THE CLIOMETRIC SOCIETY

Vol.29 No.2

Winter 2014

NEWSLETTER

The Newsletter of
The Cliometric Society
Winter 2014 Vol 29 No. 2

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The Newsletter of the Cliometric Society

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Report on Economic History Association Meetings 2014

Reporting by Matt Davis (American), Dustin Frye (Colorado-Boulder), Joshua Stachura (American), Meng Xie (GMU) and Mary Hansen

The 74th Annual Meeting of the Economic History Association convened in Columbus, Ohio, from September 12-14, 2014. The theme "Political Economy and Economic History" was chosen by President Philip Hoffman and the excellent papers were chosen by the program committee of John Wallis, Dan Bogart, Karen Clay, and Tracy Dennison. The local arrangements committee (Richard Steckel, Larry Neal, Trevon Logan, David Wishart, Philip Brown, Jessica Bean, Suchit Aurora, and Richard Yntema) provided terrific hospitality.

<u>Political Economy: The Great Depression</u>

Jeremie Cohen-Setton (UC-Berkeley) opened the conference with "Stagflation in the 1930s: Why Did the French New Deal Fail?" The paper, co-authored with Joshua Hausman (Michigan) and Johannes Wieland (UC – San Diego) asks why France did not experience the common outcome of recovery from the Great Depression among western powers following devaluation. The authors argue that France was unique in its commitment to supply-side policies. Using industry-level data, they find that the change to a 40-hour work week reduced production by 4 to 12 percent. The authors suggest that rising inflation expectations and real wages may not be expansionary; this is consistent with FDR's expansionary policy success due to his emphasis on demand rather than supply.

The discussant, Eugene White (Rutgers), although not physically in attendance, sent his comments. He asked why there was variation in the timing of implementation of the hours law among industries; for example, the construction industry held off implementing the change until after the World Fair. He pointed out that the law was reversed from 40 hours per week to 48 in 1938. Lastly, he asked whether the observed reduction in output was caused by workers coming in five days instead of six. Audience member Gabe Mathy (American) proposed that the authors consider the Cole-Ohanian model.

Andrew Jalil (Occidental) and Gisele Rua (Fed Board of Governors) presented "Inflation Expectations and Recovery from the Depression in 1933: Evidence from the Narrative Record." The authors point to April 1933 as the beginning of the recovery from the Great Depression and ask "why then?" They are interested in the role of inflation expectations. The authors focus on historic news accounts and contemporary forecasts from the historic record for narrative evidence. They conclude that well-targeted communications can shift expectations and provide recovery from a liquidity trap.

Hugh Rockoff (Rutgers) described the paper as an "impressive" one that will be cited a lot in the future. That said, he recommended that the authors need to distinguish between opinion and fact in their searches; headlines and editorials are not the same. An audience member asked if the authors looked into Hoover era quotes; they had not.

Jonathan Rose and Egon Zakrajsek (both Fed Board of Governors) presented "The Financial Interconnectedness of Railroads and the Transmission of Financial Distress during the Great Depression." This paper labels railroads as systemically important financial institutions (SIFIs) due to their weight in bank holdings. Although railroads served as the "backbone" of the economy, the authors propose that random shocks to the industry produced little spillover between real estate lending and railroads geographically and that risk-loving managers had few if any opportunities to choose risky railroad bonds. They find that a one percent loss on railroad bonds by banks led to only a 0.25 percent reduction in real estate loans. Also, they find that Massachusetts banks faired very well during the Great Depression.

Discussant Matt Jaremski (Colgate) thought that the identification strategy employed by the authors was excellent: savings banks could only purchase assets from a prudence list and shocks located outside the state (i.e. exogenous). He did express concern over the non-linear effect of deposit losses. Lastly, Jaremski commented that "maybe, maybe, a new title" was needed, to which the audience laughed. In response to an audience question, Rose commented that there were no incentives for sophisticated investors to deposit due to reduced interest rates.

<u>Health and Welfare</u>

Chiaki Moriguchi (Hitotsubashi) and John Parman

(William and Mary) opened the Health session with "Adoption and Adult Outcomes in the Early Twentieth Century." The paper explores the effects of adoption on socioeconomic outcomes. Using linked census data, they compare the long-run outcomes of adopted children and birth children controlling for household characteristics. They show that educational attainment, income, and marriage patterns of adopted children differed significantly from non-adopted children. Compared with peers, adopted individuals worked less, earned lower incomes, had more children, and had lower levels of educational attainment.

Mary Hansen (American) suggested more discussion of the differences between different types of adoptions. She pointed out heterogeneity in birth parent circumstances and adoptive family motivations. She encouraged the authors to think about what all adopted children had in common: the idiosyncratic shocks to their endowments. She proposed an exercise useful for policy: to compare outcome of children growing up in orphanages, single-parent families and adoptive families.

Arthi Vellore (Oxford) presented "The Dust Was Long in Settling: Human Capital and the Lasting Impact of the American Dust Bowl," which investigates the long-term consequences of the Dust Bowl, an environmental shock to health and income. Birth cohorts exposed to the Dust Bowl experienced poorer health and education outcomes later in life. Effects were most severe in the most agriculturally dependent areas. Effects varied by developmental stage at exposure: effects were largest and most significant for younger children. Public spending attenuated adverse impacts of Dust Bowl.

Werner Troesken (Pittsburgh) suggested a placebo experiment in which the author checks for an effect of change in farm values between 1920 and 1930 rather than during the Dust Bowl. He also suggested that the author aggregate the data to the state level to find out if results from other publications can be replicated. Lastly, he discussed the possibility that the Dust Bowl was endogenous.

Evan Roberts (Minnesota) presented a paper co-authored with Kris Inwood (Guelph) and Les Oxley (Waikato), "Tall, Active, and Well Made? New Insights into Mäori Health, c.1700–1990". Their paper examines the impact of the colonial state on indigenous people by using stature as a measure of health and living standards. They find Mäori stature

Awards Announced

Tyler Beck Goodspeed (currently Oxford) was awarded the Alexander Gershenkron Prize for the best dissertation in economic history of an area outside the US or Canada for *Essays in British Financial History*, which was advised by Richard Hornbeck at Harvard.

Joshua Lewis (Universite de Montreal) was awarded the Allan Nevins Prize for the best dissertation in US or Canadian economic history for *The Impact of Technological Change within the Home*, which was advised by Dwayne Benjamin at the University of Toronto.

Martha Bailey (Michigan) and **Nicolas J. Duquette** (USC) were awarded the Arthur H. Cole Prize for best article published in the *Journal of Economic History* this year for "How the U.S. Fought the War on Poverty: The Economics and Politics of Funding at the Office of Economic Opportunity," which appeared in June 2014.

Rowina Gray (Trinity College Dublin and Queen's Centre for Economic History) was awarded the Larry Neal Prize for the best article published in *Explorations in Economic History* for "Taking Technology to Task: The Skill Content of Technological Change in Early Twentieth Century United States, " which appeared in volume 50, number 3.

Gavin Wright (Stanford) was awarded the Alice Hanson Jones Biennial Prize For an outstanding book in economic history of North American for *Sharing the Prize: The Economics of the Civil Rights Revolution in the American South* (Belknap Press).

David Wieman (Yale) was awarded the Jonathan Hughes Teaching Prize for excellencein teaching economic history.

declined slowly after colonial settlement. Mäori stature diverged from Päkehä (non-Mäori origin) stature in the early 20th century and converged again after the 1960s. They hypothesize that the impact of loss of land on stature took generations to be fully realized.

Dan Fetter (Wellesley) suggested focusing on relative sample selection rather than absolute sample section. To illustrate his point, he gave the example of age selection into the army varying across the time, and that of selection into the prison population varying over different economic conditions. He also pointed out the difference in unconditional means and regression results, and suggested breaking up the sample to see what had been driving the difference.

Debt, Wealth, and Pensions in the Long 19th Century

Brian Beach (Pittsburgh) presented "Do Markets Reward Constitutional Reform? Lessons from America's State Debt Crisis." The author examines the extent to which Constitutional constraints lowered borrowing costs for states. Using difference-in-differences and assuming that markets quickly internalize information, Beach finds that states that defaulted and subsequently incorporated constitutional reforms experienced increases in asset price increase, lower borrowing costs, and greater access to credit.

John Wallis (Maryland) was unconvinced that new information was the reason for the observed prices increases. He pointed out the correlation between debt size and default. Wallis argued that Indiana and Illinois driving the treatment effect. He asked, "What about Maryland and Pennsylvania?" He concluded by asking for more "detail and nuance."

