jones wrapped up the day with "Dynamic Social Norms and the Unexpected Transformation of Women's Higher Education, 1965-1980." In the late 1960s and early 1970s, women's higher education experienced a rapid transition from a "homemaking equilibrium," characterized by women entering lower-status careers and focusing on getting married and raising children, to a "career equilibrium," characterized by high expectations about their career and strong labor force attachment. Jones offers an explanation of why this rapid transition took place by focusing on externalities related to the number of women choosing a career-oriented major. She believes that once the level of women's enrollment in career-oriented programs has reached a critical threshold, a transition occurs where more women enter such programs.

The audience found the paper very interesting but, in typical Clio style, had many suggestions to improve it. Collins argued that the homemaker equilibrium was part of a signaling mechanism: when few women were in career-oriented majors, if a woman were in such a major, she would have been perceived as "pushy." Once many women were in such majors, it was no longer a signal. Neal observed that the opinion of alumni had a strong influence on a university's policy towards women. Lindert wanted Jones to add more metrics that describe the change, and Ransom remarked that parents who had benefited from the G.I. bill wanted their daughters to experience college and have career opportunities.

The day ended with the traditional Saturday night banquet, which lived up to its free-wheeling reputation. Emcee Lee Craig entertained the crowd with a preview of the Tarheel Tattler's report (found in its entirety elsewhere in this issue) and his usual wry observations on the proceedings of the conference. Price Fishback presented a series of awards ranging from the serious to the sublime. The highlight was the passing of the Can from last year's honoree, Gavin Wright, to Jeremy Atack. Wright was unable to attend, so for the first time in the illustrious history of the Can, it was presented in absentia.

Sunday morning sessions started bright and early, while some Clioms were regretting the quantity of wine sampled as part of an empirical study on the effects of alcohol on economic historians the previous night. The monetarily oriented cliometricians were eager to finally participate on their home turf. One respected member of this branch of the discipline was overheard to exhort "They have set us free and now we shall vanquish them – or at least give the illusion of doing so!"

Stephen Quinn began by asking "How Did the Early Bank of England Increase Government Credibility?" Armed with new time series data, Quinn proposes that debt management by the Bank of England took some time to develop. Yet, once the Bank acquired a dominant position, it aligned with creditors when the government tried to refinance the debt. Quinn thinks that the Bank could have increased its credibility by facilitating its threatening of the government.

The questioning began with Haupert. He asked how investors could trust the government after the Glorious Revolution. He pointed out that the power distribution was more balanced during this period. Bordo commented that part of the problem was that the government had control of chartering. Fishback felt that the paper needed a timeline as it was telling a complicated story. Clark observed that the premium on government debt went down after the war, but it did not imply that England enjoyed the Dutch level of trustworthiness. He suggested that including a risk premium in the analysis could give the paper some perspective.

Marc Flandreu and **Clemens Jobst** (both Institut d'Etudes Politiques) continued with

Jeremy Atack accepting the Can

"Clio and the Economics of International Currencies." They attempt to understand how the US dollar became the leading currency in the world. Combining theoretical insights, empirical evidence, and a systematic data set of currencies used in different markets, the authors test the theories and find evidence that size and path dependence mattered.

Kris Mitchener (Santa Clara) immediately requested their covariance matrix and asked why the authors focused on interest rates and not premiums. He added that GDP per capita was a very imperfect proxy to measure development and suggested they use railroad density instead. Bordo claimed that reputation, size, and transactions were very closely intertwined and the reputation story came first, followed by transactions. Flandreau responded that he was aware of Bordo's feelings and thoughts about these issues but that they were bringing data to answer these questions. He added that the only way to make sense of the problem was by exploring path dependence. Quinn asked the authors exactly what they were measuring. The fact that there was sufficient market development to find a currency quote did not imply that agents were holding that currency. Flandreau replied that he believed they were measuring holding behavior and that although they did not have systematic evidence, they were confident in their results.

After an invigorating coffee break, **Dan Bogart** (UC-Irvine) closed out the conference with "The Diffusion of Turnpike Trusts in Eighteenth-Century Britain: An Analysis of Institutional Change." Using turnpike development in England as a case study, Bogart sounded a familiar refrain, arguing that institutions matter. By 1840, England had the most dense toll network that ever existed, and its evolution and diffusion were the result of individuals seeking more efficient institutional settings. He claims that changes in relative prices were not sufficient to induce changes in property rights. Thus, there were other major factors at play, such as politics and network externalities.

Despite it being the last session of the Clio meetings, the audience was ready and eager to comment on the paper. Kantor wanted clarification on the switch from parish-funded to turnpike trust. He proposed that the author should explore the underlying factors that explained the rise of turnpike trusts in some locations and not others. Bogart stated that relative costs and benefits were determined by exogenous economic factors, which in turn contributed to a change in property rights. Broadberry was concerned about the model choice of diffusion, arguing that a different picture would arise if Bogart used investment data.

As Clioms exited the conference for the Reno airport and other nearby destinations, they were in competition on the narrow roads with several thousand bikers circling Lake Tahoe on a charity ride. Dan Bogart was last seen explaining to the town fathers the advantages of organizing a trust to manage the local roads. Next year, the Clioms will travel to upstate New York, where they will gather on the campus of SUNY-Binghamton for another really good time.

Lake Tahoe in all its splendor

The Talking Ninja Strikes Again

By The Tarheel Tattler

As the Tattler files his report, a few fluffy white clouds drift across Lake Tahoe, where the Clioms gathered here for the 43rd Annual Cliometrics Conference. Many candidates – some new, some old – competed for the Great Clio Quote Award. Recall that the winner is the heir or heiress to the inaugural winner, which must always be repeated, chanted actually, each year, "Never open a can of worms larger than the universe." For universal profundity (the standard by which we measure all Clio quotes), last year's winner at the World Congress in Venice – "People live at current prices, except in the past." – was every bit its equal. There were many in attendance this year who thought it would be impossible to match those high standards of the past, but I say they were wrong.

In fact, the very first words spoken this year, by the chair of the first session, were, "I'd like to be Marty Olney." The chair, a dapper fellow from Delaware, was most certainly not Marty Olney, and probably never will be. In fact, the Tattler consulted several Clio fashion mavens, and they all agreed that Marty's skin tones were all wrong for the dapper fellow's wardrobe.

Next, at that same session, one of the paper presenters, an Irishman with a French-sounding last name, told the audience, "I will not bore you with Steve Broadberry's estimates." The implication being, of course, that only Steve Broadberry could do that.

