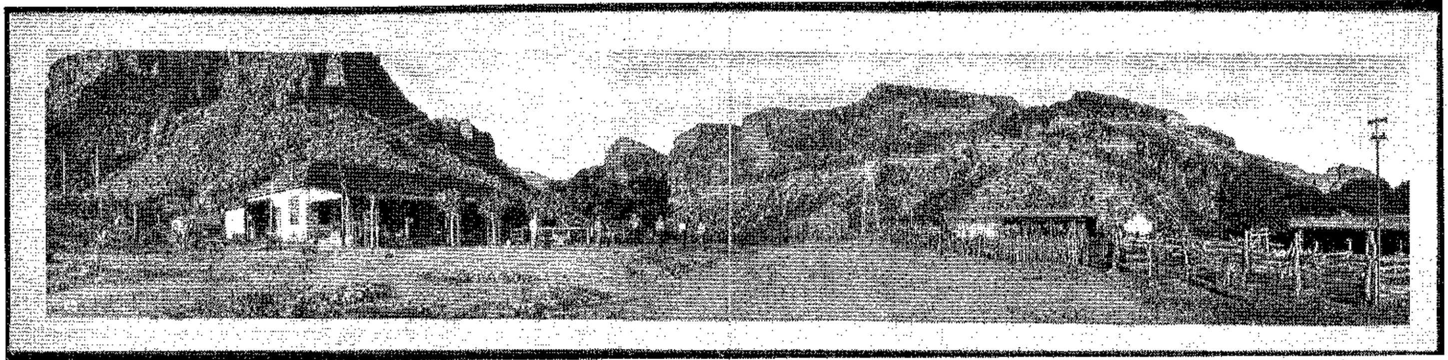
The Newsletter of

The Cliometric Society

Spring 2007 Vol. 22 No. 1



The Fish Creek Hotel near Tucson, AZ c 1909

The 2006 Annual Meeting of the Economic History Association

By Carolina Corral (McGill) and Florian Ploeckl (Yale)

(Pittsburgh) The Economic History Association convened its annual meeting in Pittsburgh, PA from September 15 -17, 2006 in the majestic Omni William Penn Hotel. The program committee, chaired by Bill Collins (Vanderbilt) with the assistance of Zeynep Hansen (Washington University), Mike Haupert (UW La Crosse), and Ryan Johnson (BYU), put together a stimulating lineup of sessions, and the local arrangements committee of Karen Clay (Carnegie Melon) and Werner Troesken (Pittsburgh) rolled out the red carpet. The conference broke with tradition by adding three concurrent sessions in some time slots. As a result, not all sessions were able to be covered by the reporters. Those sessions covered were chosen by the reporters based on personal interest and are in no way a reflection of the relative quality of the papers or topics involved.

The conference opened with a session on agriculture on the American Frontier. **Stephen Bretsen** and **Peter Hill** (both Wheaton College) presented "Irrigation Institutions in the American West." They look at the contractual arrangements used in private irrigation efforts, the efficacy of the irrigation districts in the various western states, and the success of Bureau of Reclamation projects. They find that the differing economies of scale between irrigation provision and farming meant that vertical integration would result in costly operation. Hence, farmers formed mutual companies, both incorporated and unincorporated.

Karen Clay followed with "Squatters, Production, and Violence." She uses a model and data from California in 1860, a time at which property rights were uncertain, to investigate the links among property rights, production, and violence. She estimates that squatters produced significantly less than non-squatters and led to depressed production by non-squatters.

Shawn Kantor (UC Merced) remarked that Clay needed a clearer definition of who was a squatter, since the holding of more than 160 acres

(continued on page 16)

What's Inside

Executive Director's Notes

Greetings Gentle Members:

As the great cliometrician David Bowie put it: "Ch-ch-ch-changes; turn and face the strain, don't wanna be a richer man..." Well, I do want to be a richer man, but it is time for changes here at Clio HQ. As the regular readers of this column, both of you, know, last year I announced my retirement as Executive Director of your favorite Society. My second full tour expires next year, and because of scheduling issues associated with the quadrennial World Congress of Cliometrics, I extended my first tour by a year. Thus, when I formally surrender the keys to the washroom, I will have served nine years. You really old-timers know that my predecessor, Sam Williamson, served for eighteen years. I like to think I've proven I'm half the man Sam was, uh, is.

The Cliometric Society
Department of Economics
Box 8110
North Carolina State University
Raleigh, NC 27695-8110
USA
E-mail: ccsociety@eh.net

The Newsletter of the Cliometric Society
Is published semiannually.

Michael Haupert, Editor
Mary Beth Combs, Pamela Nickless Associate Editors

Anyway, I appointed Clio trustee Tom Weiss to find a replacement, and he found a good one. At its 2006 annual meeting, the Board of Trustees approved the appointment of Michael Haupert, publisher of the Clio Newsletter, as the third Executive Director of the Society. Mike has done a great job with the Newsletter, and if he does half as well in his new job, then you won't be missing me.

Elsewhere in this issue, Mike will discuss the changes at the Newsletter. He will be overseeing that transition during '07, and then he and I will shift the Clio home office from Raleigh to LaCrosse in '08. For those of you who lament the finite nature of my reign, fear not; I still have more than a year left to spread the good news about Clio from the director's lofty perch. Beyond that, I trust, to paraphrase the Wizard upon his departure from Oz, you will serve and obey Mike as you have served and obeyed me.

On behalf of the membership I thank Tom for "persuading" Mike to accept the job, and I wish Mike all the best. Let's hope that when Mike takes over, he doesn't ask, as Bowie does later in the song: "Where's your shame? You've left us up to our necks in it! Time may change me; but you can't trace time." I'm not sure where my shame is, but I am pretty certain we're not up to our necks in "it" here at Clio.

As for the Society's social calendar, the next big event is the annual Cliometrics Conference, which will be held in Tucson, Arizona, May 18-20. Just keep telling yourself, it's a dry heat.

An Interview with Marvin McInnis

After completing both an undergraduate Honours degree and a Masters degree at the University of Saskatchewan, Marvin McInnis went to the University of Pennsylvania to work with Richard Easterlin – completing his doctoral dissertation, "Regional Income Differentials in Canada, 1911-1961," in 1966. Professor McInnis has spent his entire academic career in the economics department at Queen's University in Kingston, Ontario. Over the course of his career he has published more than 40 articles and 25 book reviews on topics ranging from migration, demography and agricultural productivity, to library science. In addition to his extensive publication record he also aided in the compilation of ***Canadian Historical Statistics****, and served on the editorial boards of the Historical Atlas of Canada, the Journal of Economic History and Explorations in Economic History. He chaired the committee on statistics for the Canadian Federal Government's Social Science Research Council, served as executive chairman of Statistics Canada's Census Research Programme, and held the position of vice-president of the Economic History Association. Recently Professor McInnis was the Visiting Distinguished Professor in Economic History at Osaka Gakuin University. He is currently teaching and continuing his research as an Emeritus Professor at Queen's. This interview was conducted by Ian Keay, an associate professor in the Economics Department at Queen's. Having Marvin as a senior colleague just down the hall is like having an invaluable source of insight into the workings of the academic world at your fingertips. The advice and guidance Marvin has offered me since my arrival at Queen's is part of what has made the department a great place to begin a career as an economic historian. Our interactions have been frequent, far reaching, and always intellectually invigorating. This interview took place in Marvin's office in Macintosh-Corry Hall on Queen's campus over the course of two hot and muggy mornings in late July, 2006. I would like to thank Michael Brolley for his help transcribing the interview.*

To begin at the beginning, I would like to ask about your decision to study economic history, and more specifically, I am curious about the individuals at the University of Saskatchewan who were early influences and mentors.

It is interesting that you should emphasize the individuals because it indeed was the case that there were strong influences. During my second year I was greatly influenced by a towering personality at Saskatchewan: Mabel Timlin. "Timmie" successfully encouraged many of her young students to pursue economics. For me it was quite evident after taking her intermediate macroeconomics course in my sophomore year that I was going to be an economist. Now, having said that, I should note that initially I did not think of myself as being oriented toward economic history. In fact, I only began to perceive myself as an economic historian a good number of years after joining the faculty at Queen's – I guess it dawned on me as time went on. I should also note though, that I always had a strong interest in history – my father was a high school history teacher and there were always history books around the house, so very early on I was reading a lot of history. I took only one undergraduate course in economic history. It was taught by Vernon Fowke, who was a remarkable man, but taught just about the most uninspiring course you can imagine. The bigger influence, which came during the later years of my undergraduate study at Saskatchewan, was Kenneth Buckley. Although Buckley taught agricultural economics, not economic history, his research and writing has become a standard part of Canadian economic history. So the direction of my career was very strongly influenced by Buckley.

Were you initially reluctant to consider yourself a historian?

Well, in a way that's the case, but you must realize two things: first, my mentors – Timlin, Buckley, Easterlin – did not bill themselves as economic historians. They were just economists with long term interests. It was in that mold that I was formed. Second, economic history and a long term view of the economy was very much ingrained in economics departments in Canada. Anyone studying at any of the major Canadian economics departments would have been exposed to that long term orientation.

Did any of your undergraduate classmates pursue a PhD? Did any become economic historians?

It was fairly common for undergraduate students from Saskatchewan to attempt to move on to the top universities of the world. I was a member of a relatively small graduating class – there were only seven of us. Six went on to get PhDs. The one who didn't was the only woman in the class. She married one of our classmates and went on to get a MA in economics. Not all became economic historians – one became a conventional historian of considerable note, another became a political scientist. There was considerable variation in breadth and outlook.

Can you tell me about your graduate studies, both at the University of Saskatchewan and at Penn?

As Buckley had done when he was an undergraduate, I won a U of S scholarship tied to the London School of Economics, but he dissuaded me from accepting it. Buckley indicated very strongly that he didn't think the LSE was up to all that much by the time I was interested in going there, and he suggested that I look to American graduate programs. Buckley's influence was in part what led me to stay on in Saskatchewan for an additional year to get my Masters degree and to ponder more carefully what I was going to do. That year stretched into a second year in which I was able to pick up a bit of remuneration by doing some teaching.

Your first teaching experience must have been a bit intimidating.

I was assigned a section of introductory economics, where I had one of the very best students I have ever taught in my career – Uwe Reinhart – who went on to Princeton and has become quite well known in the field of medical economics. The other course I taught was a real trial. It was a course on political economy for third year engineering students – the majority of whom were older than I was. I had 125 of them giving me a hard time and reminding me that the person who had taught the course before me had a nervous breakdown. The course was supposed to be a run through basic economics with a bit of structure of government thrown in. I was supposed to prepare these engineers to become good citizens. Part way through the term we came to an accord and got along alright, but it was a bit of a trial for a young, novice teacher.

What was the topic of your MA thesis?

I had a particularly strong interest in regional economics, which was a relatively new field at that time. I took no graduate courses in the area, but as an undergrad I had read some Von Thünen, Weber, and Lösch, so I was familiar with the German literature on regional and location economics. I began work on regional development and regional growth variations. My MA thesis was on regional variations in income for the province of Saskatchewan. This topic led me into quite a number of interesting questions.

When it came time to look at graduate schools I wanted to continue to pursue some of these questions. I applied to, and was accepted by both the University of Chicago and Johns Hopkins – where Simon Kuznets was the star at the time. I received a letter from Kuznets advising me that he was moving to Harvard. It was at that point that Buckley told me about a student of Kuznets, Dick Easterlin, whom he thought would be a particularly helpful and valuable supervisor. Again following Buckley's advice I went to the University of Pennsylvania very specifically to study with Dick Easterlin.

Was Easterlin working on his regional income estimates at that time?

Easterlin had already produced his regional income statistics for the US, but Walter Isard was also at Penn, and he was founding a new program in regional science. I went to Penn in part to study with Isard. The irony is that I never took a course nor even met Isard while I was there – he was on leave the first year I was there and as a result I never got drawn into the regional science camp.

How many students did Easterlin have when you arrived at Penn?

He was supervising five or six others I suppose, but my interactions at Penn were centered around another group of students – Paul Taubman became a great discoverer of major data bodies, but sadly he died rather young. Rangarajan was perhaps my closest friend in graduate school. He went on to become the Governor of the Reserve Bank of India, the Governor of the State of Andra-Pradesh, and is now the President of the Indian Tax Council. Another student I spent quite a bit of time with, Meghnad Desai, is now the Right Honorable Lord Desai of St. Clement Danes.

So after you arrived you felt comfortable – there were no issues related to your being a Canadian from a small prairie university?

There were no problems at all. Penn had quite a diverse group of graduate students at the time. I certainly felt very well prepared coming out of Saskatchewan and I was quite willing to point that out to the faculty. I think I may have been a bit of an arrogant SOB at the time – I told the instructor for the basic introductory graduate micro course that there was no sense in my bothering with that course, because I had already covered all the material quite thoroughly. To the astonishment of my student colleagues he agreed with me, although he did add: "Well, we'll find out if you're right on the general exam."

Much of your research has focused on agricultural development, demography and migration – three issues that have traditionally been particularly relevant for the province of Saskatchewan. Is this a coincidence, or has your choice of research topics been influenced by your upbringing and early education in Saskatchewan?

I have often said, like so many others: "I am *from* Saskatchewan because Saskatchewan is a great place to be *from*." I am quite sure that my agricultural interests reflect my upbringing. One can't grow up in Saskatchewan without having close associations with farming – I worked on my uncle's farm and I was employed as a farm laborer from time to time. On the other hand, my interests in demography and migration have been related much more to the individuals who have influenced me – in particular, Buckley and Easterlin. I went to Penn to study regional development, but Easterlin had already moved on to demography, and at his suggestion I took the whole graduate course program in demography. Penn was then, and still is, one of the principle centers for teaching and research in demography.

You attended some of the very earliest Cliometric Society conferences. From all the conferences you have been to, what papers stand out in your mind?

I went to my first Clio meeting in the winter of 1964, while I was in my last year as a doctoral student at Penn. I went tucked under Easterlin's wing. At that conference the standout paper, as I recall, was Parker and Gallman's, in which they introduced their agricultural sample of the cotton south. The following year was the first conference at which I gave a paper. That year there were two major papers presented – Paul David's on the mechanization of grain harvesting, and Fogel and Engerman's on the US iron industry. Both of these papers generated quite a bit of controversy at the time and both have become prominent chapters in "The Book of Clio". However, it was at a later Clio meeting that the paper that impressed me most was presented: Alice Hanson Jones' tour de force examination of wealth data from US probate records. She was looking at the wealth of colonial America on the eve of independence, and it was a major step forward in the use of historical data. I guess one of the things that becomes evident from my response to your question is that my repeated attendance at the Clio meetings and the papers that stand out in my mind give an indication of how I was sliding into economic history.

Who were some of the young historians and graduate students you met at these early Clio meetings?

Well, Roger Ransom gave a paper at the first meeting I attended, and I first met both McCloskey and Mokyr when they were presenting parts of their theses at Clio meetings. At one of the most memorable early Clio meetings that I went to Bill Parker brought along a couple of his Yale doctoral students, who he regarded as the bright young people of the moment. At the Clio meetings one rooms with somebody else, of course. Well, I roomed with one of the students Parker had brought along – Joe Stiglitz – and we sat up and debated practically the entire night. Another of Parker's Yale students with whom I had interesting discussions at the Clios was Jan DeVries.

Do any of the papers from more recent meetings stand out in your mind?

Nothing comes to mind as a really scintillating piece of research, although some of the papers have gone on to be well recognized – Avner Grief for example presented the first studies coming out of his doctoral thesis at a meeting I attended. I don't see many of the more recent papers having the kind of impact that the earlier work has had.

I would like to shift our focus a little and ask a few questions about your research. When I look over the work you have done in your career, one of the common features that stands out are the repeated challenges you have presented to "accepted wisdom." Has this been intentional?