"Wealth levels and Distribution in the Early American Republic, 1785-1815" was presented by Frank Garmon, Jr. (Virginia). Garmon uses a combination of tax records and poll tax information to "get at the common man." He confirms Lindert and Williamson's famous conclusion that real net worth fell between 1785 and 1795 and argues further that wealth rose dramatically between 1795 and 1815. He argues that postwar loss of trade and recession are to blame for the drop in wealth, rather than British military action.
Peter Lindert (UC-Davis) called this an "extremely important project." Lindert is on record as saying that he expects "jumps" between assessments. He asked whether assessments and tax rates changed over time for certain individuals. The following Q&A session yielded two important insights: migration is very difficult to incorporate into the analysis and the growth of the slave population is the reason for the growth in southern wealth. Finally, Richard Sylla (NYU) asked if financial taxation was considered, to which Frank Garmon responded that most states did not levy such taxes.

Shari Eli (Toronto) presented "Patronage Politics and the Development of the Welfare State: Confederate Pensions in the American South." The co-author is Laura Salisbury (York). The paper examines why southern states prioritized Confederate pensions over other aid to the poor. The authors contend that populism threatened the Democratic Party in the 1870s and 1880s and that the Democrats used the pension system as a means to stay in power. They find that the number of pension applications was greatest when Democrats and Republicans split the vote 50/50.

Edison Severini (Carnegie Mellon) found it a "great idea, great paper!" He added that the modern Tea Party might pass more conservative bills, not unlike the story of the paper. He suggested a graph of share of third party votes together with pension creation to visualize the relationship. In the Q&A, Farley Grubb (Delaware) was quick to point out that this system was a terrific way to redistribute wealth from blacks to whites. However, another audience member in noted that it also hurt poor whites who did not receive such pensions and that it might be more about pure racism than mere redistribution.

Cities

Allison Shertzer (Pitt) presented "Race, Ethnicity, and Zoning: The Case of Chicago's First Comprehensive Land Use Ordinance." The paper coauthored with Tate Twinam, and Randall Walsh, measures the extent to which zoning has a long-term impact on the location of economic activity in cities. They use the introduction of comprehensive zoning in Chicago in 1923, and a detailed map of pre-zoning land uses, to show that the initial zoning ordinance had an economically large impact on the location of industry. As robustness checks, they use a border identification strategy to show estimates are not being driven by persistence in land use that was correlated with the initial zoning ordinance.

Leah Brooks (GWU) wanted to see a more pointed hypothesis for the paper that accounts for original land use, initial zoning, and changes in zoning. She also pointed out that insurance companies may play an important role in the persistence of land use. She wanted to know more about the political economy of the initial zoning ordinance.

Rick Hornbeck (Harvard) presented "Creative Destruction: Barriers to Urban Growth and the Great Boston Fire of 1872," which is coauthored with Daniel Keniston (Yale). The paper asks whether the Great Boston Fire created some benefits. They use a difference-in-differences approach to compare land and building values before and after the fire. They find direct benefits of the fire, as well as the positive spillover of development in the neighborhood. After the fire, rapid reconstruction took place, with the inflow of private capital. Land values increased temporarily and converged as rigidities emerged again.

James Siodla (Colby College) wanted more attention to be paid to the heterogeneity of the buildings in dimensions of height, size, and whether a building was in a cut-up region or a large working/living area. In addition, he recommended the use of building values on a per square foot basis, as opposed to building values on a per building basis.

Gregory T. Niemesh (Miami of Ohio) presented the paper "Impact of Migration on Infant Health: Evidence from the Great Migration," which is coauthored with Katherine Eriksson (California Polytechnic). The paper measures the effect of the Great Migration on infant mortality among southern-born African Americans. They link individual infant mortality outcomes to parental socio-economic characteristics to control for selection into migration. Black infants were more likely to die in the North relative to their southern-born counterparts.

Marianne Wannamaker (Tennessee) pointed out that some results were sensitive to the composition of the sample. She wanted pre-migration variables, especially mother's characteristics to play a larger role in the story, especially, mother's characteristics. Lastly, she proposed several solutions to the problem of low match rates, including running placebo tests with other variables and scaling.

<u>Migration and Immigration</u>

Yannay Spitzer (Brown) and Ariell Zimran (Northwestern) gave a well-received presentation of "Self-Selection of Immigrants on the Basis of Living Standards: Evidence from the Stature of Italian Immigrants at Ellis Island, 1907–1925." They trace emigrants from Italy back to their provinces of birth and compare migrant height to the heights of others in their local and national birth cohorts. At the national level, migrants appear negatively selected, but migrants are the best of their province-specific birth cohorts.

Ran Abramitzky (Stanford) started off with some good jokes about his own height then praised the creativity of the young authors. He suggested examining the accuracy of the data by looking at reasonableness of the distribution of heights: Is there heaping, for example? He also suggested the authors consider whether the relationship between standard of living and height is the same at all standards of living. s Italy's standard of living increased, did height become a less-good measure of quality of emigrant?

Leah Boustan (UCLA) presented "Cultural Assimilation in the Age of Mass Migration" which is joint work with Ran Abramitzky. They introduce a new measure of assimilation: an index of the foreignness of names. Later male children of immigrants are given less foreign names, which they show was associated with higher earnings. Italian and Irish immigrants assimilated less quickly than other European migrants. Joe Ferrie (Northwestern) found it helpful that the paper explicitly acknowledges the two-way nature of assimilation: migrants must assimilate towards a target that is always moving. He wanted the authors to consider whether migrants during this period were aiming for a target that approached natives (which is what is assumed in the paper) or earlier migrants.

Martine Mariotti (ANU) closed the session with her presentation of "Long-Run Impacts of Labor Migration on Human Capital Accumulation: Evidence from Malawi," which is co-authored by Tary Dinkelman (Dartmouth). The authors exploit variation in the costs of short-term migration to work in South African mines, as proxied by distance of migrant to recruiting station. The remittance income from migrant work increased educational attainment of the children of migrants.

Discussant James Fenske (Harvard) noted that the educational gains persist in areas of high migration, which suggests that other factors are influencing access to schools. He was particularly interested in learning more about government programs to build and staff new schools during the period.

There was lively audience discussion. Questions for Mariotti came from Ann Carlos (Colorado-Boulder), who asked whether local authorities could prevent migration, and Michael Huberman (Montreal), who asked about alternative migration destinations within and outside of Africa. A question for Boustan came from Theresa Gutberlet (RPI), who asked whether foreign names were ever adopted by natives. Questions for Zimran and Spitzer came from Leah Boustan, who wanted to know if migrants could identified as being from rural or urban areas, and from Gavin Wright (Stanford), who wanted a more expansive treatment of labor market conditions for migrants during the period.

Political Economy: Europe

Noel Johnson (George Mason) began the session with "Taxes, National Identity, and National Building: Evidence from France." The paper explores the impact of state capacity on national identity by identifying a region of the country known as the Cing Grosses Fermes (CGF), within which the French monarchy's fiscal capability was stronger than in the rest of the nation. Using a regression discontinuity design, the paper shows that people just inside the CGF boundary identified more with national concerns than those areas just outside the CGF boundary. The results are particularly robust for the eastern and western CGF borders.

Jean-Laurent Rosenthal (CalTech) pointed out that the CGF represented more than just increased fiscal capacity: it represented increased "control" by the monarchy. He suggested that control generated common identity. In discussion it was also noted that at national identity appeared to be increasing with distance from Paris, both within and outside of the CGF area. Phil Hoffman (Caltech) raised the possibility of using alternate "national identity" data that might more directly address the perceptions of the French populace.

Rui Pedro Esteves (Oxford) kept up the French theme with "Archomania: Venality and Private Finances on the Eve of the French Revolution." The paper explores an experiment in the history of French venal offices: the introduction of a new taxation scheme that required office-holders to self-assess the value of their offices. Undervaluation was combatted in two ways: the self-assessed value became a ceiling for future sale prices of the office, and it also became the cost if the

Ram Abramitsky explaining that taller is not necessarily smarter.

monarchy revoked the office. Esteves constructs a signaling model and uses a cross-section of tax payments to infer that officeholders did not undervalue their offices.

Mark Koyama (George Mason) noted the ambition of the paper, particularly with respect to assigning values for the King's priors, for which we have very little evidence. He requested more information on officeholder behavior, including the extent to which they diversified to insulate against shocks. All in attendance agreed that expanding the sample would be helpful; the empirical work currently relies on only four généralités.

Mark Dincecco (Michigan) closed the session with "Military Conflict and the Economic Rise of Urban Europe," coauthored with Massimilliano Gaetano Onorato (IMT Luca). The authors examine how medieval conflict increased the urban population by pushing people from rural areas inside urban walls. The authors find that 25 to 50 percent of urban growth from 900-1799 was due to conflict exposure.