And while we're on the subject of Steve Broadberry's estimates, I'm sure you all know that one of the objectives of the Clio Conference is to bring together scholars of competing viewpoints so that a synthesis, a meeting of the minds, can occur. Well, the Tattler has preserved one such scholarly exchange from this year's meeting. To protect the identities of the protagonists, we'll call them "Steve" and "Greg."

Greg: "Knowledge of India adds nothing to what we know about economic development."
Steve: "India is very important."
Greg: "But nothing happens in India."
Steve: "Something does happen in India."
Greg: "If you were filming this you'd have the camera in Lancashire showing action, then pan to India – NOTHING. Back to Lancashire for more action. Back to India – NOTHING."
Steve: "India is central to all of this."

If nothing else, there was a lot of love there. Speaking of India, last year at the World Congress one of our finalists observed: "India is more complex than a dormitory full of young women." Indeed. India was all the rage this year too, as indicated by a statement from the Flying Dutchman, "I am doing the same thing with men as I am with women all over India." Unfortunately, the Tattler had drifted off just before this statement, so he doesn't know exactly what the Dutchman was doing all over India.

Sometimes, it is not the exchanges that are so illuminating as the sequence of thoughts shared out loud. One can almost see learning take place as one deep Clio insight leads to another. For example, that Harvard man who slums in Tennessee told us, "Freshmen aren't the best measure of anything." But after the briefest of pauses, next year's host, Binghamton's Blond Bomber, interjected, "I think freshmen are good for ***something***."

Exactly what, he did not say, and the other Clioms were too polite to ask.

As usual, we had a few special awards this year. One was the Albert Schweitzer Friendly Observation Award. The award this year goes to that same "Greg" who just couldn't see the historical significance of India. "Greg" kindly, and with the best of intentions I'm sure, told the authors of one paper, "Adjusting these regressions is like rearranging the deck chairs on the Titanic."

Then there was the Life-Table Determinism Award, which this year goes to one of the Conference's younger attendees, who without irony observed, "Many of us will not be laughing in 2055." Although the Tattler could not dispute the profound nature of the observation, he nonetheless hopes to be laughing, somewhere anyway, in 2055.

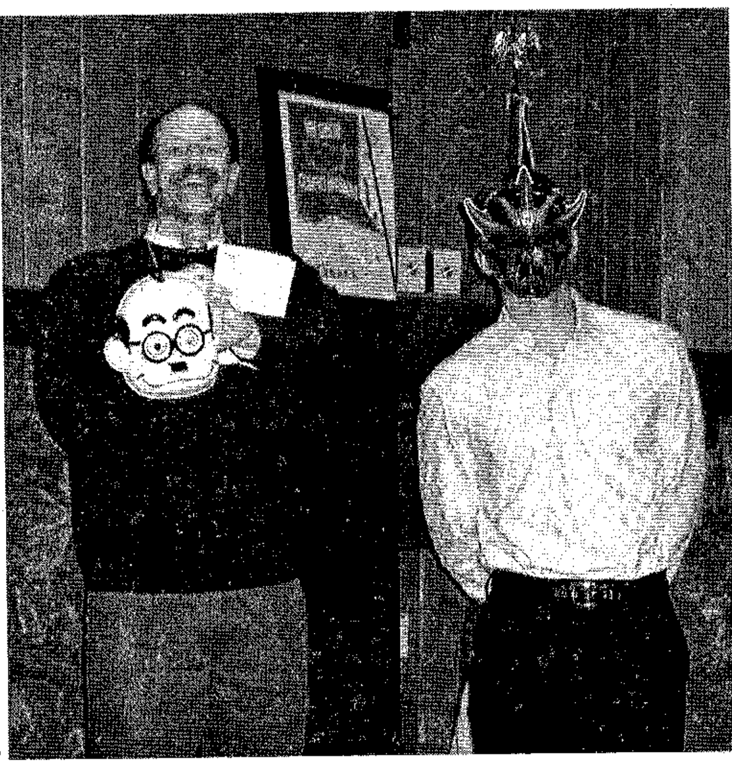
And, of course, there is the annual Just When You Think You've Heard it All Award, which this year goes to that Crimson Man, who now resides in the Big Valley of California. He told us, "We all know the Pill just dropped from the sky." It fell to the Tattler to inform him that we most certainly did not all know that, at least those of us from Indiana didn't.

And that takes us to our finalists. Second runner up goes to Magnum PhD from Hawaii, who asked, "If you had all the data in the world, could you answer the question: When does a rice eater have the same utility as a wheat eater?" A classic Clio conundrum, that one is. The committee liked this one, but the Tattler felt it was neither concise nor universal enough to merit inscription in the Clio Pantheon.

The first runner up, a magi from the Big Valley, revealed more than he suspected when he shared the following, "Usually, when I'm at a cocktail party, someone comes up to me and asks, 'What about tungsten?'" This does not "usually" happen to the Tattler, or many other Cliometricians, I'm guessing. Thus, despite its profound and revealing character, the committee agreed that it was not universal enough to be a winner.

And so, without further delay, I give you this year's winner of the Great Clio Quote Award. It's concise; it's profound; it's universal. Most importantly, the Tattler wishes he had said it. This year's winner is that Dapper Fellow from Delaware, who proclaimed, "A career is forever; a man is for ten years." How he knows that, you don't want to know.

That's all the news that's fit to print from Lake Tahoe. Thank you. The Tattler has left the building.



The Clio Ninja and his secret identity?

Personal Reflections

What Economic History Means - Then and Now

By Roger L. Ransom

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

In the fall of 1965 I attended the meetings of the Economic History Association for the first time. It was the 25th anniversary of the association's founding and I can still recall the excitement I felt as I listened to the commemorative address by Herbert Heaton.[1] I was only two years out of graduate school, and I found Heaton's account of the efforts to establish the association in 1940 and the subsequent evolution of the EHA and its journal to be inspiring. "It may be," Heaton concluded,

> that the golden jubilee banquet speaker will talk about old truths and new errors of 1965-1990. For his evidence he will be able to draw on the next 25 volumes of the *Journal [of Economic History]*. And if those volumes show as great an advance in knowledge, visions, and understanding as can be traced in the first 25 our shades will rest content.[2]

Twenty five years later I had the honour of introducing that speaker to the jubilee banquet of the Economic History Association in Montreal. As I listened to Richard Sutch praise the accomplishment of the founders and affirm that there had indeed been profound advances in knowledge, I could not help thinking how much my own conception of what economic history "meant' had changed over the intervening 25 years.[3]

In 1965 what was then called the "New Economic History" was only beginning to flex its muscle. I was one of a cadre of young Turks who had studied economic history in graduate programs housed in economics departments and went forth to spread the gospel of a new methodology. For me, the "new" economic history meant an emphasis on quantitative analysis and the application of economic theory to "explain" a host of problems in economic history. As is so often the case with intellectual revolutionaries, we attacked the established "truths" of the time. By the end of the 1960s the new economic historians had proposed a whole series of "interpretations" of problems in American history:[4]

The Navigation Acts were not a burden on Britain's 13 American colonies.

