THE CLiOMETRiC SOCIETY

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NEWSLETTER

The Newsletter of

The Cliometric Society

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The Newsletter of the Cliometric Society

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2016 Meeting of the Cliometric Society

Reported by Jacky Sharon Charles (Adelaide), Kara Dimitruk (UC-Irvine), Michael Gou (UC-Irvine), Alice Kuegler (Cambridge), Santiago Pérez (Stanford), Teresa Molina (USC), and Vellore Arthi (Oxford). Edited by Mary Eschelbach Hansen (American University).

The 2016 Cliometric Society Conference convened in Pittsburgh, Pennsylvania, the weekend of May 20 and 21, 2016. The Program Committee [Hoyt Bleakley, (Michigan), Christopher Hanes (Binghamton), Michael Haupert (Wisconsin-La Crosse), Sumner La Croix (Hawaii); Carolyn Moehling (Rutgers), Allison Shertzer (Pitt), and Susan Wolcott (Binghmaton)] selected 11 stimulating papers for the participants to discuss over the two days.

Thanks to local arrangements committee [Karen Clay (Carnegie-Mellon), Allison Shertzer, Werner Troesken (Pitt), and Randall Walsh (also Pitt)] for making everyone feel welcomed and to Mike Haupert for organizing a great trip to a Pittsburgh Pirates game. Special thanks go to Pitt graduate students, Ethan Schmick, Xiaoxi Zhao, and Jakub Lonsky for helping with computer set up and other issues.

The Society thanks the sponsors who made it all possible: The National Science Foundation Grant Number (SES 1061697 and SES 1357315.) and support from the University of Pittsburgh, especially Lise Vesterlund (Chair, Economics Department) and Dave DeJong (Vice Provost and former chair of Economics), and Carnegie-Mellon University, especially Ramayya Krishnan (Dean, Heinz College).

Administrative support for the conference from the University of Hawaii came from Bryson Yee (Conference Coordinator and Book Editor) and Kai Zhou (Financial Coordinator). Debbie Ziolkowski (Administrative Assistant, Economics Department), Jenna Berardino (University Conference Department), and Linda Howard (Executive Administrator, Economics Department) provided support at Pitt. Last, but definitely not least, eh.net support was provided through the University of Arizona's Price Fishback, and the always-helpful Lana Sooter.

Carol Shiue (Colorado—Boulder) started the conference with "Long Run Trends in Mobility: An Analysis with Five Linked Generations in China, 1300-1900." The paper documents mobility patterns using five generations of genealogical data from the Anhui Province in China, an area and time period that has been little-studied. Shiue utilizing recorded information on an individual's achievements as well as relatives' achievements to document the mobility of a man relative to his father and grandfather. With her new data, Shiue studies mobility for familes of lower status as well as non-lineal effects, such as the effect of an uncle's status and marriage decisions on mobility. Shiue finds that a grandfather's status does not influence mobility, that non-lineal effects are important, and that mobility of the lower-status families increased over time.

The discussion clustered around two topics: (1) the mechanisms influencing the patterns and (2) data issues. Joyce Burnette (Wabash College), Claudia Rei (Vanderbilt), Naomi Lamoreaux (Yale), and Claude Diebolt (Univ. of Strasbourg) all probed for a further discussion of mechanisms. They asked about the role of education, geographic mobility, and how families managed their resources. Regarding the data, there was concern about how much of the mobility of lower status individuals was actually observed. Steve Nafziger (Williams College) and Cormac O'Grada (University College, Dublin) pointed out that lower-status individuals were more likely to drop out of the sample (that is, die). Craig Palsson (Yale) suggested that Shiue use more of her detailed data and "pretend it was lower quality" to compare her estimates to other studies. Susan Wolcott recommended showing a transition matrix in addition to the regression results. Competition for a "universal statement" was fierce in this session –apparently awing the selection committee and setting several records for shortest time into a conference for such remarks to be noted.

Réka Juhász (Princeton) presented "Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade." The blockade exposed the French Empire to regionally differential shocks to the cost of trading with British competitors, and Juhász exploits this within-country variation to identify the causal effects of temporary trade protection. She finds that areas that experienced a larger trade shock experienced larger increases production capacity in mechanized cotton spinning. Effects were persistent.

A part of the discussion focused on the specifications used and the availability of additional data to support assumptions made. Chris Hanes (Binghamton) questioned the existence of a fragmented cotton textile market within France, but it was noted that data to provide insights into the regional evolution of yarn or cloth prices over time are not available. Lack of data also inhibits a more detailed comparison of the effects of the Jeffersonian embargo on the U.S. cotton industry, a suggestion made by Joyce Burnette. There were several comments on the long-run effects. Cormac O'Grada stressed the importance of geo-political changes in decades after the Napoleonic Wars, Matt Jaremski (Colgate) pointed to complications that might arise because of tariffs imposed later, and Oliver Bush (LSE) asked whether the exclusion restriction for long-run industrial value added is valid if the embargo also affected other regional industries. As a more general point, Price Fishback (Arizona) insisted that such historic events should be referred to as 'exogenous events' and not as 'natural experiments.'

On the third session of Friday morning, Maria Stanfors (Lund) presented "Is It Who You Are, Where You Work, or Who You Work With? Peer Effects in the Workplace among Late Nineteenth-Century Industrial Workers." Together with Joyce Burnette, Stanfors uses data from the tobacco industry in Sweden at the turn of the twentieth century to explore the determinants of earnings. In particular, the authors explore whether characteristics of the workers themselves ("who you are"), the firms ("where you work") or their coworkers ("who you work with") matter the most. Female workers had less-steep earnings profiles than men. Firm characteristics were relatively unimportant. Sharing a workplace with experienced workers increased earnings, but only for women's workplaces.

Commenters urged the authors consider productivity directly, rather than indirectly through wages. Michael Haines (Colgate) noted that cigars were far

2016 Cliometric Conference Awards

The *Is It Old Enough to be History?* Award was presented to the participants who stated that "this paper disturbs me because I remember when it happened." And "I took a macro class as the data unfolded …" And "If I am alive, it must be the modern period." And "Because I'm young, it seems like history." **Chris Hanes**, **Eugene White**, and **Mike Bordo**

The *Surrealist Award* was presented to a participant who stated that "an RCT might replace historical inquiry on this topic"! **Craig Palsson**

The *Rosie the Riveter Award* was presented to the authors who found that women helped each other in Sweden in the nineteenth century. The award is intended to to remind them of another era when women helped each other. **Joyce Burnett** and **Maria Stanfors**

The *Dunce Award* was presented to the participant prefaced three separate comments with these qualifiers: "This is not a very constructive comment." "I don't know if this will help you." "I don't know how to make my comment constructive." **Steven Nafziger**

The *Dick Sylla Award* – a Hamilton finger puppet – was presented to the author who presented a paper on U.S. banking regulation that never mentioned Alexander Hamilton. It is long established at Clio Conferences that all money and banking papers on the U.S. must reference either Alexander Hamilton or Dick Sylla explaining what Alexander Hamilton would have said about the topic. **Michael Gou**