I think my own natural skepticism has quite persistently led me to question claims that were made about historical patterns and events. For example, the frequently made assertion that early 19th century French Canadian farmers were inefficient was largely based on just one piece of widely cited evidence – their failure to spread manure on their fields. Coming from an agricultural background, and knowing that farmers are not likely to waste time and effort where its not going to do any good, I thought that French Canadian farmers with only two or three cows per farm were not likely to be generating enough manure to have any real impact on their fields. The second related point occurred to me as I was working through early census reports – I noticed that there had been a long standing bias in these reports against French Canadian farmers because their standard measurement units – minots and arpents – had not been converted into bushels and acres. The shortfalls in yields that were typically claimed for French Canadian farmers matched the difference in measurement units very closely. The units were supposed to have been converted at the central office. The census director in 1871 discovered this, noted it, and made the conversion for 1871, but prior years and a couple of conversions in subsequent decades were not made. We knew about this conversion issue for more than 100 years, but when I came across it I was amazed to see that other writers had not picked up on it. I guess it just reflects my skepticism when looking at any evidence.

At various points in your career you have played a fairly significant role in the compilation of three bodies of data that have become cornerstones in the study of Canadian economic history – Historical Statistics, Mac Urquhart's 1870-1926 Canadian income estimates, and the Canadian Historical Atlas. I hoped you might comment on how you became involved in these projects and what you think of the research that they have spawned.

As I already mentioned, my involvement with Historical Statistics began when I was still a graduate student and I spent a summer in Ottawa as Mac Urquhart's research assistant. As for Urquhart's national income estimates, at quite an early date I became concerned about what I thought were notable deficiencies in the decadal national income statistics that O.J. Firestone had produced. In particular, I could see a serious flaw in the estimates for the agricultural sector. I talked about this with Ken Buckley for a good number of years and we kept saying somebody ought to do something about fixing the problems. Well finally Mac got a substantial research grant to launch a full-scale project aimed at revising Canada's early national income estimates. I was asked to fix the agricultural sector estimates, and I worked out a methodology that I used for the estimation of net farm output for several years. Unfortunately, I became quite heavily involved with some other things, and eventually Mac was able to oversee a research assistant who used the methodology I had worked out to put together the data for many of the annual agricultural series that appear in the aggregate estimates.

The third data project that I got very much involved in was the Historical Atlas of Canada. It was primarily a project developed by several historical geographers and historians. I was really the only economist that was involved and I think they asked me to participate because I had had considerable success raising research funds for the 1971 Census Monograph program. At any rate, I became involved with the committee that organized the Historical Atlas. I was also on the editorial committee that organized the third volume, which covered most of the 20th century. We took quite a lot of time hammering out a broad interpretation of development of the 20th century Canadian economy and society. Having agreed on our interpretation, we then sought authors who would work on individual pieces, each appearing as a plate in the Atlas. We had some difficulty getting people to contribute, so I ended up doing a large part of the research myself. I like to joke that in volume three of the Historical Atlas of Canada, I am "Alpha and Omega" – appearing as author on the opening and closing pages, as well as a good number of pages in between.

Now you asked about the impact these data projects have had on the study of Canadian economic history – I have to express some considerable disappointment. I thought that a new relatively high quality annual series of national income estimates for Canada would get picked up and used by a fair number of scholars. After all, here was a really important new body of evidence. I am sure there are some problems with the estimates, but one only learns about those problems by making use of the data. For the most part the only use that we see of these new estimates has been in statistical models that have sought to establish phases or turning points in Canadian economic history. The great abundance of sectoral material has not been used, and nobody has yet raised any questions about the structure or development of the Canadian economy that could not have been answered before we had this new evidence. My own research agenda for the last 10 or 12 years has been directed towards making contributions along these lines – I have begun to seriously re-examine the role of western settlement and the wheat economy in Canada, and more recently I have been studying the impact of World War 1 on Canada. There aren't many other scholars working with these data and I suppose this may be because there aren't many economic historians examining long term change in Canada. In a way, there has been a similar story for the Historical Atlas. Many people see the Atlas as a very handsome "coffee table book", and I know that a number of professors refer their students to it when they are teaching courses, but especially in volume three the deliberate interpretation that appears item by item, plate by plate does not appear to have been examined or challenged.

I think it is safe to say that most fields in economics and history are becoming increasingly insular. Economic history, in contrast, remains relatively diverse. Can you comment on this contrast between the diversity of economic history versus the insularity of most economists and historians?

Well I think one of the great strengths of economic history has been its breadth of outlook and the tendency to draw on a wide range of different methodologies. I think this ability to remain diverse is one reason why economic historians continue to have some value to economists in general. I'm somewhat more concerned with what's happened to the relationship between economic history and historians. There I think the amount of interaction and the interdisciplinary dialogue has diminished. Certainly in my own personal experience, that has been the case. History departments which used to have economic historians, or at least people who worked on economic issues, appear less and less inclined to maintain the connection to economics. The other thing that surprises me is the rather strong move in history departments to look at relatively recent history, where economic historians are still often interested in very old and long standing questions.

Your desk drawers are famous among Canadian economic historians for the number of doctoral thesis ideas – and supporting data – that they contain. I was wondering if you could comment on some of the challenges you have faced, and successes you have had in attracting and training students.

The fact that I have had so few doctoral students in economic history has been one of the disappointments of my career. Of course, the absence of economic history graduate students has been a characteristic of the general pattern that advanced economics education has taken in Canada. As you say, I have had broad interests and I continue to visualize many interesting topics – I have often thought, "Oh, wouldn't it be attractive if there were some bright young person here to pick up that idea and do something exciting with it." This is coupled with a disappointing – well it has been disappointing to me – lack of interest in the world at large in the economic history of Canada. One sees very few economic historians from other countries examining topics dealing with Canadian development. This is unfortunate for a number of reasons. First, there are in fact some interesting and intriguing questions that are salient matters in Canadian history, as well as having a bearing on conditions elsewhere on the globe. Second, Canada can often provide a useful comparative unit in examining what has happened in other economies. It is also the case that there are very good data resources available for Canada, and some of the topics that have interested economic historians in other countries could be more effectively pursued with Canadian data. It has always been a bit surprising to me that the full potential of Canadian data sources has not been effectively recognized. Just to give an example or two: the Canadian census began collecting annual wage data as early as 1901 – well before that kind of information is available for the US – and the demographic data for Canada are quite rich, with information on language, religion, and ethnicity available as early as the 19^{th} century - again, long before this information is available in for the US.

Although I do agree with you, I could play devil's advocate and suggest that for countries outside of North America the US would be the obvious benchmark.

But it is also the case that there are events and development characteristics that are present in Canadian but not US history which are either quite similar to, or mark a notable contrast with other nations. Although this may be a somewhat peculiar example – I have always been quite intrigued by the photos of earth taken from space. Growing up in North America we are often told that the 49^{th} parallel dividing Canada and the United States is just an imaginary line, but I have noticed that that line is far from imaginary. There are places where it shows up very precisely from space. Why? Because there have been different policies that have led to notable differences in land use, whether agricultural land or forest land, in the two countries. Now, it is also the case that from an environmental perspective the large spring wheat growing areas of North America extend across that 49^{th} parallel. It seems to me that a Canada-US comparison could be quite helpful in revealing some effects of policy differences or external influences.

I would like to ask you to reflect on the progress made by the field of cliometrics in Canada and, although this may be the same question rephrased, how would you assess the state of cliometric research from a Canadian perspective?

I am quite heartened by the development of cliometrics in general. As a field it has shown a capacity to evolve and, in some parts of the world, to draw in new scholars. I am particularly impressed with what has been happening in a number of European countries – in Spain, Portugal, and the Netherlands, for example, there has been a vigorous development of research along cliometric lines. I am more disheartened with what has happened specifically in Canada – the very small number of young Canadian scholars who have been drawn into the field and have chosen to study and write about the past. One may choose to be more optimistic and note that this leaves a potentially fertile field yet to be cultivated.

Marvin, please accept my thanks for a far reaching and fascinating interview.

Selected References

McInnis, Marvin

"The Changing Structure of Canadian Agriculture, 1867-1897," *Journal of Economic History*, Vol. XLII, No. 1 (March 1982), pp 191-98.

"The Trend of Regional Income Differentials in Canada," *Canadian Journal of Economics*, Vol. I, No. 2 (May 1968), pp 440-70.

"Immigration and Emigration: Canada in the Late Nineteenth Century", in *International Migration and World Development, 1850-1939,* Timothy Hatton and Jeffrey Williamson, eds., London: Routledge (1994), pp. 139-55.

Perspectives on Ontario Agriculture: 1815-1930, Ganaoque, Ontario: Langdale Press, 1992.

Historical Canadian Macroeconomic Dataset 1871-1994, Kingston, Ontario: Queen's University, 2001.

"Long-Run Changes in the Industrial Structure of the Canadian Work Force," *Canadian Journal of Economics*, Vol. 4, No. 3 (August 1971), pp 353-61.

With Frank Lewis
"The Efficiency of the French-Canadian Farmer in the Nineteenth Century", *Journal of Economic History*, Vol. XL, No. 3 (September 1980), pp 497-514.

****

Economic History at the ASSA Meetings

By Michael Haupert (UW La Crosse)

(Chicago) The annual meetings of the Allied Social Science Association were held in the windy city from January 5-7, 2007. Continuing a tradition begun in 1989, the Cliometrics Society and the EHA offered sessions. Not all sessions could be covered by reporters. Those sessions covered are a reflection of the time commitments of the reporters and in no way a reflection on the relative quality of the papers or topics involved.

The economic history sessions dawned bright and early on Friday morning. **Guillaume Daudin** (Edinburgh) got them off to a rousing start discussing "Domestic trade and regional markets in late 18th century France." Daudin uses an exceptional source on French domestic trade at the end of the 18th century to identify French regional markets. The usual benchmark of market integration is the value of price correlations for homogenous goods in different places. In contrast, he uses indications on the actual existence of trade flows.

Kris Mitchener (Santa Clara) lauded the yeoman's effort Daudin made to assemble these data. The troubling aspect of the data is that they cover only a single year. Also, the discussion of markets would benefit from making clear what the hypotheses are to be tested. For example, what are the expected outcomes of the tests? What have previous scholars said? Are we surprised with the results? Mitchener also thought the author could be a bit more explicit about the underlying assumptions that are made about the data in order to carry out his cluster analysis. More to the point is that economic historians want to know more about whether the results corroborate the historical record. Are the results surprising or do they confirm what traders wrote about? There is very little history in the paper. In the end, what we want to know is whether we learn something about economic theory that we did not know prior to this paper being written or whether we learn something interesting that we did not already know about the movement of goods in France.

"Global Trade and the Maritime Transport Revolution," by **David S. Jacks** and **Krishna Pendakur** (both Simon Fraser) followed. The authors look to the late nineteenth century in an effort to shed a historical light on contemporary experiences with globalization. Specifically, they wonder about the potential sources of the globalization of trade and the role played by transport. In this sense, the late nineteenth century is an ideal testing ground: freight rates dropped globally by 40% as a result of productivity growth in the shipping industry and global trade increased from roughly 10% of global GDP in 1870 to 25% in 1913. Their main contribution is to estimate the first indices of bilateral freight rates for the period and directly incorporate these into a standard gravity equation of bilateral trade. They find little evidence suggesting that the maritime transport revolution was a primary driver of the late nineteenth century global trade boom.

Douglas Irwin (Dartmouth) thought that the author's basic idea is a step forward, but that there is clearly a simultaneity issue between trade costs and trade volumes. But this version of the paper is just an initial step toward working this out - much more has to be done. He asked the authors to explain in more detail how their freight rate series differs from others. He also suggested that the brief section of the paper that deals with simultaneity was in need of more work. Finally, he wondered if there were any proxies for the depth of financial and banking relationships between countries.

The third paper, "Political Instability, Institutions, and Economic Growth," is the work of **Ryan Compton** (Manitoba), **Daniel Giedeman** (Grand Valley State) and **Noel Johnson** (Cal State – Long Beach). The authors argue that periods of extreme political instability tend to reduce the value of contracts enforced by formal institutions more than they reduce the value of contracts enforced by informal institutions. As such, countries in which trade is structured predominantly through informal institutions should experience less of a reduction in output during these political shocks. They interpret periods of political instability as offering a natural experiment to study the stability of institutional equilibria across countries at different times.

Max-Stephan Schulze (LSE) and **Nikolaus Wolf** (Free University Berlin) closed out the first session with "Harbingers of Dissolution? Grain Prices, Borders and Nationalism in the Habsburg Economy before the First World War." They explore the Austro-Hungarian economy prior to WWI as a prominent case where growing conflict between various national groups within an empire might have contributed to the emergence of internal borders and even its eventual dissolution. They use an Engel-and-Rogers–type approach to examine the extent of co-movements in grain prices across a sample of cities over the period 1878-1910. Their findings raise several important questions about both the forces that shaped the patterns of pre-war market integration and the economic costs of breaking up the Habsburg customs union after 1918.

The second session, "Institutions and History: Land, Trade, and Labor Markets," followed immediately in the same room and began with "Distributional Dynamics in a Stochastic Environment with Tradable Assets: Medieval English Land Markets," by **Cliff Bekar** (Lewis and Clark) and **Clyde Reed** (Simon Fraser). Between the eleventh and thirteenth centuries English peasants experienced increasingly large income shocks. Innovations in property rights over land allowed peasants to respond by trading small parcels of land to smooth consumption. Over the same period the distribution of peasant wealth became dramatically less equal. The authors argue that these events were causally related and they analyze their impact in the context of medieval

English land markets and the distribution of peasant wealth.

Pete Ferderer (Macalaster) felt the paper could have used more transparency in its technical details. He thought the reader would be better able to follow the argument if more of the equations were included in the paper. He was uncertain why harvests would become more variable, which is an important issue because it is crucial to their main argument. He also thought they should explain why the title reform, which was key to the development of the land market, was undertaken in the first place. Was population pressure reformed or was it driven by some exogenous event?

Joyce Burnette (Wabash) presented "Child Day-Laborers in English Agriculture: Evidence from Farm Accounts, 1740-1850." Burnette uses a sample of English farm accounts to examine the extent of and trend in child labor among agricultural day-laborers. She finds that few girls were employed as agricultural day-laborers. Regression analysis does not identify a trend in the employment of girls, but does suggest that larger farms were more likely to hire girls, perhaps because there was more opportunity for a finer division of labor at larger farms.

Werner Troesken (Pittsburgh and NBER) thought that, given her high quality data, she should recast the paper away from child labor toward changes in the wage distribution for labor during the Industrial Revolution.

"Rulers Ruled By Women: An Economic Analysis of the Rise and Fall of Women's Rights in Ancient Sparta," by **Robert K. Fleck** and **F. Andrew Hanssen** (both Montana State) pushed the discussion much further back in time. The authors note that the women of Sparta were a striking exception to the typical pattern of male-dominated societies prior to the 20th century. Although they could not vote, Spartan women reportedly owned 40 percent of Sparta's agricultural land and enjoyed other rights that were equally extraordinary. They claim the key to this historical anomaly was the Spartan conquest of a neighboring land and people, which fundamentally changed the marginal products of Spartan men's and women's labor. To exploit the potential gains from a reallocation of labor, men granted women property (and other) rights.

Troesken thought this was an excellent paper, presenting a compelling and simple explanation for why women's rights emerged in Sparta, but not elsewhere in Greece. He encouraged them to consider and explicitly evaluate alternative explanations (rather than the solely economic one currently addressed). He also thought they should treat the population data for the ancient world with greater caution and skepticism.