Slavery in the antebellum South was profitable to southern slaveholders.

The cotton economy of the antebellum South was a leading sector promoting the economic growth of the United States before 1860.

The American Civil War was not a Second American Revolution that paved the way for industrial growth. The United States had already "taken off" into industrial growth in the two decades prior to the Civil War.

Railroads were not indispensable to the economic growth of the United States in the nineteenth century.

Farmers' complaints of a deteriorating economic position in the late nineteenth century were not based upon real economic hardships.

The New Deal did *not* get the United States out of the Great Depression.

The theoretical arguments behind these assertions were supported by the collection and refinement of quantitative data on an unprecedented scale. By the mid-1970s the "new" economic historians had assembled an impressive collection of macro economic data that documented the course of American growth. In 1975 the Census Bureau published *The Historical Statistics of the United States*;[5] a statistical compendium that would become the indispensable companion of every quantitative economic historian in the United States.

All of this did not happen without a certain degree of tension among the fraternity of economic historians. Scholars such as Fritz Redlich pointed out that proponents of this new approach were "standing on the shoulders of traditional economic history".[6] While Redlich felt that "older exponents" of the new approach understood this he complained that

> a still younger group now coming out of their seminars with the arrogance which is the privilege of youth seem to believe that their approach will take the place of the original one, that they will rout economic history as practised by the old fogies. They will in time mature and learn, or so it can be hoped.[7]

Redlich's hope would be only partly realised. Maturity would make the young Turks less arrogant, but their view of economic history would remain rooted in *economics* since they had learned the meaning of economic history in departments of economics, not departments of history. And as they pursued their academic careers, it would be their economist colleagues who would judge the value of their research. As "economists" who wanted to specialise in economic history they had to convince their colleagues that the discipline of economic history really was important. This proved to be a formidable and enduring challenge.[8]

Still, as a group, the new economic historians managed to prosper in the world of economists. By the 1990s, the new methodology had a new name – *cliometrics* – and it was no longer "new". Indeed, it had become the dominant methodology in the Economic History Association. As Richard Sutch put it in his presidential address at the golden jubilee:

> The first battle had been with the traditional economic historians; the objective had been to defeat them. The second conflict was with the economic theorists. The objective was to seduce them: first, to attract their attention; second, to help them see the contribution that historical methods and information could make; and finally, to fill their request for stories and historical data that address the concerns of theorists.[9]

Sutch judged that cliometrics had succeeded on both counts. However, in the course of winning these battles, the meaning of economic history had become blurred. The effort to "sell" economic history to economists pulled the cliometricians away from the discipline of history towards a greater emphasis on economic theory in defining the "problems" of economic history. Sutch called for the profession to tackle a third task: "We must now make economic history relevant and required for the writing of good history. We should seek to integrate economic history back into the discipline of history: make economic history part of the core and make cliometrics part of the historiography."[10]

This would prove to be no mean feat. Two decades earlier Lance Davis, who was himself one of the early cliometric pioneers, had observed that "[Cliometrics] will never be literature."[11] Davis'
remark points to a fundamental difference in the way cliometricians and traditional economic and social historians present their research. Historians write *books* that explore several facets of some historical situation; cliometricians write *articles* that focus on a carefully defined problem of economic history.[12] It is not coincidental, I think, that one of the few areas where the work of cliometricians quickly became part of the historians' historiography was their treatment of slavery and the American South. The research of scholars such as Stanley Engerman and Robert Fogel, Richard Sutch and myself, Claudia Goldin, Robert Higgs, and Gavin Wright appeared in books that reached audiences far beyond the readers of academic journals specialising in economic history.[13] It is not unfair to say that this work substantially revised the way historians viewed slavery and the South both before and after the Civil War. By the 1990s the cliometric interpretation was discussed in history textbooks as part of the historiography of the American South. While it would be premature to say that Sutch's challenge to integrate cliometrics and history has been fulfilled, at the end of the 1990s there is promise of a growing dialog between those who approach economic history with a background in economics and those whose training has been in the discipline of history.[14]

I developed a strong personal interest in this dialogue between historians and cliometricians. In September 1984 my appointment in the economics department at the University of California at Riverside was officially transferred across campus to the history department.[15] In a sense, my switch from economics to history reflected how the meaning of economic history to me was changing over the years. I began my career as a fervent disciple of the "new" economic history, asserting that history was the blending of economic theory, statistical analysis, and history. My work on the American South with Richard Sutch convinced me that the process of historical change confounded the assumptions and at times defied the logic of economic models. By the time I joined the history department, my youthful confidence that historical models based on economic theory would provide the key insights into the process of economic and social change had been badly shaken. Teaching in my new academic department would further erode my confidence in the power of economic models to explain historical processes of change – particularly when those changes involve some dramatic discontinuity such as a major war.

The American Civil War provides an excellent example of how historical analysis can become warped if one focuses solely on economic growth. One of the earliest targets of the "new" economic history was to debunk the accepted wisdom that the Civil War introduced major structural changes in the American economy that accelerated economic growth in the United States. Quantitative evidence clearly showed otherwise; in a purely economic sense, the war was an unfortunate interruption to the continuation of antebellum economic growth. So much for the Hacker-Beard thesis.[16] But does it make sense to claim that the outcome of the war had no significant implications for the economic future of the United States simply on the basis of measuring economic output? Suppose we ask the counterfactual question: "what if the war turned out differently?" Would emancipation have still taken place? Would the dissolution of the

United States have changed the patterns of economic development in North America? Answers to these counterfactual questions hardly suggest that the world would have remained unchanged in the face of a Southern victory.[17] By narrowing their focus to a question of economic growth, critics of Hacker-Beard threw out the baby with the bathwater. The irony of all this is that it was the new economic historians who made counterfactual history a cornerstone of their methodology forty years ago – and they were roundly criticised for it.[18] Since then cliometricians have narrowed the focus of their analytical models and the counterfactual approach has often become little more than sensitivity analysis within the confines of an economic model. In limiting the scope of their analysis, cliometricians have tended to overlook the larger issues that a counterfactual approach to a problem, such as the economic effects of war, might offer. Economists, as Robert Solow once observed, are "determined little thinkers".[19] Being an economic historian, it seems to me, means being a "big thinker".