The *Self-Flagellation Award* was presented to the participant who said that reading one of the conference papers was self-flagellation. A second participant said she engaged in double self-flagellation by reading the same paper twice! **Claudia Rei**

The *Shark Award* was presented to the participant who said that "he didn't know whether the loud sound in his ear was tinnitus or the paper's data screaming from having been tortured by the author." Presented to **John Wallis**

The *(Hawaiian God of War) Ku Award* was presented to the participant who said that "blocking the whole continent of Europe might not be the best way to protect an infant industry." Perhaps a blockade should now be added to the standard tools of tariffs and quotas? **Réka Juház**

The *Eraser Award* was presented by former JEH editor Price Fishback to those authors who write "And the rest of the paper proceeds as follows . . ." The award is meant to remind them to erase the paragraph. **Alice Kruegler**, **Xavier Duran**, **Reka Juház**, **Michael Guo**, and **Mathew Gregg** ▪

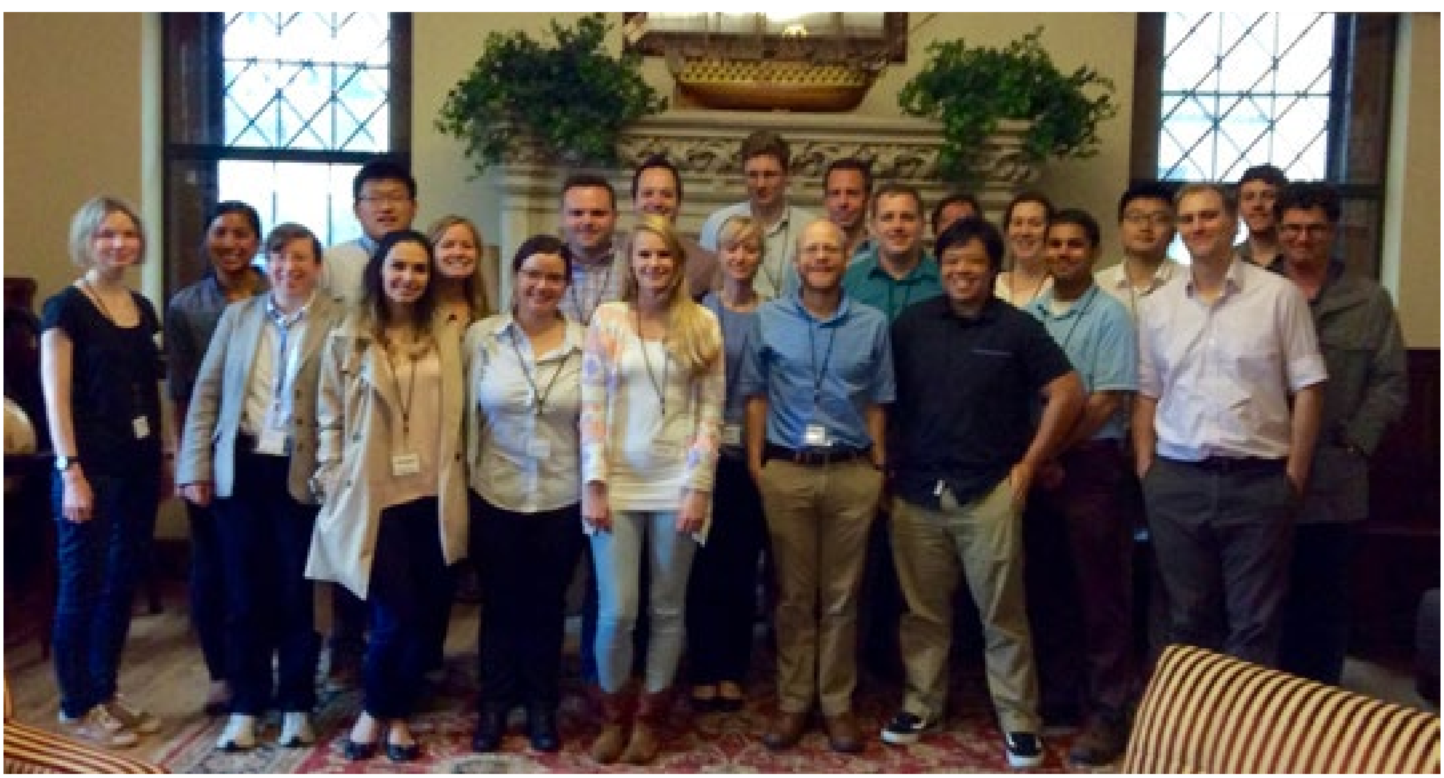
from homogenous, so comparisons of output across different firms would be challenging. That productivity spillovers were present for interactions among women but not men sparked several questions and comments. What is the mechanism? Did workers of the same gender share a common working environment? Were roles within the firm segregated based on gender? Réka Juhász wondered if the absence of male-to-female spillovers reflected a lower willingness of the firm to invest in the training of women. She argued that lower willingness could arise if the firm anticipated female workers to have short tenure at the firm.

Xavier Duran (*Universidad de los Andes*) presented "Holding up the Empire," which is coauthored with Marcelo Bucheli (Illinois). The authors use information on events leading towards ratifying the Urrutia-Thomson treaty to estimate a senator's voting decision model. Senators from states with substantial oil production and senators who were ideologically indifferent about the treaty's outcome were more likely to support the treaty. They find that the treaty increased total US welfare, but that SONJ and oil refiners capture most of the gains.

Several Cliometricians had questions about the ideology variables used in the voting decision model. Amanda Gregg (Middlebury) wanted more details about "social conservatism." Price Fishback suggested refinements. Karen Clay suggested considering subsets of the underlying variables. Another aspect of the discussion focused on the voting decision model itself. John Wallis (Maryland) declared that, as he read the paper, the data "were screaming" at him from being spliced in too many ways. He suggested that the econometrics is asking too much of the data. Alexander Persaud (Michigan) asked about the robustness of the results to choice of functional form, while Timothy Larsen (Vanderbilt) had concerns about collinearity. Lastly, Eugene White (Rutgers) and Steven Nafziger wanted to know about examine the impact on social savings in Colombia.

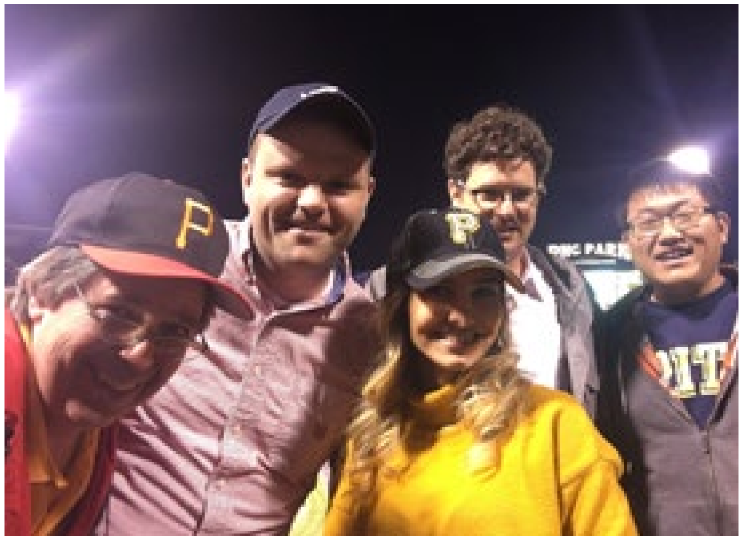
In "Shrink Theory: The Nature of Long Run and Short Run Economic Performance," John Wallis and co-author Stephen Broadberry (Nuffield College, Oxford) use annual data from the thirteenth century to argue point that economists have long been "looking under the wrong rock" for measures of performance. That is, we have been narrowly focused on economic growth rates while shrinking appears to be a more important determinant of long run performance. Because neoclassical growth models say nothing about shrinking, the authors outline an alternative framework based on institutions, in which long run development requires a transition from rules based on personal identity to rules that are impersonal.

