The Newsletter of the Cliometric Society

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Letter from the Editor

Hello Clio Colleagues,

First, let me apologize to any members who received the Fall issue only after the meetings Allied Social Science Association. I'm beginning to get the hang of putting together your newsletter, including figuring out the printer's schedule and staffing issues. I hope delays will be rarer in the future.

In this issue: In addition to the regular Spring feature of the report on the Economic History Association Meetings, you'll find reports submitted by members on individual sessions at ASSA and the meetings of the Social Science History Association. I encourage these kinds of submissions, as well as the traditional submission of summaries of whole conferences. I also encourage you to send me excerpts from your wonderful books that are in press and other original features. Suggestions of material to reprint (with permission) would also be great. Finally, keep sending in those announcements, calls for papers, and interesting photos of members in their natural habitats. Submissions may be made by e-mail to me at *mhansen@american.edu.*

Best wishes for a relaxing but productive summer,

Mary Eschelbach Hansen

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67th Annual Meeting of the Economic History Association

by Mary Eschelbach Hansen (American University) with contributions from Letita Abad Arroya (UC-Davis), David Clingingsmith (Case Western Reserve), Tomas Cvrcek (Clemson), Noel Johnson, John Parman, and James Roberts (all three of Northwestern)

(Austin) The 2007 EHA Meetings, themed "Space and Place in Economic History," were presided over by president Paul Hohenberg (Rensselaer Polytechnic Institute) and were held in lovely, toasty, Austin, Texas, from September 7 to 9, 2007. Program committee members Susan Carter (UC-Riverside) and Anne McCants (MIT), Metin Cosgel (University of Connecticut) and Peter Rousseau (Vanderbilt University) assembled a stimulating collection of papers on the theme. So many papers were presented, in fact, that it was not possible to report on them all. Apologies to those omitted from this brief summary of a terrific meeting.

Many thanks to Sally Clarke, John McCusker, and Tom Wiseman for their careful planning of local arrangements. Thanks also to the members of the Honorary Committee of Dr. Elspeth Rostow (Honorary Chair), Professor Betty Sue Flowers (Director of the Lyndon Johnson Presidential Library and Museum), and Professor James Galbraith (LBJ School of Public Affairs) for arranging access to such stimulating out-of-the-hotel venues as the Lyndon Johnson Presidential Library and Museum.

Tomas Cvrcek (Clemson) opened the conference by arguing that marriage and fertility rates from 1870 to 1930 were driven by improvements in women's bargaining positions within the household. Pam Nickless (UNC-Ashville) suggested that delving into regional detail would be helpful and wondered about the treatment of children as consumption goods for men. **Stacey Jones** (University of Seattle) presented evidence that there was a dramatic change in the attitudes of college-educated women towards work around 1970. Michael Edelstein (CUNY) encouraged Jones to think about the role of women's participation in feminist groups as an explanatory factor. **James Roberts** and **Aaron Sojourner** (both of Northwestern) shows that there were temporal spillovers between strike starts in specific locations. Gerald Freedman (UMass-Amherst) entertained the audience with stories of the UMass graduate student strike and suggested that the authors incorporate into their story the views of Charles Tilly on strikes and Mancur Olsen on collective action. **Michael Huberman** (Universite de Montreal) presented work co-authored with Christopher Meissner (Cambridge), reprising his Cliometrics Conference performance on "Are Your Labor Standards Set in China?" which incorporates labor standards legislation

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into a gravity model of trade. Discussant Latika Chaudhary (Stanford and Hoover Institution) called for a more careful consideration of reverse causality.

Early Saturday morning is not a good time for extracting people out of bed, but it is good time to discuss extractive exports from South America. **Catalina Vizcarra** (University of Vermont) showed that, despite terrible instability, Peru was able to attract lenders because of its position atop massive guano deposits. Noel Johnson (SUNY-Buffalo) wondered how the transactions costs of extractive industries may have played into Vizcarra's story. **Kirsten Wandschneider** (Middlebury College) presented a paper co-authored with **Richard Sicotte** (University of Vermont) and **Catalina Vizcarra.** She discussed the reallocation of resources between Chili, Bolivia, and Peru after the War of the Pacific. Mauricio Drelichman (University of British Columbia) suggested that the treatment of labor costs and the cost of capital could be improved. **Gail Trainer** (Rutgers) presented the history of the separability of land and subsoil mineral rights in Brazil with an emphasis on the state's role an entrepreneur in mineral extraction. Andres Alberto Gallo (University of North Florida) praised the ambitious scope of Trainer's project, but longed for more detail on the history of and motivation for the changes in property rights described.

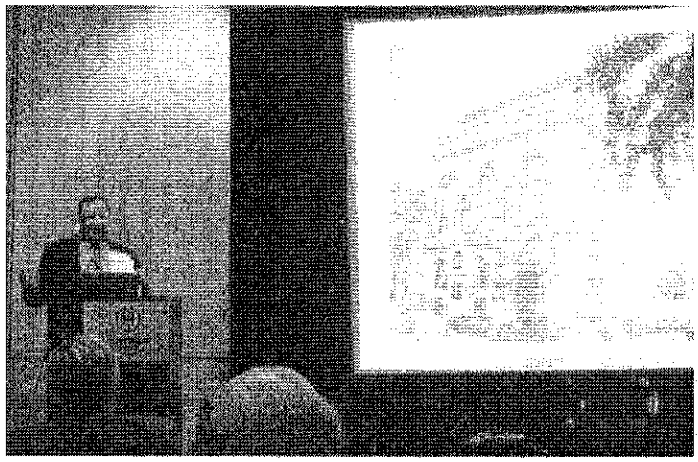
George Grantham (McGill) contended that market demand from large cities drove gains in European agricultural productivity before the railway age. A supply-side increase in productivity was unlikely due to the high cost of transporting produce and the spatial configuration of farm structure. Jean-Laurent Rosenthal (CalTech) reminisced about discussing the broad outlines of this paper with Grantham while they were both in France. Rosenthal suggested that Grantham now fill out more of the detail of the story. He also challenged Grantham to explain the persistence of small rural cities in light of his contentions about the benefits of agglomeration. **Stephen Broadberry** and **Bishnupriya Gupta** (University of Warwick) argued that the fact that British wages were four times Indian wages spurred British innovation and adoption of new, more capital-intensive technologies while Indian technology remained stagnant. Competitive advantage in textiles shifted to Britain by the late 18th century. Susan Wolcott (SUNY-Binghamton) urged the authors to explore cultural differences between UK and India that might account for differences in innovation. **Nicholas Crafts** (Warwick University) and **Timothy Leunig** (LSE) presented on "Transport Improvements, Agglomeration Economies, and City Productivity." By the first decade of the 20th century, train costs fell and cheap commuter trams integrated former hinterlands with cities. The gains from agglomeration raised wages by around 14% and GDP by around 8%. John Devereux (Queens College, CUNY) described the analysis as elegant, clear, and important. He argued that the data suggest that the UK could have achieved much higher GDP with more transport and agglomeration, and urged the authors to explain the underinvestment problem.

Sam Williamson (Miami of Ohio), Tom Weiss (Kansas), Leticia Arroyo Abad (UC-Davis), Fred Bateman (Georgia), Michael Huberman (Montreal) at Bess Bistro (Sandra Bullock's restaurant)

In keeping with the theme of "Thinking about Books," the presenters in this session about publishing before the digital era refrained from using Powerpoint. **James Greene** (Library Company of Philadelphia) presented a history of book fairs and exchanges where printers tried to solve overstock problems by exchanging books with other printers and booksellers. Exchanges facilitated turnover of books but not profits. Naomi Lamoreaux (UCLA) found the paper's detail fascinating and the underlying economic logic clear. **Michael Winship** (UT–Austin) was glad that he was able to be at his presentation of "Book Distribution in Late Nineteenth Century America": Saturday's UT—TCU football game did not start until 6 pm. Winship described the emergence of a national distribution network for books in which specialized book jobbers played a critical role. David Mitch (University of Maryland – Baltimore County) suggested that Winship examine whether book buyers were constrained by their locations. Lastly, **Daniel Raff** (University of Pennsylvania) discussed the strategic and business history of the Book-of-the-Month Club. He argued that the subscription publishing model was a solution to the problem of many books but little display space

for sellers. Paul Rhode (University of Arizona) noted several unresolved issues about the business, including the club's profitability and competitiveness, whether there were any precursors or rivals, and how the club survived the Great Depression.

The session on "Globalization and Geography" began with a paper by **Peter Lindert** (UC-Davis), **Branko Milanovic** (World Bank), and **Jeffrey Williamson** (Harvard and Univ. of Wisconsin) on "Pre-Industrial Inequalities: An Early Conjectural Map." The paper was in the spirit of Kuznets and dealt with long-run inequality. The discussant, Jan de Vries (UC-Berkeley), was pleased to be asked to comment on this paper because he knew "there is going to be something to irritate you; they didn't disappoint." He was concerned about the model and claimed that "it is a computer game." DeVries vehemently objected to the authors' definition of subsistence income as, "that level of income which leaves an individual indifferent between life and death." A lively back-and-forth ensued. **Stefano Battilossi**'s (Universidad Carlos III Madrid) presentation used panel data on the location of European bank branches to disentangle the effect geography, institutions, and economic integration in banks' decisions to expand abroad. He argued that banks were attracted to distant, diverse, and risky environs. Aldo Musacchio (Harvard Business School) wondered whether Battilossi's results were driven by activities in South Africa and Australia. Finally, **Gregg Huff** (University of Glasgow) argued that between the late 19th century and WWII a large number of southeast Asian cities urbanized because of their positions as trading links between the core and the periphery zones. His main message was that trade drives city growth. David Weiman (Barnard) wanted more systematic empirical evidence and suggested that Huff investigate the wholesale sector. He recommended that Huff pursue an analysis along the lines of Jacob Price's work on the Chesapeake Bay Company.



Paul Hohenberg (Presidential Banquet)

One of the final sessions on Sunday morning featured three papers on Spain. **Mauricio Drelichman** and **Hans Joachim Voth** (Universitat Pompeu Fabra and NBER) reported on their collaboration to digitize the archival records of the debts of King Philip II. They showed that, until the loss of the Armada, Spain was not in too deep. Phil Hoffman (CalTech) praised the authors for their collection of new data and their adaptations from the debt sustainability literature. He encouraged the authors to explore the political economy of default. **Metin Cosgel** (University of Connecticut) presented a project on the relationship between the legal community and rulers in Islam, pursued jointly with fellow UConn-ers **Rash Amhed** and **Thomas Micel**. Joe Ferrie (Northwestern and NBER) was not quite convinced that the authors could claim that the legal community provided a check (or a balance) on rulers' power to tax. **Elisenda Paluzie** (University of Barcelona) reported on work with **Daniel A Tirado** and **Jordi Pons** (Barcelona) and **Javier Silvestre** (University of Zaragoza). The audience received a tutorial on the New Economic Geography and learned that migration patterns were less concentrated in Spain after the 1970s. Sukko Kim (Washington University and NBER) suggested that a reduced form approach might be more enlightening. He wanted to know more about the role of the service sector in determining patterns of internal migration.

The second of the final sessions covered the geography of the Great Depression.

Kaj Thomsson (Yale) presented "Bargaining over a New Welfare State: A Model of the Regional Distribution of New Deal Funds," written with **Alessandro Bonatti** (also of Yale). They modeled distribution of funds as game in which the President acted as an agenda-setter and the House and Senate bargained over the shape of the spending bill. John Wallis (University of Maryland) thanked the authors for offering a neat way of thinking of the problem. However, he also noted that the paper, "beat homogeneous to within an inch of its life," noting that Illinois is treated as identical to California or Nevada. **Joseph Cullen** and **Price Fishback** (both of University of Arizona) claimed that federal military spending per capita during World War II had no effect on growth in retail sales per capita in

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Interview with Cynthia Taft Morris

Cynthia Taft Morris is Distinguished Economist in Residence at American University; she retired from her position as the Charles N. Clark Professor of Economics at Smith College in 1998. She has worked at the American University of Beirut, the Agency for International Development, the Economic Commission of Europe in Geneva, and the Mutual Security Agency in Paris. She is the founder of the Washington Area Economic History Seminar and past president of the Economic History Association (1993-94). Mike Haupert conducted this interview between August 2006 and March 2007 via email and concluded with a wonderful visit with Cynthia at her home in Washington, DC, in May of 2007.