The final paper of the session was "How to Beat (Very) Imperfect Markets? Re-thinking the Comparative Study of Commercial Institutions in Pre-modern Europe," by **Oscar Gelderblom** (Universitet Utrecht) and **Regina Grafe** (Nothwestern). They seek a better understanding of when merchant guilds first arrived, why they were formed and what they did. The authors present a new database covering merchant organisations in Europe between 1250 and 1800, arguing that different forms of merchant organisations can be usefully understood as points on a scale following Williamson's distinction between markets and hierarchies. Thus social networks, *consulados*, merchant guilds and regulated companies can be viewed as performing broadly the same function, the governance of transactions, and differing merely in the degree of authority delegated to the mercantile institution in question. Overall, they find that market condition variables have a stronger impact than the political ones, and they find little evidence that merchant guilds functioned largely as a protective device against predatory rulers or that their formal representation on town councils was strongly associated with their degree of authority delegation.

After a break for lunch, economic historians once again returned to the same location for their final session of the day. **Raymond Cohn** (Illinois State) opened "Economic History of Labor: New Directions," with his study of "The Volume and Composition of European Immigration to the Antebellum United States: An Analysis of the Passenger Lists." He analyzes the existing yearly immigration statistics for arrivals from Europe in the antebellum United States. His research indicates that fewer immigrants were omitted from historical accounts than was previously believed. In addition, through his work, Cohn is able to clear up some long-standing questions about the accuracy of the data.

Joseph Ferrie (Northwestern and NBER), **Karen Rolf** (Nebraska) and **Werner Troesken** presented "The Past as Prologue: The Effect of Early Life Circumstances at the Community and Household Levels on Mid-Life and Late-Life Outcomes." They create a new database to track individuals over their lifetime in order to focus on the impact of circumstances early in life on health outcomes late in life

Lou Cain (Northwestern and Loyola) opened with a general comment: "Wow." He then went on to pose a few questions for the authors. First, he wondered what percent of the original sample is white and native-born and what fraction could be expected to appear in the SSDI, since there were broad categories of workers who were not covered by Social Security. He also noted that the authors report a negative effect on longevity (and BMI) of a native-born father, but they offer no explanation for why that should be so. Immigrant fathers were hearty enough to survive the transoceanic trip, but how important is that? Is there something about the heartiness of foreign-born mothers that matters? Or could there be positive selection into marriage for immigrant males? Finally, he suggested that it might be worth examining each component of BMI separately, given that people who are taller than others of their weight or lighter than others of their height could have the same BMI.

Nathan Grawe and **Jenny Wahl** (both Carleton) presented "Blacks, Whites, and *Brown*: Effects on the Earnings of Men and Their Sons." They ask whether *Brown v. Board of Education* influenced earnings. By using the Panel Study on Income Dynamics, the authors look at several years of earnings data on each individual in order to assess the impact of anti-discrimination policies. They find that *Brown* significantly increased earnings for black men educated after it, as compared to those educated before, using whites' experience as a control. They speculate that this occurred because *Brown* offered real hope of improved work conditions, giving blacks incentives to acquire greater human capital. In addition, they find that *Brown* had a significant positive effect on the earnings of the second generation of black men. Finally, their results indicate that *Brown* had no impact upon intergenerational mobility.

The day was brought to a close by **Andrew Seltzer** and **Jeff Frank** (both University of London) with "Female Salaries and Careers in the British Banking Industry." Seltzer and Frank use a new micro-level data set to examine the salaries and careers of female clerks in British banking between 1914 and 1941. They show that the formal policies of a marriage bar and not promoting women to branch manager were accompanied by a glass ceiling in pay, but that discrimination was limited to more senior levels. They also examine the provision of incentives to female staff and find that more talented women were identified early in their careers and reached higher salaries more quickly than was the norm and were more likely to progress to higher levels.

Lovers of economic history reconvened on Saturday morning for a general discussion of "Technical Change in Historical Perspective." The session was opened by **Michelle Alexopoulos** and **Jon Cohen** (both Toronto) with "Believe it or not! The 1930s was a Technologically Progressive Decade." They were followed by **Alexander Field** (Santa Clara), who presented "US Economic Growth in the Gilded Age." Previous scholars have concluded that in contrast with the nineteenth, during the twentieth century a much smaller fraction of real output growth could be swept back to the growth of inputs conventionally measured. The rise of the residual, they suggested, was an important distinguishing feature of twentieth century growth. Field identifies two problems with this claim. First, total factory productivity (TFP) growth virtually disappeared in the U.S. between 1973 and 1995. Second, TFP growth was in fact quite robust between the end of the Civil War and 1906. He argued that developing a revised macroeconomic narrative is essential in reconciling our interpretation of these numbers with what we know about scientific, technological, and organizational change during the gilded age.

Next up was "Labor Demand & the Production of Retail Service in the Early 20th Century: The Automobile as a factor biased technological innovation," by **Todd C. Neumann** (UC-Merced). He uses labor demand to estimate the underlying technology and production function of retailers in 1929. Special attention is given to how the spread of the automobile affected the relative productivity of capital in the production of retail services. His results suggest stores considered changes in productivity and input prices when determining exactly how much retail service to bundle with the commodity good and cities with greater automobile penetration may have been induced to shift away from variable labor inputs toward more fixed capital ones.

Troesken encouraged Neumann to adopt a less structural estimation procedure and look for simple natural experiments.

William Phillips (Georgia) capped off the session with his discussion of "Capital Intensity in Cotton Gin Manufacturing: Post-bellum Revival of the Southern Industry." Phillips examines the relationships between labor productivity and per capita income in post-bellum cotton gin manufacturing. He concludes that relative to Northern gin producers, Southern gin firms did not lower their capital intensity and capital-output ratio after the War, and unlike Southern industry as a whole, the Southern cotton gin industry did not appear to lower its relative capital intensity or relative capital-output ratio after the war.

Robert Margo (Boston University) found the paper interesting, but did add several caveats, including the fact that while it is useful to look in detail at narrowly defined industries, it does not really call the overall pattern into question. He recommended comparing cotton gin establishments to other industries in the same state, adding observations from 1850 and 1870, and adding a business history.

The topic was "New Directions in Financial History" for the final session of the conference. **Christian Bayer** (Dortmund) and **Carsten Burhop** (Münster) started the festivities with their discussion of "Corporate Governance in the German Empire: A natural experiment for incentive contracts." The authors employ a major shift in the legal environment of Imperial Germany, the joint-stock companies act reform of 1884, as an identification scheme to measure incentive components of managerial contracts. They argue that the correlation between pay and performance should decrease after the reform, whereas the probability of managerial turnover in case of bad performance should increase. The changes in the pay-performance correlation and turnover probabilities between the pre- and post-reform era is a measure of incentives. After the reform, incentives were substituted for by better institutions.

Eugene White (Rutgers) commented that to fully understand potential conflicts of interest, the authors should tell us more about how the supervisory board was compensated and whether there could be any overlap between the two boards---could brothers or fathers and sons be on the two boards? Could executives migrate to the supervisory board, thereby entrenching managers? Could shareholders vote out the whole supervisory or executive board? The authors need more facts, as the devil is in the details. He also wanted to know about the political economy of the reform law. Who lobbied for it, who was against it, and why did it occur at this specific time? There is also an endogeneity problem. Higher compensation or incentives might induce executives to work harder to increase profits, perhaps with a lag. This problem is not addressed in the paper, but is clearly central to this issue. Finally, while Bayer and Burhop examine executives' bonuses, they apparently have no information on salaries, options and other forms of executive compensation. Any light shed on their behavior over time would be very welcome, as the mix of compensation may well reflect features of corporate control.

The setting shifted to North America for "Resolving the Puzzle of the Underissuance of National Bank Notes," by **Charles Calomiris** (Columbia) and **Joseph Mason** (Drexel). They resolve the puzzle of note underissuance by using a model of bank note issuing profitability, and a three-part empirical analysis. They describe the legal limits on note supply and discuss the determinants of supply and demand for national bank notes. They find that a combination of legal restrictions on maximum note issuing and banks' opportunity costs explain the extent of bank note issuing in a manner consistent with bank profit maximization.

White noted that more appropriate models of note issue could profitably use the newer literature on production analysis, especially as it applies to banks as multi-product firms. He believed this fact was highlighted by Calomiris and Mason's evidence. They believe that they have solved the low note issue paradox, but while they have thrown considerable new light on the problem, they may have been asking too simple a question. Rick Sullivan (Kansas City Fed) asked how the authors had accounted for the demand for currency. Kim Oosterlinck (Universite Libre de Bruxelle) pointed out that aspects of risk were missing from their analysis as they only focused on the returns to currency.

Claude Diebolt (Universite Louis Pasteur de Strasbourg) and **Antoine Parent** (Humboldt) followed with their work on bimetallism and central bank cooperation. They look at currency regulation under the bimetallic regime, asking whether French and British central banks used their discount rates as a policy tool for currency stabilisation over the period 1850-1870. They conclude that the discount rate differential between France and England acted as an efficient regulation tool for currency stabilisation over the period and argue that bimetallism was probably something other than a pure automatic system governed solely by gold and silver points.

Hugh Rockoff (Rutgers) felt that there were actually several papers within this one presented by Diebolt and Parent. He encouraged the authors to look at the timing of private market rates in relationship to the discount rates. He also questioned their decision to reduce their model from three variables to two, suggesting that there may be some very interesting stuff going on that could be looked at by examining the three variable model, such as whether there are differential effects from the two discount rates.

The final paper was presented by **Kris Mitchener** (Santa Clara University and NBER) and **Marc Weidenmier** (Claremont McKenna College and NBER). In "Country Risk, Currency Risk, and the Gold Standard," they ask whether policymakers can enhance credibility by adopting hard currency pegs. They offer a new measure of country and currency risk during the pre-World War I gold standard. Using a new database of more than 250,000 weekly observations, they display a series of ocular regressions and employ event studies to investigate the time-series behavior of sterling-denominated and local-currency yields spreads on the London capital market in the weeks, months, and years before and after a country adopted the gold standard.

Rockoff congratulated the authors for the database they constructed. He suggested that to really improve on the test the authors need to have a series of dummy variables that describe the nature of the regime more accurately than a simple 0-1 variable switch. He also noted that the credibility of the transition also matters. Rockoff felt the authors missed an opportunity by more or less assuming that the gold premium and the currency premium are orthogonal to each other. He suggested trying an equation in which the gold premium was on the right-hand side and was interacted with the on-off gold dummy.

Though the economic history sessions had drawn to a close, the discussion did not. A festive gathering was held that evening, hosted by the Cliometrics Society, at which cliometricians and economic historians of all stripes were able to gather and informally solve all the world's problems – at least those that needed settling before the next big gathering of clioms in Tucson in May.

****

EHA Meeting (continued from page 1)

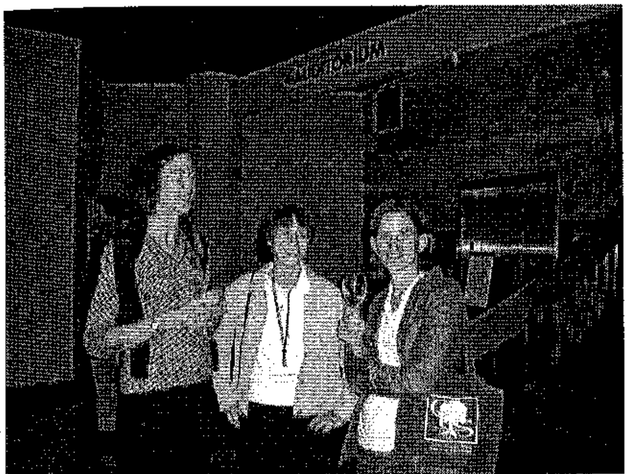
did not necessarily make someone a squatter. He was also concerned about a possible omitted variable bias on capital stock.

Kenneth M. Sylvester (Michigan) concluded the session with "Ecological Frontier on the Grasslands of Kansas: Changes in Farm Scale and Crop Diversity." He explores the origins of the modern relationship between scale and diversity using a new sample of Kansas farms between 1860 and 1940. In 25 townships across the state, he demonstrates that only a few plains farms were agents of early monoculture and explores the role of scale in its emergence.

Paul Rhode (North Carolina) expressed his fascination for this project and congratulated Sylvester for his efforts. He believes the work is just the tip of the iceberg and encouraged Sylvester to extend his research to the individual level.

The session on "Credit, Ownership and Firm Performance," began with "Credit Market Constraints and Financial Networks in Late Victorian Britain" by **Fabio Braggion** (Tilburg). Braggion investigates the credit constraints for firms using technologies of the second industrial revolution in late Victorian Britain. His focus is on the impact of social networks to ease these constraints. His results suggest that social connections were influential in easing credit constraints.

Ann Carlos (Colorado) wondered why firms didn't simply add more titled directors if the effect was as large as Braggion proposes. Larry Neal (Illinois) was concerned about the scarcity of evidence regarding actual credit constraints faced by these firms. Others suggested Braggion use network analysis to harvest the networking information in his dataset.


Stacy Jones, Gillian Hamilton and Susan Wolcott at the EHA reception

Alan Dye (Barnard) followed with "Cleansing under the Quota: The Defense and Survival of Sugar Mills in 1930's Cuba," a joint paper with **Richard Sicotte**. (Vermont). They examine the effects of the shock of the Great Depression and the compositional effects of heterogeneous plant survival on the industrial structure in the Cuban sugar industry. Their results provide new insights into the role of institutions in Cuban political economy during the revolution of 1933 and afterwards.

Siddharth Chandra (Pittsburgh) praised the paper for its rich concepts. However, he questioned the appropriateness of the chosen benchmark years due to ongoing technological change.

Eric Hilt (Wellesley) closed the session with "Corporate Ownership & Governance in Early 19th Century Corporations." He uses a new dataset based on the corporation tax in New York state in 1823, complemented with information from company charters. He finds that governance structures varied across and within industries, that family ownership seemed to be an influential determinant, and that there was a clear relation between voting rights rules and ownership concentration.

Zorina Khan (Bowdoin) presented her comments as a "Young persons guide to being a discussant." After a witty introduction, she praised Hilt's work as a good historical contribution to the very relevant discussion about governance, but was concerned about some of his definitions and wondered about the influence of other institutions on his results. The discussion from the audience centered mostly on specific details of governance structures and possible comparisons with Britain.

The remainder of the day was given over to the plenary session, "The Significance of Frontier(s) in American (Economic) History," featuring the research of **Joe Ferrie** (Northwestern) and **Myron Gutmann** (Michigan). Following the plenary session, attendees were treated to a reception at the Fort Pitt Museum, courtesy of Carnegie Melon University and the University of Pittsburgh.

Saturday morning began with a session on "Labor Markets in the United States." **Carola Frydman** (MIT) presented "Historical Trends in Executive Compensation 1936-2003," which is joint work with **Raven Saks**. (Federal Reserve Board of Governors). Using historical proxy statements, she builds an annual dataset comprising information on 2694 executives. She then tests for the effects of policy reforms in the 1960's and traces the use of stock options. Her results indicate that about 30% of the change over time is explained by tax policy.

Josh Rosenbloom (Kansas) lauded the work as a good example of the relevance of economic history in contemporary debate. He went on to raise some sampling issues regarding the dataset, especially the focus on very large firms and the mixture of large and fast growing firms.

The second paper was "The Returns to Education in the Early 20th Century: New Historical Evidence" by **Joseph Kabowski** and **Trevor Logan** (both Ohio State). The latter presented their look at the regional variation in returns to education in the United States. Utilizing a 1909 survey of several thousand high school teachers nationwide, they calculate returns to education for the different regions.

Robert Whaples (Wake Forest) wondered whether their classification of states into regions is sensible, especially in the case of California. Several members of the audience wondered how representative teachers' salaries were as a proxy for returns to education in general.