The discussion focused on weaknesses of the proposed theory. For instance, Chris Hanes noted that moving



First-time Clioms

from identity-based to impersonal rules would not be enough to generate growth in a country that had not experienced the demographic transition. Malthusian theory and the business cycle were cited by many as important potential hypotheses that could not be ruled out. A string of questioners wanted to know whether "shrink theory" was falsifiable. How could one test it? Some voiced concerns about the quality of the data. Cormac O'Grada suggested that data on sectoral composition, for example, would be superior to the data used.



An old guy and four young clioms

In "Did Capital Requirements in the Early 20th Century United States Promote Bank Stability?" Michael Gou (UC-Irvine) estimates the effects of capital requirements on bank capital, assets, leverage, and suspensions. He uses a regression discontinuity design that exploits the structure of capital requirements. Specifically, minimum capital requirements were determined by town population, with discrete jumps at three cutoffs. Requirements induce banks to hold more capital but do not result in lower leverage or suspension rates.

Several attendees wondered whether results would be different for a different sample of banks or a different stability outcome. Randall Walsh pointed out that the constraint was not binding for the vast majority of the banks and that a sharper estimate might be obtained from focusing on banks operating near the boundary before 1900. Claudia Rei wondered whether these banks in the sample — right around the cutoff of 3,000 — were the actual targets of the legislation. Matthew Jaremski if the requirements changed how banks scaled up their assets, and Naomi Lamoreaux suggested decomposing the balance sheet to better understand the composition of assets and liabilities.

Matthew T. Gregg (Roger Williams Univ.) closed the Friday sessions with "The Enduring Effects of American Indian Boarding Schools." He finds a positive correlation a higher proportion of boarding school students historically and human capital, per capita income, and labor force outcomes today. Gregg argues that the persistence of human capital through intergenerational transmission is the main channel of causality.

Questions and comments were many. Eugene White thought the paper was important and believable, but teased that Gregg might receive hate mail because it focused only on only the positive effects of such a tragic event in American history. Though the comment was offered in humor, other participants suggested that Gregg look seriously at the negative effects to clarify the trade-offs. Mortality on and off the reservation was one suggested outcome. Others suggested that Gregg look at matters intermarriage and out-migration.

Several commented on Gregg's IV approach. Alexander Persaud, Réka Juhász, Tim Larsen and Randall Walsh were among the participants with comments on Gregg's IV. Alexander Persaud worried that Gregg may be mis-measuring the proportion of students going to boarding school, and also the total population of Native Americans in the sample. Randall Walsh thought that if distance to the nearest school was very small the impact could be very small, and thus the instrument may not be valid for areas that are near in proximity to a school. He therefore suggested that Gregg would have to look at areas that were far from the school.

Oliver Bush (LSE) presented "Monetary versus Macroprudential Policies: U.K. Bank Rate and Credit Policy Tools in the Era of *The Radcliffe Report*," which is joint work with David Aikman (Bank of England) and Alan M. Taylor (UC-Davis). Bush and his co-authors use new forecast and monthly macroeconomic data to show that increases in the Bank Rate negatively affected manufacturing output and consumer prices, while they positively affected the balance of trade. Credit controls had a strong impact on bank lending, but its effects on output, trade balances, and consumer prices is mixed. They conclude that monetary and credit policy shocks drove lending and output dynamics in the 1960s and 1970s, with a large portion of the pick-up in inflation in the 1970s attributable to monetary shocks in particular.


2015 Clio Fellows

While some members of the audience bristled—jokingly—at the notion that a study of the 1970s constituted history, the discussion focused on the historical context in which policy was made. For instance, Chris Hanes invited speculation as to what the shocks, and particularly, movements in policy not explained by the forecast data, represent. He also suggested bringing the capital account into the story—especially insofar as British policy may have responded to American monetary policy. Steve Nafziger similarly suggested that the author discuss what, at any given point in time, led policymakers to choose a given policy over others at their disposal. Bush agreed that both points were worth exploring, and would send him back to the archives!

Santiago Pérez (Stanford) presented "Moving to Opportunity: Railroads, Migrations and Economic Mobility." Pérez links Argentinian census data of fathers and sons in 1869 and 1895, which contains information on geographical mobility and economic mobility. Sons were both economically and geographically mobile. He instruments railroad access with a hypothetical least-cost network connecting province capitals and natural harbors. The railroad facilitated long-distance geographic mobility and migration flows in adjacent areas. Relatively poor provinces benefitted the most from the introduction of the railroad, while the relatively rich were the beneficiaries *within* provinces.

One concern was about false matching is the linking procedure, since false matches lead mechanically to greater measured mobility. Amanda Gregg and Soudeh Mirghasemi (Hofstra) requested more detail on the nitty gritty of linking, suggesting showing the linking score and noted it was a high mortality setting. Craig Palsson (Yale) and Tim Larsen suggested robustness checks on linking, including hand-checking for false positives. Christie Swanepoel (Stellenbosch) was curious about comparisons across ages and education and noted that successful links were not random. Alexandra de Pleijt (LSE), Edson Severnini (Pitt), and Cormac O'Grada were interested in where people were going based on social class. Natalya Naumenko (Northwestern) was curious about the mechanism and requested to see an occupational transition matrix for connected cities. Rèka Juhász wanted a discussion of general equilibrium effects. Alexander Persaud and Maria Stanfors both asked for more detail on the historical context. including wars and motivating the study of Argentina compared to other South American countries.

As stated in the title of his paper, "Did capital requirements in the early 20th century United States promote bank stability?" Michael Gou (UC—Irvine) estimates the effects of capital requirements on bank capital, assets, leverage, and suspensions. He uses a regression discontinuity design to answer this question, exploiting the structure of capital requirements in this time period, where minimum capital requirements were determined by town population, with discrete jumps at three population size cutoffs. He finds that, although the requirements induce banks to hold more capital (especially at the lower end of the capital distribution), they do not result in lower leverage or suspension rates.

Several comments focused on whether the muted effects on stability were a result of looking at the wrong sample or the wrong outcome variables. Randall Walsh pointed out that the constraint was not binding for the vast majority of the banks and that a sharper estimate might be obtained from focusing on banks operating near the boundary before 1900. Claudia Rei wondered whether these banks in the sample — right around the cutoff of 3,000 — were the actual targets of the legislation. In terms of outcomes, Matthew Jaremski wondered whether the requirements changed how banks were scaling up their assets, while Naomi Lamoreaux suggested decomposing the balance sheet to better understand the composition of assets and liabilities.