Let's start with background. I know that yours is not the traditional road to economic history.

True. My personal life dominated every decision I made between 1949 and 1965. In 1949, I was accepted for graduate work at the top colleges that took women and at LSE. I picked LSE because (1) I was sick and tired of the conventional sequence of classes followed by exams and LSE had neither regular exams nor regular classes but instead employed the British tutorial system; (2) I wanted to go back to Europe where I had made many friends the summers of 1947 and 1948; (3) Edna MacMahon, my most beloved teacher from my undergraduate days at Vassar, whose passions were the detailed economic history of Dutchess County and comparative systems, wanted me to go there; and (4) above all, I wanted "Adventure" with a capital A!

My love of history was supported by my LSE tutor, Henry Phelps Brown, who had me write essays every week on subjects of my choice (he made suggestions) and who had a lively seminar that I attended. My thesis on the impact of nationalization on collective bargaining in the electricity industry was way more thorough than required for a Master's degree. After I got my Master's, I rejected the idea of returning to the U.S. to further my career and decided instead to go to Paris without a job. From a career standpoint the move to Paris looked stupid, since I was told that in six months I could have turned my thesis into a Ph.D. in labor economics.

But once again, my sense of adventure won out. In London, I had met Bill Gausman, a former trade union official, who then moved to what became the Mutual Security Agency of the Marshall Plan. I persuaded him to hire me, hoping that in spite of my college reputation as a radical, I could pass the FBI security check. I did. He was the only person actually offering me a job that could support me. I was really interested in his desire to find out whether the Marshall Plan had raised the living standards of workers. I thoroughly enjoyed the work, the travel to five countries that it financed, and the insights it gave into the differences among institutions in these countries.

My move from Paris to Yale was the consequence of the persistence of Lloyd Reynolds, who wanted a research assistant with a background in labor economics and European language skills. He went to Henry Phelps Brown in search of one. My guess is that I was probably the only one who fit the description. I was fluent in French and German, spoke rudimentary Italian and had my LSE degree. I was not ready to go back to the U.S., but when he offered to wait six months for me to make the move, I agreed.

I took my first real theory courses as a graduate student at Yale with William

Fellner. John Sawyer taught economic history at Yale in those days. I had Henry Bruton for statistics and James Tobin for econometrics. At the time I was very involved with Lloyd Reynolds's book.

I had not arrived at Yale seeking a Ph.D., but I guess the ambiance shifted my ambitions back to academia. When I passed my comprehensives at Yale in 1955, I seemed at first to have no options since Yale did not permit women to corrupt their young men by teaching them. I was getting married that fall and my husband-to-be was thinking of going into the Harvard Graduate Russian Studies program. Finally, with two glasses of sherry under my belt, I telephoned Arthur Smithies, Chair of the economics department at Harvard, and persuaded him to hire me as a teaching fellow. I suspect I was helped by the fact that Lloyd Reynolds had made me co-author of *Evolution of Wage Structure,* the book

on which I was working for him. I also got the impression that Smithies liked the idea of forcing Radcliffe to give me the paper appointment that would permit him to hire me. I wanted to be an assistant teacher to John Dunlop, but he turned me down on the ground that his field was not suitable for a woman. In the end I taught introductory economics in Lamont Library, the only place with easy access for someone on crutches. I wasn't allowed to teach women because the deed of the building forbad it.

My personal life continued to dominate my decisions and the haphazard way in which I continued to acquire and develop my interest in economic history as well as economic development. My husband had decided to go into the Foreign Service, where he remained for 10 years, then moved to the Space Agency's international relations section for another 10 years before retiring and becoming an Episcopal priest.

During the first five years of this 23 year period we spent a year in Geneva and two years in Beirut. In both places, I picked up what I could in the way of interesting work. I don't remember much about what I did to be worth my pay at the Electricity Power Committee. When my husband was assigned to a conventional Foreign Service tour in Lebanon, I was determined to end up with a regular teaching position in the economics department at American University of Beirut and took advantage of the fact that a member of that department was at Princeton. I went to see him and persuaded him to consider me seriously. He said he thought I could be a visiting assistant professor and I was offered a position.

I was persistent. Men had amazing ways of blocking women from good jobs. The

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counties. Only a small portion of military spending was earmarked for wages or the use of locally-produced inputs. Richard Sutch (UC – Riverside) noted that the findings ran counter to his experience: he is from Benson County, Washington, where large amounts of military funding and the benefits were visible. Sutch suggested that gains may have resulted from internal migration in which workers moved from areas with low productivity to high productivity as a result of war-related jobs. **Kenneth Snowden** (UNC–Greensboro) presented a detailed spatial analysis of the housing depression and recovery of the 1930s, which he co-authored with **Gary Kimbrough** (also of UNC – Greensboro). Alex Field (Santa Clara University) emphasized that the paper pinned down the geographic center of the housing depression, which was a key contribution to the literature.

The conference offered *two* plenary sessions. The first looked back at macroeconomics 50 years ago; the second looked back at economic history 50 years ago.

For the Friday plenary session conference participants traveled to the LBJ Library where **Michael A Bernstein** (Tulane) and **Christina D. Romer** (UC-Berkeley) offered decidedly different "Looks Back at Domestic Economic Policy in the Decade after Sputnik." Romer emphasized that new beliefs developed in the 1960s led to a "long, dark period" in macro policy. She argued that the belief in the Fed's ability to buy a permanent change in unemployment with inflation, together with the belief that deficits take care of themselves through increasing growth, led to actions that increased real volatility. Bernstein approached the evaluation of macro policy in the 60s from the vantage point of social and political changes. He argued that politicians who argued for tax cutting intended to subvert the liberal (civil rights, anti-poverty, anti-war) agendas. He criticized the discipline of economics for withdrawing from the debate over the normative goals of policy in favor of debating the minutiae of the macro theory.

An elegant reception followed in the Great Hall of the Library. All disagreements over the proper domain of economics and the usefulness of actively managing the economy with policy were resolved over delicious *hors d'oeuvre.*

Brad DeLong (UC-Berkeley) and **Dick Easterlin** (USC) were the keynote speakers in the Saturday plenary session on "The Role of Economic History as a Guide to Economic Development." They discussed the evolution of economic history in the post-Sputnik era and stirred a lively debate on the future of economic history. Joel Mokyr (Northwestern) argued that we need to speak the "Econ language" as we cannot live in a cocoon of our own making. Roger Ransom (UC-Riverside) disagreed: without history we cannot define what the proper questions are. This clash of views prompted Price Fishback (Arizona) to raise his voice: "We sound like a bunch of old women!" Jeffrey Williamson (Harvard) was puzzled by this discussion: "It sounds weird to me. The planet I come from is different than [the one] you describe." He pointed to the scores of areas where the dialogue between economic history and economics is blossoming such as technology, migration, trade, and globalization.

Saturday's Presidential Banquet and Awards Ceremony featured a lovely menu and a good roasting of EHA president Paul Hohenberg by Joel Mokyr (Northwestern). The list of awards conferred appears separately in this *Newsletter.*

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women of my generation did not have women role models. When we met with the kind of stupidities I have recounted here, we thought: "What a stupid man. I'll go find an intelligent man to help me out." If we were determined enough, we found one and kept going. It does make for some amusing stories now!

Women are still underrepresented in economics. Do you see any progress? Are there good role models out there?

I went as a teaching fellow to Harvard in 1955. There was a fairly big change in the next five years. Yale started taking women as TAs. Probably by 1960 there were no more John Dunlop's saying frankly that a certain field of economics was inappropriate for women to study. Some of those men are now very apologetic about what they said and did back then. I was once told that I had to pick either family or career, but that a woman could not have both.

In spite of the fact that economics is not particularly good at advancing women, there is a considerable supply of role models. All should do what Marty Olney did to get grad students into the EHA. It is a long run approach. You need money to give them scholarships and make studying economics attractive. She got a tremendous increase in grad students in EHA in general. She wasn't necessarily focusing on diversity, but she is the model.

How do you think economic history can appeal to more women?

Extend the spectrum of courses and topics economic history covers in order to attract the interest of minorities and women. It will take a lot of money and effort in the long run to attract, mentor, and get them jobs. I hope someone comes along who will put the effort into getting this job done. There are no rewards for doing so at the moment. Nobody will promote you for this. It must be institutional. We need to widen the types of subjects we're willing to admire to interest some of these students and allow for them to be promoted when they study them.

What kind of impact did your stays in Geneva and Beirut have on your career?

My stay in Beirut afforded me my first opportunity to teach history of economic thought. There were few books in the AUB library so I ordered a whole series of classics from Blackwell--Adam Smith, Jevons, Wicksteed, Marshall, and John Stuart Mill, among others. I read them all through with huge pleasure. These men fully appreciated the importance of institutions and institutional change. I can honestly say that they greatly increased my fascination with the historical, institutional context of economic change. I had six months to devote to preparation of my class in history of economic thought, a luxury made possible by a wonderful retired Nubian chef who did all our cooking during this period.

When did you finally return to the U.S.?

In 1962 I returned from the Middle East. I was working at the Brookings Institution while waiting for AID clearance to work there. This is when I first met Irma Adelman. We worked for Hollis Chenery, a Harvard professor known for his work on structural change and development policy. Irma had an idea for a book ultimately published as *Society, Politics, and Economic Development* (hereafter *SPED*) in 1967. She had nerve, and she billed most of the computer work for the book to Chenery's budget—much to his dismay. He got a thank you in the book for it, but no reimbursement for his budget. *SPED* focused on underdeveloped countries. We thought we'd apply the same model to economic history.

In order to conduct the historical research we used Chenery's development funds and obtained our NSF grant. I wrote the grants, which in those days were quite generous. NSF financed a copy machine, generous salary, and a full set of the Cambridge Economic History of Europe. The first grant was used to finish up *SPED*. The next two in principle were still for *SPED*, but we used them to start work on economic history.

I needed an academic connection to get an NSF grant. Since I lived a few blocks from American University (AU) and did not wish to take a full-time teaching job because I had a very young child, I decided I would try to get a paper appointment as an Associate Professor of Research. That way I could be paid by the NSF to carry on my own research. The economics department at AU, while sympathetic, said they had not the power to do such a thing. I went to the Provost of AU. In the most critical bit of persuasion in my career, I convinced him that he had nothing to lose and quite a bit to gain in overhead for the University. I told him that he need not pay me anything if I failed to get the grant. In fact, I got three grants in a row and several years later, a fourth.

Tell us about your collaboration with Irma Adelman.

I was the "get your hands dirty detail person" and Irma was the theoretical, cliometric, "avoid getting your hands dirty with the details person." That's one reason

why our partnership worked so well: we each exploited our comparative advantage.

We ended up writing books because no journal would publish our stuff. Every leading journal turned us down, but we just kept moving forward. The first time we got an article published was in the *JEH* Tasks issue after it was presented at the 1982 EHA meetings. I insisted our reply be published with Jeff Williamson's discussion because it was an important exchange. Jeff was a good friend. We have always gotten along well. His arguments were very familiar so it was easy to reply to them.

Applying our ideas about institutions and development to history was a far bigger job than we thought it would be because we had to rethink to fit the historical context.

For example?

Consider the measurement of the literacy rate. Our original definitions would have put too many nations in the same high category of literacy in the late 19th century. In developing categories for our historical work, I fell in love with economic history. Irma didn't fall in love with the history as I did.

I found the country histories fascinating. I was forced to do so much reading. I had to learn Dutch to read the good stuff on the Netherlands. I also had to pick up some Italian and Spanish to read some of that stuff.

It was so much more work than I thought it would be. I wouldn't try it again. I wouldn't have touched the project with a ten foot pole knowing what I know now about how much work it was. I told Irma I wouldn't finish it without a fourth NSF grant.