The session closed with **Evan Roberts** (Minnesota) presenting "Women's Rights and Women's Labor, Married Women's Property Law and Labor Force Participation 1860-1900." US States enacted property laws for married women during this time period. Roberts uses the variation in timing and content to examine the effect of these laws on the labor force participation of women. He demonstrates that labor force participation rates depend on race, marriage status, and other demographics, but that the effects of the laws were very small.

Elyce Rotella (Indiana) began her comments by commending this arduous task, and then suggested that the reason for the non-effect of the laws might be due to public ignorance or lack of respect accorded the laws by judges. Another suggestion was to look at the effect on single as well as married women.

In "Colonial Policies and Legacies," **Liam Brunt** (University of Lausanne) began by exploring "The Legal Origins, Colonial Origins, and Economic Growth: Evidence from a Natural Experiment (South Africa)" In 1795 the British took control of the Cape colony (South Africa) form the Dutch; and in 1843 they changed the legal basis of landholding, giving more secure property rights to landholders.

Michael Haines (Colgate) felt the effects of colonial identity and secure property rights on economic growth were immediate, positive and large. By contrast, other legal and institutional changes, such as the move to a common law system in 1827, had no such effects on economic growth. He argued that these findings could suggest that modern developing countries are not necessarily doomed to be prisoners of either their endowments or their inherited institutions.

Stanley Engerman (Rochester) **and Kenneth Sokoloff** (UCLA), presented "Once Upon a Time in the Americas: Land and Immigration Policies in the New World". Extending their studies on the Americas, the authors aim to improve the understanding of whether there are systematic patterns in the evolution of institutions by examining land and immigration policies across the colonies/societies established by Europeans in the New World over the 16th, 17th, and 18th centuries. They find that the policies adopted toward the ownership and use of land and the openness to labor flows had significant implications for long-run paths of development.

Peter Coclanis, (North Carolina), hailed Engerman & Sokoloff's work for providing a better sense of the opportunity cost and other options of immigrations.

Maria Alejandra Irigoin (The College of New Jersey) and **Regina Grafe** (Northwestern) wrapped up the session with "The Spanish Empire and its Legacy: Fiscal Re-Distribution and Political Conflict in Colonial and Post-Colonial America." Irigoin and Grafe challenge the new institutional economics and natural endowments views by presenting a new explanation for the institutional and economic development of Spanish America. They revise the structure of the Empire fiscal system and show the existence of massive revenue redistribution within the colonies. The authors argue that these intra-colonial transfers were responsible for inequality and not endowment.

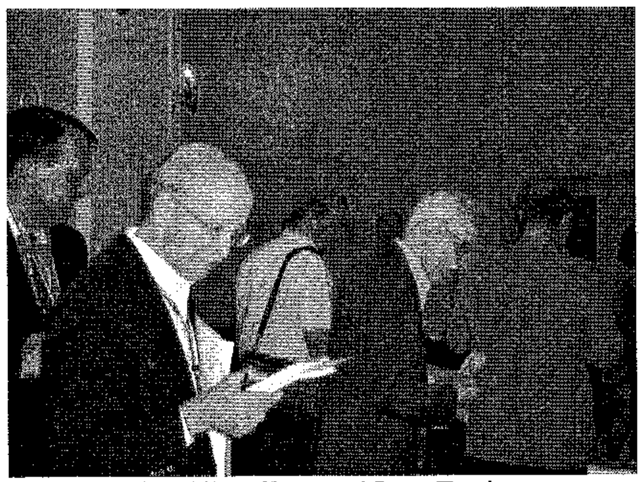
Mauricio Drelichman (UBC) praised the authors for their original contribution to the standard view. He suggested taking this analysis further into defining the imperial objective function and a formal economic model, which should survive the different counterfactual scenarios.

J. Peter Ferderer (Macalaster) opened the "Banking and Finance" session with his paper, "Institutional Innovation and the creation of Liquid Financial Markets: The Case of the American Over-the-Counter Market." Ferderer wonders whether the creation of the Fed in 1913 affected liquidity provision in the over-the-counter market for bonds. To answer the question he examines the entry and exit of dealers from the market using financial directories and bid-ask price data from financial chronicles.

Joe Mason (Drexel) found Ferderer's insights on the rise of the OTC markets interesting, but proposed a counterfactual to his explanation. Whereas Ferderer claims that the rise in the supply of telecoms led to an increase in OTC markets, Mason countered that it might have been the rise of the OTC markets that led to an increase in the demand for telecoms. He argued that it was more than just an increase in the telecoms that led to the growth of the OTC.

Jane Knodell (Vermont) examined "Geographic and Regulatory Frontiers in Commercial Banking Private Banking in the U.S., Scotland, and Germany in Early Industrialization." She argues that the differential evolution of private banking in the three countries has its origins in the different decisions made by authorities during early industrialization about where to draw the regulatory frontier between incorporated and unincorporated banking.

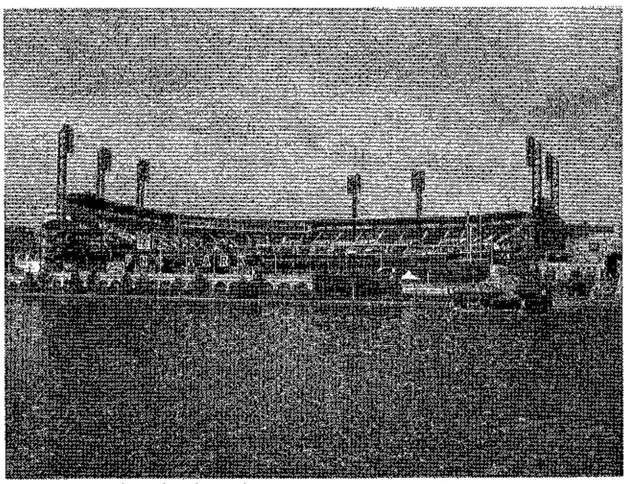
Hugh Rockoff (Rutgers) commented that Knodell's research represented a fine piece of work with no obvious problems. However, he had some suggestions for areas where Knodell should provide some more information which would be helpful to the readers. He pointed out that numerous scholars had estimated the cost of issuing banknotes, but to date nobody had actually unearthed the actual accounting data to answer such questions as how much it cost to make the printing plates? How often did they need to be reengraved? How many tellers and how much time did it take to count, sort and reimburse banknotes? While Knodell noted that the main business of private bankers was exchange transactions, Rockoff wanted some quantitative evidence to put it in perspective. For example, what percentage of their assets were devoted to this? He also felt Knodell oversold the impact of unincorporated banks on the US financial crisis in the final paragraph.


Robert Wright, Phil Hoffman and Peter Temin

John James (Virginia) wanted to know if note and security brokers, who were often classified as private bankers, were a large part of the overall private banking business. Knodell responded that it was difficult to differentiate them in her sample because they did many of the same things private bankers did. Another member of the audience noted that German banks traded off the right to note issue for the right to incorporate.

The session closed with **Warren Weber** (Minneapolis Fed) presenting "New Evidence on State Banking before the Civil War." Weber makes use of a census of antebellum banks that he created to determine how differences in state regulations affected banking outcomes. He calculates bank failure probabilities by state, size and type of regulation and estimates the losses experienced by note holders.

Richard Sylla (NYU) paid a debt of gratitude to Weber for the dataset he created and made available to scholars on his website. He did, however, have a few questions about the data. He wondered about the significance of calculating averages for a data set covering an 80 year span. He also noted that there were lots of other differences between bank organization type than just the three Weber creates. He also noted that organizational type was time and regional dependent, an issue which Weber does not address directly.


PNC Park in Pittsburgh

Mason wanted to see more discussion about the institutional environment in which the banks operated. He argued that because transportation was difficult during the early part of this period it might have had an impact on bank closures and failure rates. Weber countered that since regulators physically held the bonds, and a complaint to the regulator could trigger a bond sale to cash out notes, this would not have been a big issue. Also, there was a very active secondary market in the form of bank note reporters which was good at transmitting information.

The session on public goods was kicked off by **Latika Chaudhary** (Hoover Institute) who presented "Social Divisions and Public Goods Provision: Evidence from Colonial India." She explores the relationship between social divisions and the provision of local public goods by district councils in British India. She finds that districts with a higher degree of social fragmentation along caste and religious lines allocated lower shares of expenditures to education and higher shares of expenditures to local roads and bridges.

Elizabeth Cascio (Dartmouth) was impressed by how Chaudhary's work expanded our knowledge of the relationship between diversity and the provision of public goods. She wondered whether the distribution of political power changed over time even though there was little geographic mobility in India, and asked about the implications of the way funds are allocated on long run income and growth.

Carolyn Moehling (Yale) followed with "Mother's Pension Legislation and the Origins of Cross-State Variation in Welfare Generosity." Moehling examines the legislative history of mothers' pension laws in a few select states and how the provisions of these laws were correlated with the economic, social, and political conditions of the states in the early 20th century.

Marc Law (Vermont) commented in absentia. His remarks were read by Zeynep Hanson. Law said that since it was so easy to ask an author to provide more data, he felt compelled to do so, and wondered what would happen if regional dummies or other political variables were included in Moehling's model. He encouraged her to look at changes in state characteristics, such as the racial makeup of the population. He also asked to see more discussion on religious sentiment in the states.

The session was brought to a close by **John Murray** (Toledo) discussing his research on the "Demand for Private Health Insurance, Precautionary Savings, and Progressive Reform Failure." In Progressive Era America there was no public health insurance. Murray provides evidence that older workers saved in precautionary fashion as a substitute for health insurance.

Melissa Thomasson (Miami) felt that Murray understated his contribution to the literature and needed to promote that more. Because his focus is almost completely on the demand side, Thomasson felt his analysis could be strengthened by addressing the supply side as well. She asked if older workers dropping out of the market, as Murray claims, or were they forced out? She also wondered why members of benefit societies saved more than non-members for the age group under age 40. She encouraged Murray to add more econometric detail to his model to address these issues.

Ruth Bloch and **Naomi Lamoreaux** (both UCLA) opened "Legal and Institutional Origins" by presenting "The Private Rights of Organizations: The Tangled Roots of Laissez Faire and the Right to Privacy." They bring together the literature on privacy and laissez faire by arguing that families and business corporations increasingly took on quasigovernmental functions during the half century that followed the American Revolution. They argue that the role that government played in economic and social life was dramatically altered during this time period, lending substance to contemporary ideas about laissez faire without challenging government's fundamental source of regulatory authority.

"Organizational Support for Communal Individualism" by **Douglass North**, (Washington University), **John Wallis** (Maryland) and **Barry Weingast** (Stanford) followed. The authors hypothesize that the development of truly individual rights in modern societies is rooted in the development of particular kinds of organizational rights. They examine the complicated historical and theoretical process by which corporations came to acquire legal standing equivalent to individual citizens.

Joel Mokyr (Northwestern) encouraged economic historians and legal historians to join forces to address issues such as this. He emphasized that since scarcity of access to rights creates rents, the rise of corporations as legal entities should matter for economists, but questioned the lack of clear evidence of the scarcity of access to private law.

Claire Priest (Northwestern) concluded the session with "Creating an American Property Law: Alienability and its Limits in American History." Priest analyzes the transformation of US property law doctrine relating the remedies available to secured and unsecured creditors. She finds that the 1732 Parliament Act for the "More Easy Recovery of Debts in America" as well as the previous statutes adopted by the colonies, substantially dismantled the English inheritance system by giving creditors priority to land over heirs and devisees.

"European Development and Institution" opened with **Dan Bogart** and **Gary Richardson** (both UC Irvine) presenting "Parliament, Property Rights and Public Goods in England, 1600-1815." The authors collected acts of parliament over two hundred years and demonstrated growth in the number of these acts after 1688. They classify the acts into three categories: Estate Acts, Statutory Authority Acts and Enclosure Acts. They connect the observed pattern in the different categories with key political and economic events to explain parliamentary actions.

Greg Clark (UC Davis) commended the creation of this database. He noted, however that the usefulness of the classifications can only be judged based on the purpose they might be used for. He went on to challenge the authors to think about what papers to write with their data and raised the issue of endogeneity between the Industrial Revolution and legislative activity.

Mark Dincecco (IMT Lucca) presented the second paper of the session, "Fiscal Centralization, Limited Government and Sovereign Credit Risk in Europe 1750-1850." He examines how fiscal centralization and limited government influenced sovereign credit risk in Continental Europe during the 18th and 19th centuries. His results suggest a non-trivial link between limited government institutions and financial property rights to public debt. At the same time, his evidence indicates that fiscal centralization was likely a pre-condition to reduce sovereign credit risk.

Mark Weidenmier (Claremont McKenna) had doubts about the empirical results due to the small number of regime changes. He also remarked that the Napoleonic wars should be addressed more directly. He proposed changing the structure to a case study and to use event study methodology on more indicators. Larry Neal (Illinois) raised the issue of monetary control, which played a role in considerations by contemporaries like Rothschild.

The session was closed by **Claudia Rei** (Boston University) presenting "The Organization of Merchant Empires: A Case Study of Portugal and England." She investigates the case of two European merchant empires (Portugal and England) which chose different organizational structures (monopoly versus franchise system) for their activities. She uses a theoretical model of organizational choice with two players (king and servant) and three factors (protection, management and capital) to derive conditions under which the two observed choices arise.

Carol Shiue (Colorado) praised the model, but asked for more evidence, especially emphasized with regard to her cost estimations. Ann Carlos (Colorado) suggested making a comparison with France or the Netherlands.

The sessions ended at noon and gave way to a series of meetings and the dissertation session. The finalists for the Gerschenkron Prize for best dissertation in non-US or Canadian topics presented their research in a session chaired by Carol Shiue. **Ran Abramitzky** (Northwestern) opened the session by presenting "The Limits of Equality: An Economics Analysis of the Israeli Kibbutz," which he completed under the tutelage of Joel Mokyr. Next up was **Latika Chaudhary** with "Essays on Education and Social Divisions in Colonial India." Chaudhary completed her dissertation under the supervision of Kenneth Sokoloff. The session was closed out by **Aldo Musacchio** (Stanford), who discussed "Law and Finance in Historical Perspective: Politics, Bankruptcy Law, and Corporate Governance in Brazil, 1850-2002." Musacchio wrote his dissertation with guidance from Stephen Haber.

The session for finalists for the Nevins Prize, awarded for the best dissertation in US or Canadian economic history, was convened by Melissa Thomasson (Miami). **Leah Platt Boustan** (Harvard), who wrote her dissertation under Claudia Goldin, opened the session with her presentation of "The Effect of Black Migration on Northern Cities and Labor Markets, 1940-1970." **Carola Frydman** followed with "The Evolution of the Market for Corporate Executives across the Twentieth Century." Frydman worked with Lawrence Katz, Claudia Goldin and Caroline Hoxby when writing her dissertation. Finally, **Sharon Ann Muphy** (Virgina), who wrote under Mark Thomas, discussed her research on "Security in an Uncertain World: Life Insurance and the Emergence of Modern America."

The afternoon was brought to a close with the Presidential Address. **Gary Libecap** (UC Santa Barbara) discussed his research, on which the theme of the conference was based. Libecap presented "The Great West: Institutional Change on the Frontier." After a reception in the Allegheny Room, the dinner and awards banquet capped a busy day. The Arthur H. Cole Prize for the outstanding article published in the *JEH* during the previous year was awarded to Stanley Engerman and Kenneth Sokoloff for their article "The Evolution of Suffrage Institutions in the New World." The award for the best article in *EEH* went to Dan Bogart (UC-Irvine) for "Turnpike Trusts and the Transportation Revolution in 18th-Century England," and Mauricio Drelichman for "The Curse of Moctezuma: American Silver and the Dutch Disease." The Alice Hanson Jones prize for outstanding book on the economic history of North America was presented to B. Zorina Khan (Bowdoin) for *The Democratization of Invention: Patents and Copyrights in American Economic Development, 1790-1920*, and Werner Troesken for *Water, Race, and Disease.* The dissertation prizes were won by Ran Abramitzky and Leah Platt Boustan. The annual Jonathan R.T. Hughes Prize recognizing excellence in teaching economic history was presented to Kerry Odell (Scripps College).