My story has come a long way from my youthful reaction to Herbert Heaton's 1965 address celebrating the 25th anniversary of the Economic History Association. After three and a half decades – with roughly half of that time spent in an economics department and half in a history department – what does economic history mean to me today? What was once a simple task no longer seems so simple. The one constant in all this is that every society must somehow solve the "economic problem": what to produce; how to produce it; and how to distribute the output to society members. It seems to me that the task of the economic historian is to take the historical record and make sense out of society's efforts to meet the challenges of that problem over time. If we can make sense out of the past, we will be in a better position to make sense of the present and, perhaps, be in a better position to deal with the future.

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1 Herbert Heaton, 'Twenty-Five Years of the Economic History Association: A Reflective Evaluation,' *Journal of Economic History* 25, (1965).
2 *Ibid.* p.479.
3 Richard Sutch, 'All Things Reconsidered: The Life Cycle Perspective and the Third Task of Economic History,' *Journal of Economic History* 51, (1991).
4 A good summary of the reinterpretations by 'New' economic historians in the mid-1960s can be found in Douglass C. North, *Growth and Welfare in the American Past: A New Economic History* (Englewood Cliffs; 1966). Somewhat more technical assessment of the reinterpretation, is in Susan Previant Lee and Peter Passell, *A New View of American Economic History* (New York: 1979). My own reinterpretation of American economic history can be found in Roger L. Ransom, *Coping with Capitalism: The Economic Transformation of the United States, 1776-1980* (Englewood Cliffs; 1981).
5 Bureau of the Census United States, *Historical Statistics of the United States, Colonial Times to 1970*, Two Volumes (1975).
6 Fritz Redlich, '"New" and Traditional Approaches to Economic History and Their Interdependence,' *Journal of Economic History* 25, (1965), p. 494.
7 *Ibid.* p. 494.
8 An excellent example of the effort by economic historians to convince economists that economic history was 'relevant' for economics is the article by Donald N. McCloskey, 'Does the Past Have a Useful Economics?,' *Journal of Economic Literature*, (1976).
9 Sutch, *op.cit.* pp. 271-288, p. 276.

[10] *Ibid.* p. 277.

[11] Lance Davis, '"and It Will Never Be Literature": The New Economic History: A Critique,' *Explorations in Economic History* 6, (1968).

[12] I realise this is a sweeping generalisation that cannot easily be verified. It is based on my personal observation that in order to obtain tenure within a history department, most major research universities in the United States would demand that scholar have published at least one book with a reputable press. Moreover, to advance beyond the level of associate professor a second book is typically necessary. I do not see a similar emphasis on book-length manuscripts on the part of tenure reviews in economics departments.

[15] See Robert W Fogel and Stanley L. Engerman, *Time on the Cross: The Economics of American Negro Slavery* Two vols (New York: 1974); Claudia Dale Goldin, *Urban Slavery in the American South, 1820-1860: A Quantitative History* (Chicago: 1976); Robert W. Fogel, *Without Consent or Contract: The Rise and Fall of American Slavery* (New York: 1989); Roger L. Ransom and Richard Sutch, *One Kind of Freedom: The Economic Consequences of Emancipation* (New York: 1977); Roger L. Ransom, *Conflict and Compromise: The Political Economy of Slavery Emancipation, and the American Civil War* (New York: 1989); Robert Higgs, *Competition and Coercion- Blacks in the American Economy, 1865-1914* (New York: 1977); Gavin Wright, *The Political Economy of the Cotton South: Households, Markets, and Wealth in the Nineteenth Century* (New York: 1978) and *Idem, Old South, New South: Revolutions in the Southern Economy since the Civil War* (New York: 1986).

[14] My own research interests causes me to focus on the literature of the American South as the primary example where cliometric research findings were quickly incorporated into the historical literature. This is, of course, not the only area where the two methodologies joined forces, however I believe it is the most spectacular case of a cliometric interpretation dramatically altering the conventional historical wisdom.

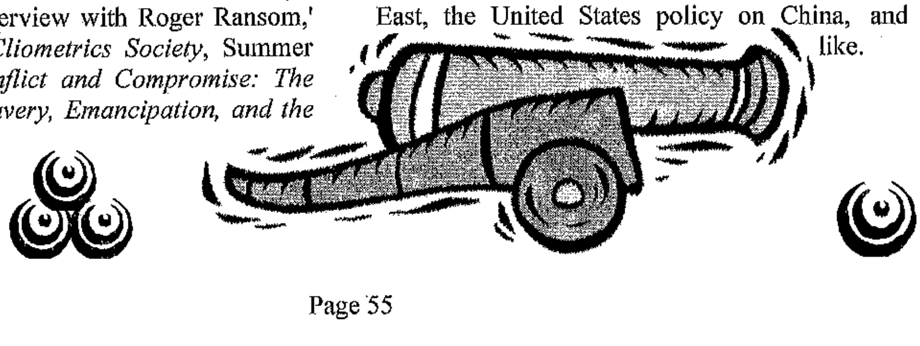
[15] The decision to change disciplinary affiliations highlighted some of the difficulties in being a specialist in two fields. For a discussion of the change, see Kerry Odell, 'An Interview with Roger Ransom,' *The Newsletter of the Cliometrics Society*, Summer 2000, and Ransom, *Conflict and Compromise: The Political Economy of Slavery, Emancipation, and the American Civil War.*

[16] The Beards and later Louis Hacker argued that the Civil War was a 'second American Revolution' necessary to permit the industrial expansion of the last third of the nineteenth century. See Charles Beard and Mary Beard, *The Rise of American Civilisation*, vol. 2 (New York: 1927) and Louis Hacker, *The Triumph of American Capitalism: The Development of Forces in American History to the End of the Nineteenth Century* (New York: 1940) This thesis was the accepted historical wisdom of the impact of the Civil War until it came under attack from quantitative historians in the 1960s. The best summary of the criticisms of the Hacker-Beard thesis is Stanley L. Engerman, 'The Economic Impact of the Civil War,' *Explorations in Entrepreneurial History* 2nd Series 3, (1966).

[17] For an analysis of the implications of a Southern victory in the Civil War, see Roger L. Ransom, 'Fact and Counterfact: The 'Second American Revolution' Revisited,' *Civil War History* 45, (1999).