This is how I finally came into contact with the community of economic historians. The final grant, which made it possible to complete *Comparative Patterns of Economic Development*, took four tries before the NSF finally came through. After the third failed economic history grant application, NSF suggested that I give more papers to economic historians in order to get a few more favorable approvals on grant applications. Jonathan Hughes told us that we would have much more trouble getting our work accepted by economic historians than we had had getting it accepted by development economists. That is why our preferred title for *Comparative Patterns* was *Where Angels Fear to Tread.*

Until my second child was in her early teens, I taught, supervised a large number of dissertations, and did research, rarely leaving DC. I did not give papers at conferences; that was Irma's job. I worked a great deal at home. That was my particular compromise between home and job. So my first direct involvement in the world of economic historians was to go to a workshop at Princeton around 1978. There I met Gavin Wright, Bill Parker, and Claudia Goldin, among others. Later I began the Washington Economic History Seminar, persuading Bill Parker and Claudia Goldin to come at their own expense. Mike Haines came while at a DC conference. After that I persuaded AU to give us about $1000 a year. I put visitors up in my home and cooked delicious meals before the monthly meetings. For that first seminar I cooked *coq au vin,* using Julia Child's recipe, for 27 people!

When did you start teaching economic history courses?

At AU. In 1965 there was a critical and long-lasting shortage of college teachers as the baby boomers entered college, so I was able to bargain for a half-time teaching load of, eventually, mainly graduate courses. The AU economics department had a strong institutional slant and a policy of noninterference in the content of courses. American economic history was a required course in the Ph.D. program. Along with the University of Massachusetts-Amherst, the AU economics department was one of the first in the U.S. to introduce a program in radical political economy. Because UMass gave financial aid only to minorities and women, starting about 1970, AU got a brilliant batch of white males wishing to study radical economics. To these were added excellent students from various government agencies and a few very talented and diverse women students tied down in Washington by family obligations. As a European-type social democrat, I was part of the AU department's "maverick middle."

I was tremendously stimulated by teaching classes where students questioned everything I said. For the political economy students I developed courses with unusual texts such as Graaf's *Theoretical Welfare Economics* and Dobb's *Welfare Economics and the Economics of Socialism.* I ended up chair of several dissertations written by Marxist students who chose to subject themselves to criticism, hard work, and high standards. It is difficult to exaggerate how much these students influenced me, introducing me to unfamiliar perspectives and diverse subject matters. For example, I read Marx's analyses where he characterized capitalism in ways that only applied to a minute part of the economy in which he lived. He maintained that large capitalists create their own demand; minimally true in his day, more widely applicable

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under today's high-powered international marketing of products.

What lured you to Smith?

I was a pure affirmative action hire at Smith. They had five large departments with no women in senior positions. Jill Conway, the Smith president, told the economics department they could hire a senior professor as long is it was a woman. They had trouble finding someone because there were not many women economics professors with research records in my generation, and even fewer who wanted to relocate to Northampton.

I was not geographically bound after my divorce in 1983, so I could take the Smith job. I never really went though a normal job search in my life. I talked my way into a job or the opportunity presented itself, as at Smith.

It all worked out nicely for me. I got a nice pay bump. I went from a 2/3rds load at American to a 4/5ths load at Smith. I had been half time at AU until my son went away to college. AU had treated me like gold but paid me like dirt. At Smith I did two courses per semester, the same load I had at AU. I was hired with tenure and a chair-level salary, and ultimately I was given a chair. I continued to return to DC for the Washington Area economic history seminar series.

I lucked out at Smith. The economics department was almost as diverse as at AU and I once again fell in the maverick middle. The undergraduate students were fun and bright, though I missed my radical AU graduate students. I was thrilled when I was allowed to organize a new undergraduate course in European Economic History, which fascinated me. I moved back to D.C. when I retired at age 70 in 1998.

You do not have a conventional economic history background. How did that affect your approach to the new economic history in its infancy?

The Clio *Newsletter* article on Gavin's experience inside the flowering of the new economic history is a beautifully done interview of a leading figure in that history. My experience in economic history is outside that flowering. Yet my work is a product of the intellectual developments of the same period of time in which the new economic history developed. Two broad themes marked my thinking when I first came into contact with economic historians in the 1970s: a keen interest in institutional change and a passion for economic equity and social justice. The former was a result of my training and my work with Irma. The latter I probably absorbed from a Christian socialist pacifist mother and a father immersed in municipal politics. He was active in the ousting of city bosses and establishing good government as well as running the municipal relief organization during the Great Depression.

There is another theme I should not omit. I have always been intrigued by problems of measurement, with an emphasis different from that in the new economic history. It is true that I was active in conventional "measurement" when working for the labor information section of the Marshall Plan. My main interest has been in the weakness of the conceptual link between the rules for forming the many indexes we use to study economic history (national income, unemployment rates, etc.) and the theoretical concepts we wish them to represent.

Please expand on this.

The data we have are determined by specific historical situations and institutions. Then we have theoretical concepts. When we put the data into a theoretical model they don't always fit. For example, we measure the concept of productive capacity using GDP. But what do we produce what? For whom? There are so many ways to answer. How we choose to produce or distribute our income influences measured GDP. Even looking at changes in GDP we have to be careful. GDP in a rich country consists of much different items than a poor country. We don't necessarily learn about the capacity of a country to produce for the citizens of its own country. If we don't question measurement, we can miss the story about why income distribution varies across countries. There are institutions that make it either easier or harder to allocate income evenly.

I decided early on that I would not try to introduce my preferred political philosophy, which has its roots in European democratic socialism. The overwhelming current philosophy of economists and economic historians favors the institutions of capitalism. I started, therefore, with the idea that I would keep focused on the question: "What kind of capitalist institutions favor a widespread distribution of the benefits of capitalism?" That was the explicit focus of my EHA presidential address in the fall of 1994.

As an aside, I have to tell you the humorous side of the actual address. Five minutes into the talk, a group of beer drinkers on the other side of a very thin partition started singing beer songs so loudly as to drown me out. I took a deep breath and started belting out the rest of

my talk at the top of my lungs in a good imitation of a second alto in a Bach choir (I had sung in one for quite a few years). At the end, I got the only standing ovation I have had in my life! But I doubt the cheering was for my approach to economic history.

How can capitalist systems spread out their benefits?

What capitalism needs to distribute income more evenly is a highly productive agricultural sector. Plus, when GDP numbers are published they should be accompanied by reports on median income as well, not just average income, because it tells such a different story.

I'm strongly influenced by a European vision of democracy with a focus on eliminating poverty. I'm really concerned with the element of extreme poverty. Once people have the essentials their tastes change. I'm in line with Jeffery Sachs on ending that extreme poverty. But he's unrealistic about what can be done. He imagines it's simpler than it really is. Assuming that rich countries could simply reallocate their surplus to poor countries is a bit naive.

How do the contributions you and Irma made address this topic?

Irma and I wrote two books on the subject, one focusing on noneconomic influences on economic growth and one on social equity and economic growth, before we turned to comparative economic growth in the 19th century. After that, I wrote a long essay examining in detail how well one set of our historical statistical results matched what actually went on historically. The essay took far too much time for me to consider examining others of our results in the same detail. I wish I could have, probably because I cannot get rid of a certain degree of skepticism about the validity of most cliometric work, including ours. I did discover that even with the variety of our indicators, there were important omitted influences.

Which of your contributions do you consider most important?

It has become completely accepted that you can't study differences in economic performance among countries without considering a wide variety of non-economic variables. That wasn't accepted when we started. That is what we have had influence on. The historical study groups countries into common characteristics and periods and develops a factor analysis explanation of the interrelationships. We provided guidance to the types of variables that get excluded in such studies and which omitted influences are most important.

What is the factor analysis approach that you use and why is it controversial?

Most quantitative work in economic history adopts a theoretical approach. It starts with reasonably precise hypotheses and conducts test of the hypotheses using available quantitative indicators and models guided by economic theory. Such work does not "prove" hypotheses because of omitted influences and imperfect indicators, but it can reduce the level of uncertainty about common hypotheses. *Comparative Patterns* takes a more empirical, less theory-driven approach. It is an explicit search for hypotheses that might help explain patterns of intercorrelated influences on economic growth. Most of the variables are classification systems that rank countries using a wide range of theories about social, political, and economic institutional change in industrializing and developing countries.

The contrast between the theoretical and empirical approaches is not as great as might at first appear. It is rare that the theoretical model used in a published article is exactly the same as the initial model chosen before the research begins. Almost all research that starts with a theoretical model involves a back-and-forth between early empirical findings and the precise formulation of models. An empirical approach that does not have a good theoretical basis for the choice and construction of indicators as well as an appropriate statistical model and explicit use of theory in final interpretations is likely to produce "garbage in—garbage out."

Factor analysis groups things that are closely correlated. One of the useful things we found when writing *SPED* was that you could take out straight economic variables and use social and socio-economic variables instead and you'd get just as high a correlation with per capita income for the group as you would have if you used only economic variables. This was one of the results in our comparison of income among countries in our contemporary growth study.

Regarding your first book, The Evolution of Wage Structure, *with Lloyd Reynolds, what role did you play in the collaboration?*

The Evolution of Wage Structure was Lloyd's book. I really wanted to stay in Europe. He needed a labor economist good in languages, and I was that person. I was desirable for my skills but I enjoyed my work in Europe. I love working in archives with original data. I learned a

(Morris Interview continued from p. 9)

lot about cultures. One had to be careful in asking governments for data in Greece and low-income countries; they viewed it as a discourtesy on their part if they could not help you. If you pushed too hard they would make up something to please you.

The book focuses on the role of unions in helping lower skilled workers climb the income ladder. Do you view the decreasing role of unions today as a factor in the flattening of the growth of income for the lower-skilled sector of the U.S. economy?

I'm an extremely strong supporter of trade unions. Lots of evidence suggests wages are increased when trade unions are active. A recent student of mine looked at the wages of welfare moms who went into the job market. She found the strongest correlate of higher wages was whether the profession they chose was unionized. I think the best solution for the problem of wages of lower income is stronger unions. But there are more problems than just unions that explain low wages. Immigration, as it was in the 1870s, is a factor in decreasing wages, though the effects tend to be localized. Globalization has had a big impact on wages in this country. Some states are more affected than others and it is very difficult to disentangle the cause of the inequality. Steady, fast economic growth will lead to increased inequality. The major beneficiaries are those who are most productive. That usually isn't the poorest workers. It can take decades for the earnings of the poorest to increase when the economy in general improves. For example, in the 1990s there was virtually no gain for the lowest earners. Trade unions do better in good than bad times. The other thing is that the U.S. has a strong culture of the attainability of the middle class. Middle class is not associated strongly with unions. People don't consider themselves middle class if they are unionized.

In Economic Growth and Social Equity in Developing Countries *and in your 1995 EHA presidential address, you focus on the "trickle down" of economic growth to the lowest earners. Has progress been made in the past decade in our understanding of how to achieve this "trickle down"? How about in our efforts to move in that direction as a society through our political programs?*

In the sprinkling of things that I have read I'm not impressed with our progress at explaining differences in the equity in wage structure. There are always some people interested but I haven't seen any studies that really explain why. There is no neat model with which to study inequality. I think Irma and I took a step in the right direction and our exchange with Jeff Williamson in the *JEH* makes that quite clear. One of Jeff's major criticisms of us is that we don't have anything new to say about influences on poverty. On the other hand he implies that economic growth and industrialization lead to decreases in poverty. Actually, this is only true of western Europe, not most of the rest of the world in the late 19th century (the period he focuses on). So I think our work makes it very clear in many different places the conditions necessary for economic growth to spread widely: increased production in agriculture or domestic sectors with increasing wages so you get favorable demand for the products in domestic markets. Otherwise the benefits will end up going abroad.

That statement needs further qualifications for the last decade. Patterns of globalization over the last ten years are quite striking; meaning generalizations made a decade ago need to be reevaluated. Our work in *SPED* indicated that political influences are extremely important in explaining distribution consequences. If you have those who already have a great many assets in position of political power, the chance of widespread distribution of benefits of economic growth will be much less.

Nothing will happen if the government is corrupt. Take Nigeria or Congo for example. Under their current governments wages have decreased and infrastructure has diminished. Nothing good has happened. In low income countries in particular, an aggressive and reasonably non-corrupt government is a major prerequisite.

You have some interesting dedications in your books.

The press didn't like our dedications. The first one was "To our mothers who bore us and our husbands who don't." In the third book it was "To our children who bore with us and husbands who didn't."

What about Cliometrics?