The Sunday morning session on "Macroeconomic Growth and Policy" opened with **Alexander Field** (Santa Clara) discussing "US Economic Growth in the Gilded Age." Field identifies two problems with the traditional claims concerning TFP growth in 20th century America. He argues that developing a revised macroeconomic narrative is essential to reconciling our interpretation of 20th century growth with what we know about scientific, technological, and organizational change during the gilded age.

Chris Hanes (Binghampton) warned of the difficulty in distinguishing between technological improvements and post-war rebounds. He suggested that regional TFP growth might be informative in that regard, as well as revisiting the underlying data, which suffer especially from the bad 1870 census. Mokyr asked about the changes in labor through improved health, the accounting of quality improvements, and the role land played.

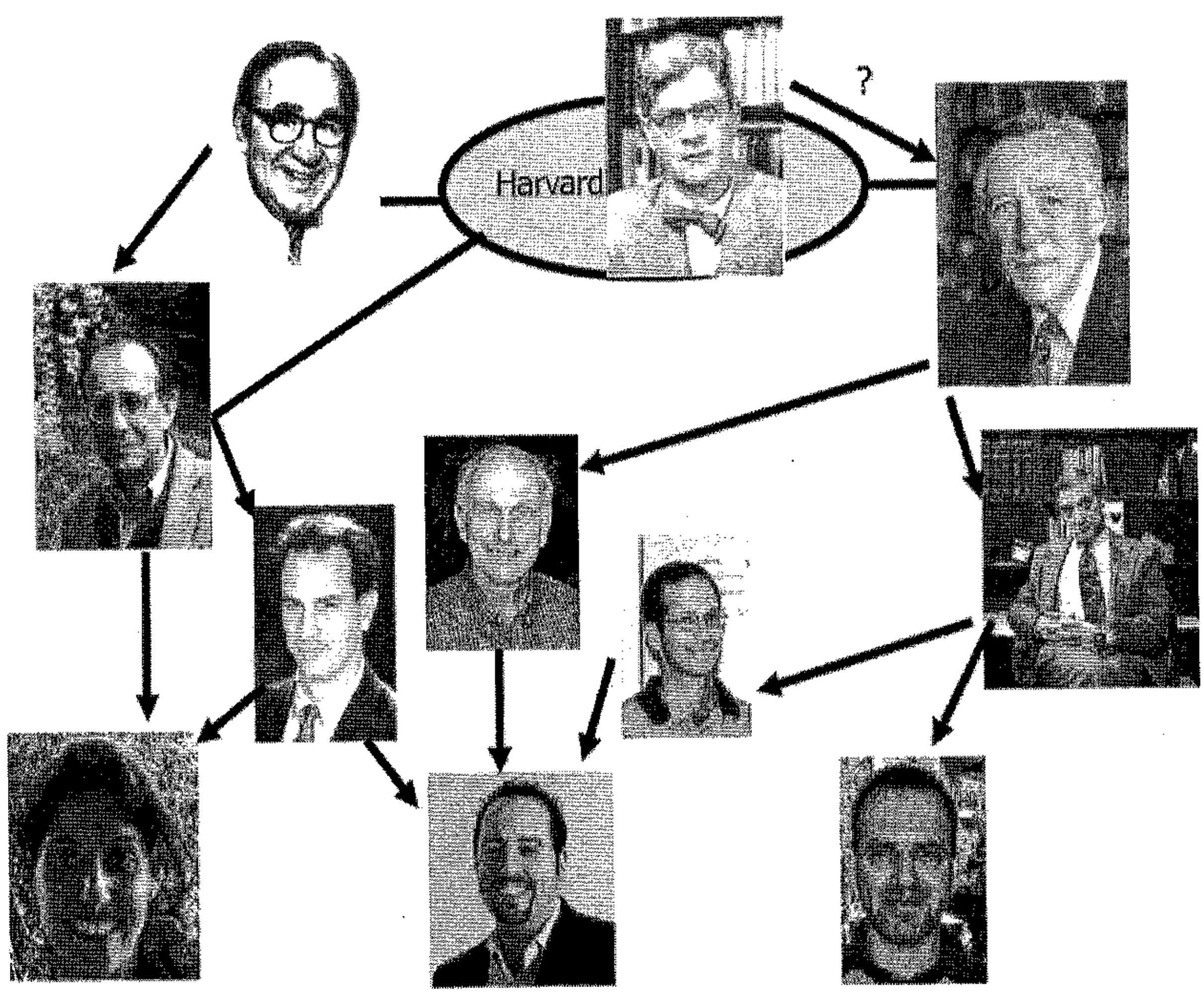
Masato Shizume (Kobe University) presented "A Myth of 'the Keynesian before Keynes': Low interest rate policy in the early 1930's Japan." He introduces Takahashi Korekiyo, a Japanese official and politician who directed Japanese financial policy during the Great Depression. Using a newly derived interest rate series, Shizume discusses how Japan went on and off the Gold standard and eventually tried to keep a fixed exchange rate. He concludes that Japan followed Britain very closely in its policy.

Chiaki Moriguchi (Northwestern) complemented the author for a skillful connection of narrative and quantitative evidence. Since his results would lead to a reinterpretation of Japanese Economic history, she asked for more clarification about the huge difference between the new interest rate series and the older data. Since the empirical evidence points to a connection with Britain, she also emphasized that narrative evidence for this should be more prevalent.

The last paper of the session was "Economic Modernization in Latin America and the Caribbean between 1890 and 1930: A view from Modern Energy consumption," by **Ceasar Yanez** (Universidad de Barcelona), **M. del Mar Rubio** (Pompeu Fabra) and **Albert Carreras** (Pompeu Fabra). Carreras presented the paper, in which the authors investigate the economic performance of various Latin American and Caribbean countries by looking at the consumption of energy. They demonstrate the various developments across countries, especially showing the differential impact of the First World War.

Graciela Marquez (El Colegio de Mexico) applauded this ambitious project, but called for more work to connect their data to historical events to investigate their influence on energy consumption. Hanes asked about the predominant uses of coal in this country while Musacchio raised the issue of domestic production through local coal mines.

The conference came to a successful, albeit reluctant, close on Sunday afternoon. As members claimed the books they purchased at the annual display, several were overheard making early plans for the next meeting, scheduled for September 7-9, 2007 deep in the heart of Texas.



An Economic Historian's Family Tree

Book Preview

A Farewell to Alms: A Brief Economic History of the World

By Gregory Clark

Note: The following is an abridged version of chapter two of A Farewell to Alms: A Brief Economic History of the World by Gregory Clark, forthcoming from Princeton University Press in 2007.

The vast majority of human societies, from the original foragers of the African savannah, through settled agrarian societies until about 1800, had an economic life that was shaped and governed by one simple fact: in the long run births had to equal deaths. Since this same logic governs all animal species, until 1800, in this "natural" economy, the economic laws for humans were the same as for all animal species.

It is commonly assumed that the huge changes in the technology available to people, and in the organizational complexity of societies, between our ancestors of the savannah and Industrial Revolution England, must have improved material life even before modern economic growth began. The estimates, for example, of Angus Maddison, the much-quoted creator of pre-industrial economic data, of income per person before 1820 are hazarded on this basis. But in this chapter I show that the logic of the natural economy implies that the material living standards of the *average* person in the agrarian economies of 1800 was, if anything, worse than for our remote ancestors.

This chapter develops a model of the pre-industrial economy, the Malthusian model, from three simple and seemingly innocuous assumptions. This model has profound implications about how the economy functioned before 1800, which are then tested and explored in the following three chapters.

The Malthusian Equilibrium

Women, over the course of their reproductive lives, can give birth to 12 or more children. Still in some current societies the average women gives birth to more than 6 children. Yet for the world before 1800 the number of children per woman that survived to adulthood was always just a little above 2. World population grew from perhaps 0.1 m. in 130,000 BC to 770 m. by 1800. But this still represents an average of 2.005 surviving children per woman before 1800. Even within successful pre-industrial economies, such as those in Western Europe, long run rates of population growth were very small. Some force must be keeping population growth rates within rather strict limits over the long run.

The Malthusian model supplies a mechanism to explain this long run population stability. In the simplest version there are just three assumptions:

1. Each society has a **BIRTH RATE,** determined by customs regulating fertility, but increasing with material living standards.
2. The **DEATH RATE** in each society declined as living standards increased.
3. **MATERIAL LIVING STANDARDS** declined as population increased.

The birth rate is just the number of births per year per person, for convenience normally quoted as births per thousand people. Maximum observed fertility levels have been 50-60. But the birth rate varies significantly even across pre-industrial societies. Pre-industrial England sometimes had birth rates of less than 30. Recently in the area of highest birth rates, Africa, some countries had birth rates which exceeded 50 per thousand: Niger 55, Somalia 52, Uganda 51.

The death rate is again just deaths per head of the population, also typically quoted per thousand people. In a *stationary* population life expectancy at birth is the inverse of the death rate. Thus if death rates are 33 per thousand, life expectancy at birth is 30 years. At a death rate of 20 per thousand, life expectancy would rise to 50.

In a stationary population birth rates equal death rates. So equivalently in stationary populations, characteristic of the pre-industrial world, life expectancy at birth is also the inverse of the birth rate. Thus in pre-industrial society the only way to achieve high life expectancies was by limiting births. If pre-industrial populations had displayed the fertility levels of the modern Niger, life expectancy at birth would have been less than 20.

Material living standards are the average amount of goods and services (religious ceremonies, barbers, servants) that people in a society consume. Where new goods are introduced over time, such as newspapers, Wedgwood fine porcelain, and vacations at the seaside, it can be tricky to compare societies in terms of the purchasing power of their real wages. But for most of human history, and for all societies before 1800, the bulk of material consumption has been food, shelter, and clothing, so that material living standards can be measured more accurately. In societies sophisticated enough to have a labor market, material living standards for the bulk of the population will be determined by the purchasing power of unskilled wages.

The material income at which birth rates equal death rates is called the *subsistence income*. This is the income that just allows the population to reproduce itself. At material incomes above this the birth rate exceeds the death rate and population is growing. At material incomes below this the death rate exceeds the birth rate and population declines.

Notice that this subsistence income is determined without any reference to the production technology of the society. It depends only on the factors which determine the birth rate and those that determine the death rate. Once we know these we can determine the subsistence income, and life expectancy at birth. Once we know population, that determines income, and in turn the birth rate and death rates.

With just these assumptions it is easy to show that the economy will always move in the long run to the level of real incomes where birth rates equal death rates. Suppose population starts at an arbitrary initial population N_0. This will imply an initial income y_0. If y_0 exceeds the subsistence income, births exceed deaths and population grows. As it grows, income declines. As long as the income exceeds the subsistence level population growth will continue, and income continue to fall. Only when income has fallen to the subsistence level will population growth cease, at equilibrium level N^*, and the population stabilize.

Suppose that instead the initial population had been so large that the income was below subsistence. Then deaths would exceed births and population would fall. This would push up incomes. The process would continue until again income is at the subsistence level. Thus wherever population starts from in this society it always ends up at N^*, with income at subsistence.

The terminology *subsistence income* can lead to the confused notion that in a Malthusian economy people are all living on the brink of starvation, like the inmates of some particularly nasty Soviet Era Gulag. In fact in almost all Malthusian economies the subsistence income considerably exceeded the income required to allow the population to feed itself from day to day.

Differences in the location of the mortality and fertility schedules across societies also generated very different subsistence incomes. Subsistence for one society was extinction for others. Both 1400 and 1650, for example, were periods of population stability in England, and hence periods where by definition the income was at subsistence. But the wage of the poorest workers, unskilled agricultural laborers, was equivalent to about nine pounds of wheat per day in 1650, compared to eighteen pounds in 1400. Even the lower 1650 subsistence wage was well above the biological minimum of about 1,500 calories a day. A diet of a mere two pounds of wheat per day, supplying 2,400 calories per day, would keep a laborer alive and fit for work. Thus pre-industrial societies, while they were subsistence economies, were not typically starvation economies. Indeed, with favorable conditions, they were at times wealthy, even by the standards of many modern societies.

The assumption that is key to the income always returning to the subsistence level is the third one, of a fixed trade off between population and material income per person. For reasons given below, this tradeoff is called the *technology schedule.*

The justification for the decline in material incomes with higher population is the famous the *Law of Diminishing Returns* introduced to economics by David Ricardo (and independently by Malthus). Any production system employs a variety of inputs, the principle ones being land, labor, and capital. The *Law of Diminishing Returns* holds that if one of the inputs to production is fixed, then employing more of other inputs will increase output, but by progressively smaller increments. That is, the output per unit of the other factors will decline as their use in production is expanded, as long as one factor remains fixed.

Land was the key factor of production in the pre-industrial era that was inherently in fixed supply. This limited supply implied that average output per worker fell as the labor supply increased in any society, as long as the technology was unchanged. Consequently the average amount of material consumption available per person fell with population growth.

The church in Okewood, where Malthus earned his living as a curate while working on his essay.

The increase in the value of output from adding each person is called in economics the *marginal product* of that person. In market economies this equals the wage. The marginal product declines as more people are added (and thus wages also fall in market economies with more people). Average output per person falls also as the population rises, since the additional output from each person at the margin is less than the output per person from existing workers.

To appreciate concretely why this will happen consider a peasant farmer with fifty acres of land. If he alone cultivates the land then he will maximize output by using low intensity cultivation methods - keeping cattle or sheep which left to fend for themselves, and periodically culled for meat and skins, as with the Argentinean pampas in the early nineteenth century. With the labor of an additional person milk cows could also be kept, increasing total output. With yet more labor the land could be cultivated as arable with grain crops. Arable requires much more labor input per acre than pasture for plowing, sowing, harvesting, threshing and manuring. But arable also yields a greater value of output per acre. With even more people the land could be cultivated more intensively as garden, growing vegetables and roots as well, increasing output yet further. Yields are increased by ever more careful shepherding of supplies of manure, and by suppression of competing weeds by hand hoeing. With enough labor input the output of any acre of land can be very high, as in the agricultural systems of coastal China and Japan around 1800, when one acre of land was enough to support a family. In contrast in the same period there was in England in 1800 nearly twenty acres of land per farm worker.

Because I want to show that the same economic model applies to all human societies before 1800, even those which had no labor market, and also to animal societies, I have developed the model in terms of income per person. Classical Economists, however, writing about conditions in England circa 1800, developed their thinking in terms of the wages of unskilled workers. Thus in 1817, David Ricardo, using similar logic argued that real wages (as opposed to income per person which includes land rents and returns on capital) must always eventually return to the subsistence level. Ricardo's proposition later became known as the *Iron Law of Wages*. Classical Economics thus denied the possibility for other than transitory improvements in the living standards of unskilled labor.

Changes in the Birth Rate and Death Rate Schedules

Different societies will have different locations for the birth rate and death rate schedules, and these can change over time. Suppose, for example, that the birth rate schedule increased. It is then simple to see what happens to the death rate, material incomes, and the population. In the short run births exceed deaths. Population thus grows, driving down real income, and so increasing the death rate until deaths again equal births. At the new equilibrium real income is lower, and population is greater. Any increase in birth rates in the Malthusian world drives down real incomes. Conversely anything which limits birth rates drives up real income. Since life expectancy at birth in a stationary population is also just the inverse of the birth rate another important component of material living standards is solely determined by the birth rate. As long as this remained high, life expectancy at birth had to be low. Pre-industrial society could thus raise both material living standards and life expectancy by limiting births.