[18] In the debates over methodology in the 1960s the use of counterfactual analysis was perhaps the most controversial aspect of the 'new' economic history. In 1962 Robert Fogel added fuel to the flames when he claimed that if there been no railroads in the United States in 1890 the effect on GNP would have been negligible. Fogel, 'A Quantitative Approach to the Study of Railroads in American Economic Growth: A Report of Some Preliminary Findings.' *Journal of Economic History* 22, (1962). Critics leapt on the implausibility of Fogel's assumptions to discredit the analysis, claiming it was not 'history'. Fogel stuck to his point; insisting that *every* historical question carried with it an implicit counterfactual situation that should be addressed. See *idem. Railroads and Economic Growth: Essays in Econometric History* (Baltimore: 1964). I strongly support Fogel on this point; see Ransom 'Fact and Counterfact...'.

[19] Robert Solow 'Son of Affluence', *Public Interest*, (1967). The reference was in regard to the sweeping generalisations of John Kenneth Galbraith, who Solow characterised as a 'big thinker.' Solow illustrated his point with an analogy to the household where the wife makes all the unimportant decisions such as what job they should take, where they should live, and how to bring up the children, while the husband makes the important decisions on what to do about the Middle East, the United States policy on China, and the like.



Economic Historians: A Preliminary Review of Survey Responses

By Michael Haupert

Economic historians are a diverse lot. Many who identify themselves as having an interest in economic history were not specifically trained as economic historians. Indeed, unlike European universities, there are no economic history programs per se in the United States. And, as the early returns of a recent survey suggest, the pool from which they are drawn is not particularly deep.

EH.Net lists the email addresses of 691 people who identify themselves as having an interest in economic history. The following preliminary conclusions about the origin and interests of those members is based on 269 responses to a brief survey emailed last spring. As the responses indicated, not everyone is an historian or economist, some do not have any advanced degree, and some do not work inside of the academy. The responses discussed below include only those respondents who identified themselves as holding a Ph.D. in either economics or history.

Those responding were asked to indicate the year they received their Ph.D., the granting institution, their primary mentor, others they considered important as mentors, and the title of their dissertation. The respondents received their Ph.D.s from 76 different institutions in 15 countries over a half century spanning the years 1955-2005. A couple of respondents listed an anticipated date of completion for their dissertation, but these were not included in the sample. This information has been organized and is presented in the accompanying tables and figures, providing a glimpse of the make-up of economic historians.

I used the classification listings on EH.Net to assign each dissertation a geographic area of interest, a time period, and a subject code. This information is tabulated by most frequent responses in Table 1. Note that for the time period category, the results total to more than 100%, because some dissertations crossed over designated time periods and thus were counted more than once. The topic section does not sum to 100% because not all dissertations could be readily assigned a topic code.

As alluded to earlier, economic historians come from a relatively small number of institutions. Table 1 spells out the details for the top ten programs and all those countries that comprise more than 1% of the total. Not

Figure 1

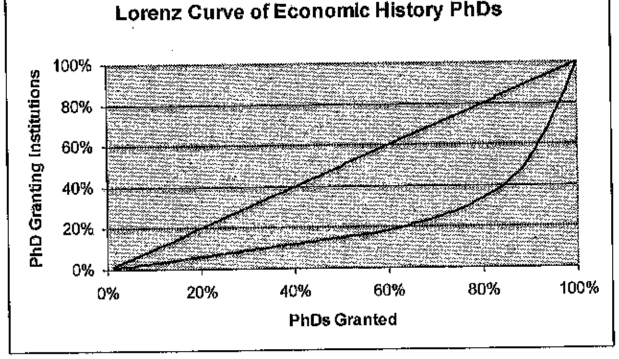


Figure 2

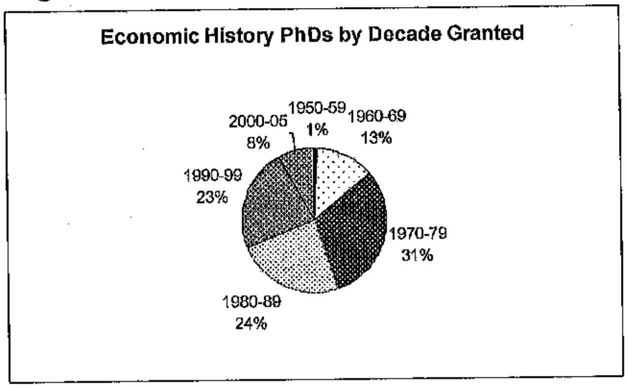


Table 1: Origins and Characteristics of Economic History Dissertations 1955-2005

Country of PhD granting institution	% of total PhDs	**Geographic area of dissertation**	% of total PhDs
US	80%	North America	41%
UK	11%	Europe	33%
Canada	3%	General, international, comparative	16%
Germany	1%	Latin America, Mexico, Caribbean	4%
Ireland	1%	Asia	1%
Italy	1%	Australia, New Zealand, Pacific Islands	1%

PhD granting institution	% of total PhDs	**time period of dissertation**	% of total PhDs
Harvard	7.4%	19th century	53%
Chicago	7.1%	20th century pre WWII	32%
Berkeley	6.3%	General, comparative	21%
Stanford	5.6%	18th century	9%
Yale	5.6%	post WWII	6%
Oxford	5.2%	17th century	4%
Illinois	5.2%	16th century	2%
Northwestern	4.8%	medieval	2%
Penn	3.7%		
UW Madison	3.3%		

subject of dissertation	
financial markets, financial institutions, monetary history	16%
agriculture, natural resources, extractive industries	7%
government and law and regulations, public finance	7%
economic development, growth and aggregate productivity	7%
historical demography and migration	7%
education and human resource development	6%
business history	4%
economy wide country studies and comparative history	1%
development of economic history discipline, historiography	1%
economic planning and policy	1%

surprisingly, given the source from which the sample was taken, the US is the predominant source of economic history degrees, with 80% of degrees being granted by US institutions, more than seven times as many as the runner-up UK. Canada is the third most common source of degrees, with 3% of those responding.

The institutional spread, while not quite as disproportionate, is still top heavy, as the Lorenz curve of Ph.D. granting institutions illustrates (Figure 1). Harvard and Chicago lead the pack, having granted 7.4% and 7.1% of total degrees respectively, followed by Berkeley with 6.3%. Just under one third of all economic history degrees awarded over the past 50 years come from five schools. Besides the top three, Stanford and Yale are in this group. If Oxford, Illinois, and Northwestern are added, these eight schools account for nearly half of all economic history Ph.D.s granted since 1955.

The most prolific decade for the production of economic historians was the 1970s, when nearly one third of the current crop completed their studies. Each of the following decades produced approximately another quarter of the current practitioners.