Econometric concerns included questions about the use of a reduced form instead of an instrumental variables framework (Steve Nafziger) and issues with discrete explanatory variables in a probit model (Summer LaCroix). Finally, some particpants had ideas for completely new papers Michael should write. Hugh Rockoff (Rutgers), for example, wanted to know about the effects of these requirements on state bank entry and activity.

Alice Kuegler (Cambridge) presented "The Responsiveness of Inventing: Evidence from a Patent Fee Reform." Kuegler examines the rise in high-quality patents in response to a large and anticipated decrease in the patent fee in 1884 in the UK. She finds that the policy shock made patenting more attractive to inventors, especially those who were previously credit constrained and that it raised the number (if not the share) of high-quality patents.

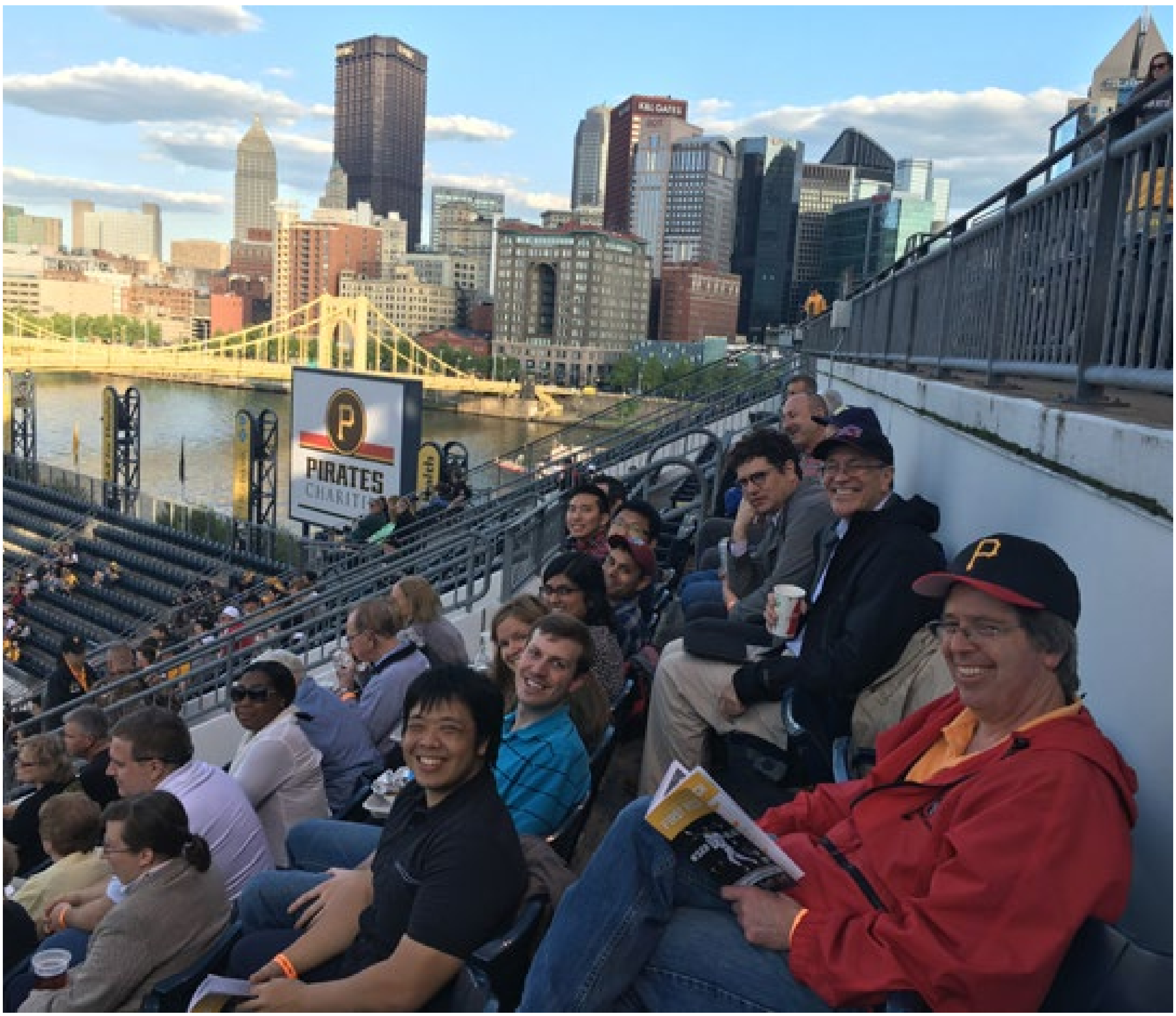
Ralf Meisenzahl (Federal Reserve System) loved the new data but disputed the framing of the paper. He suggested that, because many inventions do not get patented, Kuegler was measuring the responsiveness of patenting, not of inventing or of innovation *per se*. Kuegler clarified that her aim was to distinguish the shift of existing innovation into the patenting system from the extent of additional innovation spurred by the fee reduction. In contrast with Ralf, Naomi Lamoreaux felt that it was valuable to see the movement into patenting regardless of the larger question of how much invention is taking place in the wider economy. However, she was interested to know whether more patenting was occurring on the extensive versus the intensive margin, and whether there was a change in the type of inventors (e.g. independent ones versus ones employed and supported by large firms). Kuegler replied that she plans to exploit census information on firms to dig into these issues further, but that her analysis so far led her to believe patenting increases were not occurring specifically on the intensive margin alone.

Mark Koyama (George Mason University) closed the conference with "Bones, Bacteria and Break Points: The Heterogeneous Spatial Effects of the Black Death and Long-Run Growth." The paper examines the demographic impact of the Black Death on local economic development across Western Europe using city-level data. It uses Black Death mortality rates as a source of exogenous variation and finds a strong

Hard at work!

negative short run effect of Black Death mortality on city populations. The effects of the Black Death were heterogeneous in that some cities, such as those located on the coasts, recover more quickly than inland cities.

A large part of the discussion was on the quality of the data. Steven Nafziger commended the authors for doing a lot with available data, but questioned the quality of the data. Cormac O'Grada questioned the data on city size. Mark assured participants that they are doing the best they can, considering the limitations of the data. He also highlighted that he and his co-authors have made many corrections to the dataset, some of which are their own corrections and also some based on other previous revisions. Another part of the discussion was around the empirical strategy. Jacky Charles (Adelaide) wondered about omitted variable bias. She argued that the authors should control for country fixed effects so they can exclude that population growth picks up time invariant characteristics at the country level; however, they are unable to account for the fact that population growth can pick up any other time invariant regional characteristics such as local geography and formal institutions. ▪



Clioms at PNC park

The Wisconsin Warbler 2016

It started with a ballgame. Always a good sign. On Thursday night about two dozen Clioms gathered at PNC Park to celebrate what is now an annual rite: the search for wisdom. But first, it was a search of wieners. And burgers. Also peanuts and ice cream, nachos, and all manner of ballpark delicacies. The Warbler saw. He consumed. He was very happy. Then it was time for work.