One of the major characteristics is the use of neoclassical modeling. I really like Gavin Wright's work, which fits this model. A lot of them concentrate on neoclassical theory of property rights. Concentrating on the neoclassical theory excludes a wide range of very important influences. How many countries can we cite that grow due to improved property rights only? Not that many. Lots of growth and change is motivated by ethnic identity, pure nationalism, etc. Things omitted from the neoclassical model. The weakness of neoclassical economics is that it is so narrow. It excludes many explanatory variables.

It must have some redeeming features...

Its strengths are that it brings a great deal of clarity to the model. It is precise but not accurate. Our work concentrates on the things the neoclassical model leaves out.

When I reread our conclusions in *SPED* they seem strange to me now. They don't fit our current line of thinking. Our conclusions are really that development occurs for very different reasons in different places. Improved tax systems, leadership, and sound financial institutions are highly correlated with economic growth in a place like Chile for example. But those same things will be ineffective in under-developed African nations because the institutions necessary to make a new tax regime effective, for example, aren't present.

What makes economic history Cliometrics?

The theory and statistical rigor, but that doesn't necessarily apply to our (Irma's and my) early work. The earlier economic historians were buried in data and not much interested in theory. I think the quantitative work is the interesting part. Some of the early practitioners of Clio were not very quantitative. Some of Douglass North's research, for example, *The Rise of the Western World* (coauthored with Robert Thomas) was not very quantitative. It's more like the older economic history.

So what does one require on the quantitative side to call it Clio?

In respect to theory, most everyone uses neoclassical models. That is Clio's strength and weakness at the same time. It allows for the formalization with good tools. It's not that you exclude all else, but the typical Clio approach is market-focused. Early Clio started as counterfactual modeling (think Fogel and railroads). It's gone a long way since then. If you don't include those who don't use the quantitative approach then you'd have to exclude Douglass North, so you can't do that. But can you include mavericks like Irma and me?

What do you recall of your first Clio meeting?

I had tried to get on Clio programs but never got accepted until D. McCloskey accepted a paper at the 1978 meetings in Madison. He was the first economic historian to accept our work for presentation at a conference. He didn't agree with it, but thought it was worth discussing. It came about the same time as our last NSF grant. I was excited for the opportunity to give the paper and was pleased with the reaction. I did not expect it to be liked. There were lots of questions. It was well worth it. I don't get to many Clio meetings. I didn't make another one until the 1995 sessions at the ASSA meetings, and then World Clio when it was in Montreal in 2000.

As a relative late-comer to economic history you became president of EHA rather quickly.

I was EHA president in 1995. Lois Carr came before me and she pushed for me. I think it's possible that because I was a woman that pushed me ahead in the queue. I think Gavin Wright should have been president before me. I had done lots of development economics in the 1960s before changing to economic history. You can't really explain my presidency without considering that Irma and I had established a reputation in the development field. Our book was big and fat and not everyone had read it. If they had, they might have changed their minds about me! I got to know lots of folks through our DC seminar. I ran it or helped run it for seven years, had about fifty seminars in that time, and no repeat visitors. So in fairly short order I got to know lots of economic historians. And they couldn't really forget me. They ate and slept in my house and we treated them well. I'm not certain my election as president was based on my economic history work as much as the fact that I was very well known in economic development already. That made a big difference.

What is your philosophy of teaching?

The personal recipe I have followed is that I care deeply for every student I have who makes an effort, no matter how poor the student is. I am very demanding and give few A's. I will, however, give time to every student who is making an effort. I make clear from the beginning that they should feel very free to take a different class if they don't want to work hard. I grade the short essays they write at least once a week in most of my classes (they can choose their own question but it must be relevant to the readings) and make specific suggestions about how they can raise their grade. (They can revise a paper once). None of this is of any use unless the professor provides the most critical ingredient: a passion for the subject. Without passion for one's subject matter all the rest is of little use!

What is the most promising direction for the next wave of economic historians interested in the question of economic growth?

They should concentrate more on the distribution of the benefits of economic growth and less on straight rates of growth and GDP per capita. It's very difficult, as no clear cut theory exists

(Morris Interview continued from p. 11)

for studying income distribution. It's not an attractive field as a result. Data are hard to come by as well. Studies of income distribution have been greatly undervalued in economic history. Part of the problem is that not enough basic archival research is being done to uncover basic data needed for such a study. John Wallis is a good example of someone willing to do the kind of basic data work that is needed. The disadvantage of the neoclassical market focus is ignoring the hands-on dirty work of digging in the archives. It is more prestigious to do fancy modeling and statistical work. One of the difficulties is that the data digging is not likely to lead to promotion. Students need a two prong approach in which they can pick a problem that will show off their proficiency at quantitative work and be sure at same time to develop interest in basic data that are lacking that they'd like to know more about. Young professors do have to consider promotion, so it is a practical issue to practice what is currently rewarded. I'm careful to help students to get ahead so they need to the modeling, but the basic data need to be gathered as well. The grubby data is hard, necessary, but fascinating. I've always enjoyed working with basic data. That is why I liked the Marshall Plan job so much.

What can senior economists do to help?

Senior economic historians should promote the importance of basic data and show the way. They control promotion. They could make it happen through effort and example.

Finally, what role does the study of economic history play in the education of an economist, and what future do you think the field has?

It is a terrible thing to eliminate the required economic history course for graduate students. It is the study of change in institutions. A lot of work in economic history doesn't pay much attention to that, but over time institutions change, so economic history is important because it studies those changes over time.

Where will they learn to consider changing institutions if not in economic history? Development economics does this, but usually focuses on a special group of countries. Economic historians are more and more interested in those areas where data are abundant. The difficulty is that the available economic history readings focusing on changing institutions are pretty sparse. I was delighted to learn that Yale still requires economic history, but universities all over are eliminating economic history positions right and left. I taught intermediate price theory when I first began – that's what paid the freight. I had to ask to teach economic history at AU. I was never hired as an economic historian, I changed into one. Unfortunately, that is too often the case today.

Thank you for your time Cynthia.

Mike, your questions got me to think about a lot of things I hadn't considered for a long time. It has been a lot of fun reminiscing. When I retired I was feeling worn out, so I haven't published since then. When you contacted me for this interview I considered it as my last official duty, and it is one I enjoyed very much.

Selected Publications

Books

Evolution of Wage Structure. New Haven: Yale University Press, 1956. (Co-author: L. G. Reynolds)

Society, Politics, and Economic Development. Baltimore: The Johns Hopkins Press, 1967. (Co-author: Irma Adelman)

Economic Growth and Social Equity in Developing Countries. Stanford University Press, 1973. (Co-author: Irma Adelman)

Comparative Patterns of Economic Development: 1850-1914. Baltimore: Johns Hopkins University Press, 1988. (Co-author: Irma Adelman)

Articles

"Some Neglected Aspects of Sixteenth-Century Economic Thought," *Explorations in Entrepreneurial History*, IX, No. 3 (1957)

"A Factor Analysis of the Interrelationship between Social and Political Variables and Per Capita Gross National Product," *Quarterly Journal of Economics*, LXXIV (Nov. 1965). (Co-author: Irma Adelman)

"An Econometric Model of Socio-Economic and Political Change in Underdeveloped Countries," *American Economic Review*, LVIII (Dec. 1968). (Co-author: Irma Adelman)

"The Role of Institutional Influences in Patterns of Agricultural Development in the Nineteenth and Early Twentieth Centuries: A Cross-Section Quantitative Study," *Journal of Economic History*, Vol. 39 (March 1979), pp. 159–176. (Co-author: Irma Adelman)

"Institutional Influences on Poverty in the Nineteenth Century: A Quantitative Comparative Study," *Journal of Economic History*, Vol. 43 (March 1983), pp. 43–55. Co-author: Irma Adelman)

The Newsletter of the Cliometric Society

Book Excerpts

Recall a Cliometrics Conference held at Allerton House at the University of Illinois at Urbana-Champaign, circa 1991. The inaugural "Editors' Award" honored Tom Weiss, then serving his three-year term as editor for North American topics at the Journal of Economic History, and Larry Neal, long-suffering editor of Explorations in Economic History. The award, currently in the possession of Bob Margo, featured a fine photograph of each editor at his best: Professor Weiss bedecked in Mardi Gras beads (probably after sipping a Hurricane) and Professor Neal decked out in the garb of an early modern financier (worn to financial history class on the previous Halloween). The Cliometrics Society honors the pair again here; a volume in honor of each is currently in press. Thanks to Professors Weiss and Neal for their long service to the Society, and for their perpetual good humor.

Excerpted from the Editor's Introduction to *Quantitative Economic History: The Good of Counting.* Joshua L. Rosenbloom, ed. (New York and London: Routledge, forthcoming).

[B]y mobilizing the methods of the social sciences, quantitative economic historians have opened up new ways of looking at the past that complement and extend other more traditional approaches. By focusing on collective behavior and developing techniques to describe both central tendencies and variations around them quantitative economic historians are able to pose and answer questions that are not readily accessible to more traditional historians. While traditional historical approaches focus on the particular, quantitative economic history provides a way to set individual experience in a broader context, to assess the representativeness of individual experience and to explore systematic patterns of variation in data that cannot be discovered from case studies alone.

New ways of looking at the past have also encouraged the collection of new types of quantitative evidence. Since the 1950s quantitative economic historians have begun to systematically collect and analyze a variety of data sources outside the conventional archives of the historian. Beginning with the work of William Parker and Robert Gallman, who collected data from a sample of farms across the Cotton South in the 1860 census of population and linked these to data drawn from the census of agriculture, quantitative economic historians have collected and made available computer readable samples from a vast array of manuscript censuses. The Integrated Public Use Microdata Series based at the University of Minnesota now makes available to scholars large, nationally representative samples of every extant U.S. population census since 1850, as well as a growing collection of international data. Samples of a number of nineteenth century manufacturing censuses are also now available. The initial work on these sources was undertaken by Fred Bateman and Thomas Weiss (1981), who collected samples from the manufacturing censuses of 1850, 1860, and 1870. This work has been continued and extended by Jeremy Atack, who has added samples from 1880.

[T]he essays in this volume are unified by a common set of methods rather than by a particular chronological or topical focus. Many of them take advantage of large data samples to examine aspects of the past. Several describe insights derived from efforts to collect new sources of data, or to combine existing data sources to yield new insights. What all of them illustrate are the ways in which these methods continue to offer new insights about the past.

This volume begins with two essays addressing the intersection between economic and demographic history, one of the areas in which quantitative approaches have made great contributions to understanding historical forces that cannot be discerned from conventional documentary sources, as Weiss's work on U.S. mortality rates indicates... John Ermisch examines how the economic environment and technology affected childbearing outside marriage in England and Wales since 1845...Louis Cain and Elyce Rotella focus on deaths rather than births, exploring the factors that influenced the timing of the dramatic improvements in public health that were accomplished through investments in the provision of water and sewage treatment in U.S. cities.

The next three chapters focus on the transformation of the American economy that took place in the late nineteenth and early twentieth centuries. In Chapter 4, Weiss's long-time collaborators Jeremy Atack and Fred Bateman pursue a natural extension of their earlier work with Weiss on the profitability of nineteenth-century manufacturing...Robert Margo and Michael Haines revisit [the determinants of land value], a topic addressed by Weiss in a 1998 paper with Lee Craig and Raymond Palmquist. Margo and Haines...seek to measure the "treatment effect" of the railroad and ...they consider a broader range of economic outcomes from gaining rail access...

Matthew Holt and Lee Craig ... elaborate on issues raised in Weiss's research with Craig and Michael Haines ... How were

corn-hog cycles propagated? How were they eventually ameliorated? What was the social savings from their amelioration?

In the last two chapters of this book the focus shifts to issues related to work and welfare. Rebecca Holmes, Price Fishback and Samuel Allen break new ground in developing techniques to measure the extent of regulation in labor markets during the late nineteenth and early twentieth centuries. The hallmark of Weiss's research has been his interest in developing the best way to measure economic concepts. He has carefully built on the work of prior scholars to construct measures of the labor force, wages, Gross National Product, and productivity. All of these concepts are based on economic theory, but it turns out that it is often difficult to measure precisely the theoretical construct. Weiss has led the way in trying to improve measurement of these concepts. The Holmes, Fishback, and Allen paper follows in that same vein, offering multiple ways of aggregating state labor legislation into a general measure of the extent of labor regulation at the state level. ...Joshua Rosenbloom and Gregory Stutes study the distribution of wealth in the United States in 1870 using data from the 1870 population census available in the Integrated Public Use Microdata Series (IPUMS) ...