Figure 3

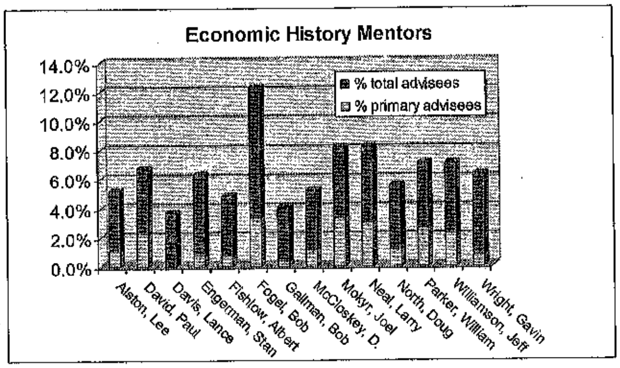
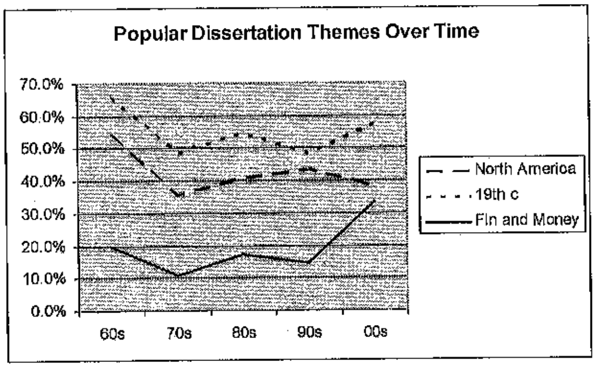


Figure 4



A breakdown of the respondents by decade of degree awarded is pictured in Figure 2.

Although the top producer of economic historians over the past half century has been Harvard, it has not been the leader every decade. They were by far the dominant producer in the 1960s, accounting for over 20% of degrees, but this fell to only 5% in the 1970s, behind Chicago, Yale, Penn, Madison, and Berkeley.

Madison and Northwestern serve as an interesting counterpoint. In both the 1960s and 1970s, Madison produced 6% of the economic historians. In the next two decades, that total fell to less than 2% per decade. They have yet to produce any economic historians in the 21st century. Northwestern, on the other hand, went from producing 3% per decade from the 60s through the 80s to accounting for 8% in the 90s and over 14% so far this century. Ten percent of all economic history Ph.D.s awarded since 1990 have come from Northwestern. Equally as impressive is the performance of Illinois, which has also accounted for 10% of all economic historians trained over the past 15 years. A pair of California schools, Berkeley and Stanford, each account for 6%. Illinois granted only 2.5% of degrees in the 70s, 6.3% in the 80s, and more than 11% in the 90s before falling off to just under 5% so far this decade.

Where degrees are awarded is closely related to who is mentoring the future generations of economic historians. Figure 3 indicates the most prolific mentors over the past half century using two measures: primary advisor and influential mentor. The former is the title assigned to the major dissertation adviser as identified by survey respondents. They were asked to name others who were influential in their work besides their dissertation advisers. The individual most frequently mentioned in this regard was Robert Fogel, who was cited by 12% of respondents as having been an influence on their career to date. Two other Illinois-based economic historians, Joel Mokyr and Larry Neal, were second to Fogel, cited by 8% of respondents. Mokyr and Fogel have each served as primary advisor to 3% of the current crop of economic historians.

Perhaps the most dominant mentor was Alexander Gerschenkron, who was the primary advisor for more than 11% of all the students to receive their Ph.D.s in economic history during the 1960s and the single, most prolific mentor of any full decade. Joel Mokyr, with 14% of the crop thus far this decade, could surpass that mark if he continues to turn out students at the same pace as the last five years.

Dissertation themes have waxed and waned in popularity over time. Details on five decade totals are found in Table 1, while time trends for the most popular theme in each category (time period, geography, and topic) are displayed in Figure 4.

The relationship of the topics of North America, 19th century, and money/financial history is curious. In the 1960s, all three were the most popular in their categories, with nearly 70% of all dissertations written covering the 19th century, more than half on North American topics, and 20% on monetary/financial history. All three fell in the 70s and rose together again in the 80s before North America went its separate way, rising again in the 90s before falling off this decade. Nineteenth century and finance continued to move together. In total, topics covering the 19th century have been the most popular dissertation descriptor, being covered in over half of all dissertations reported in the past half century. North American topics were covered by 41% of all dissertations, and money/finance led the subject category by a factor of more than two.

These preliminary results paint some interesting pictures about economic historians – where they come from and what interests them to name just two. A 39% survey response rate is encouraging, but I am still interested in adding responses to the database. In the future, with a more robust data set, especially among the earlier cohorts of economic historians, I hope to construct a more complete picture of the origins of the discipline. Any suggestions for improving this work would be greatly appreciated.

The Economic and Business Historical Society Meeting

By Daniel Giedeman, Grand Valley State University

(High Point) The 30th Annual Meeting of the Economic and Business Historical Society was held in April at High Point University in High Point, North Carolina. EBHS President and Program Chair James Stitt (High Point) and EBHS Secretary-Treasurer John Paul Rossi (Penn State-Erie) arranged the program with help from Stephanie Crofton (High Point), Larry Malone (Hartwick College), Ken Weiher (Texas-San Antonio), and David Whitten (Auburn). Participants who arrived early Wednesday evening enjoyed a welcoming reception that featured keynote speaker Joe Carroll, publisher of *Furniture Today*, the leading trade paper in the home furnishings industry, and musical entertainment provided by a student acapella group. While the conference featured 47 papers by authors from the United States and Europe, the following report covers only a selection of the papers presented and does not reflect on the quality of the omitted papers but rather the interests and time constraints of the reporter.

Christopher Oakley (East Carolina) chaired the session on "Banking and Business in 19th-Century United States and Nation Building." **Carl Lane** (Felician College) opened the session with "Andrew Jackson, the Bank War, and the Elimination of the National Debt." He argues that Nicholas Biddle unintentionally helped seal the fate of the Second Bank of the United States in its role overseeing repayment of the national debt. Next, **Scott Dalrymple** (Hartwick College) delivered "Business as Adventure: Samuel Merwin, Henry Kitchell Webster, and the Creation of an American Literary Genre." He proposes that there exists a capitalist tradition in American literature that can be traced to a series of early twentieth-century pro-capitalist novels. Dalrymple notes the distinction between the pro-capitalist literature he examines and what may be termed anti-labor literature. **Douglas Steeples** (Mercer University) concluded the session with "The Wisconsin Winnebagos, 1963-2000: A Problem in Decolonization." He details the recent business history of the Winnebagos and discusses the difficulties involved in researching the subject. In particular, Steeples notes that the existing ethnographic literature on Native Americans is likely incorrect. Comments by Oakley and Dalrymple focused on the effects of gaming on the Winnebagos. Other participants wondered why the Winnebagos seemed to have had more success with gaming than other businesses. Some speculated that a casino is easier to run than other types of businesses, because the heavily regulated gaming industry may provide clear management guidelines.