By way of reminder, the Warbler is constantly looking out for pearls of wisdom, dispensed, sometimes unnoticed, in the buzz of intellectual activity that is the annual gathering of Cliometricians. But not just any observations. Only those observations made during the heat of verbal jousting. And only those that are both profound and universally true. And above all, only those uttered spontaneously.

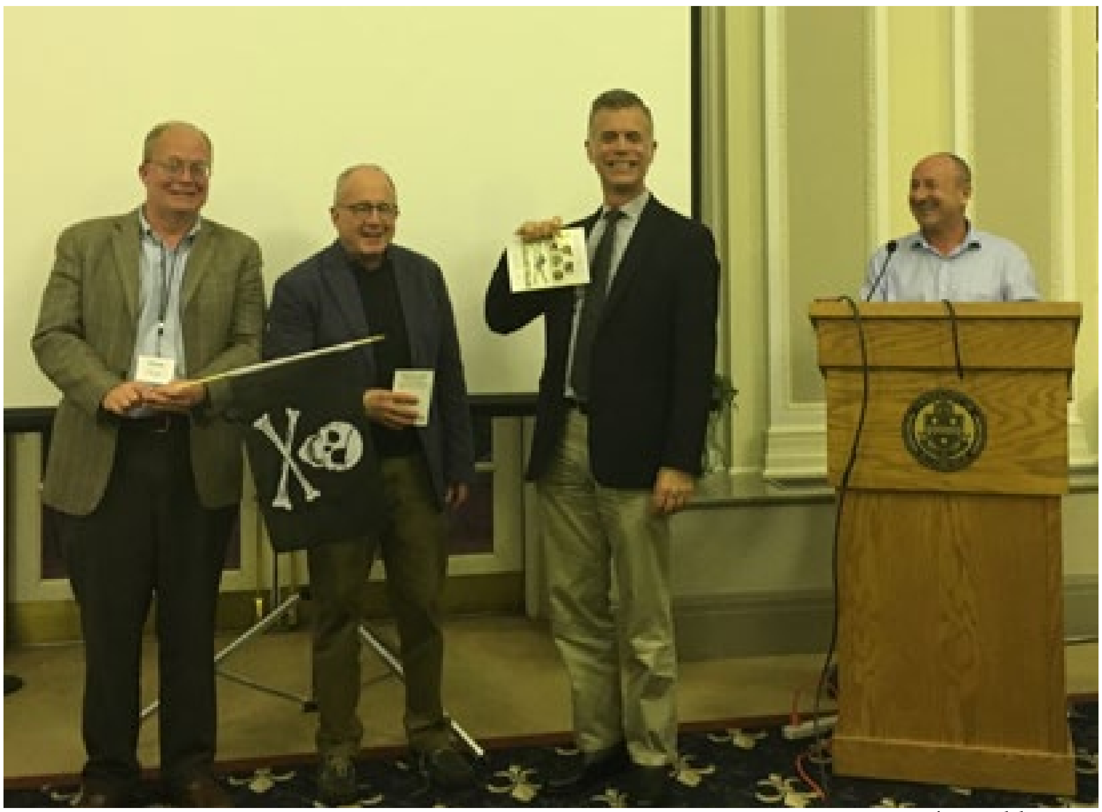
No report by the Warbler is complete without a reference to his mentor, the mullah, and the origin of the award. In 1987, the Desert Queen stopped the room with the observation that one should "never open a can of worms larger than the universe." Thus began the annual search for nuggets of insight that would forever define us. Since then we have learned that, when all else fails, "you can fix it with women." And that "sometimes people do it backwards. I like to do it backwards." And the revelation that "if you're alive on April 1st, we know you didn't die." This is a handy self-check for those who are uncertain. Kind of like your annual physical, but with less wait time and no co-pay.

Most recently (last year, to be exact) the Warbler cited an observation that finally clarified macroeconomics for him: "Washing machines explain macro dynamics." If only every year brought such clarity.

She Who hails from the Rockies is why the Warbler has standards (they may be low, but at least they exist, which is more than some political parties can say). Consider her performance in the first thirty minutes of the conference:

At 9:06 a.m. she was heard to say "We have a death date, so we know this is how his descendants wanted to remember him." A good start to the conference, thought the Warbler. However, soon after, things began to seem suspicious.

A mere seven minutes later, She Who hails from the Rockies told us that "when you're on this low level, you can pretty much only die." Again, standing alone, this is just the kind of insight the Warbler approves of, but two? From the same source? And in such rapid succession?



Three old timers

The Warbler hardly had time to ponder the situation, when four minutes later (9:17 a.m., to be precise) came this gem: "A guy who failed his exams is the perfect candidate." Now, under any other circumstances, this would have been a finalist. Probably not a winner though, since it is not universally true – it only holds in certain elections. But by this time, the hair on the back of the Warbler's neck was bristling. Something wasn't right. Something seemed too carefully planned. As if to cement the deal, She Who hails from the Rockies then went too far. She revealed the notoriety of her scheme to attain immortality, by nearly plagiarizing the Desert Queen herself. At 9:29 she told us "I haven't looked at the whole universe, but I have quite a few variables." Alone, this would have been grounds for disqualification, but when considered as a body of work, it was obviously a premediated attempt at gaining a place in the Pantheon for which the Warbler has been appointed guardian. "Not on my watch," said the Warbler, and he brought down the hammer. Disqualified, and on probation. Let her be a lesson to all.

Now, it is time to consider notable utterances that made the cut, but not quite the finals. Our first candidate is the Young Cliom from the Green Mountains. Perhaps she was a bit overwhelmed, or jet lagged, or just had too many wieners the night before, but her first words were "I think I confused myself." Fear not Young Cliom, you confused the Warbler as well, though that is usually not hard to do.

Later that same day the Don of the Desert, a veteran of Clio gatherings, and a finalist before, demonstrated that even at his advanced age he had not lost his touch. He amazed one and all by revealing that "There is nothing natural about what Napoleon was doing." The Warbler wondered if, perchance, he had been doing it backwards?

But there was no time to ponder because, soon after, Mr. Economic History claimed that "Your story wouldn't make sense in the U.S., so I don't see why it's true for France." This did not rise to the level of finalist because, of course, it is not universally true. But not to be outdone, a bit later Mrs. Economic History admitted that "I got interested in your paper the couple of times you mentioned real human beings." Profound, but alas, not universally true. But it did leave the Warbler wondering what conversations were like in their household.

In the category of "Lessons Not To Remember" the Warbler places the following: "This was the least worst indicator, so we used it." A frank admission from the Man Whose Name Resembles a Rock Star. Then, exhibiting uncharacteristic skills for such a young Cliom, or 1970s pop star, he immediately threw the Desert Don under the bus, by exclaiming "Well he told us to use that one." Well-played indeed.

Continuing in that vein, the Warbler heard the Masonic Scholar explain, with braggadocio, that "We got our data from Wikipedia in half an hour." And not to be outdone, Jolly Ollie admitted that "We assume a policy that is absolutely ludicrous." Continuing this contest of one-upmanship (down-manship not being a word) the Young Bulldog didn't have a ludicrous policy, but did note that in a pinch "You can always pretend high-quality data are low-quality data."