Discussant Phil Hoffman suggested various extensions, including an extension to non-European counties and the exploration of a potential impact on political institutions such as representative government. Chiaki Moriguchi asked for more details about the type of agricultural practices and susceptibility to conflict, which began an active discussion about how one measures "conflict."

Political Economy: Latin America

José Diaz (Pontificia Universidad Católica de Chile) opened the morning session with "Perspiration and Inspiration: Two Centuries of Chilean Growth in Perspective." The paper, co-authored with Gert Wagner (also PUCC), uses a growth accounting framework to estimate annual Chilean growth over the 19th and 20th centuries. They decompose annual Chilean growth into factor availability and total-factor productivity (TFP) to understand the relative contribution of each measure. TFP contributed less to GDP growth than factor availability. Their findings also highlight the volatility of Chilean growth.

John Wallis's discussion emphasized that the paper nicely illustrates that endpoint-to-endpoint comparisons of growth disregard important information in the variation of growth over time. He pointed out that Chile's periods of economic contraction were important and should be modeled in future work. Dan Bogart (UC-Irvine) was curious why there was no TFP effect from the construction of the Chilean railway system.

Jenny Guardado (NYU) presented "Office-Selling, Corruption and Long-Term Development in Peru," which investigates how the appointment of political officials in exchange for money affects the private gains obtained while in office and how these gains influence long-run political and economic development. She uses a unique period in which the Spanish Crown auctioned off provincial offices in sealed first-price auctions to measure the returns associated with political positions. She finds that returns were driven by the ability to exploit rents and that areas that offered larger returns in the 18th century experience worse economic conditions today.

Dan Bogart's discussion focused on the empirical strategy. He encouraged Guardado to devote more time to explaining her proxy for measuring rents and to build the connection between rents and the duration of European wars. Bogart wondered whether there may some alternative institutional characteristic that is correlated with office-selling and corruption that may explain the result.

In the final presentation of session, Xavier Duran (los Andes) presented "The Colony Strikes Back: The Case of Colombia, Jersey Standard and the United States." The paper, co-authored with Marcelo Bucheli (Illinois) explains why empires encourage home firms to operate in colonies through the use of subsidies. They use the Urrutia-Thomson Treaty, which granted a $25 million payment to Colombia as reparation for Panama's secession, as an example of a subsidy that allowed a home company, Jersey Standard, to operate in Colombia. The authors use the vote on the treaty to identify special interest groups that supported and opposed the treaty. Both Colombia and the U.S. benefited from the treaty through the net transfer and lower crude oil prices.

Given the preliminary nature of the research, Alan Dye's (Barnard) discussion focused on developing more of the history surrounding the treaty. In particular, he wanted the roles of President Wilson and Senator Lodge to be developed further.

Trade

"Technology and Geography in the Second Industrial Revolution: New Evidence from the Margins of Trade" is co-authored by Christopher Meissner (UC-Davis), Michael Huberman (Universite de Montreal), and Kim Oosterlinck (Universite Libre de Bruxelles). The paper shows that declining trade costs enabled less productive firms to profit by export, leading to a decline in average productivity. However, in markets for specialty goods, the decline in trade costs increased the number of firms and the variety of products.

In his discussion, John Tang (ANU) commented that the paper used a clever way to separate the margins of trade. Tang suggested changing the specification of the various models to ensure exogeneity in measuring labor productivity and to get standard gravity model interpretations. Tang also wanted more details about the data and how they are matched.

Alan de Bromhead (Oxford) presented "Women Voters and Trade Protectionism in the Interwar Years." Like today, women during WWI held protectionist views. Where women received the franchise, tariffs were higher.

Discussant Martha Olney (UC-Berkeley) noted that the effect is identified only by observations from four data points—the extension of the franchise wasn't common. She asked for more information about the mechanism: Were women more risk averse? Were they influenced by the popular press (especially women's magazines)? Were they afraid that their men would lose their jobs? Audience members noted that in the US, women had the vote earlier in some states than in others and wondered if the same was true elsewhere.

Jules Hugot (CEPII) presented "When Did Trade Barriers Start to Fall? Trade Costs and the Two Globalizations: 1827–2012," a joint work with Michel Fouquin (also CEPII). The paper uses a new collection of bilateral trade data consisting of more than 1.3 million observations to argue that (1) the first globalization began around 1840 and (2) both the first and second globalizations were associated with increasing regionalization of trade. Hugot announced that he was on the job market this year.

When discussant Paul Sharp (Southern Denmark) referred to one of his own papers that was not cited, he suggested that Hugot edit his draft quickly, as his department at the Univ. of Southern Denmark is hiring this year! Sharp also asked that the authors incorporate more of the most recent literature on trade history. He wanted less focus on the technical aspects and more focus on the interpretation of the long-run patterns observed, particularly because the paper covers such a long time span.

<u>Diverging and Converging</u>

Tony Moore (Reading) presented "Did Purchasing Power Parity Hold in Medieval Europe" (joint with Adrian Bell and Chris Brooks, both also Reading). By studying exchange rate data from the archive of Francisco Datini –the merchant of Prato—dating to between 1383 and 1411-they are able to construct a panel of exchange rates and nominal prices for several Europe cities including Bruges, Barcelona, Florence, London and Paris. They argue that purchasing power parity held in the sense that the relationship between the prices of different cities was co-integrated. They find that this relationship was strongest in the "blue banana" that runs south from London through the Low Countries and Rhineland to northern Italy.

Ann McCants (MIT) asked what might be driving "the blue banana" of population density. She noted that the blue banana exists today and that the conflict zones of preindustrial Europe were along it. Perhaps where they are lots of people, stuff happens?! She wanted the authors to explain more clearly whether price integration was likely to have benefitted ordinary people. Yannay Spitzer argued that the blue banana was in fact bent as trade went through the Rhone valley rather than the Alps. Moore noted that there is a lack of data on actual trade flows. Mark Koyama asked if the results were driven by the fact that the 1380s and 1390s were a period of peace in the middle of the Hundred Years War and asked if the findings might not be valid for the rest of the period.

Mark Koyama (George Mason) presented "Unified China; Divided Europe," which is co-authored with Tuan-Hwee Sng and Chiu Yu Ko (both National Singapore University). The paper argues that the existence of a powerful one-directional threat from the steppe explains why a unified empire was more a persistent political equilibrium in China. In Europe multidirectional threats meant that empires fragmented and smaller states were the norm.

In his comments Jared Rubin (Chapman) noted that the mechanisms responsible for main results of the paper should be clarified. He argued that a principal-agent problem or a coordination problem could explain why empires were bad at dealing with multiple threats in the pre-modern period.

Steve Broadberry (LSE) presented "China, Europe, and the Great Divergence: A Study in Historical National Accounting," which is coauthored by Hanhui Guan (Peking), and David Daokui Li (Tsinghua). The paper contains new per capita GDP estimates for China that are driven by new estimates of cultivated land. Because of population growth, per capita income declined from the Song through Qing periods. This finding runs counter to the conclusions of Ken Pomeranz and others.

Tom Weiss (Kansas) asked about the importance of assumptions and interpolations. Noel Johnson asked for comparisons between different regions within China. Broadberry responded that can they allow for the Yangtze to be up to 50-30 percent richer than the rest of China but that this does not change the fact that Western Europe was substantially ahead of Chinese in per capita GDP terms by 1700 at the latest.

<u>Political Economy: American States and Tribes</u>

Gabriel Mathy (American) opened the second session on Political Economy with "How Much Does Political Uncertainty Matter? The Case of Louisiana under Huey Long." The paper, co-authored with Nicolas Ziebarth (Iowa), explores the consequences of political uncertainty on economic outcomes during Huey Long's tenure as governor of Louisiana during the Great Depression. They use stock price volatility of Louisiana-based companies and newspaper mentions of uncertainty to measure economic uncertainty. Using Mississippi as a control group, the authors find that the political uncertainty in Louisiana mattered little for manufacturing employment. They also use an event study on the unexpected assassination of Huey Long and again find that any political uncertainty attributable to Huey Long mattered very little for employment.

Bob Margo's (Boston) discussion emphasized the difficulty in publishing research showing a null result, highlighting the importance of being thorough. He suggested the authors verify the program measuring newspaper mentions of uncertainty is accurate. Margo reminisced about driving through Mississippi and reminded everyone that Mississippi is not like anywhere else on earth. He recommended the authors rethink the counterfactual to verify the result is generalizable beyond Mississippi.

Philipp Ager (Southern Denmark) presented "The Persistence of de Facto Power: Elites and Economic Development in the US South," which examines how the historical planter elite in the Southern US affected economic development. The paper uses a new dataset on the personal wealth of the richest Southern planters prior to the Civil War to measure de facto power. Counties with a relatively wealthy planter elite prior to the Civil War performed significantly worse both immediately after the war and through the middle of the 20th century. He attributes these development differences to differences in human capital accumulation.