Daniel Giedeman (Grand Valley State) chaired the session on "Technology and India." In "The Indian Technological Trajectory in the Nehru Era: 1947-64," **Nir Kshetri** (UNC-Greensboro) examines the effects of Nehru's policies on development in India. Charles Hickson (Queen's University) asked about the impact of limited property rights on development in India, while Ben Sawyer (Appalachian State) wanted to know whether there is a brain drain effect resulting from the emigration of Indian Institute of Technology graduates. Roberto Mazzoleni (Hofstra) suggested that emigration actually may have helped recent economic development in India, because emigrants to more developed countries created connections between these countries and India.

Gene Smiley chaired the session on "Government Spending and Taxation in History," which opened with "The Importance of Democratization in Determining Central Government Spending, 1870-1938," by **Jari Eloranta** (Appalachian State) and **Svetlozar Andreev** (University of Westminster). The authors use tests of Granger non-causality and find a simultaneous relationship between democracy and income and central government spending. Discussant Robert Whaples (Wake Forest) praised the paper for its ambition but expressed concern about the results, which he felt could be biased by the exclusion of observations from nations that are autocratic, unstable, undeveloped, and nondemocratic. Whaples also thought that the authors should consider including foreign variables in their VARs, as well as variables that control for the effect of religion and the gold standard.

"State Building without Taxation – The Case of Eighteenth-Century Bern" by **Stefan Altorfer** (LSE) followed. Altorfer offers the view that Bern does not fit into traditional models of the state (or state-building), since its ability to maintain a fiscal surplus enabled it to forgo taxing the public and thus buy legitimacy from a citizenry that did not have the vote. Whaples said he found the paper fascinating and asked how Bern compared to other Swiss cantons during this period and whether the seemingly desirable conditions attracted immigrants to Bern. He also was curious how the citizens of Bern prevented each other from raiding the surplus. Altorfer explained that comparisons to other Swiss cantons are problematic, since Bern was much larger than other cantons. In addition, he stated that there was not much immigration into Bern during this period, because immigrants (and emigrants) were taxed heavily. Last, Altorfer described the main obstacle to raiding the surplus – the thirteen keys required to gain access to the treasury.

"Burials and Trade around the World" was chaired by John Paul Rossi. **Stephanie Crofton** and **Luis Dopico** (Macrometrix) opened with "The Chinese Renminbi/US Dollar Exchange Rate and the US Furniture Industry: 1981-2004," in which they estimate the real exchange rate between Chinese and American currencies and compa re the estimate to the official spot exchange rates. According to the authors, the spot exchange rates are similar to the real exchange rates. In response, Eloranta recommended that Crofton and Dopico consider the impact of structural breaks on their results.

David Whitten continued with "A Brave New World of Burials: The Business of Idiosyncratic Body Disposal in the Twenty-First Century." He describes varied and unusual trends in the business of burials in America, including cremation, "green" funerals, and coffin discounters.

Malcolm Russell (Union College) spoke on "The Rise, Expansion, and Relative Decline of US Trade with the Middle East in the Late Nineteenth and Twentieth Centuries," where he examines the divergence of views on free trade between the West and the Middle East and offers policy suggestions for the Middle East Free Trade Agreement. In the discussion that followed, there were several comments about the assumptions and implications of Russell's paper. Michael Namorato (Mississippi) suggested it might not be correct to consider the Middle East as a single unit, and Silvano Wueschner (Air University) and Erik Benson (Ouachita Baptist University) asked about immigration into the Middle East from South Asia and the difficulties involved in lowering unemployment. Last, Ranjit Dighe (SUNY-Oswego) questioned Russell's claim that religion may help explain opposition to free trade.

In the session chaired by Mark Setzler (High Point) on "Civil Rights and Affirmative Action," **Mary Eschelbach Hansen** (American) considered "New Evidence on Race Discrimination under 'Separate but Equal.'" She uses new evidence on teacher salaries from rural Virginia to examine the marginal returns to certification and formal education and establishes that relative to white teachers, black teachers earn lower wages and receive a lower premium for certification and education. In incorporated areas, these premiums are similar for black and white teachers, although black teachers still receive lower average salaries. In his comments, Seltzer cautioned Hansen about generalizing too much from limited data on rural Virginia. Seltzer also asked if Hansen had considered the effect of county income and property tax rates on premiums. Hanson responded that including income did not change the results.

Rhonda Jones (Duke) talked about "Giving Civil Rights the Business: Analyzing Fundraising Strategies for the Southern Christian Leadership Conference (SCLC), 1957-1964." She examines the initial increase and subsequent decline in funds raised by SCLC. Setzler thought that Jones should present the case of the SCLC in the context of a broader question. Why did some key organizations collapse while others did not? He believes that Jones needs stronger evidence to support her reasons why northern whites contributed to the SCLC. In the general discussion which followed, Carl Lane (Felician College) and Benson asked whether the financial problems facing the SCLC were the result of the passage of the Civil Rights Act of 1964. Jones replied that the decrease in funding was not the result of the Civil Rights Act but instead seemed to be the result of policies and actions of the SCLC organization itself.

Participants at "Taxation and Finance through History," chaired by Sara Absoch (SUNY-Buffalo), heard **Alvaro Martinelli** (Appalachian State) speak on the "Origin and Evolution of Capitalism and Capital Formation during the Middle Ages – The Pervasive Influence of the Church on Commerce and Trade." Martinelli describes how the attitudes of the Church evolved to become more conducive to and accepting of capitalism. Absoch asked Martinelli to elaborate on the origin of the concept of "just price" and to explain how the merchants and bankers coped with any guilt that may have arisen from their engaging in capitalism. Martinelli said that it was hard to pin down the origins of "just price" as interpretations of it were shifting.

In "Tracing the Tax Exemption Tradition from Time of the Ancient Pharaohs into Modern Times," **Jerome DeRidder** (Salisbury University) focuses on tax exempt organizations and income tax exemptions in the United States. Absoch doubted the argument that income tax is the "fairest" tax.

Frederick Schneid (High Point) examines Napoleon's pursuit of Spanish silver in "Financing Napoleon's Wars." In her comments, Absoch noted that Napoleon was successful in attracting funding and did not have to dip into his own personal finances until 1813; however, she wondered how Napoleon justified his attempt to extract money from his ally Spain. Schneid explained that Napoleon inserted clauses into his treaties with his allies that obligated them to provide him with funds. Last, Absoch wanted to know if it was unusual for nations of this time period to exit war in fair financial shape, and Schneid acknowledged that it was indeed unusual.