Again if the death rate schedule moves down, so that at each income there is a lower death rate, then at the current income births exceed deaths so that population falls. This again drives down real income until the death rate again equals the birth rate. At the new equilibrium population is higher and income lower. Life expectancy would however, given the now lower birth rate, be somewhat higher. So improvements in sanitation, or declines in violence and disorder, which reduce the death rate schedule in pre-industrial societies can raise life expectancy, but only at the cost of lower material living standards.

This Malthusian world thus exhibits a counterintuitive logic. Anything that raised the death rate schedule, that is the death rate at a given income - war, disorder, disease, poor sanitary practices, or abandoning breast feeding - increased material living standards. Anything that reduced the death rate schedule - advances in medical technology, better personal hygiene, improved public sanitation, public provision for harvest failures, peace and order - reduced material living standards.

Changes in Technology

While the real income was determined from the birth and death schedules, the population size depended on the connection between population and real incomes. Above this was labeled the *technology* schedule, because the major cause of changes in this schedule have been technological advances. But other things could shift this schedule: a larger capital stock, improvements in the terms of trade, climate changes, or more productive economic institutions.

Since population can only change slowly, the short run effect of a technological improvement was an increase in real incomes. But the increased income reduced the death rate, births exceeded deaths, and population grew. The growth of population only ended when income returned to subsistence. At the new equilibrium the only effect of the technological change was to increase the population. There was no lasting gain in living standards.

The Malthusian Model and Economic Growth

In the millennia leading up to 1800 there were significant improvements in production technologies, though these improvements happened slowly and sporadically. The technology of England in 1800, which included cheap iron and steel, cheap coal for energy, canals to transport goods, firearms, and sophisticated sailing ships, was hugely advanced on the technology of hunter gatherers in the Paleolithic before the development of settled agriculture.

The degree of advance of technology was revealed in the encounters between Europeans and isolated Polynesian islanders in the 1760s. The English sailors who arrived in isolated Tahiti in 1767 on the *Dolphin*, for example, found a society with no metals. The European's iron was so valuable to the Tahitians that a single 3 inch nail initially could be bartered for a 20 pound pig, or a sexual encounter. Given the enthusiasm of the sailors for the sex trade, nail prices two weeks later had dropped to a half, and *the Carpenter came and told me every cleat in the ship was drawn, and all the Nails carried off....most of the hammock nails was drawn, and two-thirds of the men obliged to lie on the Deck for want of nails to hang their Hammocks.* When Captain Cook arrived at a similarly isolated Hawaii the local inhabitants on a number of occasions stole ship's boats to burn them to retrieve the nails.

But though technology was advancing before 1800 the rate of advance was always slow relative to the world after 1800. Technological advance, as predicted, resulted mainly in a larger and larger English population. In particular in the later eighteenth century all technological advance was absorbed immediately into higher population. Before 1800 the rate of technological advance in any economy was so low that incomes were condemned to return to the Malthusian Equilibrium.

This was the historical context in England in the years 1798-1817 when Thomas Malthus (1766-1834) and David Ricardo (1772-1823) developed what became known as *Classical Economics*, with its key doctrine of the subsistence wage. They did not assume, as modern people do, that technical progress is inevitable and continuous, but instead regarded it as sporadic and accidental.

Even in the circumstances of England in 1798-1817, when the economy was well into the period we now dub the Industrial Revolution, this assumption by contemporaries was not just reasonable, but indeed compelling. The innovations associated with the Industrial Revolution began appearing in the 1760s, but from 1770 to 1817 real wages did not rise, and for some groups such as agricultural laborers in the south of England, actually fell. Sustained real wage gains started only in the 1820s. And much of these initial wage gains were a product not of English technological advance, but of political events such as the victory over Napoleon, which reduced the tax burden, and of the development of cheap supplies of foreign food and raw materials. Indeed one of the great social concerns of the years 1780-1834 in England was the problem of the rising tax burden on rural property owners created by payments to support the poor under the Poor Law.

Thus Malthus and Ricardo predicted that as long as fertility behavior was unchanged, economic growth could not in the long run improve the human condition. All that growth would produce would be a larger population living at the subsistence income. China, for Malthus, was the embodiment of the Malthusian economy. Though the Chinese had made great advances in draining and flood control, and had achieved high levels of output per acre from their agriculture, they still had very low material living standards because of the dense population. Thus he writes of China: *If the accounts we have of it are to be trusted, the lower classes of people are in the habit of living almost upon the smallest possible quantity of food and are glad to get any putrid offals that European labourers would rather starve than eat.* In the pre-industrial world sporadic technological advance produced people, not wealth.

Human and Animal Economies

The economic laws we have derived above for the pre-industrial human economy are precisely those that apply to all animal, and indeed plant populations. Before 1800 there was no fundamental distinction between the economies of humans and those of other animal and plant species. This was also a point Malthus appreciated: *Elevated as man is above all other animals by his intellectual faculties, it is not to be supposed that the physical laws to which he is subjected should be essentially different from those which are observed to prevail in other parts of the animated nature.*

Thus in evolutionary ecology, the Malthusian model dominates as well. For animal and plant species population equilibrium is similarly attained where birth rates equal death rates. Birth and death rates are both assumed to be dependant on the quality of the habitat, the analog of the human level of technology, and population density. Ecological studies typically consider just the direct link between birth and death rates and population density, without considering the intermediate links, such as material consumption, as I have done above. But the Malthusian model for humans could also be constructed in this more reductionism way.

At least some ecological studies find that population density affects mortality in ways that are analogous to those we have posited for human population, through the supply of food available per animal. Thus one recent study showed that over forty years Wildebeest mortality rates depended largely on the available food supply per animal. Hence the Industrial Revolution after 1800 represented the first break of human society from the constraints of nature, the first break of the human economy from the natural economy.

Political Economy in the Malthusian Era

Malthus's *Essay* was written in part as a response to the views of his father, who was a follower of the eighteenth century Utopian writers William Godwin and the Marquis de Condorcet. Godwin and de Condorcet argued that the misery, unhappiness, and vice so common in the world was not the result of an unalterable human nature, but was the product of bad government. Malthus wanted to establish that poverty was not the product of institutions, and that consequently changes in political institutions could not improve the human lot. As we see, in a world of only episodic technological advance, such as England in 1798, his case was compelling.

Certainly one implication of the Malthusian model, which helped give Classical economics its seemingly harsh cast, was that any move to redistribute income to the poor (who then in England were mainly unskilled farm laborers) would result only in more poor in the long run, perhaps employed at even lower wages. As Ricardo noted in 1817: *The clear and direct tendency of the poor laws is in direct opposition to these obvious principles: it is not, as the legislature benevolently intended, to amend the condition of the poor, but to deteriorate the condition of both poor and rich.* The reason the poor laws would lower wages was that they aided in particular those with children, so reducing the costs of fertility and driving up the birth rate.

But Malthus and his fellow Classical Economists did not see that their arguments not only suggested the inability of government to improve the human lot through traditional methods, they also implied that many of the government policies that his fellow Classical economists attacked – taxation, monopolies, trade barriers such as the Corn Laws, wasteful spending – would similarly have no effect on human welfare in the long run.

Indeed if we follow the logic laid out here good government in the modern sense – stable institutions, well defined property rights, low inflation rates, low marginal tax rates, free markets, free trade, avoidance of armed conflict – would all either make no difference to material living standards in the Malthusian Era, or would indeed lower living standards.

To take one example, suppose that the pre-industrial king or emperor levied a poll tax on every person in the economy, equivalent to ten percent of average income. Suppose also that, as was the wont of such sovereigns, the proceeds of the tax were simply frittered away: on palaces, cathedrals, mosques, or temples, on armies, or to stock a large harem. Despite the waste, in the long run this would have no effect on the welfare of the average person.

The tax would act like a shock to the technology of the economy. In the first instance, with the existing stock of people, the tax reduces incomes per person by ten percent, thus driving up death rates above birth rates. But in the long run after tax incomes must return to their previous level to stabilize population again. At this point population is sufficiently smaller so that everyone earns a high enough wage that after paying the tax they have sufficient left over to equal their old pre-tax earnings. In the long run exactions by the state have no effect in the Malthusian economy on welfare or life expectancy. Luxury, waste, extravagance by the sovereign all had no cost to the average citizen in the long run! Similarly restrictions on trade and obstructive guild rules were again costless.

Thus at the time the *Wealth of Nations* was issued in 1776, when the Malthusian economy still governed human welfare in England, the calls of Adam Smith for restraint in government taxation and unproductive expenditure were largely pointless. Good government could not make countries rich, except in the short run before population growth restored the equilibrium.

So far we have just considered actions by government that shift the effective consumption possibilities for a society. Governments could also through their policies directly affect birth rates and death rates. War, banditry, and disorder all increased death rates at given levels of income (though war often killed more through the spread of disease than from the direct violence). But all increases in death rates make societies better off in material terms. Here "bad" government actually makes people better off in material terms, though with a reduced life expectancy. Good governments, those that, for example, as in some periods in Imperial Rome and Late Imperial China, stored grains in public granaries against harvest failures, just make life more miserable by reducing the periodic death rate from famines at any given average material living standard.

It is thus ironic that while the Classical Economists, and in particular Adam Smith, are taken by modern proponents of limited government as their intellectual fathers, their views made little sense in the world they were composed in.

Income Inequality and Living Standards

Pre-industrial societies differed in their degree of income inequality. Forager societies, on modern evidence, seem to have been egalitarian in consumption. In such communities there was no land or capital to own, while in settled agrarian societies as much as half of all income could derive from ownership of assets. Further forager societies were typically characterized by a social ethic that mandated significant sharing. Thus even the labor income of successful hunters was taxed by the less successful.

Agrarian societies from the earliest times were much more unequal. The richest members of these societies commanded thousands of times the average income of the average adult male. Thus aristocrats, such as the Duke of Bedford in England in 1798, resided in a luxury that the farm laborers on his extensive estates could hardly comprehend.

The Malthusian model developed above takes no account of income distribution. But by analogy with the discussion of the previous section on taxation and living standards we can see that greater inequality will have little or no effect on the living standards of the landless workers, the mass of the population. The more equally land rents and capital income is distributed across the general population the more will these rents be simply dissipated in larger population sizes. If these rents were instead appropriated by an aristocratic elite, as they were in many pre-industrial societies, then they could be enjoyed with little or no cost to the rest of the population. Thus while inequality could not make the median person better off in the Malthusian world, it could raise average incomes per person, through the higher incomes of the propertied elite.

Thus it was possible that England, France or Italy in 1800 could have a higher income per person that the original foragers. But perversely they would have this only through their achievement of greater inequality than earlier societies. And the boost to incomes per person from inequality was limited. Land rents and capital income made up perhaps half of all income settled agrarian societies. The expropriation of all these incomes by an elite would double income per person compared to a state of complete inequality.

Material Conditions: Paleolithic to Jane Austen

This chapter explained the first claim made in the introduction, that living standards in 1800, even in England, were likely no higher than for our ancestors of the African Savanna. Since pre-industrial living standards were determined by fertility and mortality the only way living standards could be higher in 1800 would be because either mortality rates were greater at a given real income, or fertility was lower.

This conclusion may seem too powerful, but the upper class that author's such as Jane Austen wrote about were a small group within English society. In *Sense and Sensibility* Austen has one of her characters note of a young man that £300 a year is "Comfortable as a bachelor" but "it cannot enable him to marry." In contrast the mass of farm laborers in England in 1810 had an annual income of £36 or less per year.

Even though England was one of the richest economies in the world, they lived by modern standards a pinched and straightened existence. If employed they labored 300 days a year, with just Sundays and the occasional other day off. The work day in the winter was all the daylight hours. Their diet consisted of bread, a little cheese, bacon fat and weak tea, supplemented for adult males by beer. The diet was low in calories given the heavy manual labor, and they must often have been hungry. The monotony was relieved to some degree by the harvest period where work days were long, but the farmers typically supplied plenty of food. Hot meals were few since fuel for cooking was expensive. They generally slept once it got dark since candles for lighting were again beyond their means. They would hope to get a new set of clothes once a year. Whole families of 5 or 6 people would live in two room cottages, heated by wood or coal fires. There was almost nothing that they consumed – food, clothing, heat, light or shelter - that would have been unfamiliar to the inhabitants of ancient Mesopotamia. If consumers in 8,000 BC were able to get plentiful food, including meat, and more floor space, they could easily have enjoyed a life style that English workers in 1800 would have preferred to their own.

Personal Reflections On Economic History

by A.J.H. Latham

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

The book which drew me to work on economic history was J.U. Nef, *The rise of the British coal Industry*. It was not recommended to my by a teacher, but a fellow student when I was writing an essay on the Tudor economy as an undergraduate at the University of Birmingham. It opened up a new world of the pre-industrial economy, and its concept of an Elizabethan industrial revolution fascinated me. Its documentation of the Lancashire coal industry, entered on my home town of Wigan, frankly amazed me! That Nef was an American, not English, was also staggering. Who would have though an American would dedicate so much time to such an unfashionable and obscure topic?

Because of this book I chose to write a dissertation on 'Economic Growth in the Parish of Wigan 1540-1640' as part of the requirements for my BA in Medieval and Modern History. This was supervised by R.H. Hilton, with whom I was delighted to work. This gave me my first taste of working on primary sources, at the Lancashire Record Office in Preston. But in working on agricultural aspects of growth in this period I came across another major work which had a profound influence, R.N. Salaman, *The History and Social Influence of the Potato*. Again I was impressed by the extensive and detailed documentary research which had gone into this, especially with reference to the establishment of the potato as a key crop in Lancashire in the seventeenth century, where it was well suited to the cold, wet climate, and where wheat would not grow. The coming of the potato raised incomes and demand for industrial products, and was a vital link in the move to industrialization. Wigan had Europe's first potato market, in the 1680s! In both these books what was apparent was the way in which ordinary people went about the business of securing their existence, operating of their own free will within a market environment, and making key innovations, enhancing the prosperity of all.

Later I came to work for my Ph.D. at the Centre of West African Studies, Birmingham, with A.G. Hopkins. I think I was his first research student! It was the time of de-colonization, and there were great hopes for the future. I chose to work on Old Calabar, a major port of the West African slave trade, in what is now Nigeria. Although I never put it that way at the time, my research was really concerned with the question of economic rationality. Were Africans motivated by markets and prices as we are? Or were they motivated by other considerations? In particular, how did they respond to the end of the external slave trade, and their loss of earnings from this source? Did they seek other external sources of income, or did they turn inwards to some communal idyll? It soon became obvious that Africans were economically rational as we are. Faced with the end of the slave trade, they soon found another source of income. Palm oil and kernels were exported to be made into soap and margarine. Far from turning to some communal utopia, they continued themselves to be major slave holders until the British colonial authorities abolished slavery and the internal slave trade in the early years of the twentieth century. They had money and markets, and invested heavily in capital goods like canoes.

Having worked on Africa, my interests turned to Asia. In many respects less work had been done by the late 1970s on Asia than on Africa, even though Asia was so much more important in economic terms. Ever since reading Salaman I had been interested in agriculture, and my interest focused on the international rice trade, and its influence in the dynamics of Asian economic life. While researching in Singapore, I came across another major work which influenced me, K.G. Tregonning, *Home port Singapore: a history of the Straits Steamship Company Ltd, 1890-1965.* Written as a company history, and using what fragments of evidence could be put together after the devastation of the Pacific War, Tregonning had written a most evocative piece, a pleasure to read. It portrayed the mesh of inter-island trade within the Malayan archipelago, and South-East Asia in general. Again, the trading network of local produce resulting from man's innate motivation to produce and exchange was made plain. As a result, and working in collaboration with Larry Neal (Illinois) we were able to produce a series of rice prices right across Asia, showing an intra-Asian market in rice. But rice prices were linked with wheat prices in India, which grew and exported both grains. From the quantities of both grains traded internationally, and the interaction of their trade flows, it was possible to show that by the late nineteenth century one world market for basic food grains had emerged, in which rice and wheat operated together. Asia was fully integrated into the world economy. A world glut in both grains in 1928 was to lead to the depression.