The essays in this volume do not constitute a comprehensive overview of quantitative economic history, but they do illustrate the breadth of topics and innovative research methods that characterize recent work in this field. Each of these essays reflects the interplay between theory and measurement that is the hallmark of the Cliometric approach to history and the hallmark of Weiss's extensive contributions to the field. Theory provides the starting point and motivation for each essay and serves to guide decisions about what to measure and how measurements will be made. But theory is carefully aligned with an understanding of the sources that are available and the kinds of measurement that they will support. In this conjunction of sound historical methods and economic theory these essays carry forward the approach that Weiss has exemplified throughout his academic career.

Excerpted from *The Evolution of Financial Markets and Institutions from the Seventeenth Century to the Present.* Jeremy Atack and Larry Neal (eds.) (Cambridge, MA: Cambridge University Press, forthcoming).

Most of the papers in this volume were presented at a conference on "The Development of Financial Institutions and Markets," held April 28-29, 2005, at the University of Illinois at Urbana-Champaign on the occasion of Larry Neal's retirement from the University of Illinois.

The essays represent original research and take up the difficulties of getting innovations in banking and financial markets to work as complements to the long-run benefit of the economy when their services are increasingly substitutes for one another. After an introductory essay which uses the Northern Rock debacle as a foil for the volume's theme, the papers begin by describing the efforts of the Dutch Republic in the seventeenth and eighteenth centuries to build upon earlier Italian financial innovations. According to Stephan Quinn and William Roberds, Dutch efforts to deal with the Gresham's Law problems created by creeping currency debasement from neighboring small trading partners led to the establishment of the Exchange Bank of Amsterdam...the prototypical central bank. Oscar Gelderblom and Joost Jonker then take up the marketing of government debt and its spread into the portfolios of public charitable institutions. Since these public endowments were administered by the local elites, their experiences with these new instruments spilled over into their private lives transforming the ways in which wealth was held throughout the economy.

These are followed by discussions of how France and Britain tried to imitate and improve upon the Dutch successes resulting in two singular and notable failures: John Law's bold scheme to reform French public finance (Francois Velde) and legal fallout from the South Sea Bubble in England (Gary Shea). It turns out that these episodes had quite different longer term consequences for the two economies. In France, finance suffered for decades while in Britain the event was more of a "bump in the road."

Notwithstanding these setbacks, the growing volume of long distance trade throughout the eighteenth century subsequently forced merchants to develop the means to mediate interest rate and exchange rate risk and facilitate trade through international bills. The growth of this market provides Marc Flandreau, Christophe Galimard, Clemens Jobst, and Pilar Nogues Marco with the means to construct a new and consistent series of short-term commercial interest rates in Amsterdam, London, and Paris...

...Richard Sylla assesses the early development of financial institutions in the United States prior to 1830 and concludes that the United States may have had a superior financial system to that in

England before Andrew Jackson's populist politics forced a regress that was to last until the Civil War enabling Britain to recover the lead in finance, albeit it only temporarily.

Larry Neal reviews Lance Davis and Robert Gallman's monumental work on international capital flows and emerging capital markets in the nineteenth century to see what common lessons can be drawn from the financial developments in the UK, the US, Canada, Argentina, and Australia...In Argentina and Australia, where the institutions themselves were imported, the outcome proved less than satisfactory, whereas in Canada and the United States, the institutional innovations complemented each nation's banking system.

Richard Sullivan show[s] increasing [bank] market efficiency early on [in the history of the US] that virtually eliminated differences after 1885. Following the passage of the Gold Standard Act of 1900, however, increased uncertainty in the cost structure of banks and poorer performance in the loan portfolio, [decreased efficiency].

In the stock market boom of the 1920s, the NYSE increasingly found other securities markets across the US and across the street nibbling away at their business...the exchange increased capacity by adding brokers through a one-quarter seat dividend to existing members... Eugene White looks at who bought these fractional seats and the prices paid as a measure of market sentiment during this crucial episode in our history...

During the Great Depression...the US Treasury attempt to pump liquidity into the system by purchasing silver...In less than a year, the US Treasury accumulated more than 13,000 tons of silver and reversed the long-run decline in the share of silver in the US currency. Richard Burdekin and Marc Weidenmier conclude from their analysis of this policy that it had a significant expansionary impact, particularly in the western and silver producing states.

...Alan Dye and Richard Sicotte look at the role played by US trade policy during the Great Depression on the financial performance of Cuban sugar manufacturers...In the wake of the initial commodity price collapse after [WWI], Cuban sugar companies were forced into bankruptcy and foreclosed upon by the US banks. These banks subsequently reorganized the industry into a more oligopolistic structure and emphasized cost-reducing measures rather than modernization. However, as U.S. trade policy increasingly favored domestic suppliers and world sugar prices fell even further in the Great Depression, American banks were forced to take huge write downs on these investments, exacerbating bank solvency and liquidity problems.

Kirsten Wandschneider examines the performance of four central banks operating under the interwar gold exchange standard. Her central question is whether central bank independence was a substitute or a complement to a fixed exchange rate regime....

Michael Bordo and David Wheelock examine the relationship and the timing between asset price appreciation and the business cycle for a number of OECD countries for the twentieth century... They conclude that monetary policy plays a positive role in asset price appreciation working through falling interest rates...

In the final essay, Larry Neal, poses the ultimate question: Can governments and regulatory institutions today learn valuable lessons from the past as global financial markets bounce from one crisis to another. His guarded answer is that even though governments have tended to kill the financial goose, in the long run, a growing number of countries have managed to "get it right," thanks to the strength of private incentives and the creativity of the human mind in working around regulations and problems and finding creative new solutions.

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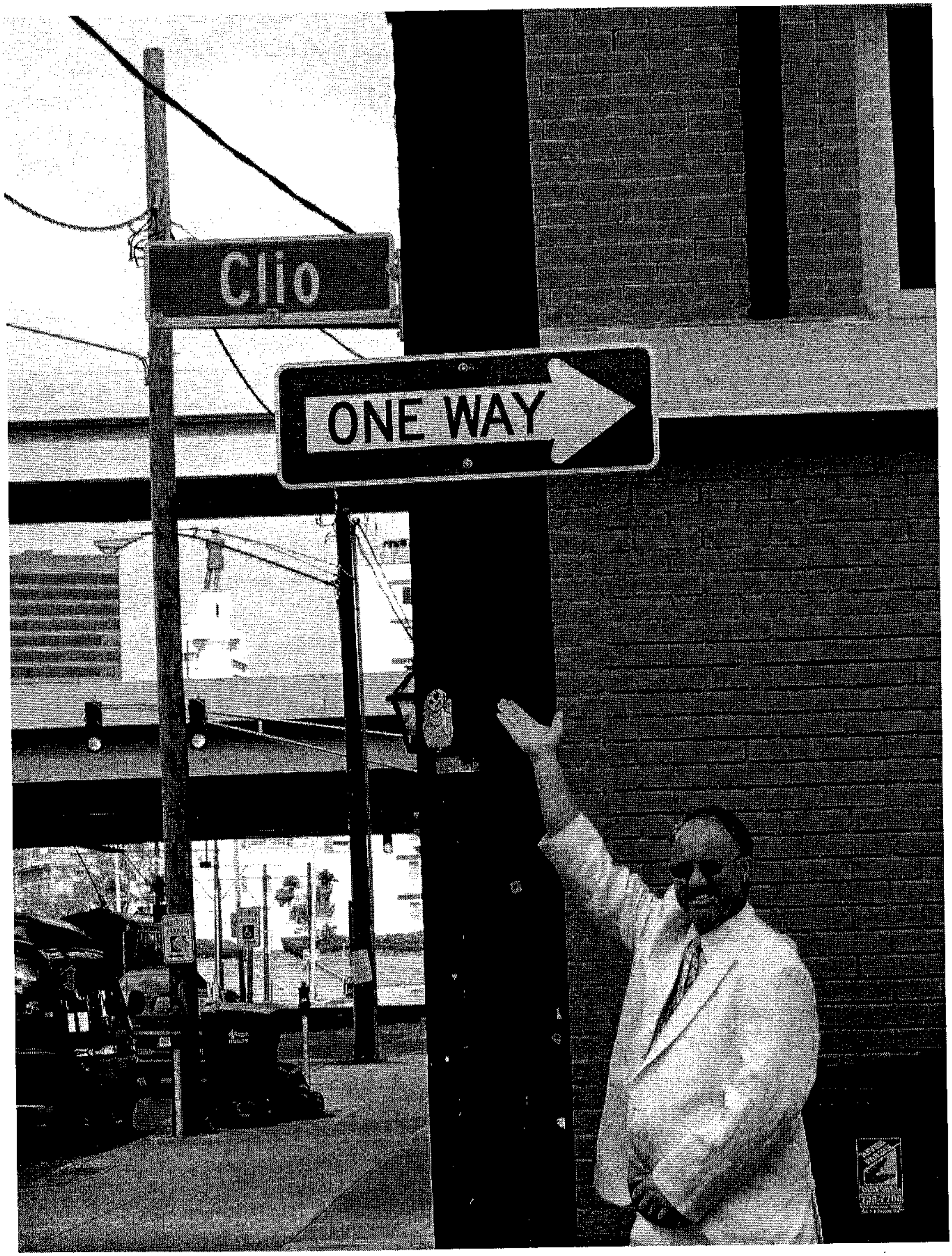

Farley Grubb discovers the home of the muse while attending ASSA in New Orleans in January 2008.

"Reply to Williamson," *Journal of Economic History,* Vol. 43. (March 1983), pp. 61–62. Co-author: Irma Adelman)

"Politics, Development, and Equity in Five Land-Rich Countries in the Latter Nineteenth Century," *Research in Economic History:* Vol. 14 (1992), pp. 1–68.

"How Fast and Why Did Historical Transitions to Capitalism Benefit the Majority?" *Journal of Economic History,* Vol. 55 (June 1995). pp. 211–26.

"Development History and its Implications for Development Theory: An Editorial," *World Development,* Vol. 25 (June 1997). pp. 831–840. (co-author: Irma Adelman)

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Announcements

Seeking New Director for EH.Net

The Economic History Association seeks a new Director for EH.Net, to oversee the operation of the EH.Net website. Robert Whaples, the current EH.Net Director, will step down from this position during the summer of 2008.

This position involves maintaining the website on a server, hiring and supervising a computer programmer to make adjustments to the software required to operate the site, hiring and supervising a person to update the content of the site, interacting with the various committees and editors who provide content to the site, and interacting with the various associations for which the site provides links. It is also an opportunity to add new features and projects that will benefit the economic history community. Recommendations for a successor will be made by the EH.Net Executive Committee.

If you have interest in the position or would like to suggest someone whom you believe will be a good administrator, contact Price Fishback at *pfishback@eller.arizona.edu* or Alex Field (EHA Executive Director) at *afield@scu.edu.*

Registration for World Congress Ongoing

The Sixth World Congress of Cliometrics will be held from Thursday July 17 through Sunday July 20, 2008 at the Dalkeith Palace located near Edinburgh, Scotland. The Program Committee will put together an international program from the proposals submitted to the conference. The Congress program will be set and announced shortly.

In order to attend the Sixth World Congress of Cliometrics, you must be a member of one of the Sponsoring Organizations. If you are not already a member, you must join prior to registration.

Conference Registration: $180.00
Cliometric Society Dues:
Standard $30
Student $10

When you enter your registration information, please provide your summer (June 1–July 15) mailing address and telephone number.

You may register for the Congress in one of two ways:

Register online using our Secure Server at *http://www.peopleware.net/index.cfm?siteId=208&eventDisp=089%2D41%2D20*

Register via mail or fax by downloading the *http://eh.net/Clio/WCC6/registrationform.pdf.* Registration Form. Mailed or faxed registrations should be sent to: University of Wisconsin-La Crosse, Continuing Education/Extension Registration, 205 Morris Hall, 1725 State Street, La Crosse, WI , 54601, USA, FAX: 1–608–785–6547.

http://eh.net/Clio/WCC6/content.html

Calls for Papers

Canadian Economics Association
42nd Annual Meeting of the CEA
Friday, June 6–Sunday, June 8, 2008
University of British Columbia, Vancouver, B.C.