Jeff Kinard (Guilford Technical Community College) chaired the session on the "US Civil War." Harvey Hudspeth (Mississippi Valley State) began with "Slavery and Civil Law in the Antebellum South – Two Case Studies," an examination of the legal categorization of slaves as either personal property or real property in two lawsuits involving fraud and the mistreatment of slaves. In his paper on "The Start of a Government Monopoly: Civil War Finance, the Rise of the Bureau of Engraving and Printing, and the Decline of the Bank Note Companies, 1863," **Franklin Noll** (US Bureau of Engraving and Printing) describes the development of the Bureau of Engraving and Printing. He states that the Bureau was created in response to the failure of private banknote companies to provide the government with an ample supply of bonds. Kinard wanted Noll to better describe the way the bonds were marketed through the press and public relations.

In addition to the sessions described above, conference participants also enjoyed a special presentation by **David Whitten** titled "Laughing at Death: Comic Relief in Review," in which he highlights several decades of cartoons focusing on death and bereavement. At a reception that followed the talk, the Society presented Harvey Hudspeth with the Charles J. Kennedy Award for the best article published during the previous year in *Essays in Economics and Business History*. Scott Dalrymple received the James Soltow Award for the best article published in *Essays* written by a first-time author for this journal.

Other conference events included an excursion to nearby Old Salem, where conference participants toured the historic town settled by Moravians in 1766 and the Museum of Early Southern Decorative Arts. On Friday evening, the Honorable Howard Coble, United States Representative, 6th District of North Carolina, served as the keynote speaker at the annual EBHS banquet. On Saturday afternoon, following the end of the conference presentations, attendees had the opportunity to visit Furniture Land South to listen to a presentation on the economic model of the world's largest furniture store. The conference concluded on Saturday evening with a closing reception.

The 31st Annual Meeting of the EBHS will occur April 27-29, 2006 in Pittsburgh, Pennsylvania. Roberto Mazzoleni of Hofstra University is the Program Chair for this conference. Details and the call for papers can be found at the Economic and Business Historical Society website, www.ebhsoc.org.

Call for Papers

Annual Cliometric Society Conference

Binghamton, New York

June 2-4, 2006

The annual Cliometrics Conference in 2006 will be held Friday June 2 through Sunday June 4th and hosted by the State University of New York (SUNY) - Binghamton. Typically, 12 papers are selected for presentation and discussion. These are sent out to all conference participants in advance. In the session devoted to each paper, authors make a 5-minute opening statement, and the rest of the session is devoted to discussion by all conference participants. All participants are required to read all papers and to attend the entire conference.

Those wishing to present a paper should provide a 3-5 page summary. **The deadline for proposals and requests to attend the meetings is Tuesday, February 1st, 2006.** Paper presenters and those wishing to attend the conference should provide their addresses, phone and fax numbers, and e-mail addresses. Those presenting papers will be notified by March 3, 2006 and are expected to provide a completed draft of the paper in the proper format for the conference volume by April 3, 2006. We prefer that applicants submit their materials using the application form under the Cliometrics Conference listing at the EH.Net website, http://www.eh.net/Clio/Conferences/prop06.html. Proposals may also be sent via mail to:

Ann Marie Ladd
Cliometrics Conference Secretary
Department of Economics
University of Colorado at Boulder
Boulder, CO 80304

Phone 303-492-7413
Fax (care of Ann Marie Ladd) 303-492-8960
E-mail clioconf@colorado.edu.

A Letter from the Editor

Greetings Parched Members:

As I write, La Crosse is enjoying its first sub-90 degree temperature in nearly three weeks. While this may seem small potatoes to those of you nestled in more southern and western climes, remember that we suffer through cold and snowy winters up here. Our return on that payment is supposed to be pleasant summers with cool nights and enough rain to keep our gardens verdant without resorting to draining the city's water supply dry. At least that's the guarantee made to me several years ago when the faculty at UWL said "No, no, no, don't take that job in hot and steamy Georgia. Come here to God's Country, where the weather is mild, the snow brief and beautiful in the winter, and the beer "fully krausened." Since that time, of course, I have learned that "mild" means less than 98% humidity, "brief" is a code word for less than half the year, and "krausened," well, let's just say I learned what that meant shortly after I got here, and haven't touched the beer since.

One of the advantages of hot weather is that it forces me to get to long-delayed indoor projects. If it's roasting outside, I don't feel so bad working in my air-conditioned office. One of the projects I wanted to get done this summer was an inventory of the Clio conference books that have piled up over the past few years. Several members have sent me copies of old conference booklets, which I have been promising myself I would eventually catalog. It seems reasonable that an organization dedicated to the study of history should have a well-organized history of its own. To that end, I have been accumulating these conference books and finally sorted them out. I had a few duplicates but for the most part was surprised at how many different volumes there were. As of now, the archives consist of a run of conference booklets beginning in 1985 and running through 2005, with the exception of 1986, 1998, 1999, and 2004.

I still believe it is worthwhile to have an entire set of these booklets in one place. If you have any pre-1985 booklets or copies of the missing years that you would like to deposit in the Clio archives, I will gladly add them to the current collection. If you have some of these volumes but would like to keep them for your own collection, I would appreciate it if you could have a copy made and forwarded to me. If you have a volume or copy to send along, please let me know, haupert.mich@uwlax.edu. In turn, of course, if you are looking for a copy of a paper that was presented at a Clio conference, let me know the specifics, and I can send a copy from our existing collection.

Related to this effort to preserve the history of economic historians is the project I began last spring to construct a genealogy of economic historians. Elsewhere in this issue is a preliminary report on the status of that project. It began with a brief email questionnaire sent out to the 691 members listed on EH.Net. I received an impressive 269 responses, most of them within 48 hours of sending the email. Another 273 emails were returned as undeliverable, and since I began compiling the data, another two dozen responses have come in. I will be recontacting the folks I have not yet heard from and incorporating their responses with those reported in this issue in an update in the fall *Newsletter*. Meanwhile, if you did not receive an email from me but would like to include your information in the database, please send it along. I am compiling year of Ph.D., Ph.D. granting institution, dissertation title/topic, dissertation mentor, and any other individuals you would identify as significant mentors in your career.

Stay cool, avoid trans fatty acids, and be kind to animals,
Your Sunburned and Sensitive Editor

My time-honored way to beat the heat.
Jean Bonde, Managing Editor