So where does this place me? Why am I interested in economic history and indeed, what use is economic history if any? Crucially it seems to me that the study of economic history helps us understand man's economic motivation. The need to produce and trade to achieve greater personal wealth and prosperity seems a fundamental drive in all periods of history. Africans and Asians are driven by these forces just as we are. In trying to create development strategies for countries at any stage of economic development, these fundamental principles must be recognized. If people cannot keep for themselves the product of their own labor, they will simply cease to work. Economic history does not itself butter many parsnips, but it does explain the forces which ensure there are parsnips to be buttered, and how much butter there will be!

A.J. H. (John) Latham (b. Wigan, March 30, 1940) was educated at Ashton-in-Makerfield Grammar School, Merton College, Oxford, and the University of Birmingham. He took his Ph.D. at the Centre of West African Studies. Since 1967 he has been Lecturer and Senior Lecturer in International Economic History at University of Wales, Swansea. He has also been Visiting Professor of Economics at the University of Illinois, Champaign-Urbana.

The 27th Canadian Economic History Conference October

by Todd Sorenson (Arizona)

(Vancouver) Cliometricians from across North American and beyond gathered in Vancouver, British Columbia for the 27th iteration of the Canadian Economic History conference. The meetings ran from October 13 to 15, 2006 and was headquartered at the Simon Fraser University Conference Centre. The program was put together by Mauricio Drelichman (UBC) and David Jacks (Simon Fraser), with local arrangements made by Angela Redish (UBC).

The conference began appropriately enough with a session titled "Canadiana" chaired by Marilyn Gerriets (St. Francis Xavier). The first paper "The impact of culture and institutions on performance: economic environments and manufacturing productivity in Canada, 1871" by **Kris Inwood** (Guelph) and **Ian Keay** (Queen's) examines the source of regional differences in income and wage levels in Canada across the late 19th and early 20th centuries, one of the continuing puzzles of Canadian economic history. A standard explanation – based on published aggregate census data - is that Eastern Canadian firms suffered from low productivity relative to Ontario and the US, because they were unable to take advantage of internal economies of scale. The authors use establishment-level data to estimate economies of scale by region and industry and conclude that the disaggregated evidence is not consistent with this story. The second paper was presented by **Mary MacKinnon** (McGill): "Markets for Educated Labour in a Resource Economy, Teachers in British Columbia, 1900-1930". MacKinnon and her coauthor, **Chris Minns** (Trinity College), exploits a remarkable data set detailing individual wages and characteristics for all teachers in early 20th century British Columbia. Perhaps the most surprising finding was that there were sharp differences in salary structure between British Columbia and the northwestern United States, despite no specific ban on migration. They suggest that BC requirements for "Empire"-acquired qualifications, and the US school's preference for US citizens may have segmented the labour market.

In the second session of the day, **Kris Mitchener** (Santa Clara) and **Marc Weidenmier** (Claremont McKenna) addressed the question of the "Good Housekeeping" seal of approval in their paper "Did the Gold standard matter for sovereign spreads?" Did joining the gold standard lower interest rates? They note that empirical responses to this question have not separated country and currency risk, and they use a new data set of 250,000 observations on bond yields for several countries over the period 1870-1913 to do so. They find that joining the gold standard lowered currency risk but not country risk and note that currency risk remained large.

In commenting on this paper, Redish quarreled with their motivation that their empirical analysis had implications for the choice of hard currency pegs by today's emerging markets. A lively discussion of the empirical methodology and the data ensued.

Alvaro Pereira (York) and **Rita Sousa's** (Universidade Tecnica de Lisboa) paper "The Fall, the Rise and the Persistence of Bimetallism in the European Periphery," is a history of monetary regimes in Portugal from the 15th to 19th centuries. The authors present new estimates of the money stock and the shares of gold and silver in that money stock for the period 1688-1854. Comments from the audience urged them to move to the next step of analysis and develop specific hypotheses to test.

The afternoon sessions were led off by **Tony Ward** (Brock), with "Aboriginal Economic Development in New Zealand and Canada." He collates the limited available data and contrasts the structure of the economy and its performance amongst the natives of the Canadian prairies and Maori people in New Zealand. Ward argues that the Maori people had relatively greater success and that this primarily reflected the fact that prior to colonization the Canadian aboriginal population was more nomadic and that the base of their economy - buffalo hunting – had been destroyed.

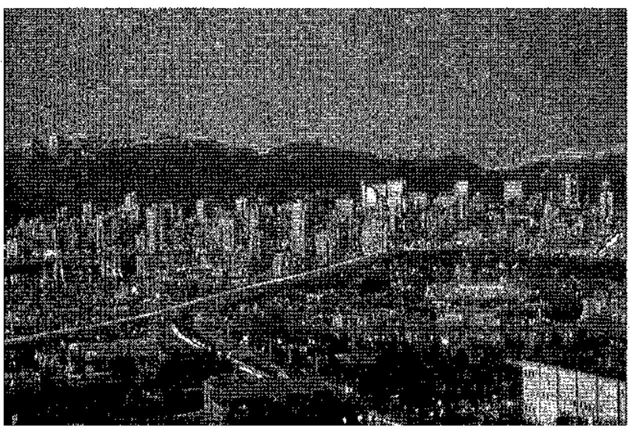
In the second presentation of the session **Marc Law** (Vermont) gave his paper "Effects of Occupational Licensing Laws on Minorities: Evidence from the Progressive Era." Prior work has focused on occupational licensing as a means to create insiders and outsiders, thus facilitating discrimination. Law, however, argues that if groups subject to statistical discrimination could overcome the asymmetric information problem by attaining recognized credentials, these laws would actually help them. To test this hypothesis, he uses the variation in the timing of the adoption of occupational licensing laws by U.S. states in the early 20th century. He finds that in most occupations both women and African Americans benefited from the adoption of these laws.

The day closed far from its Canadian beginnings with a session entitled "Out of Africa". **Greg Dow** and **Clyde Reed** (both Simon Fraser) presented their paper "Why did progress take so long?" The authors develop a theory to explain the stagnation in both population levels and per capita caloric consumption between 200,000 BCE and 10,000 BCE. One common explanation for this stagnation has been found in endogenous growth theory: these relatively small societies did not have the critical population mass required to develop new technologies. However, archeological evidence and recent econometric work reject this theory in favor of explanations related to environmental factors. In their model, Dow and Reed show how exogenous environmental changes can force societies to experiment with new forms of resource extraction, leading to the development of new technologies. The model fits the observation that tropical zones, insulated from environmental shocks, did not break out from low levels of consumption, while temperate zones began to grow following the end of the last ice age.

Ann Carlos (Colorado) began the discussion of the paper by questioning the underlying premise of stagnation and arguing that competition between variants of *Homo Sapiens* and the migrations that they undertook both reflected remarkable amounts of change. Frank Lewis (Queen's) suggested that the real question of the paper should be why progress ever took place, rather than why progress was so slow until 10,000 BCE. Perreira commented that stating no progress took place in this period is an extreme view. The extinction of Neanderthals and the arrival of language represented significant advances.

Nathan Nunn (UBC) presented the second paper of the session, "Ruggedness: the blessing of bad geography in Africa." Nunn, who coauthored the work with **Diego Puga** (CREI and Universitat Pompeu Fabra) uses a measure of geographic ruggedness to identify the effect of the slave trade on long term development in Africa. Ruggedness will be a barrier to agricultural development and trade, which should be negatively correlated with economic growth. However, it also served as a barrier to the transatlantic slave trade. By interacting the measure of ruggedness with continent dummies, the authors finds that while ruggedness generally is associated with a decrease in prosperity, the opposite is true for Africa, suggesting that insulation from the slave trade had a significant effect on the course of development for regions in Africa.

Carlos questioned the nature of the implied counterfactual and wondered whether colonial farmers, rather than raiding slave parties, were responsible for pushing the population into "rugged" territory. She also suggested that the paper should include robustness tests of the sensitivity of the results to apparent outliers. Mitchener suggested that the migration to rugged terrain could have been caused by factors other than the slave trade, such as seeking refuge from epidemics.


The Vancouver skyline

Rui Esteves (UC Berkeley) opened the Saturday session with his investigation of the factors determining the pattern of international capital flows from the 1880s to 1913. He seeks to determine whether or not there were significant differences in the factors determining capital flows from the UK and Continental Europe. Using data on foreign direct investment, bond offerings and IPOs in British and German stock markets, he finds that the key determinates of capital flows were the monetary system of the sending country, credit worthiness, natural resources in the receiving country, and distance. Continental countries responded to these factors in a fashion similar to the UK.

Brad Andrews suggested that the paper should contain more discussion about how conflicts in destination countries had little effect on capital flows. Lewis commented that the paper should include a model of asymmetric information. The British may have behaved differently than Germans since they were more experienced traders and had more information.

Dhanoos Sutthiphisal (McGill) presented the second paper of the session, "The introduction of electric technology and overall inventive activity during the Second Industrial Revolution." His research tests whether developing infrastructure related to new technology increases the overall level of innovation. The paper seeks to identify the mechanisms through which adoption of electricity contributed to increases in overall innovation. If spillovers were of a direct form, we would expect to see the same inventors who were patenting innovations related to electric technology also patenting cross-over inventions. If learning by using were the cause of increased innovation, we would observe cross-over technologies being patented in the same areas as core inventions, if not by the same people. If increased innovation occurred through an increase in human capital, we would observe that most inventors would have received instruction directly related to the new technology. Using two cross-sections of patent records, she finds that few cross-over inventions were patented by individuals patenting in the core technology. However, learning by using and indirect effects on human capital seemed to have played an important role in increasing innovation.

In the second session on Saturday, **Greg Clark** (UC-Davis) presented his paper with **Gillian Hamilton** (Toronto), "Economic status and reproductive success in New France." Using data from New France, they examine the relationship between fertility and economic status, and also separately identify the effects of differential fertility and mortality rates on family size. A comparison of mean family sizes of men in different occupations finds that elite members of society had smaller families. After controlling for urbanization, this effect drops somewhat.

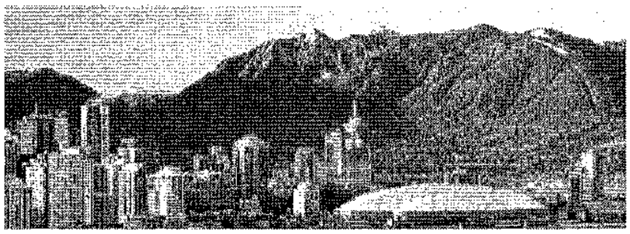
Michael Huberman (Montreal) asked whether the difference in fertility patterns observed in New and Old France could be explained by differences in the gender ratios in these two economies. Inwood suggested interacting the urban dummy with the elite dummy to see if there were indeed differences in outcomes for elites that were not picked up in the current specification.

In the second paper **Nathan Sussman** (Hebrew University) presented "Income inequality in Paris in the heyday of the commercial revolution." The motivation for this paper was a better understanding of whether the Black Death or pre-existing problems with stagnating markets caused the relative decline of the French economy in the 14th and 15th centuries. Using tax lists from the late 13th and early 14th centuries, Sussman observes assets across several categories, including occupations. Interesting insights provided by the data are the cosmopolitan nature of Paris during this period, growth driven by inequality, high rates of mobility in the income distribution, and relatively good economic conditions for women in business.

Huberman brought up the fact that the persistent inequality during periods of growth implies a rejection of the Kuznets curve for France during this time. Carlos questioned whether the number of women with significant amounts of property actually suggested favorable economic conditions for women, or if these tax records simply reflected widows who had inherited their businesses.

The afternoon ended with a lively discussion of the work of four graduate students: **Gordon Holmes** (Macmaster) presented new data on the Canadian balance of payments for 1868-1925; **Eric Mauras** (Montreal) outlined the evolution of the notion of public goods using the public pressure for construction of the telegraph along the St. Lawrence in the late 19th century as an example. **Todd Sorenson** (Arizona) presented a structural model of interstate migration calibrated to measure the impact of the second new deal, 1935-49. **Tommy Murphy** (Oxford) used departmental-level French data to argue that the social changes brought on by the Revolution may explain a crucial part of the decline in French fertility in the late 19th century. **Roman Studer** (Oxford) presented his new multi-region data set on Indian grain prices in the late 18th and 19th centuries, which he argued show fragmented markets inconsistent with the California school views of the "Great Divergence."

The keynote address of the conference was delivered Saturday night by **Phil Hoffman** (CalTech). He asked "Why is it that Europeans ended up conquering the rest of the globe?" He focused on the development of military technology as an explanation for European military and political dominance of much of the world up to the 20th century. Hoffman explains this increase in military technology in Europe as a result of tournament- like competition among small feudal states. Victories in wars would result in glory and rents for rulers, while defeats seldom led to leaders being deposed. This incentive to engage in warfare caused large amounts of resources to be devoted to military expenditures at far higher rates than in modern times. While these expenditures may have slowed growth for individual states in the short run, they also caused increased research and development in military technology.


Downtown Vancouver

In the discussion that followed, Carlos suggested that the story was just as much about public finance as it was about changes in technologies: states that could most efficiently raise tax revenue were able to sustain the largest amounts of military spending. Bob Allen (Oxford) commented that there was an important distinction to be made between the contributions of the public and private sectors in the increase in military technology. A key technological advance enabling Europeans to conquer much of the rest of the world was the three masted sailing ship, which was developed by commercial traders. Mitchener suggested that Hoffman motivate his work as filling in gaps left by Jared Diamond's *Guns Germs and Steel.*

The first paper on Sunday morning was presented by **Patrick Coe** (Carleton). His investigation with **Herb Emery** (Calgary), "Nominal wage rigidity during the Great Depression: evidence from Canada," looks into whether there was downward pressure on wages during the Great Depression. The authors use wage data from five occupations in thirteen Canadian cities between 1900 and 1950. Few empirical studies have been conducted on downward wage rigidities during periods of deflation. The data show that nominal wages changed infrequently, suggesting significant menu costs. The data also show symmetry in the direction of nominal wage changes. If nominal wage rigidities were an issue we would likely see more wage increases than wage decreases. However, this evidence suggests that downward nominal wage rigidities were not a serious issue.

Redish suggested that the authors also take into account the effects of tariffs on wages, as increases in protectionism during this period led to increased demand for domestic manufacturing. David Green (UBC) questioned why there were so many observations with no wage change. He suggested that they address how common it was for wages to remain constant over many periods, and whether this could be explained by long term contracts, many of which were written into legislation.

Next, **David Green** presented "The movement of real wages in Canada during the first half of the twentieth century." The key result in the paper was that the changes in the wage structure of females was different than trends occurring in the U.S during the same period. While the wage ratio changed little, occupational segregation became more pronounced. Women in four of the 159 occupations included in the data set comprised 59% of women in the labor force. Decompositions confirm that the occupations held by women explain far more of the wage gap than other variables.

Thomas Lemieux pointed out that this paper shows that Canada's experience with the gender gap was far different than that of the United States, despite both counties experiencing large increases in the supply of women with a high school education. This result brings into question Goldin and Katz's explanation for the increase in the gender wage gap in the United States during this period. Gerriets suggested that the paper discuss different immigration policies in the United States and Canada during this period and how this could explain different wage outcomes in the two economies.