The conference organizer is Professor Ralph Winter, Sauder School of Business, University of British Columbia. The on-site organizer at UBC is Professor Angela Redish. Please direct all inquires and correspondence to the Program Assistant Jessie Lam.
Address: CEA Program Office
Attn: Jessie Lam, University of British Columbia, Sauder School of Business, 2053 Main Mall, Vancouver, BC, V6T 1Z2
Phone: +1–604–822–8399
Fax: +1–604–827–5657
E-mail: *cea2008@sauder.ubc.ca.*

(Announcements continued from p. 13)

This year, exceptionally, the CEA Annual Meeting is held in conjunction with the 2008 Congress of the Humanities and Social Sciences organized by the Canadian Federation for the Humanities and Social Sciences. However, registration for the CEA and Congress 2008 is separate. Primary participants of the CEA conference (which includes all paper presenters) must register through the CEA web site (click on the "Advance Registration" button on the left). Participants from other disciplines who wish to attend CEA sessions should register through the Congress 2008 registration page *http://www.fedcan.ca/congress2008/registration/registration.html.*

http://www.economics.ca/2008/

Power, Institutions and Global Markets
Actors, Mechanisms and Foundations of World-Wide Economic Integration, 1850–1930
26–28 June 2008
University of Konstanz, Germany

Literature on economic globalisation between 1850 and 1930 focuses primarily on the development of the volume of foreign trade between various nation states. Only rarely was this period examined from the perspective of economic actors below the nation state and by explicitly studying the role of the institutional framework which shaped—and was shaped—by their enterprises. Our conference will address these issues, bringing together scholars from economic and business history, global and world history, and history of law.

Recently, there has been a growing interest in how institutions—i.e., rules, norms, regulations and organisations—evolve, especially in settings beyond the nation state. In this context, intercontinental trade is a topic of particular relevance because it is associated with high transaction and information costs. These costs can only be overcome by transnational institutions or hierarchical organisations which make interaction predictable and contracts enforceable. At the same time, intercontinental trade has always been a highly politicised issue, which enables us to study the development of institutions and economic integration within their—political, cultural, social—context.

It is the aim of the conference to examine how and under what circumstances economic integration developed in two key periods in the history of globalisation, 1850–1914 and 1918–1930. Two questions will be addressed in particular:

Which actors were most prominent in the creation of norms and institutions for global trade, what were their interests, coalitions, conflicts, and patters of action?

To what extent should the First World War be seen as a watershed, dividing a period of rapid transnational integration from one of laborious, precarious, and ultimately failed reconstruction, and to what extent or in what areas can a continuity between the two periods be discerned?

Contact : PD Dr. Niels P. Petersson, *niels.petersson@uni.konstanz.de* or Dr. Christof Dejung

christof.dejung@uni-konstanz.de
http://www.exc16.de/cms/globalmarkets.html

Association of Business Historians
4–5 July 2008
University of Birmingham

Theme: Business History after Alfred Chandler

http://www.busman.qmw.ac.uk/abh/

European Business History Association
21–23 August 2008
Bergen, Norway

The theme for the EBHA 2008 conference is: Transactions and interaction—The flow of goods, services and information. The congress will take place at the Clarion Hotel Admiral in the heart of the city. For all queries, please contact us at: *ebha2008@uib.no.*

http://www.hist.uib.no/ebha/
http://www.eaepe.org

Third Symposium of the European Association of Evolutionary Political Economy
5–6 September 2008
Rome

One of the most challenging themes for economists and social scientists today is to explain why some countries grow faster than others and how a sustainable economic development takes place in some countries and not in others. Adam Smith Recently, there has been burgeoning literature in this field but theories and empirical analyses about economic growth significantly diverge. The process of globalisation and the development of the knowledge society have raised new challenges both for the explanation of persistent differences in growth rates and per capita incomes and for the choice of appropriate policies to foster growth.

Labour market—which has to be considered as a social institution in order to be deeply understood - seems to be one of the most important factors for economic growth since the latter is mainly determined by labour productivity.

At the same time, economic growth remains largely unexplained if one considers only labour and capital accumulation; total factor productivity seems to come into play. Human capital and technological innovation have often been seen as the drivers of TFP, but these in turn have to be explained, and the greatest source of long run growth seems to be found in the "black box" where institutions and economic public policies play the most important role. Indeed, economic institutions—widely defined as web of rules patterning the interaction between economic agents and the mechanism of resources allocation—

allow better comprehension and deeper explanation of the process of economic growth and of the cross—country variation in the level of income per capita. The 2008 Conference of EAEPE in Rome will address, in a broad sense, such themes and will contribute to the debate on economic growth and development, through a multidisciplinary, institutional and evolutionary perspective.

http://www.eaepe.org/

The Philosophy of Adam Smith
A conference to commemorate the 250th anniversary of The Theory of Moral Sentiments
January 6-8, 2009
Balliol College, Oxford

Organised by the International Adam Smith Society and The Adam Smith Review. Conference organisers: Vivienne Brown, Editor The Adam Smith Review (*v.w.brown@open.ac.uk*) and Samuel Fleischacker, President, International Adam Smith Society (*sfleisch@uic.edu*).

Although Adam Smith is better known now for his economics, in his own time it was his first book, The Theory of Moral Sentiments (1759), which established his reputation. Just as scholarly work on Smith has challenged the free market appropriation of Smith's Wealth of Nations, so it has also come to appreciate the importance of Smith's moral philosophy for his overall intellectual project. This conference, to be held at the college Smith himself attended from 1740–46, and at the beginning of the year marking the 250th anniversary of the publication of The Theory of Moral Sentiments, will provide an opportunity to re-evaluate the significance of Smith's moral philosophy and moral psychology, the relationship between them and his other writings on economics, politics, jurisprudence, history, and rhetoric and belles lettres, and the relevance of his thought to current research in these areas.

Plenary speakers will include:

- Stephen Darwall (Professor of Philosophy, University of Michigan)
- Charles Griswold (Professor of Philosophy, Boston University)
- Knud Haakonssen (Professor of Intellectual History, University of Sussex)
- David Raphael (Professor Emeritus of Philosophy, Imperial College)
- Emma Rothschild (Fellow, King's College Cambridge; Visiting Professor of History, Harvard)
- Geoffrey Sayre-McCord (Professor of Philosophy, University of North Carolina)

Registration details to follow.

A selection of conference papers will be published in a special commemorative volume of *The Adam Smith Review* (Routledge), entitled 'The Philosophy of Adam Smith', edited by Vivienne Brown and Samuel Fleischacker, scheduled publication Autumn 2009.

http://www.adamsmithreview.org/conference.html

Economic History Association at ASSA
3–5 January 2009
San Francisco

The Economic History Association will sponsor two sessions at the ASSA meetings in San Francisco, January 3–5, 2009. The program committee includes Gillian Hamilton (Toronto) and Zorina Khan (Bowdoin). Authors interested in presenting a paper should send a one-page proposal, including an abstract or description of the paper and all contact information to Mike Haupert at *haupert.mich@uwlax.edu* by May 15, 2008. Please note on the subject line that you are sending a proposal for the ASSA meetings, and either include the proposal in your message or send the documents as attachments in Word format.

Hard copies may be faxed to:
Michael Haupert
AEA-ASSA Proposals
Department of Economics
University of Wisconsin - La Crosse
(608) 785–8549

We would like to make available summaries of the papers in advance of the ASSA meetings, and the Cliometric Society has agreed to publish them in the Society's Newsletter. Thus authors submitting proposals should be prepared to send a 3,000-word summary to the publisher of the Cliometric Society Newsletter by September 1, 2008.

At least one author must be a member of the Economic History Association.

Proposals due: May 15, 2008
Authors notified of acceptance of paper: June 15, 2008
Paper summaries due at the Society office: September 1, 2008

Please e-mail any questions to *haupert.mich@uwlax.edu.*

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The Newsletter of the Cliometric Society

Farewell to Alms at SSHA 2007

(Chicago) The following is an edited transcript of remarks at the "Meet the Author" session of the November 2007 Social Science History Association Annual Meeting dedicated to Farewell to Alms, *and reflects the rhetorical conventions of that venue. This session was taped by David Hacker and transcribed by Susan Wolcott, both of Binghamton University. Comments have been edited slightly for clarity, with the speakers' advice and consent. Comments have been edited ruthlessly for length, without the participants' knowledge. The complete transcript is available on eh.net.*

Please note that three of the speakers have published or will soon publish more complete critiques of this book. Jack Godstone's review is published in World Economics *8(3); Deidre McCloskey has a review available at her website; George Grantham is writing a critique for a symposium to be published in* European Review of Economic History.

Joel Mokyr (Northwestern): Good Morning everybody. Thank you for getting up for this special session on Gregory Clark's Farewell to Alms. We are going to play a little bit Hamlet without the prince this morning. Greg sent me an email last night which told me that his flight from Sacramento to Denver had been much delayed...This is the age in which our lives depend upon United Airlines and when they screw up that is it. [Greg's written response follows this summary.]

First, a shameless ad from the commerce division: This book is from the series *History of the Western World* edited by yours truly...So, my talk is called, inevitably, "If I Reviewed ...." (Laughter.)...[H]ere are the 3 propositions I see. Before 1800 nothing much happened in history due to the Iron Law of Wages. Now Greg doesn't believe that literally. Lots of things happened. And he knows it as well as I do. But we are talking about the kinds of things that really matter like real wages and per capita income, and they were flat as a pancake in the really long run. Second Proposition, Institutions don't matter because they fix themselves. And if there is something wrong with the institution, sooner or later forces will be set in motion which will set them straight. Third proposition. The Industrial Revolution happened because the right people had more surviving children. Now I think these are the three propositions which are central to the book. Now my co-panelists may disagree and I think that is probably reasonable.

What I want to talk about is the hockey stick phenomenon. You know the work of climatologist Michael Mann. He was talking about temperature. But lots of things have the form of the hockey stick. For a long, long time it is flat and then it turns sharply upward. Now to be fair to Greg, he doesn't subscribe to the complete constancy of real wages before 1800, only that they were governed by the mortality and fertility behavior of the population... This is Greg's real wage series from page 41...what works nicely is the sharp turn upward that we attribute to the Black Death...I think this curve more than anything else is central to the first half of the book in which he makes his argument.

[Y]ou start looking at higher frequency data and little problems crop up...Under Queen Elizabeth real wages fell by about 40 percent and population increased by about .64 percent, and under James wages increased by 10 percent and population rose almost exactly the same amount. Needless to say that doesn't say that the story is wrong. But it requires more meat. It likely requires more empirical testability, and we aren't given any in this book. And that is somewhat disturbing. If you want to resuscitate this early 19th century argument-and it really is, it is straight out of Ricardo and Malthus—you have to not only look at the higher frequency response, but also he needs to rule out alternatives. He ignores data available ...such as Patrick Holloway, Morgan Kelly, and others. And they all found that Malthusian models were inaccurate long before the Industrial Revolution broke out.

The other issue which is the thing that I have worried about...is the "urban conundrum." Essentially the story that Greg tells is that Malthusian feedback requires: if income goes up then nutrition improves, mortality declines, and population rises. Diminishing returns then set in and real per capita income declines. But ...[i]f we have a world in which as income goes up the demand for manufactured goods goes up, ... and if manufactured goods are produced in cities—a big if—urbanization goes up. But we know urban areas are very unhealthy...and so population may actually be stable or declining and real wages stay high. That is essentially the story of the Netherlands. And it isn't so much a complete rejection of the Malthusian model but it recognizes that multiple equilibria exist. Now Greg despises multiple equilibria for some reason; most economists have slowly reconciled themselves that they may exist. But that is in fact something which must be taken into account because urbanization does throw a wrench into the works of the Malthusian story.

So why is there so little growth before 1860?...And I'm going to give you the alternative, which is the Willie Horton story...You get a couple of cities, such as Flanders between Bruges and Ypres, or a cluster of towns in Southern Germany and Bavaria. And these places grow. But the problems with these places are that as they get rich, they attract both from the outside and the inside what we would call today rent-seekers...People go to where the money is. And in so doing they either destroy the goose that lays the golden egg, or they make the goose pay so much for defense that much of the investment has to go into navies to protect their trade...