Enough. It is time to admire our finalists. When the Paper Tiger demanded to know "What's so special about zero?" the Warbler's ears perked up. This was profound, and it would have been universally true, except that almost immediately she offered up that zero could cede its place to two, or maybe three, she wasn't sure. Either way, it was no longer a universal truth.

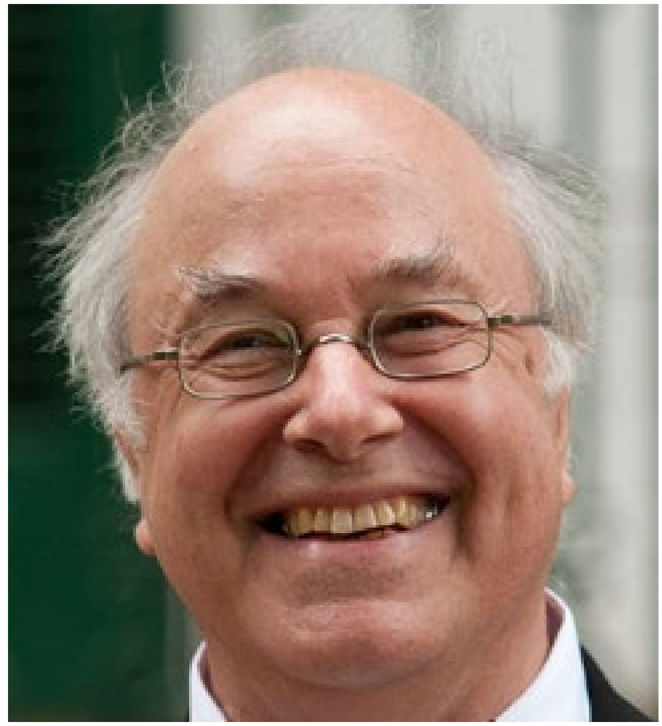
The Ancient Mariner logged his first appearance in the finalist column since the Warbler came onto the job, when he confidently explained that "It's all about shrinkage." The Warbler felt he could not vouch for the universal truth of this without first consulting with George Costanza. And then there was the Travelin' Volunteer who noted that "It's easy to find mobility if it's not the right person." Profound, but just because he is on the move himself does not mean that it is universal.

And now for our winner. The observation that rose to the lofty standards of being universally true, profound, and, importantly (especially in light of the abuses heaped upon the gathering by She Who hails from the Rockies) uttered spontaneously, in the heat of exchange, was this insight from The Celtic Elder: "It's not moving down the ladder, it's falling off that's the problem."

And now the Warbler rests. Next year it will be a long trip - to a country where English is not the native tongue. At first it seemed to the Warbler that this would be a problem. Then he wondered ... how much difference could it really make? ▪

An Interview with Jeremy Atack

Jeremy Atack is Research Professor of Economics and History, Emeritus, at Vanderbilt University and a Research Associate at the National Bureau of Economic Research. Before arriving to Vanderbilt in 1993 he served on the faculty of Economics at the University of Illinois for sixteen years. He has been Visiting Professor at Indiana University and Harvard. He served as the Chair of the Department of Economics at Vanderbilt, Editor of the *Journal of Economic History*, and Editor of *Business and Economic History: The Papers and Proceedings of the Business History Conference*. He served as President of the Agricultural History Society, the Business History Conference, and, most recently, the Economic History Association in 2011-2012. He became a Fellow of the Cliometric Society in 2013. He is the author of multiple articles and books. Through his extensive work in the fields of agriculture, manufacturing and transportation, he has produce several databases that are used widely by the profession. He has a BA from Jesus College at the University of Cambridge and a PhD from Indiana University.



This interview was conducted by Claudia Rei on October 27, 2015 in Nashville, Tennessee.

What led you to study economics?

I knew very little about economics until I was in the Sixth Form at my local Grammar School and the headmaster decided to offer it as a new course for perhaps five or six of us. (All of us, I believe, went on to college to read economics). Unlike so-called "economics classes" that are offered in high school nowadays and which are more personal finance than economics, we used the British equivalent of Samuelson's Principles textbook. Also, I listened with rapt attention to a series of radio lectures on the BBC (the Reith Lectures) being given that year (1966) by J. K. Galbraith on his *The New Industrial State*. Indeed, these so intrigued me that I actually bought transcripts.

These experiences helped settle me on my course of study, though I had much earlier "decided" where I would study: Cambridge. I made that decision probably when I was 12 or 13 as we visited often as my brother earned his engineering degree at the Polytechnic there. At the time, it never crossed my mind that I might not get in—although there was absolutely no reason to believe that I would. (Being naïve helps a lot!) Neither of my parents went to college, and no one from my school had ever gone to Cambridge, although each year probably one or two students got into Oxford. Anyway, I made up my mind that I would go to Cambridge and, in the expectation that it would all work out, I continued high school Latin classes. This meant that I could not take biology since the class times conflicted, but I knew that the University of Cambridge at that time required either Greek or Latin and my school did not offer Greek. It also meant that I had to stay on an extra year in high school to sit the entrance exam. I passed and was accepted to Jesus College to read economics, giving up my seats at several other universities (including LSE).

Were you also interested in history then?

I had been good at history and was interested in it, but my high school history really emphasized facts rather than interpretation: Interesting but not intellectually challenging. At Cambridge I was exposed to history more fully, specifically economic history, taking lectures from Phyllis Deane, Charles Feinstein, Iain Macpherson, and business historian Clive Trebilcock (who also served as one of my tutors). I found it fascinating but did not seriously think about doing economic history while at Cambridge. My undergraduate degree consists of Part I and Part II of the Economics Tripos. Indeed, my strongest memories of the Cambridge lectures that I attended were those by James Meade and Robin Marris.

You earned your BA degree in economics at the University of Cambridge in the UK and then did your PhD at Indiana. Why didn't you continue your studies in Cambridge or switch to Oxford? What made you cross the Atlantic?

In a word, chance. In my final year at Cambridge I had accepted a job offer as a trainee accountant in a large international accounting/management consulting firm based in the city, but I was increasingly unhappy about the prospect. My friends, too, thought it a very bad fit, and gave me all kinds of grief.

Fortunately, fate intervened. In May of my final year, my then-principal supervisor and tutor in economics (Tony Cockerill at Magdalene) hosted an American visitor, Ross M. Robertson, from Indiana. He was the author of a textbook in American economic history (now known as Walton and Rockoff), and my tutor arranged for us to have lunch, at which Ross asked me if I had thought of doing an MBA at Indiana University. I jumped at the chance. A few weeks thereafter, I got an acceptance letter in the mail from IU with a full tuition, fee waiver, and a graduate stipend of about $2,500. These financial arrangements in 1971 seemed adequate to live on and made it easy to turn down the accounting job with no embarrassment to anyone.