During his discussion, Lee Alston (Indiana) reminded the audience that it is important to cite your discussant and thanked Ager for all the citations. He suggested Ager supplement his findings with more anecdotal evidence and wondered whether limiting schooling and human capital accumulation was really the primary mechanism used by the planter elites.

Dustin Frye (Colorado-Boulder) closed the session with "The Indian Reorganization Act, Tribal Sovereignty, and Economic Development." The paper compares the long-run economic consequences of alternative governance regimes on Native American reservations. He exploits tribal level voting records and finds that reservations that narrowly adopted the Indian Reorganization Act (IRA) have substantially lower modern incomes than those that narrowly rejected the IRA. He attributes these differences to increased federal restrictions for IRA reservations.
Mindy Miller's (US Naval Academy) discussion established additional context for the paper's results. She described the government's history of reducing tribal sovereignty prior to the vote on the IRA. Miller suggested there were really five forms of governance, not just two, which would be useful for identifying the institutions responsible for the contemporary income differences. She also suggested devoting more attention to a similar program instituted among the tribes in Oklahoma.

<u>Presidential Address</u>

Philip Hoffman's Presidential address was on "What Do States Do? Political and Economic History." He began by pointing out that, while states can do ill or good, it is difficult to imagine living without them. But there are several aspects of the state that deserve more research. First, why did modern, centralized, states emerge, particularly in the West? Second, why did many of these states start to spend on

Dissertation sessions

public goods, rather than just war, during the nineteenth century? Lastly, why do modern states sometimes implement their policies using private agents, and other times they use more bureaucratic methods? He outlined a research agenda to clarify these issues. The collection of more data and the introduction of methods from behavioral economics and sociology would be required.

How New Evidence and New Interpretations are Changing our Understanding of the Ancient World

This session, an invigorating mix of economists and historians, began with Joseph Manning (Yale) presenting “Leagues and Kingdoms: Beyond the City-State.” This book chapter notes the variety of new institutions appearing during the Hellenistic period, in particular the variation in types of states, from large kingdoms to small city-states. Fiscal innovations were driven by a near-constant state of warfare; which also played a factor in suppressing economic growth. The constant competition drove creation of new legal, fiscal, political, and social institutions: despite the lacking growth, the Hellenistic period was not one of institutional stagnation.

Karen Clay (Carnegie Mellon) began discussion with not one, but two jokes; including a heroic use of alliteration. She noted that there does indeed seem to have been a surplus and if all went towards war. Phil Hoffman, a frequent commentator in the session, asked about the possibility that negotiations between rulers and elites may have helped create varying state types. The word “Rome” was then mentioned, which resulted in hearty insults directed at Roman history scholars; luckily none appeared in the room (or dared to make their presence known). The rest of the discussion time was spent giving tips on how to frame historical arguments for economics, particularly in the New Institutional Economics framework that Manning was using to explain Hellenistic institutions.

Graham Oliver (Brown) takes a closer look at the city states (polis) in “People and Cities: Economic Horizons beyond the Hellenistic Polis.” He examines the relationship of the city-states to each other and their larger neighbors, the Hellenistic kingdoms and Rome. He shows that the poleis were not simply passive figures in the Hellenstic world writ large, but that they also played active roles in negotiating with their larger neighbors. As evidence, he notes that the city-states sent their own economic ambassadors to conduct trade agreements, and that contemporary sources indicate these ambassadors did conduct negotiations on equal terms. As a specific example, he notes negotiations between Athens and Rome over Delos, with the latter returning control over Delos to Athens, albeit with restrictions on taxation.

Charles Calomiris (Columbia) suggested that Oliver try using network game theory. He questioned why some actors (Delos) are simply treated as spoils to be competed over and not agents, especially in a paper making the explicit argument that the Greek city-states are important economic agents in their own right. Alain Bresson discussed the use of shipwreck data as a measure of economic activity, foreshadowing his own paper.

Alain Bresson (Chicago) expands knowledge of economic trade in the Greek world in "Flexible interfaces of the Hellenistic world." He shows that across the Hellenistic world, cultural, legal, and fiscal similarities reduced transaction costs. As evidence he notes the use of a common language (Greek), similar border crossing procedures, and common coinage. These commonalities allow for increased trade, which is indicated by shipwreck data showing increased shipwrecks (thus shipping activity) during the Hellenistic period. Despite widespread political fragmentation and warfare, transactions costs were actually much lower in the Hellenistic world than previously thought.

Richard Steckel (Ohio State) compared the use of shipwreck data to monument-building and found an inverse relationship, leading him to ask if it was the empires pre- and post- the Hellenistic world that stifled trade, thus indicating that political fragmentation might have been valuable in limiting resource extraction by rulers. He also indicated that archaeological evidence of height may be valuable in determining if living standards actually rose during the Hellenistic period. Paul Sharp initiated a debate about the interpretation of shipwreck data by asking if we could be sure that increased shipping should always be interpreted as "good," at which point the audience embarked on a spirited debate about pirates, naval battles, and shipping technology; the historians seemed more inclined to accept the argument that shipwrecks indicated "good" activity than the economists.

<u>Corporations</u>

Miguel Morin (Cambridge) opened the session with "The Labor Market Consequences of Electricity Adoption in the Concrete Industry during the Great Depression." The paper examines the role of electricity adoption in promoting capital-labor substitution during the 1920s and 1930s. The identification strategy uses the initial allocation of power generation technology as an instrument for changes in electricity prices and focuses on the concrete industry because of its location constraints. Technical progress in the electricity industry led to increased capital-labor substitution. Cheaper electricity led to employment declines, labor productivity increases, and more electricity use.

Joshua Lewis's (Toronto) questioned whether the location choices in the concrete industry were really exogenous to energy prices. Lewis also wondered whether there are other direct and indirect effects of efficiency gains to be explored.

Amanda Gregg (Yale) presented "Factory Productivity and the Concession System of Incorporation in Late Imperial Russia, 1894-1908." She uses a newly constructed dataset from Imperial Russian factory censuses to identify the characteristics and growth in productivity of firms that chose to incorporate. Corporate factories are larger, more productive, and grow faster. Incorporation is an important condition for capital accumulation among Russian firms.

In his discussion, Jeremy Atack (Vanderbilt) encouraged Amanda to investigate the sources of the productivity differences. He wondered whether it was differences in technique or technology. Jeremy also suggested that owner ambition may play a role in the productivity differences.

Leslie Tomory (McGill) closed the session with "The London Water Supply Industry and the Industrial Revolution." The paper documents the relevance of the water supply industry for the Industrial Revolution. The expansion of London's water supply was accompanied by important technological innovations and the use of joint-stock financing and incorporations, both were common themes of the Industrial Revolution. The paper argues that joint-stock financing was more important than incorporation for the development of London's waters supply industry. They also show that the large and wealthy London consumer market promoted expansion and motivated technological change.

Jessica Hennessey's (Furman) discussion focused on London's divergence from its peers. She encouraged Tomory to exploit differences across the cities to help explain the divergence. Hennessey felt the comparison cities might also be useful in explaining the role of market structure and water rights in the growth in London's water supply industry.

<u>Priests, War, and Property</u>

Alvaro La Parra Perez (Maryland) had the pleasure of starting the Sunday morning session with "Fighting against Democracy: Military Factions in the Second Spanish Republic and Civil War (1931-1939)." The paper considers differences between the major players in the fall of the Second Republic. In particular, the military was not a monolithic group siding against the Republic, but rather a group of individuals each acting in his own self-interest. Using military yearbooks from 1910-1936 and data on which officers supported the military coup, the author shows that support for the Republic was stronger among officers who had been promoted more rapidly in the Republic years, as well as those from areas that held out longer against the rebels. The author counters the conventional belief that Africanistas (officers who had been stationed in Africa) were more likely to support the coup.

Lee Alston wondered whether the Republican government might have created the varying factions as a result of its policies. Could the core question could be recast as "Just how stupid was the Spanish Republican government?" Steve Higley (Ohio State) asked about the impact of financial support for the rebels, which was acknowledged as an avenue for further research. Anne McCants suggested finding more information about the officer's history, in particular if they were elites or career army veterans.

Metin Cosgel (Connecticut) handled the "Priests" portion of the session with the paper "Theocracy over Time," co-authored with Thomas Miceli (also Connecticut). The authors begin with the observation that religiosity was increasing in many countries along with economic development. They model the relationship between religion and politics in a manner that implies increasing popular participation in religion as the degree of theocracy declines. A new dataset reveals that religiosity was declining from the 1600s. A pattern of early increases followed by eventual sharp decline in religiosity is repeated in all.