The conference ended with a lively session on the nature of the British industrial revolution. **Bob Allen** discussed "Capital accumulation, technological change and the distribution of income during the British industrial revolution." Using a calibrated macro-model and some assumptions about competitive markets and equilibrium, he argued that the early years of the industrial revolution were accompanied by stagnating real wages as the returns to invention went into capital accumulation. Real wages rose after the mid-19th century. His results emphasize the important complementarity between technological progress and capital accumulation and the consequent inappropriateness of simple growth accounting.

In the second paper, **Greg Clark** asked "What made Britain great? How much of the rise of Britannia to world dominance by 1850 does the industrial revolution explain?" His provocative answers are population growth and not much. His model of the early 19th century (and late 18th century) British economy has a farm and non-farm sector and optimizing consumers with hierarchical preferences. Calibrating the model with 1730s data he argues that the model shows that the gains from technological advances accrued to the world and not to the British alone. He then argues that world domination did not need the technological advances of the technological revolution, but in contrast the expansion of trade resulting from the population growth drove British imperialism.

Several audience members quarreled with the production functions which underlie the counterfactual analysis of the world without the technological advances of the industrial revolution. Not surprisingly, a vigorous debate ensued, providing an exciting end to the conference.

The History of Economic History

What We Talk About When We Talk About What We Do

By Michael Haupert

Cliometricians have been meeting at least once a year since 1961, and economic historians began their regular gatherings a generation before that. In that time, nearly 2500 papers have been presented at their conferences, nearly 1000 of them under the Clio umbrella – either the annual Cliometrics Conference, the World Congress of Cliometrics, or the Clio sessions at the ASSA or IEHA meetings. This essay will focus on the Clio gatherings, looking at the topics of the papers presented over time and how our research interests, as measured by conference presentations, have changed in the past 40 years.

I'll begin with the big picture by looking at the aggregation of presentations covering all Clio meetings through the ASSA sessions in Chicago in January of this year. Figures 1 and 2 present the overall distribution of papers by time period and geographic region using the time period and geographic region codes listed on the eh.net website. Some of the papers could not be categorized because all that was available to me was the title, which did not reveal enough about the paper to allow me to give it a geographic or time period code. About 10% of the papers could not be identified by geography and 20% by time period. All of the percentages listed in this essay are percentages of the total identifiable papers, not percentages of total papers. Table 1 lists the codes and the percentage distributions of papers presented.

Over 40 years comprising 67 meetings, there has never been a paper presented that fell within the time period defined as prehistoric. All other time periods were covered at least once, with

Table 1

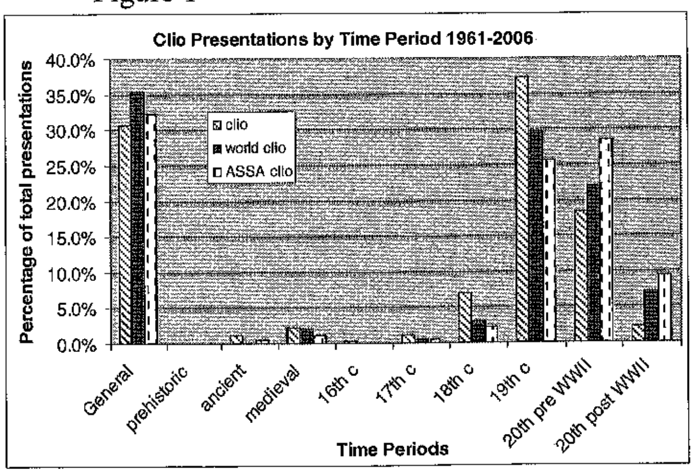
Distribution of Papers Presented at Clio Meetings 1961-January 2007 by Geographic and Time Categories			
Geographic Categories	% total papers	Time Period Categories	% total papers
General, International, or Comparative	10.7%	General or comparative	32.2%
Africa	0.0%	Prehistoric	0.0%
Asia	2.9%	Ancient	0.7%
Australia/New Zealand, Pacific Islands	1.1%	Medieval	1.9%
Europe	30.2%	16th century	0.1%
Latin America, Mexico and the Caribbean	2.7%	17th century	0.8%
Middle East	2.3%	18th century	4.8%
North America	50.2%	19th century	32.6%
		20th century pre WWII	21.7%
		WWII and post WWII	5.2%

the classifications for 19th century, general/comparative and pre WWII 20th century the most common. The most frequently discussed time period has been the 19th century, featured in 32.6% of all presentations, barely ahead of the catch-all category "general or comparative," which describes 32.2% of the total presentations. The pre WWII 20th century category is a distant third at 21.7%. However, if we look at Figure 3, which shows presentations by decade in the three largest time categories, we see that pre WWII 20th century topics have become more popular. They jumped from less than five percent of all papers in the 1960s and 1970s to 21% each of the last three decades. This has come primarily at the expense of 19th century topics, which have fallen below 20% of total presentations for the first time during the 21st century. Figure 3 shows the historical trend for only the three most popular time periods, as well as the sum of their total. During the 1960s these three categories accounted for about 55% of total presentations, whereas they currently account for 73%.

Eh.net defines ten time period categories, half of which have accounted for a mere five percent of all presentations since the first meeting of the Purdue group. While only the prehistoric time period has never been covered, the 16th century (1 paper), ancient (5), 17th century (6) and medieval (14) have each accounted for less than two percent of the total presentations.

The different categories of Clio meetings have tended to emphasize different types of papers. The annual Clio meetings have been dominated by 19th century topics, with 37.4% of total papers examining this time period, followed by 31% in the general category and 18% pre WWII. The 18th century is a distant fourth, representing seven percent of total Clio presentations. The World Congress, on the other hand, has leaned more towards the general category. A total of 35% of World Congress presentations have been general or comparative time periods, followed by 19th century (29%) and pre WWII (22%). The fourth most popular World Congress time period has been post WWII, which accounts for seven percent of presentations.

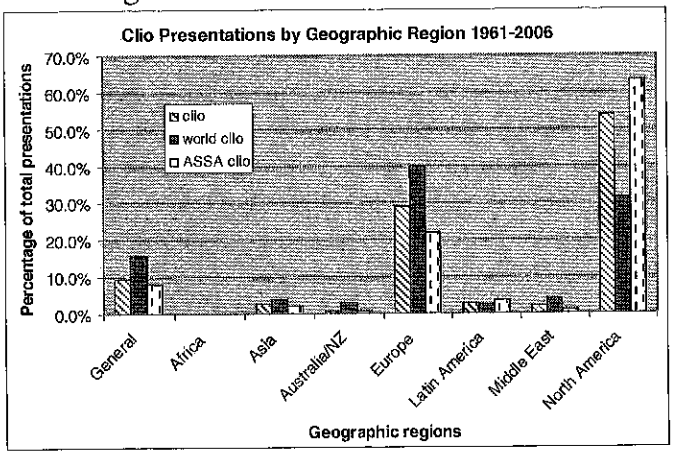
Figure 1



ASSA Clio sessions mirror the World Congress presentations in that the general category is the predominant time period (32%), but pre WWII (28%) comes in second, barely ahead of 19th century topics, which account for 26% of all papers.

Geographic representation is even more skewed. A whopping 50% of all papers have focused on the North American continent, easily outdistancing Europe, which accounts for 30% of all presentations. The general/comparative category is a distant third, accounting for 10.7% of all papers, with Asia, Latin America and the Middle East each accounting for about 2.5%.

Figure 2



As with the most popular time period, the most popular geographic location has also decreased over time. In the 1960s, 60% of all papers were on North American topics. In the current decade that has fallen by nearly one-third to 44%. At the same time there has been a gradual rise in the popularity of European topics and a recent uptick in general/comparative papers. European topics have nearly doubled from 16% of papers in the 1960s to a current 28%. General/comparative topics hovered below ten percent until jumping to 15% this decade.

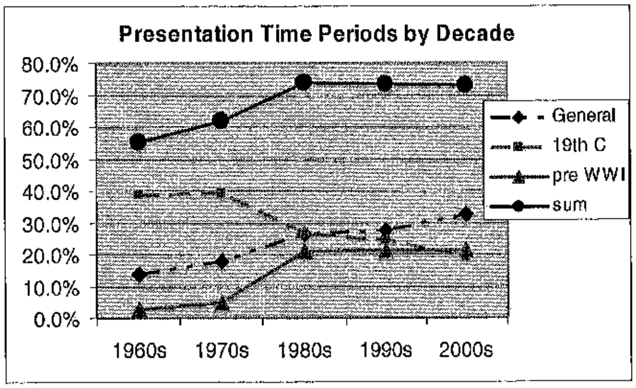
World Congress meetings are more likely to feature papers focusing on the European continent than the other types of Clio gatherings, and that is the most popular geographic topic overall for their sessions. 40% of all World Congress papers have been on the European topic, a hefty distance ahead of North American topics (32%) and well ahead of the 16% of papers classified as general or comparative. World Congresses are also more likely outlets for Asian, Middle Eastern and Australian/New Zealand/Pacific island topics. While these three categories combined only account for 10% of all papers, that is significantly more than either the annual Clio meetings or the ASSA Clio sessions, each of which had only 6% of their topics on these three continents.

The big three geographic categories of general, North America and Europe have never accounted for less than 80% of total geographic topics since Clio began to meet, hitting their nadir of 81% in the 1990s. During the 1980s they accounted for 84.3% of all papers and currently they are just behind, at 83.7%. Nothing in Clio's presentation history suggests this is likely to change.

Perhaps it is not a surprise that the World Congress meetings are more heavily weighted toward European topics. They are the meetings that are more heavily populated with European scholars, having been located in Europe three out of five times, and heading there again next year. In the first World Congress, held in Evanston, IL in 1985, 12 papers each were on North American and European topics. The 19th century was the dominant time period, covering 13 papers, while the general category was second at 7. Pre WWII 20th century was the only other time period covered by more than two papers.

Things were much different at the most recent World Congress, held in Venice in 2004. That year 39% of the papers focused on European topics and only 10% covered North America. The general/comparative category accounted for 23.5% of the papers. The most common time period was the general/comparative category (25.5%). The twentieth century certainly got its due at the last World Congress, with a total of 29.4% of papers. The pre WWII topics slightly outnumbered post WWII topics, 15.7% to 13.7%.

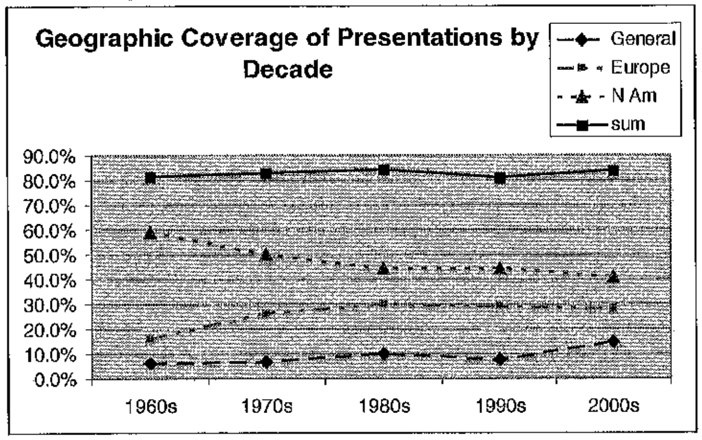
Figure 3



On three separate occasions all of the papers for which a geographic code could be identified were on the North American topic. In 1963 five of the six known topics were North American, and both of the identifiable time periods for papers that year were 19th century. Five years later all eight of the identifiable papers (of 13) were North American topics, and in 1974 all six identifiable papers were North American, with one unidentifiable geographic region.

The first ASSA Clio session concentrated primarily on North America as well, covering 14 of the 21 papers delivered that winter in New York. Two years later ASSA Clio focused heavily on early 20th century topics when 55% of the papers covered this time span. The most recent example of a heavily tilted conference was the 1997 Clio conference in Toronto, which featured 8 of 12 papers on North American topics.

Figure 4



With Clio closing in on its golden anniversary it is interesting to note the change in preferred topics of study. Our interests have shifted from predominantly 19th century to a more balanced view of the timeline. While our geographic focus is still heavily Eurocentric, the distribution has shifted slightly away from North American topics. It remains to be seen what will pique the interest of the next generation of Cliometricians.

Call for Papers

The 2008 annual conference of the **Economic History Society** will be hosted by the University of Nottingham from March 28-30, 2008. The conference program committee welcomes proposals in all aspects of economic and social history covering a wide range of periods and countries, and particularly welcomes papers of an interdisciplinary nature. Preference may be given to scholars who did not present a paper at the previous year's conference. Those currently studying for a PhD should submit a proposal to the New Researcher session. For each proposed paper, please send (preferably by email) a brief c.v. and a short abstract (including name, postal and email addresses) of 400-500 words to Maureen Galbraith, Economic History Society, Dept. of Economic and Social History, University of Glasgow, Lilybank House, Bute Gardens, Glasgow G12 8RT, Scotland, UK. Email: ehsocsec@arts.gla.ac.uk. For full consideration proposals must be received by September 17, 2007.

Greetings Fellow Cliometricians,

With the writing of this letter I greet you for the last time as editor of the newsletter. Like all good things (the reign of the Cubs as scions of the National League, *Green Acres*' stint at the top of the Nielsen ratings, and *Harry Potter* sequels) my tenure has come to an end. The torch is being passed to Mary Eschelbach Hansen (American University). Mary will take over beginning with the fall newsletter, lending her expertise to keeping the membership in touch with the affairs of economic history and the research of economic historians. While Mary will be free to redesign the newsletter in her own mold, it will retain its most distinctive and indeed most popular features: the interviews and the reports of the annual Cliometrics meetings and the Clio sessions at the ASSA meetings.

Mary has substantial experience. She has studied rural economic history extensively and is the author of several articles on the topic in the *JEH, Social Science History*, and *Agricultural History*. The quality of her work is reflected in her reception of the Nevins Prize and the Edwards Prize for Outstanding Publication in *Agricultural History* (both in 1993), and in her successful grant-writing at the NSF and NIH. She is currently engaged in collaborative research on bankruptcy during the first half of the twentieth century with fellow economic historian Brad Hansen. Over the last several years she has built a reputation for her work on the economics of child welfare policy and adoption; she currently serves on the editorial board of the interdisciplinary journal *Adoption Quarterly*. She has been a contributor to EH.NET, and was the first moderator of the DATABASES listserv back in the days when e-mail required a bitnet account! She came to American University via Knox College after earning her Ph.D. at Illinois under the tutelage of Jeremy Atack.

Please join me in welcoming Mary aboard as the new editor. I am sure she would welcome hearing from you with any suggestions or requests you might have regarding the future direction of the newsletter. Mary can be reached at mhansen@american.edu.

Before I go I must thank the associate editors, Pamela Nickless and Mary Beth Combs, who never failed to deliver, even under the most unreasonable of deadlines. And to Jean Bonde I owe the greatest debt of gratitude. Jean has been solely responsible for the layout and design of the newsletter during my tenure as editor. In addition, she served as copy-editor extraordinaire, turning otherwise muddled babbling into elegant prose on occasions too numerous to recall. When I originally agreed to take on this job it was under the condition that Jean agree to serve as managing editor. I can not imagine what it would have been like without her help. You have undoubtedly noticed the lack of flair in this issue of the newsletter. That is due to Jean having to cut short her time on this issue of the newsletter due to the passing of her mother several weeks ago.

Finally, I would like to thank you for the opportunity to serve as the editor of the newsletter. Your comments and suggestions over the years have helped improve the newsletter immensely. I have gained a great appreciation for the efforts of the previous editor, Sam Williamson, and wish to extend that appreciation to him. He spent more than his fair share of time mentoring me when I first started and continued to serve as a resource whenever I found myself in a jam. I would like to think that I was able to continue the newsletter on the upward trajectory which Sam had started it. I am certain that is what will happen with Mary as the new editor.

Adieu, Mike