Things were much more informal then than nowadays. Senior faculty had real power, if they chose to exercise it (for good or ill). Ross was, shall we say, a "colorful character." Some who knew him would use much stronger language. (He expected the secretarial staff, for example, to park his car if he was in a hurry). He was a large man, with a *basso profundo* voice, a receding chin, and the delivery of an evangelical preacher. (Indeed his Presidential Address to the Business History Conference WAS a revival meeting, down to "Amens" but with other, less polite, responses and cat calls from the audience.) Ross was also chain smoker (as one could be then without social opprobrium). One day IU decided to enforce its ban on smoking in the classroom, placing signs all around the rooms. That day, Ross went to teach, smoking as usual, only to be confronted by all these new signs and dire warnings everywhere that he looked. Eventually, he took a drag on his cigarette, looked out at the students and announced, "Ahh, hell, you're not worth it," and walked out, cancelling his classes for the day.

None of this, of course, I knew at the time. Anyway, a few weeks after receiving my IU acceptance, I got my American student visa. In early August, I flew off to Bloomington, Indiana. I left the UK at the height of the English summer with temperatures in the mid-upper 60s and I arrived in Bloomington, Indiana, where it was 90+ degrees, wearing my best English wool suit. My bags, however, took a different plane to Bloomington, Illinois, so I had only the clothes that I was wearing.

At the Bloomington "airport," a middle-aged couple saw me wandering about, obviously lost and out of place. They approached me, asking if I was a foreign student coming to IU. They explained that Indiana had a volunteer program for taking care of arriving foreign students. They took me into town, welcomed me into their home, and then took me around to the university the next day to get signed up for classes, a dorm, *et cetera*.

I started my MBA classes in late August. I hated them—or rather, I hated the students, whom I found intellectually incurious and who spent much of their time talking about their "game plan" and the salaries they expected upon graduation. I felt much more affinity and kinship with the faculty.

Later that fall, I was looking around for some extra work to supplement my graduate stipend and was put in touch with Fred Bateman. Fred, who was then the acting chairman of the Business Economics department, was finishing up his project on agriculture with Jim Foust (the Bateman-Foust sample) and also had NSF funding to collect manufacturing data with Tom Weiss. He took me on as an hourly employee, collecting data, filling out worksheets, coding them, and keypunching. (There was no such thing as direct data entry then!) Initially, I was dealing with the agriculture and population data – a very messy, complex process because of computer memory and storage constraints, the limitations that 80-column Hollerith punch cards imposed upon database design, and the need to hand match records between the Census of Agriculture and the Census of Population. Of necessity, Fred and I interacted a lot and my background in computing (I had worked one summer for IBM in the UK as a systems analyst) proved very useful.

In the course of my interactions with Fred, my unhappiness with the MBA program became clear. He suggested a solution: IU's Economics and Business

PhD program, which was joint between the Business School and the Graduate School. It was composed of the economics PhD core courses and two economics field (I did economic history, of course, and monetary economics), plus two fields in Business (I did finance and "quantitative business analysis"), plus assorted other courses to round out the credit hours. It offered me a way to keep my assistantship in the business school while doing more economics and taking classes with a more academic bent. Oddly enough, I never had a class from Fred though one semester we did team-teach and economic/business history class in the Business School.

By chance, one of the early classes that I took in economics to round out my course load was Gary Walton's economic history class. I really enjoyed the blend of applied economics and history in Gary's class and became a regular attendee at the IU economic history seminar. The seminar was jointly (and very well) funded by Economics and History departments in Arts and Sciences, as well as by the IU Business School. As a result, the seminar brought in lots of speakers—persons whom I still count as friends to this day. The first seminar that I remember, for example, was given by Stan Engerman. He presented his and Bob Fogel's paper on the relative efficiency of Northern and Southern agriculture—a natural topic since the Bateman-Foust agricultural data were originally going provide estimates of the relevant output elasticities.

The IU seminars took place after dinner, and one of their great features was that the IU faculty—Gary and Elmus Wicker in Economics, Irene Neu and James Madison in History and Fred, Jim and Ross in Business—entertained the speaker and attendees at their homes for drinks afterwards. Consequently, I got to interact with dozens of speakers who ultimately became my personal friends and professional colleagues while I was still a graduate student.

It was also through that seminar, and as a result of the connection between the Bateman-Foust sample and Bob and Stan's work, that I got to read *Time on the Cross* while it was still in manuscript form, which I found tremendously exciting. This, as much as anything, convinced me that economic history was the field for me.

Quite serendipitous progress!

To quote Mae West: "It's better to be lucky than good!" (Although, of course, she had something else in mind!) Anyway, people always give themselves credit for so many things in their lives, but I believe luck plays a big role—like my chance lunch in Cambridge with Ross. And I have certainly been lucky in my life.

When did you start regularly attending EHA/Clio?

My first EHA was in 1975, in Chicago. I was still a grad student. Fred drove up and took me along. Earlier that same year I had attended the Business History Conference at Northwestern, where I met Mary Yeager, as well as Al Chandler, Lou Galambos, Hal Williamson, and many others who became my first real contacts outside of Bloomington and the IU seminar series. Both venues were an easy drive from Bloomington, which had poor air service, and both organizations were (and still are) really welcoming to new scholars. I have tried to continue attendance pretty much every year, though sometimes it is not possible. For example, I missed a Toronto meeting of EHA and the one at Yale when everyone got sick.

Good targeting!

See! It is so much better to be lucky than good! The first Clio meeting that attended was in '76, in Madison.

I didn't know until I read your CV for this interview that you were a guest of the Soviet Academy of Sciences in 1987 and presented your work in Tallinn, Moscow, and Novosibirsk. How did this connection come about?

It goes back to my work in agricultural history and an international study group organized by Alan Olmsted and Carol Leonard, with Richard Sutch and William Parker. Beginning in the late '70s or early '80s, a group of us met with Soviet agricultural historians/Cliometricans, including Leonid Borodkin and Ivan Kovalchenko at Moscow State and Boris Mironov at Leningrad. At that time, the Cold War was very cold—relationships, too—and the iron curtain was very much in place. In the diplomatic spirit of reciprocity, Russian scholars generally could not meet in the U.S. and U.S. scholars could not meet in Russia. Our governments, however, were willing for everybody to meet on neutral ground—in this case, Montreal, Canada—where we had a number of mini-conferences complete with simultaneous translation, *et cetera*.

This must have been a highly selected group!

Yes, and an interesting group. Another of the Russians, for example, was Sergei Stankevitch who was an economic historian at Moscow State at that time, but who went on to became the deputy mayor of Moscow under Boris Yeltsin. Then, we (I, certainly!) thought that he was with the KGB: he was younger, more stylish, sociable, and fluent in English than the others, but maybe he was just a really good politician, diplomat, and very well-connected—as his subsequent career showed.

After several Montreal meetings, there was discussion about meeting in the Soviet Union, and Alan Olmsted asked me if I'd be willing to go to Russia to share the Bateman-Foust data with them and to talk about our (Fred's and my) papers and *To Their Own Soil*. (This was shortly after *To Their Own Soil* had come out.) The original plan was that my wife, Becky, would come, too, and serve as my translator because she knew Russian (ABD, Slavic Literature, IU-B). But by the time the plan rolled out in the mid '80s, we already had three children and she no longer felt comfortable in the language. She did, however, voice one concern about the trip—that they'd supply me with a new translator, "Olga." I told her that they would read my CV, see that I went to Cambridge and remember Burgess, Mclean, and Philby who all went there too, so they'd supply me with "Boris" *(laughs)*. My translator was, in fact, Boris—Boris Grekhov. He was very nice; a *bona fide* economic historian. His father was a well-known historian.