Finally: Is there a "survival" kind of effect?...David Landes would love that section, though Greg wouldn't be happy about David being happy, you know! (Laughter.)... This is something we should talk about and this is where I think Greg's work is important. It will stimulate us to reexamine our assumptions. Did they work harder as Joachim Voth has found for the late 18th century? Did they like material goods, and so send their wives and children to work so they could buy pots and pans as Jan De Vries, his new book is arguing. And there are other things. A new paper by Matthias Doepke and Fabrizio Zilibotti talking about what they call: patience capital, which is a way of delayed gratification. Maybe these people were more willing to take risks. And there is something that Greg doesn't touch upon, middle class buy middle class kinds of goods...Middle class people are important because they behave differently.

[Lastly:] If you want to talk about dissemination of values, demographics may not tell you nearly as much as you may want to know. And so we don't know the answer to that, and I'm not totally sure that Greg and Gillian Hamilton's data will tell us.

Until then, as one would expect of a book written by a Scotsman: interesting, intelligent, provocative, fun. But unproven.

George Grantham (McGill University): Farewell to Alms is breathtaking in its audacity. From a thin time series of English agricultural wages and prices it infers the marginal product of labor from the middle of the 13th century to the middle of the 19th. From a sample of late 16th and early 17th century wills from East Anglia and London, and with some creative manipulation, it infers reproductive success of different people in different income classes. It explains everything that matters about the rise of the West, and the fall of everyplace else. And in my view it should have taken for its title something that would have been invented by the author's Presbyterian ancestors, and I would suggest: "Omnichron: The Riddle of the Universe Unriddled." Like that sprawling literature spawned by Luther's descendents, it bids us to have faith in what can't be seen. (Laughter.) And this is a work of great faith. It is of the kind that moves mountains, and according to the author, real GDP.

The argument boils down to five points. At least I see them as five, and not Joel's three. First, from the 13th to the early 19th century, agricultural technology was in stasis. Which meant that occupational specialization and urbanization were restricted to very low levels by the low level of agricultural productivity. Second, a Malthusian demographic regime maintained population at a level compatible with steady-state reproduction, and a constant real wage which has typically low. Third, a homeostatic equilibrium generated a natural selection of traits, rewarding the bourgeois virtues of prudence, hardwork, diligence, orderliness and patience, which in the context of technological stasis conferred a slight but telling advantage in the reproductive race. Fourth, the spread of these traits was sufficient to stimulate innovativeness and responsiveness to economic opportunity that triggered and sustained the Industrial Revolution. Which is now explained not by institutional innovation or the complex narrative of technological invention but by the appearance of a new man Homo Economicus. The fifth is that his appearance in England was due to the relative peacefulness of England which gave natural selection more time to carry out its work.

Now this is a truly amazing construction. It synthesizes the Malthusian narrative of preindustrial economic evolution originally proposed by Herbert Spencer with the cultural narrative espoused by Max Veber and more recently by David Landes in the *Wealth and Poverty of Nations.* Which about ten years ago was subject to a book review similar to this, and at that time I was on a similar panel and pointed out that Landes' logic is circular. It identifies the right stuff by economic success, and then explains that success by the presence of the right stuff. The same is true of *Alms* in my view...

There is much that is agreeable [and that the editor excised]. So what is not to like? Probably the most unlikeable thing is the Social Darwinism. My friend the late Steven Jay Gould is probably rolling over in his grave, but whether from Laughter or Sorrow it is hard to tell. (Laughter.) Possibly both. He would giggle at the sophomoric silliness of the hypothesis and

(Farewell continued from p. 17)

be in sorrow that it would once again raise its ugly head....

On the Malthusian interpretation... This is obviously old wine in very old bottles. But we must consider a few things. The obvious question is was the preindustrial demographic regime strongly homeostatic...Ron Lee...went through all of the [traditional] data. And Greg's data are not vastly different. Lee finds... that a 10 % rise in the population would produce a decline of the real wage of 16 %...For England alone it is much lower; [the elasticity is] minus 1.2...[F]or the land abundant countries like Germany and Austria, at least in this time series, [there are] very low coefficients like -2.4 and -2.5. Italy which we expect to be land constrained has an elasticity of -1.0. So here we have a set of data which suggests that the more land you have the more strongly diminishing marginal productivity is imposed on your production function. It is hard to swallow.

Now part of the problem with Greg's data are that they are heavily dependent upon threshing wages...The threshing wages were picked out because it is a homogenous task which doesn't change much over time so that if you measure piece rates on that set you will be measuring something that actually picks up productivity. But that's not the case. Although the actual practice of beating something with a stick doesn't change. But productivity also depends upon the relative prices of livestock and grain because the straw was used as fodder. The amount of grain that was left in the sheaf depends upon grain prices and if prices go down you left more in the sheaf and your productivity goes down. Greg notes in his book this very anomalous drop in the productivity of threshing labor between 1820 and 1860. And there is a reason for that, Comrades, as we used to say in my socialist reading group. (Laughter.) And the reason is that as the relative price of grain fell...

This will take me to the last point, the use of the standard aggregate production function as the tool of analysis...[Other studies] suggest that there was a lot of room for improvement at given levels of technology. It does not look like an economy on its production function in the neoclassical sense...

I obviously go with the multiple equilibrium story of these economies. They were too disintegrated to support a single equilibrium...These are very disorganized economies but they are disorganized not in the way we think of mortality shocks. They are disorganized in what we might think of as the economic policy end.

Jack Goldstone (George Mason): I'm a sociologist and I am going to be unapologetically a sociologist today...I'll cut to the chase. Like everyone else on this panel I think, I find the thesis that Britain succeeded in concentrating a critical mass of people with the right skills to launch the Industrial Revolution by biological selection unprovable, implausible, and inconsistent with much of the reasoning and data that Clark himself provides. The reason we are here though is that this book does have a lot of good data in there. Much of it has little to do with the thesis it advances. [I]t is easy to get confused as to what is the good data, what is the bad data, what is the data that supports the argument and what is the kind of fun data. So I am going to give you a few examples of the latter just to alert you to the kinds of errors that lurk everywhere if you look for them.

At one point Clarke justifies his assertion that Asia was poorer than Europe by looking at the distribution of lactose intolerance...But in fact the reason lactose tolerance spread in the West- as well as portions of Africa and central Asia, though Clark doesn't mention it- is there were large populations of nomads. The areas where there was grasslands or rough forest, areas (in short) where it is impossible invest in settled agriculture, had to convert grass to useable nutrition by using animals. So goatherds and shepherds, Kazacks and Mongol nomads were all lactose tolerant. On the other hand in monsoon regions where fertility and plowability of the land was easy because you had heavy soaking rains and a lot of river overflows, it made much more sense to simply plant grain and use lower cost sources of meat like fish ponds, pigs and chicken... But the congress of wealthy Chinese or Japanese merchants, luxuriating in silk robes, eating from ornate porcelain bowls with lacquer utensils, reading poetry and painting landscapes- but not eating milk or cheese- would have recoiled in disbelief that they were poor while Kenyan and Kazack tribesmen- lactose tolerant all- were rich. (Laughter.)

Another example of this type of data play- and this one is very important- Clark points to the huge growth- the hockey stick phenomenon- and he says, "I want to explain this by a gradual mechanism, the gradual accumulation of bourgeois virtues over time." But...[i]f the population grew dramatically and income still goes up that is indeed evidence for something dramatic happening. But he says population grew- he has to stretch for something outside his model- because the risks of death from

childbirth fell. This is something that women would recognize, and as the risks of childbirth decreased, women might have had more children, and this would have pushed the growth rate up which is kind of working on the side. But in fact the statistical change in the death rate he is pointing to is trivial...the illiterate women of Britain were aware that in the last 50 years there had been a 1/3 of a 1 percent decrease in the risk of death in childbirth so they were going to go out and have more children. Again it is one of those cases where he needs some data to make a point plausible and save the model and he grabs it, but if you look closely at it really doesn't hold.

Lastly Greg was really focused in this book on an article he did some years ago, and it was really interesting, on the low productivity of laborers in India who were working in textile factories that were using British textile machinery and often British managers. And yet he found the labor productivity was extremely low... They had a very leisurely attitude to the factory. They wouldn't work their fingers to the bone like recruits from English villages. (From the audience: Or college professors—tenured ones.) But Greg overlooks what seems to me a significant fact. Cultural differences between Indian workers and their British overseers would have something to do with the fact that the country had been colonized for over a hundred years. And it might have been that the Indian laborers didn't want to work their hardest for their overseers and English factory owners...And now as Solow pointed out, you can't fault the productivity of Chinese or Indian laborers. They are doing very well in the world markets. They have always done well when they emigrated. It really was an institutional story. And a long story of adjustment and resistance to colonization, the nature of the local labor market, who is being recruited, all of these little details Clark overlooks in his focus- as George pointed out- of simply assuming that wage rates tell you everything you need to know about the marginal productivity of labor.

Why did [the industrial revolution] happen? Here I think you have to be a sociologist and look into the details of why did certain types of knowledge change in certain societies at certain times. And you will have to get my forthcoming book to get all the details. It is called, *A Peculiar Path, the Rise of the West in a Global Context*. I think it really was a peculiar path. What is striking if you look at world history, is that between the 5th century BC and the 7th century AD, most of the major civilizations of the world developed around a core of traditions and sacred texts...[E]veryone is kind of locked in. But Europe from 1500 to 1800- it takes a long time- systematically turns away from and overturns its classical texts. And it does so by inventing a new way of developing knowledge, largely with reasoning based on instrument driven experiments rather than unaided observation of nature. And this new method of discovering knowledge and testing ideas turns out to be very powerful and once it gathers momentum takes off. And there is a second story of new networks of disseminating this knowledge so that it becomes useful for production. And I think this is something Joel actually has correct! (From the floor: Whoooaaa!) But I think the economists can only get so far by pointing to knowledge as such. And part of the story has to lean on sociologists and historians of science to find out what kinds of knowledge, and how were critical breakthroughs made...

Deirdre McCloskey (Univ. of Illinois, Chicago): [In] *The Bourgeois Virtues*, you can see that Greg and I agree on one thing: that bourgeois virtues are important for the rise of the West.

But that's the last of our agreements! Isaiah Berlin, in an essay of 1953, distinguished between foxes and hedgehogs. A fox knows a great many small things, a hedgehog knows one big thing. Greg is a fox, and darned good one at that. But recently he learned from some theoretical articles by Oded Galor and Moav Omer one big thing, that Breeding Tells. So he decided to become a hedgehog.

And the problem is that the one big thing he thinks he knows ain't so. (Laughter.) Now I don't want to discourage you-all from doing what one might call "pumpkin thinking," which Greg has done in his book. You know a pumpkin. It's big. (Outlines broadly with her hands the profile of a pumpkin.) I too am trying to write big books, pumpkin books. That's good, though it's not so easy when you try earnestly to confine yourself to actual historical facts. We all should be aiming for that sort of *histoire totale*...

But really, and this is the lesson I think you all should take away from the session, to do big, hedgehoggy, pumpkin history you need to listen to other scholars. Greg in his book...shows that he doesn't listen...

Greg admits that ideologies may transform a society. But his heart isn't in such an obvious fact, not at all. And he has no scientific interest whatever in the causes of ideologies, unless to claim that they arise from his neo-Darwinian notion of the social inheritance of acquired

(Farewell continued from p. 19)

characteristics. He has not cracked a book on the history of the Enlightenment or the scientific revolution or the Reformation or any of the political changes in the period he is talking about.

Greg is in fact an orthodox historical materialist, which is why he thinks questionable samples of probate inventories suffice for doing history. You may omit the ideas. Many of you, like Greg, are orthodox historical materialists, vulgar Marxists. You need to get over it. (Laughter.) The notion is, as a couple of famous historical materialists put it in 1848, "Man's ideas, views and conceptions, in one word, man's consciousness, changes with every change in the conditions of his material existence, in his social relations and in his social life. What else does the history of ideas prove than that intellectual production changes its character in proportion as material production is changed?" This is nonsense, as Marxists like Lenin and Gramsci, and even Marx and Engels, admitted in the end.

Clark views the Reformation, the Scientific Revolution, the Enlightenment, the Age of Discovery, and all of the other things which interest other students of the matter as *dei ex machina.* That's what he calls them...If you have known me a long time, or have read my early work, you know that I too once was a historical materialist...It appears that I am doomed to spending the last half of my career celebrating the importance of entrepreneurship and sociology...