Discussion was led by Jared Rubin, who began with a plea for a more thorough definition of "theocracy." The request was echoed by Phil Hoffman, who wondered whether theocracy existed when rulers appointed religious leaders. Larry Neal (Illinois) suggested an indicator for religious control of the military.

"Property" was examined by Jessica Vechbanyongratana (Chulalongkorn Univ.) in "Property Rights, Land Markets, and Land Use in Bangkok: Consequences of Siam's 1901 Land Act," which examines the change in property rights from usufruct to full ownership rights. A significant increase in land transfers followed the change in rights, especially in plots located near transportation. The transfers encouraged non-agricultural uses of land. Thai bureaucratic institutions played an important role in facilitating land transfers and taxation based on different land uses.

Sumner LaCroix (Hawaii) noted that the paper is important because it helps us to understand why modern development does not automatically arise with the simple assignment of property rights: a structure that allows for long term investment is needed. He noted that it would be good to have an idea of how many "black market" transactions of land there were. He also wanted to know about fruit prices in order to understand transactions on orchards. Jared Rubin noted that there appear to be some big jumps at 1901 in certain figures and suggested examining a sample clustered within a few years of the land rights change, rather than the paper's current 1885-1910 sample.

<u>Education</u>

Shawn Kantor (RPI) presented "Universities and Regional Development," which is co-authored with Alexander Whalley (UC-Merced). The paper shows that agricultural experiment stations were associated with significant increases in nearby farm productivity. Productivity effects grew for about 20 years but are not evident today, except where basic research is conducted. Effects of individual discoveries lasted 20 to 40 years.

Discussant Josh Rosenbloom (Kansas) began by noting that the question of the paper was central to economic history, and though the results are robust their interpretation remained unclear. How might we identify the mechanism that produced the proximity effect? What can we learn from the details of the spatial patterns?

Ross Thomson's (Vermont)."Government- Led Innovation in a Period of Small Government: The United States, 1820 to 1941" encouraged economic historians to consider more carefully how government employment and contracting generated new innovations. Using biographies, Thomson shows that more than half of major innovators spent time in government jobs or contracting.

Petra Moser (Stanford) appreciated the way Thomson's source allowed him to focus on high-quality, prominent innovators, allowing him to by-pass the problem of unimportant refinements. She asked for an expanded discussion of the differences between working within government and working for government. She reminded the audience that some well-known inventors spent time in government jobs that were unrelated to their contributions—they just used the unsupervised slack time on the job quite efficiently.

During the open question period, Michael Haines (Colgate) asked Thomson about alternative sources, for example university alumni records. Dick Sylla (NYU) asked Thompson to elaborate on the way in which inventors learned from contact with government. Mary Hansen asked Kantor whether the farms that gained the most from their proximity to experiment stations were mainly large farms.

Something Blue

In the final session time, Pamfili Antipa (Banque de France) presented "Fiscal Sustainability and the Value of Money: Lessons from the British Paper Pound, 1797–1821." During the Napoleonic Wars expectations about the fiscal impact of the war, as measured by military success and failure, was an important determinant of the price level in Britain. Hugh Rockoff wanted Antipa to directly address Ricardo's famous claim that changes in the value of the pound were the result of policy choices by the Bank of England. He also wanted her to consider both individual battles and the cumulative effects of campaigns and to think about other sources of news besides the war.

Arnaud Mehl (Paris School of Economics) presented "Has the Dollar Always Dominated Global Oil Markets? Evidence and Implications for the International Monetary System," a paper co-authored with Barry Eichengreen (UC-Berkeley) and Livia Chitu (ECB). They show that many currencies were used to pay invoices on oil in the early days of the oil market. They conclude that network effects do not inevitably lead to markets dominated by a single currency. Rui Esteves praised the data and the method, but wanted an expanded discussion of the role of government policy that, for example, resulted in a scarcity of US dollars during the period under consideration. He also recommended that the specifications be simplified because the number of data points was not large.

Ahmed Rahman (US Naval Academy) presented "Benchmarking Job Mobility and Returns to Technical Skill for an Era with Rapid Innovation," which is joint work Darrell Glaser (also USNA). The project uses detailed longitudinal on navy officers in Britain and the US to make new estimates of the rates of return to education and technical training. Discussant Trevon Logan (Ohio State) suggested that readers would benefit from more of the history of the technology and institutions in order to appreciate the findings. He asked the authors to address the issue of selection into a naval career and to include information on the demand for the particular skills outside the navy.

Audience discussion was lively. Dick Sylla asked Mehl whether the size of the export market in a commodity would matter to whether any particular currency might be used for settlement. Mary Hansen asked Rahman whether the technology in the navy was produced internally or purchased from private firms under contract, and whether that might influence an officer's decision to pursue private employment.

Borrowing and Shocks

Latika Chaudhary (Scripps) and Anand Swamy (Williams) presented "Protecting the Borrower: An Experiment in Colonial India." The paper examines the impact of the Deccan Agriculturists' Relief Act (DARA) in colonial India. During the American Civil War, the blockade of the South led to increased demand for cotton from India. The increase in cotton prices led to the Deccan Riots of 1876. DARA allowed judges to alter existing loan details. The courts did not often reduce interest payments. In treated districts, mortgages declined but sales increased. Moreover, DARA did not have a negative effect on lending but encouraged more due diligence by lenders.

Susan Wolcott (SUNY Binghampton) stated that the paper shows that laws matter less than the system in which they are embedded. The ability of judges to change loan details should have reduced credit availability, but it did not. Wolcott described the new data set on land sales and mortgages at the district level a "huge contribution."

Meng Xue (George Mason) presented "Textiles and the Historical Emergence of Gender Equality in China." The paper examines the historical determinants of male child preference among Han Chinese by examining the cotton revolution of the 14th century. Cotton replaced linen as the main textile material. The shift to cotton offered women a new opportunity to enter the workforce. By the late Ming period, many women both married and unmarried, earned more than their male counterparts. Greater gender equality reduced son preference in cotton textile regions.

Discussant Bill Collins (Vanderbilt) called Xue's data set a "very impressive collection." However, he had several valid questions for the author. He asked from where the capital for the cotton machinery came and is there a correlation between sex ratio and humidity (the instrument variable)? Furthermore, he econometrically questioned the transformation of the dependent variable, claiming that it seemed unusual to truncate the data. Lastly, Collins suggested a simple scatter plot for visualization. The author made a follow-up comment acknowledging that the humidity IV is weak, but it is the best option currently available. Lastly, an audience member suggested lowering the cut-off point for the sex ratio. ■

Schedule of 2014 Clio and EHA Sessions at ASSA

Your Executive Director says: *"Be sure to attend as many sessions as you can in Boston!"*

Cliometric Society Sessions

Occupations and Mobility over time and distance
January 3, 2015
10:15 am
Sheraton Boston, Clarendon Room

Organizer: Matt Jaremski (Colgate)
Chair: Laura Salisbury (York University)
Discussants: Laura Salisbury (York), Greg Niemesh (Miami University), Taylor Jaworski (Queen's University)

Jonas Helgertz (Lund University), Martin Dribe (Lund University), "Long-term class and income mobility in Sweden: A three generation approach"
Martin Saavedra (Oberlin College), "Early-Life Disease Exposure and Occupational Status: The Impact of Yellow Fever during the 19th Century"
Ariell Zimran (Northwestern), Yannay Spitzer (Brown), "Migrant Self-Selection: Anthropometric Evidence from the Mass Migration of Italians to the United States, 1907—1925"
Jorgen Modalsli (Statistics Norway, Research Department), "Geographic determinants of intergenerational mobility"

Events in Financial History
January 3, 2015
12:30 pm
Sheraton Boston, Clarendon Room

Organizer: Matt Jaremski (Colgate)
Chair: Matt Jaremski (Colgate)
Discussants: Veronica Starosa (Michigan), Marc Weidenmier (Claremont McKenna), Michael Bordo (Rutgers), Nicolas Ziebarth (Iowa)

Francois Velde (Federal Reserve Bank of Chicago), "Lottery Loans in the Eighteenth Century"
Caroline Fohlin (Johns Hopkins), Zachary Mozenter (University of North Carolina – Chapel Hill), "Political Uncertainty, Policy Uncertainty, and Market Liquidity: The NYSE During the Global Crisis of 1914-15"
Matthias Morys (University of York), "Politics or precious metal production? The emergence of the Classical Gold Standard, 1867-1896"
Alexander J Field (Santa Clara University), "The macroeconomic significance of the Savings and Loan insolvencies"

Economic History in the Long Run
January 3, 2014
2:30 pm
Sheraton Boston, Clarendon Room

Organizer: Matt Jaremski (Colgate)
Chair: TBA
Discussants: Melissa Dell (Harvard), Theresa Gubterlet (RPI), Robert Margo (Boston University)