Greg's essential point, as the other commentators have noted, is certainly bold...It is eugenic: English people became by virtue of their rate of breeding a race of Übermenchen living in an Übergemeinschaft...

Here's the argument:

The Clark Hypothesis:
Rich People are Better and Drive Out the Poor

1.	A.	2.	B.	3.	C.	4.
Rich breed more	→	Rich people's values spread	→	More patience, work, ingenuity	→	Enrichment of all

What we all here object to is that Greg makes it look like the large amount of evidence he has on the last State 4 adds special credence to the argument. No it doesn't...

But the real trouble is that for the connections A, B, C between the three states 1, 2, 3, 4 Greg has no evidence at all, and in particular no calculated, quantitative evidence...

Greg has a tiny bit to say about the last connection C. As Jack said, he wants it to be a capital accumulation story. Economists do...

But the main thing Greg doesn't prove by measurement, and could easily do so supposing that his mechanical idea of how ideology is formed was correct, is connection B: Rich people breed more; rich people's ideology spreads. That's a mere calculation, at any rate under his primitive idea about ideas. He doesn't make the calculation. But it's routine in actual eugenics, that study of improving races by selective breeding which was once such a popular policy proposal.

Selected Comments From Open Discussion

Price Fishback (Univ. of Arizona): It seems that Greg is going for one thing; everybody's going for one thing. But we all know that one thing not going to explain everything. It's a combination. And actually I grew up at the University of Washington where they told me that the Industrial Revolution was a slow gradual thing, and not this hockey stick that you guys love so.

Simone Wegge (CUNY): I am really happy that Greg reminded us of how important violence is. And the downturn in violence....

Ann McCants (MIT): The thing that upset me the most hasn't been said, and so let me get it out there. And that is the basic claim that the material standard of living is implicitly, or even explicitly in some places in the book, equivalent to quality of life... I actually think having your children die young is a detraction from your quality of life. And one of the things that worries me about this book, especially in deciding to assign it to undergraduates, which I have been toying around with, one of the reasons I don't want to assign it to undergraduates is that it so casually, maybe even condescendingly glosses over that, as if "We're economists. We understand what is really important.

And that is the material standard of living. And all of you other people who worry about quality of life, like suffering watching your children die, or you husbands or brothers or whomever..." I'm not sure I want to give that message to undergraduates.

Excerpt Of Written Response by Author Gregory Clark

I wanted to respond here in depth to just one of the criticisms of my book, that the processes of "survival of the richest" which were identified there could not have had any significant effect on the culture or genetics of societies like England by 1800. People's economic behaviors are influenced by three systematic forces: their genes, culture vertically inherited from their parents, and culture horizontally acquired from the society they live in.

For purposes of social policy the most important distinction is not between genes and culture, but is between traits acquired within families (which are very hard to change by any social policy) and traits acquired from peer imitation.

Here I argue that there is ample evidence that even in a few thousand years there could be significant changes in expressed human nature, by process of inheritance within families.

This possibility depends just on two parameters:

1. How hereditable was orientation towards economic success? How much did the economic performance of fathers predict that of sons?

2. How much reproductive advantage did the rich have?

Since economic orientation was and is highly hereditable, and it conferred large reproductive advantages, expressed human behavior could change quite quickly in the pre-industrial world. But it can also be shown that the mechanism of this inheritance within families must have an important genetic component, based on modern studies of correlations of income, education and criminality between twins and between adoptees and their adoptive and genetic parents.

With perfect assortive mating the characteristics of both parents would be the same, and we can just look at father-son correlations in wealth. If mating was random, and children inherited characteristics from both parents, then the hereditability would be twice the father-son correlation.

For traits important to breeders of farm livestock—milk yield, fleece weight, litter size, body weight—hereditability varies, but averages around 0.4. This relatively low number implies that most of the variation in features like offspring body weight comes from random features. Yet despite this just by selection animal breeders have been able over a few hundred years to greatly change the attributes of domestic animals. The medieval cows and sheep in England were tiny compared to their modern equivalents. Economic success, measured by the correlation of wealth at death between fathers and sons, was much more heritable in the pre-industrial world than the average animal trait. The correlation... for 208 father-son pairs in England 1550–1850 was 0.67.

We can show that the rich in pre-industrial England had to be different in personality and culture from the poor. The way we can show this is by estimating the connection between the wealth of sons and fathers controlling for the numbers of children (N)...I argue that m]ost of the correlation in the wealth of sons and fathers at death depends on the transmitted of talent from fathers to sons, either genetically or culturally.

The rich in modern industrial society are genetically different from the poor. Stated thus boldly and starkly this seems a shocking, elitist statement. But this genetic difference shows in a number of ways. First we can look at how closely the incomes of identical twins resemble each other compared to same-sex fraternal twins. Studies of twins consistently show the correlation of income for identical twins is about 0.2 greater than for fraternal twins (where the correlation can range from 0 to 1). The second source of information we have is the outcomes for biological children compared to adopted children. A recent study for Sweden, using an extraordinary good data set that identifies for children the education levels of both their adoptive and biological parents, finds that both nature and nurture matter to the educational attainment of children. But interestingly the relative impact of the biological parents is roughly double that of the adoptive parents.

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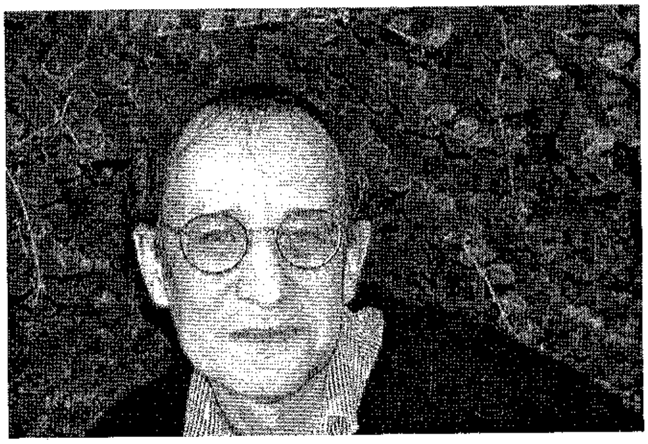
Ken Sokoloff Remembered at ASSA

(New Orleans) The January 2008 ASSA meeting included a session to honor our friend and colleague Kenneth L. Sokoloff who passed away on 21 May 2007.

Sokoloff was one of the world's leading experts in economic history. His research covered many different topics and areas ranging from the U.S. patent system to comparative institutional development in the United States and Latin America. He wrote extensively and published more than 60 academic articles and book chapters.

Sokoloff received his B.A. degree from the University of Pennsylvania in 1974. He went on to do graduate research at Harvard as a student of Robert Fogel. He received his Ph.D. in economics in 1982. His discovery that productivity growth was rapid even prior to mechanization led him to place considerable emphasis on the importance of access to markets in fostering economic growth.

Sokoloff joined the UCLA faculty in 1980. At UCLA he built one of the premier groups in economic history in North America and mentored scores of students, all the while maintaining a research program that led him to co-author papers with scholars from many parts of the country. He emphasized the interdisciplinary nature of economic history and championed a very open approach to research. This strategy combined with his dedication to maintaining a convivial atmosphere around him, attracted scholars not just in economics and history but also law, political science, and sociology. His desire to help others' research made the Von Gremp workshop a core element in the training of graduate students at UCLA and a very desirable setting for scholars to receive feedback on their research. In 2006 the university recognized his success in program building by formally creating the UCLA Center for Economic History.



[This remembrance was put together for the Economic History Association by a number of his friends, colleagues, and students, including Jean-Laurent Rosenthal, Steve Haber, Naomi Lamoreaux, Dora Costa, Latika Chaudhary, Petra Moser, and Eric Zolt. A more complete version is also available at *EH.News@eh.net* and in the Journal of Economic History, 67(3), pp. 810–81.]

Notes from ASSA Session to Honor Kenneth L. Sokoloff

Presiding was Claudia Goldin (Harvard University). Goldin discussed Sokoloff's contributions to the history of early industrialization and productivity; Robert Allen (Oxford University) summarized the importance of Sokoloff's research on inventive activity and technological change; Douglass North (Washington University-St. Louis) offered his thoughts on Sokoloff's contribution to the discipline of Cliometrics; and James Robinson (Harvard University) gave remarks on Ken's work on comparative economic growth.

After sharing memories of Sokoloff at Harvard, Claudia Goldin (Harvard University) discussed Sokoloff's research on early manufacturing and productivity. Claudia recalled how she was enticed into teaching Robert Fogel's graduate Economic Courses at Harvard in 1975/76 while she was on leave from Princeton: "In some ways teaching at Harvard in 1975/76 was the dumbest thing I could have done with my leave; but in many other ways it was one of the very smartest things I ever did. I got to know and deeply admire David Landes; I spent a year in Cambridge; I met tons of graduate students interested in economic history, all of whom thought Bob Fogel would be their teacher; and I met Ken."

Goldin recalled how Sokoloff eventually turned his attention to productivity and manufacturing and how they kept in close contact during the remainder of his graduate years. She noted that Sokoloff's dissertation work was primarily based on the manuscripts from three censuses of manufactures and the McLean Report of 1832. Sokoloff found that productivity growth in manufacturing was high, especially relative to agriculture; that it was not limited to textiles; that it was not due solely to a higher ratio of capital to labor; and that the residual accounted for a large portion of the change in labor and total factor productivity. Sokoloff documented the importance of new work organizations, including the factory system, and the

prevalence of women and youth as workers across industries, especially in larger firms. Said Goldin: "The findings were novel, exciting, debate-provoking, and deeply historical."

James Robinson (Harvard University) discussed Sokoloff's research on the sources of economic growth with an emphasis on its relevance for economic development in Latin America. After a brief review of Latin America's failure to perform throughout the late 19th 20th century, Robinson located Sokoloff and Engerman's work as coming from within the institutionalist paradigm, which emphasizes the links between economic and political institutions. He praised how Sokoloff's work moved "beyond the fixation with proximate determinants" such as capital accumulation and technical change to develop an "historical account of institutional variation caused by how factor endowments in different colonies influenced the incentives to create different institutions." In all capital letters, he noted that Sokoloff's work encouraged all to "FORGET DEVELOPMENT PARADIGMS" to focus on historical investigation of the path-dependent sources of underdevelopment. The greatest tribute to Sokoloff, said Robinson may be in the "growing recognition that if you want to understand why Haiti is so poor, you can't figure it out by running a Barro growth regression with the Heston-Summers dataset."

Many thanks to Professors Goldin and Robinson for their assistance preparing this summary.

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2007 EHA Awards

Hughes Prize

Professor Peter Lindert received the Jonathan Hughes Prize for Excellence in Teaching Economic History. According to the Economic History Association, "The annual Jonathan Hughes Prize is awarded to recognize excellence in teaching economic history. Jonathan Hughes was an outstanding scholar and a committed and influential teacher of economic history." His nomination reflected a truly global effort that included support letters from former and current graduate and undergraduate students and colleagues from different universities. The committee noted that Professor Lindert was known for his "contagious enthusiasm" and famous for his "Lindert CARE package" aka multiple handouts with "creative and sometimes weird graphs imposed on top of timelines with marginal notes and sources." His commitment to teaching excellence extends beyond the many students that had the privilege to have him in the classroom. "The way I teach and what I teach was greatly influenced by Peter," one of his colleagues pointed out.

Nevins Prize:

Mark Geiger, University of Minnesota (University of Missouri) "Missouri's Hidden Civil War: Financial Conspiracy and the End of the Planter Elite"

Gerschenkron Prize:

Steven Nafziger, Williams College, (Yale University), "Communal Institutions, Resource Allocation, and Russian Economic Development: 1861–1905"

Ranki Prize:

Avner Greif, Stanford University, Institutions and the Path to the Modern Economy: Lessons from Medieval Trade

Cole Prize:

Tim Leunig, London School of Economics 'Time is Money: A Reassessment of the Passenger Social Savings from Victorian British Railways" JEH (September 2006).

Explorations Prize:

David S. Jacks, "What Drove 19th Century Commodity Market Integration?" 43 (July 2006): 383–412.

■

Peter Lindert (UC-Davis)

The Newsletter of the Cliometric Society

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