Maria Waldinger (London School of Economics), "The Economic Effects of Long-Term Climate Change: Evidence from the Little Ice Age, 1500-1750"
Marta Felis (Universidad Autonoma de Madrid), "A VAR Analysis of the Transportation Revolution in Europe"
Peter Temin (MIT)," Economic History and Economic Development: New Economic History in Retrospect and Prospect"

Economic History Association Sessions

Politics and Institutions
January 4, 2015
10:15 am
Sheraton Boston, Beacon A

Organizer: Carola Frydman (Boston University)
Chair: Paul Rhode (Michigan)
Discussants: Eric Chaney (Harvard), Se Yan (Peking University), Paul Rhode (Michigan), Nathan Nunn (Harvard)

Jared Rubin (Chapman University), Timur Kuran (Duke), "The Financial Power of the Powerless: Socio-Economic Status and Interest Rates under Weak Rule of Law"

Tuan-Hwee Sng (National University of Singapore), Mark Koyama (George Mason), Chiu Yu Ko (National University of Singapore), "Unified China and Divided Europe"

Richard B. Baker (Vanderbilt), "Finding the Fat: The Relative Impact of Budget Fluctuations on African-American Schools"

Federico Tadei (CalTech), "Colonial Institutions, Prices to Producers, and Current African Development"

Urban Issues in Historical Perspective
January 3, 2015
10:15 am
Sheraton Boston, Boston Common

Organizer: Carola Frydman (Boston University)
Chair: Carola Frydman (Boston University
Discussants:Rick Hornbeck (Harvard), Douglas Almond (Columbia), Edson Severini (Carnegie Mellon)

Guy Michaels (London School of Economics), Ferdinand Rauch (Oxford), "Resetting the Urban Network: 117-2012"

Werner Troesken (University of Pittsburgh), Joe Ferrie (Northwestern University), Karen Rolf (University of Nebraska--Omaha), "Lead Exposure, Socioeconomic Status, and the Propagation of Cognitive Disparities"

Carl Kitchens (University of Mississippi), "Subsidized Entrants in Retail Electricity Markets: The Case of the REA 1935-1940"

Announcement

The Team "Cliometrics and Complexity" (CAC) will hosted by the "Complex Systems Institute" (IXXI) of *Ecole Normale Supérieure de Lyon*. CAC is a research project within IXXI – ENS Lyon, aiming at bringing together complex systems modeling and Cliometrics.

Our goal is to stimulate new approaches to Economic History by drawing inspiration from other disciplines, notably complex systems modeling in Biology, Mathematics and Physics. We think that the methodological exchanges between different academic fields are fundamentally beneficial for a renewed understanding of the underlying dynamics of historical patterns.

In the effort to communicate the joint research activity of the Team CAC and encourage original and interdisciplinary papers in the field of Economic History in collaboration with other researchers using complex systems modeling an international conference will be organized each year by CAC, under the auspices of IXXI – ENS Lyon. The first one will take place during 2015.

Bookmark to keep informed.

An Interview with Elyce Rotella

Elyce Rotella was born in Johnstown, Pennsylvania. She was an undergraduate at the University of Pittsburgh, and she received her Ph.D. in economic history from the University of Pennsylvania in 1977. She served on the faculty in economics and in women's studies at San Diego State University for the first six years of her career and spent 26 years in the department of economics at Indiana University. Since 2010, she has lived in Ann Arbor and teaches in the department of economics at the University of Michigan. She has served on the editorial boards of the Journal of Economic History, Historical Methods, *and* Economic and Industrial Democracy: An International Journal. *She has held multiple positions for the Economic History Association, the Cliometrics Society and the Social Science History Association. This interview was conducted by Martha Bailey on June 27, 2014.*

One of the things I discovered about you reading your CV for this interview was that you got your undergraduate degree in history. How did you get interested in economics?

Economic history talked me into it. I was an undergraduate student at the University of Pittsburgh, which had a terrific honors program in history. They had a series of very small seminars. Faculty and small groups of students met often in faculty members' houses in the evenings. One of the teachers I had was Seymour Drescher. I was just recently in Paul Rhode's office and noticed the book that Drescher has with Stan Engerman on slavery. Sam Hayes was at Pitt, and so was Van Beck Hall.

Also when I was at Pitt, the great Carter Goodrich—the person to whom Bob Fogel's railroad book is dedicated—retired from Columbia and came to the history department. I think I'm the last person who got put on the road to economic history by Carter Goodrich. He brought with him Julius Rubin, who was his protégé, and who became my mentor. I had taken a few economics courses, so in my senior year, when I discovered economic history, I started taking economics courses and math courses like crazy. It was a wonderful rich environment. Carter was there and started a weekly seminar to which I was welcome. I went to the seminar as an undergraduate and the honors majors in history were treated very, very well. They made us feel like we were a part of the group. I was just a little kid in the corner, but I got to see economic history "on the hoof."

When I graduated with a B.A., I didn't have enough economics, so I stayed at Pitt for another four semesters and took the beginnings of the PhD program in economics. I hung around with the economic historians, who were mostly in the history department. After that I went to the University of Pennsylvania in the graduate group in economic history so I'm one of the few Americans with a PhD in economic history.

What drew you into economic history?

I thought I was going to be a lawyer. I wanted to be a labor lawyer because I had grown up with a father who worked in a steel mill and was a union person, with grandfathers and uncles who were in coal mines and were union people, with a mother who was a meat packer and a union person. I was interested in labor and labor law, and that transmogrified into labor history, and eventually labor economics.

When did you decide you wanted to go to graduate school for sure, and then when did you decide that you wanted to do economic history?

I learned economics in order to do economic history.

It was an exciting time—the Cliometric revolution. We were all excited about Conrad and Meyer. The University of Pennsylvania had a graduate program in economic history where I found a lively, supportive group of faculty. Dick Easterlin was sort of the godfather of the program, and there was a bunch of young people including Stefano Fenoaltea, Bill Whitney, and Joe Reid in economics. And in the history department were Tom Cochran, Martin Wolfe, and Larry Schofer. The graduate group in economic history died when I was at Penn, but I still got a degree. By that time the difference between my training and the training of the people in the economics program had gotten to be very small. But this was a time when Penn still had pieces of the PhD training in economics that were deeply empirical and historical, so all students took an empirical course where you actually had to get your hands dirty with data. That course was left over from the days of Simon Kuznets.

How did you come to your dissertation work? Do you remember how you got that idea, where you were?

I do! It came to me in the middle of the night. You know how good ideas often come to you in the middle of the night. You are lying in bed and you think, "Ah, well I'll remember this." This is one time when I got up and wrote it down. I still have that piece of paper.

Okay, what did that piece of paper say?

It asked questions about women and clerical work–why clerical jobs changed from all male to all female. I had gotten interested in doing research about women. I got some encouragement for that–but also some discouragement. I remember a conversation when Lance Davis was visiting Penn, a conversation in which he warned me off doing work on women. He said, "Dick says you're good, but if you do that nobody's going to take you seriously."

But you decided to ignore his advice?

I did. [Laughs.] Also at Penn, I met a young economist named Janice Madden, who is still a dear friend. She came in my second year to take a job in the regional science department. She had a PhD in economics from Duke and had just finished a dissertation that became a book on the economics of sex discrimination. She wasn't on my dissertation committee, but she was a model for the fact that you could be taken seriously doing research about women.

The other big thing is that I was taking courses in labor economics.

And that literature was exploding, right?

The labor literature about women was indeed exploding. When I did graduate work at Pitt, Arnold Katz was on the faculty, and in his course I was assigned to lead the discussion on Mincer's classic labor force participation paper, which was… was *mind bending*. I *loved* it! I mean I loved everything about it. I loved that it took issues about women seriously, and I loved the deeply empirical work that is *so* much Jacob Mincer. And at Penn, I got involved in the push to establish women's studies. It was a heady time. I marched, I sat-in, and I was part of a group of undergraduates, graduate students, and faculty members who put pressure on the administration. We set up a group called Penn Women's Studies Planners. We wrote a report, and they gave us some money to offer a bank of courses.

You mean you, as a PhD student, were part of the curriculum planning?

The money was given to Penn Women's Studies Planners and was overseen by a faculty member in the english department. I was hired to teach the economics course. I taught, as a third year graduate student, the course that is the great-great-great-grandmother of the course I still teach—and that you teach too.

Yes, you gave me your notes for this course! That was in your third year of graduate school? What was it like being a woman in economics, or in economic history?

Lonely. Initially, quite lonely. There were few women economic historians. When I was a beginning graduate student I didn't know any, but as I got up to be an upper level graduate student and then a junior faculty member there were more and I came to know them. Cynthia Taft-Morris, Lois Carr, and Alice Hanson Jones were established scholars. Claudia Goldin, Mary Yeager, and Michelle McAlpin were a bit ahead of me, and quite a few women came in at the same time as me, and more people worked on research questions about women. Still, when we started having the women's lunch at EHA it was about six of us going out to lunch together.

And you started this as a grad student?

I didn't start the women's lunch. I believe the person most responsible is Mary Yeager, and it was around 1980.

Okay, so you were already a faculty member at that point.

I was a young a faculty member when the women's lunches started. There was an earlier EHA meeting—when I was a very new assistant professor—when Dick Easterlin was President-Elect, and he was in charge of the program. He had me put together a session on women. That meeting was in 1979, in Wilmington, Delaware, where we met in the basement of a church across the street from the Hotel DuPont.

Was Lance right about the reception of your job market paper? Do you think it was harder because you worked on topics relating to women?

I don't think so. Lance's caution was well-meant, and he was helpful throughout my career. On the whole, I had lots of support and encouragement. In my final year of grad school I applied for and got one of the first—the very first—Woodrow Wilson fellowships in women's studies.

How did your dissertation evolve into a book?

My dissertation won the Nevin's Prize. The Nevin's Prize had started out as a situation in which you got the prize and then Columbia University Press said, "We have rights of first refusal." By the time I won, even that was no longer true. So I was pleased when an editor associated with University Microfilms—contacted me saying, "University Microfilms has your dissertation, and we'd like to bring it out under our imprint, and we have series in American Economic History."

So what set in motion the next stage of your research? Because I know right after the book came out—or maybe at the same time—you moved to Indiana University.

I kept working on women. I thought, "I've done clerical work! Let's do teachers next! I got involved in a project about teachers with Bob Margo." I worked on small scale loans, pawn-broking, and savings banks. I have a paper with George Alter and Claudia Goldin on the Philadelphia Savings Bank.

That paper has an interesting story, and it's connected to women. I was spending a semester visiting at Penn when Claudia was there and finishing up *Understanding the Gender Gap.* One day she went downtown to the Philadelphia Savings Fund Society to look through their archives because she wanted pictures of women working in offices. I got a phone call from her: "Come down here! They've got data on everybody who ever had an account!" So, I hot-footed down and took a look at the data. That was the beginning of my move into doing research on small-scale credit.

Another project was on mortality decline and urban expenditures on sanitation with Lou Cain. Another story about how things happen: I was spending a sabbatical year at Chicago and working in the Newbury Library. At that time I was still working on pawn-broking, and one morning I was reading an 1899 Bulletin of the Bureau of Labor Statistics that published a sociology dissertation about pawn-broking. Right after the pawn-broking study, bound in the same volume, was a report called *Statistics of Cities*. It was the first time that the Bureau of Labor Statistics had responded to a call by Congress to publish a compendium of statistics of individual cities. That day I had lunch with Lou, and said, "You're an urban historian, surely this stuff gets used all the time?" He said, "No! Let's do it." The BLS publication had cause-of-death data and city level information about expenditures on water works and sewers. That was the beginnings of the sanitation project.

I was thinking about when you moved to IU. Tell me a little bit about that move. You told me this is the right way to do it, yes? To get yourself promoted as you transition between universities.

It worked well for me. My first job was at San Diego State University. I came out in the mid-seventies when the job market in economics was terrible. This was a low point in the academic labor market. Lots of universities were pulling back, and budgets were tight. Some of the best people I went to graduate school with—in all fields—didn't get jobs. So it was a tough time to come out. I don't think it had to do with being a woman, or working on women. It may have had something to do with economic history because there were lots of places that didn't think they needed an economic historian. I wanted a job in California, so I was pleased when I got a job at SDSU.

But then you chose to come back to the Midwest.

Yes. It turned out that San Diego State wasn't a very good job for me. I went there for a job in the economics department, but an additional attraction was that San Diego State had the first women's studies *department* in the country. After I was there two years, my job transformed into one that was sixty percent economics, forty percent women's studies, which was wonderful. My colleagues in economics were very nice but not doing much research. My colleagues in women's studies were *terrific*. A variety of disciplines were represented there. A fine historian named Marilyn Boxer was the head of women's studies. So it was a lively, wonderful place, but the teaching load was high.

What was the teaching load?

Four courses a semester. Eight per year. There were ways to make that three, and I always managed to make it three. But the thought was that people who got three were getting off easy. It was a hard place to try to get much research done.

What was the teaching load at IU when you moved?

Two and two.

So how did you orchestrate the transition?

While I was at San Diego State, I got an opportunity to spend a visiting year at Tufts to replace Michelle McAlpin, and I stayed for another year visiting at Wellesley. Those were important years for me because I was in the Boston area, and I was teaching good students in good liberal arts colleges. They were the last two years that Bob Fogel was at Harvard. I spent every Friday at Harvard attending the economic history seminar and hanging out. I knew Bob before, but I he mentored me at that time. I had always had Dick Easterlin, and now I had Bob in my corner.

When I applied for the IU job, Bob pushed me and gave me advice. I had come up for tenure at San Diego State in my second year of leave, after my book came out, and got it. That meant I had the experience of coming up for tenure while I was not physically present, which I think added years to my life. I got the offer from IU, but initially it was not an offer with tenure. Bob is the one who advised: "Just say, 'I have to have tenure in order to take the job.' Say it over and over again." I did, and they gave me tenure. And I went!

Awesome.

At IU there had been a tradition of economic history. The late Ross Robertson had been there. He was a larger-than-life economic historian in the business school who was the person behind the only time the International Economic History Congress met in the United States—it met in Bloomington, Indiana, in 1968. You scratch older economic historians, worldwide, and they will have Bloomington stories to tell you.

Oh, interesting. [Laughs].

So, Ross had been there. Fred Bateman was there. Irene Neu, Jim Riley, and George Alter were there in the history department. Elmus Wicker was there. Gary Walton *had* been there. I was the economic historian who followed Gary Walton, with a little bit of a lag. There had been a fine tradition. Gary Walton had run a seminar in economic history with funding from the College of Arts and Sciences.

It's fantastic that you landed in this extremely rich environment.

Yes, I went to the Dean of the College or Arts and Sciences and said, "I want this money." [The money Walton had had for an economic history seminar.] And the Dean said, "Okay, here it is!" So we started a weekly seminar.

You had me into that seminar.

I remember very well. You gave the "Pill" paper. You stayed at my house. Almost everybody who came to the seminar stayed at my house.

This is something I wanted to ask you about. Your investment in the profession goes beyond what a lot of people would consider just usual hospitality or even good hosting. I remember when you invited me at the Economic History Association to come give a seminar at IU. You had me down, I stayed with you, I met with you, I did the entire day, and then we finished up in your living room with you and George. So I wanted to talk to you a little bit more about your investment in the profession, your philosophy of hosting, which I think I understand a little better now given how you described your graduate training.

Well, some if it is me, and some of it is the way the profession operates. I have given seminars in many places, and I stayed in many people's houses. I stayed at Bob Fogel's house, and at Larry Neal's house and at the houses of other economic historians. People going around to seminars and staying in other people's houses—I think it was a way of saving money, but it was also because we were good friends. All kinds of people stayed with me: people I knew well, and people I didn't know at all, and people I knew a bit. Many became friends (or closer friends) after staying in my home. I have an amazing guest book.

This goes back to something you said earlier: you were on a first name basis with a lot of the people that came through at Penn. And I think you've continued that, so you know everyone in economic history, right? [Elyce laughs.] And I think that that's also one of the hallmarks of your career, the enormous investment you've made as part of the organization.

I've been on the editorial boards of several journals. I've been a Trustee of the Economic History Association twice. I've been a trustee of SSHA. I've been a trustee of the Cliometrics Society.

And it goes beyond just those titles. I know you've done a lot of other types of professional service.

I've been on program committees, and chaired program committees. I was on the committee that rewrote the bylaws of the Economic History Association. I helped run Clio and SSHA at Bloomington. This is all part of being a good family member, or a good citizen of a group of people I'm happy to be a part of.

And the spillovers from that are large, because you've created that community for a lot of other people. You've drawn webs; you've connected people to a lot of other people. You've done some of that for me. So I have to say that's part of the mentoring you described coming back. You made all sorts of connections for me—I don't know if you even remember this because I think you just do this intuitively—you say, "Oh, you should talk to this person," or, "You should do this." And you were always at the meetings, and you host people at your home. I think it's all kind of part of the same Elyce Rotella web of connections *that for a long time has been part of the fabric of economic history. You've brought the profession together in a lot of ways.*

But that's not unique. There are many people who do that. I believe we have a higher personal likeability standard in economic history than other subfields of economics. I'll tell you one story that goes along with that. I've had graduate students in a number of fields, but three in the field of economic history. The one who's been most visibly successful—though they've all been successful, the economic historians all are still practicing economic historians—is Lee Craig. He was my student, and he's made me very proud. He was invited to the Cliometrics Conference when it was in Illinois, so we drove over to Urbana from Bloomington. This was in the days when there was a lot more drinking at Clio than there is now, and we stayed up a lot later, and we did a lot more singing.

I've never done any singing or witnessed any singing, so has this completely died? That's too bad.

That *is* too bad. When we met in Illinois the venue was out in the countryside. There was a room where we would sit around a big table and sing and drink. Those were the days when Brinley Thomas would lead us in *endless* rounds of "Lloyd George Knew My Father, Father Knew Lloyd George." It was about two o'clock in the morning, and everybody was not seeing very well, and we had sung "Lloyd George Knew My Father" maybe seven or eight times. And Lee, who was sitting next to me, looked right at me and said, "I think you can show me the secret handshake now."

[Both laugh.] So what is the secret handshake?

It's this notion that Economic History is a *club* with traditions like the Cliometrics Conference, which pays careful attention to inviting new people and treating them well, and the dissertation session at EHA, which welcomes new members of the club. I was e-mailing yesterday with Lee Alston. We were debutantes together. We gave our dissertations in the dissertation session the same year. As you know, everybody is so *nice* to you when you give your dissertation.

I remember. It's a wonderful part of the profession.

It's a family-slash-club, you know, a secret handshake society.

I like that a lot. I benefitted a lot from your involvement in my career. What's the paper of yours you like the most?

I'm going to pick an oldie that was part of the dissertation. It's a paper that has an argument about technology and the typewriter, and the shift from firmspecific to general skills opening the door for women to invest in themselves and take over the clerical field.

What are the biggest ways that economic history has changed since you've begun? You have seen the arc over the last forty years now.

Well, I think it became less and then more—somewhat more—historical.

How less?

Economic historians trained in economics departments sort of colonized the very old field of economic history and said, "This is not about a set of issues, this is really about a set of tools, and they are the tools of economic theory and the tools of econometric analysis." So we spent a lot of time trying to prove to economists that we could do economics the way they did economics. There was a way in which the field moved away from being interested in *history qua history*. I think that now there are more people who are interested in history in terms of long-term change and long-term processes. Some of this—although I'm not crazy about all of the work that comes out of groups of people in freshwater areas who aren't good historians—has given the economics profession a greater appreciation of historical questions.

So what do you think economic history has to teach economics? And I think it is right, in some sense, to view them as slightly different disciplines. I think about this a lot: what does economic history have to offer economics besides the set of issues and the substance of which I think is also important. I mean, do you think that there are more methodological contributions of historians to the field for instance, beyond the theoretical and the econometric?

You know what people call *le longue duree*—the long view of things—that things change over a long period of time and it's important to think about those things. McCloskey has an article about what economic history has to offer economists, and one of the things she argues is that we have long data series. But long data series means not just, "We can offer you data that goes over a long period of time," but, "We can offer perspective about how things happen over a long period of time." Some questions are fundamentally historical.

Where should we be going as a profession? Or your hopes for where you'd like us to go?

One thing is to keep making the argument for economic history as part of the core of economics. Now, it feels like we've lost that argument because thirty years ago the required courses in many, many places were micro, macro, econometrics, economic history. But now it's just macro, micro, and econometrics. I'd like to see the argument continue to be made. As long as people are asking questions that they're interested in and they're doing good work, I have a reasonable amount of faith that people will look at that and say, "Gee, that really is interesting."

Would you like to see economic history and history more integrated again, as they were when you began?

Yes, I'd like to see more economic historians both in history departments and in economic departments, and I'd like to see them talking to each other, and talking to their colleagues in history, and talking to their colleagues in economics. But fundamentally I see economic history as part of a larger social science. That's one of the reasons I'm so happy at Michigan, a place whose heart and soul is empirical social science. ■

John Allen James: A Scholarly Remembrance

By Christopher L. Hanes (SUNY-Binghamton), Hugh Rockoff (Rutgers University), Mark Thomas (University of Virginia), and David F. Weiman (Barnard College, Columbia University)

A more extended version of this remembrance is forthcoming in Cliometrica.

John entered the MIT graduate program during the early, lofty days of the "new" economic history, and emerged as one of its most deft, sensible and versatile practitioners. His PhD dissertation—directed by Peter Temin—exemplifies the promise of this new approach to historical analysis. It addresses a central issue in American political economic development, the formation of a more integrated (or "perfect") money market in the late nineteenth-century. He adapted current finance theory (CAPM) to the historical context by incorporating possible market imperfections due to spatial factors such as local market power. He collected mounds of data on national banks across the country to derive average annual loan rates—the key variable to be explained — over the period 1888 to 1911.

John's results, subsequently published in his early scholarly articles (one of which was awarded the prestigious Arthur H. Cole prize by the Economic History Association) and then masterfully synthesized in his book *Money and Capital Markets in Postbellum America*, still constitute the received wisdom on this topic.

John's subsequent research shows his continued fascination with the manifold, profound transformations in the American economy from the Civil War era through the Roaring Twenties. He contributed significantly to the debates over the first and second industrial revolutions in a series of articles on the causes and consequences of technological innovation over the nineteenth century. His most widely cited paper on this issue, co-authored with then University of Virginia colleague Jonathan Skinner, provided the definitive resolution of the "labor scarcity" paradox, showing that new mechanical technologies substituted for relatively scarce skilled labor but were strategic complements to unskilled labor and natural resources.

The James-Skinner article is also noteworthy for its application of general equilibrium simulation modeling in economic history. John had first deployed this methodology in his analysis of U.S. tariff policy before the Civil War. Armed with a new sophisticated—and disconcertingly intractable—technique for deriving general equilibrium outcomes, John corroborates the conventional view on the distributional impacts of antebellum tariffs: all other things equal, they burdened Southern cotton exporters but benefitted Northern manufacturers and their workers. At the same time he challenges the mainstream by suggesting that average tariff rates across the period may have been economically "optimal."

John also made many important contributions to the general macroeconomic history of prewar United States [with a variety of co-authors]. John's work in these areas appealed to macroeconomists and made use of the latest econometric methods. His 1993 article in the *American Economic Review* pioneered the use of structural vector autoregression analysis in economic history. A decade later he published another paper in the AER, which used nineteenth century wage data to look for evidence of downward nominal wage rigidity, a phenomenon that had only recently become a focus of research in monetary policy (and has become even more relevant in the post-2008 slump).

John's foray into the history of U.S. savings tackled thorny questions at the macro and micro levels. John, in tandem with Skinner, analyzed the dramatic rise in the personal savings rate during the first industrial revolution (published in a volume that placed him among the elite in the profession). True to form, they identified a novel mechanism operating through changes in the occupational rather than the age distribution of the population. And ironically (at least for John), their results downplayed the importance of financial market innovations, such as the spread of deposit banking so important in his earlier work. But typical of John's commitment to following the lead of the data, he could not and did not resist the apparent paradox.

A number of years later John investigated the microeconomics of saving behavior with former Virginia graduate student Michael Palumbo and colleague Mark Thomas. Their striking conclusions challenged critics of old-age insurance and working-class profligacy: workers did not save at higher rates in the era before Social Security than in the 1980s.

John's other major contributions to the micro-economic foundations of macro-economic outcomes focused on wage and unemployment dynamics in late 19th century labor markets. In characteristic fashion, he collected all available data on these topics and then framed questions of historical and current import. His broader conclusion from these various strands of research is both simple and striking—labor markets and the macro-economy worked differently in the past and historians need to focus on the role of changing institutions and changing policies to try to explain how and why history matters.

Just prior to his sudden and untimely death, John returned to a topic briefly addressed in his dissertation and subsequent book on banking-financial markets in postbellum America. Teaming up with David Weiman, James [was exploring the] complex interplay between the "punctuated" evolution of the interbank payment network and the American monetary union. Conceived along these lines, their book (in progress with a manuscript expected by the end of 2015) will complete what for John was a lifetime's exploration of the development of the banking system in postbellum America.

John's scholarly contributions cannot be measured solely by his outstanding research record. He was an academic *mensch*, to use a most fitting Yiddish expression. John never refused the thankless tasks of a productive scholar—the endless referee reports, book reviews and discussant comments—but even when critical, he always struck a constructive tone sweetened with a good dose of his dry wit. (In the case of the discussants' role, we should also note that ever the cosmopolitan John would rarely pass up the opportunity to venture far and wide to see new sites and especially opera productions.) But John's spirit truly shone through in his interactions with younger scholars from all walks of intellectual life. He was an intellectual gourmand ever curious to broaden his own substantive and theoretical-methodological horizons, but also a genuinely gifted mentor who guided others down their own paths, not his own.

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