That trip turned out to be another of those where I ended up in a foreign country, knowing no one (and this time, I didn't speak the language), without my bags (and no rubles), and no one was there to meet me (due to a mix up in the flight plans). Eventually, after clearing immigration and customs—they were most interested in the large reel of computer tape that I had—some other visiting American scholars took pity on me and took me to their hostel, which was where American scholars were required to stay. It was there, about 24 hours later, that my Soviet hosts and the American Embassy finally found me (though I was not yet an American citizen).

Did you go on your own or in a group? What were your impressions of Soviet Russia in the Perestroika?

I was on my own (with my translator/guide) in Moscow and Novosibirsk giving talks and meeting with members of the Academy for about ten days. The further East one traveled, the poorer living conditions became. Once in Siberia the bread was often speckled with mold and "meat" was mostly gristle, fat, and bone. It was, however, good for my "diet." I lost more than 10 pounds…

I subsequently met up with the rest of the American delegation in Tallinn, and we all spent several more days sightseeing and meeting with our Russian hosts in Leningrad and Moscow. I acquired a taste for good caviar and smoked sturgeon. One evening, however, we had no "minders" to get us past the bouncers and into restaurants. We almost "starved" but for the graciousness of some Russian workers who took us to their cafeteria. No caviar, sturgeon or Armenian cognac there, but we did not go hungry and all for a few kopeks!

Several impressions remain from my Soviet experience. The U.S.S.R. was easily the most class-riven society I have ever witnessed: The elite had immense privilege; most people, however, seemed to have pretty miserable lives. Indeed, seeing the Winter Palace, I could understand why there was a Revolution. But it also made me wonder why there wasn't another. My answer to this speculation was the overwhelming presence that one felt of the state apparatus conveyed by all the uniforms, sirens, special lanes on the highways, the drabness of clothing, and the like. I felt like kissing the ground when I landed in Frankfurt and this weight seemed to magically lift. It was not until then that I realized how much I appreciated all the freedoms that we enjoy and take for granted.

You have published research in very different areas. Do you see it coming full circle and returning to transportation, since you started out with a paper on steamboats, and your recent GIS work includes not only railways, but also steam boating and canals?

Geography was always my favorite subject in high school. One consequence has been that I am rarely surprised by the things that I see when I travel, be they economic activities or terrain. I also developed a love of maps as a child, serving as navigator on family car trips. (Remember the "Monty Python" skits with people standing around and (boringly) enumerating the various route numbers of the minor and major roads they had taken in their trip? They weren't making it up!)

Indeed, even after I could drive, I was still a much better navigator than driver. Moreover, one of my Cambridge tutors, Brian Deakin, was a transportation economist and always emphasized the importance of infrastructure for economic growth and development.

Steam power has always fascinated me. My childhood home was close to several railroad lines—one was just at the bottom of our garden. British Railways did not make the switch to diesel until the 1960s, so that as a child I often saw steam-powered locomotives quite close up. Also. my brother and I had a small (working) model stationary steam engine, fueled by ethyl alcohol, that we sometimes used to power our "Mechano" (erector set) creations. My connection to steam boating, outside of occasional holiday day trips on Clyde River steamboats for my brother's birthday, however, was pure serendipity. In 1972 or '73, I was working for Fred, Jim, and Tom collecting the Census of Manufacturing data when I discovered that the census enumerator for Louisville had mistakenly recorded in the manuscripts very detailed information on the 46 steamboats that he found tied up along the levee. Who knows what (or if) he was thinking, but his mistake was my gain. These steamboats represented about ten percent of the Western river steamboat fleet at the time, and the information that the enumerator collected is the largest and most comprehensive body of quantitative and qualitative information on steamboat operations then. These data became my term paper for Gary's class and, later, my first publication (*Business History Review*, 1975) with Gary, Erik Haites, and James Mak. They would also underpin Haites, Mak and Walton's book on steamboating (Johns Hopkins UP, 1975).

A presentation by geographer Carville Earle at the SSHA meetings in the early 1990s first piqued my interest in GIS, but early programs like "Atlas Graphics" on regular personal computers were a major impediment and constant source of frustration. My first effort to use it as a research tool came in my work on New York real estate with Bob Margo for a special issue of the *Journal of Real Estate Finance and Economics* (1998) that a former colleague from Illinois asked me to assemble. Indeed, several of the articles in that special issue (including those by Tom Weiss and Lee Craig and by Mary Eschelbach) also make use of GIS (or GIS-like) techniques.

The development of GIS allows me to indulge my passion and interest in maps, past and present, and how the physical and economic landscape evolves. Rather than relying on side-by-side comparisons (which was how Tom Weiss and Lee Craig assembled their county-level indicators for rail and water transportation in 1850 and 1860), essential features can be abstracted into layers, and those layers overlaid and examined simultaneously.

For me, the real breakthrough with GIS came when the Vanderbilt library hired a dedicated GIS specialist, Jacob Thornton, who was willing to provide one-on-one instruction. He helped me unlock what I saw as the vast potential of spatially-related information in digitized transportation maps, such as those posted by the Library of Congress on their American Memory website (https://memory.loc.gov/ammem/index.html). Every map contains an immense wealth of information. They are the very essence of BIG DATA.

My earliest efforts at creating GIS databases, however, were flawed because of the inaccuracy of early maps. Their spatial representation was often fatally flawed even if the basic information they sought to convey was accurate. For that reason, my latest GIS databases use historical maps to determine the existence of a particular bit of infrastructure at some moment in our past, but the spatial relationships among features are defined through satellite imagery and accurate modern maps. The limiting factor in spatial accuracy then becomes the digitizer's patience—and hand-eye coordination—in approximating a curve with straight-line segments. My recent need for carpal tunnel surgery determined my limits!

How did your initial interest in geography evolve into transportation?

As I said, I have always had a fascination with maps, but when I was seven years old, I contracted polio and spent months out of school. During that time, one of my favorite pastimes was drawing maps—especially rivers and railways—of imaginary places. One of the things that I learned to do was to convert a topographical map with contour lines into a cross-sectional view of the landscape by projecting those lines. Having figured this out, I amused myself by imagining how roads and railroads would be built. I had very much an engineering way of looking at it.

I wonder, why you did not go into engineering with such early interests?

Well, our son, Thomas, apparently thought that I was an engineer until he was eight or nine... *(laughs)* but, yes, it did shape my interests.

The technical aspects of GIS play to these same character traits – plus I get to work with real maps. Many of the historical maps are as much works of art as anything and are a source of immense interest and amusement, to me at least! And judging from the frequency with which you see them decorating walls, especially waiting room walls, others share this fascination.

You continue working on the GIS railroad database on your own. Why is it so important?

Transportation is an absolutely critical service to bring supply and demand together, but transport costs act like a tax, corrupting and obscuring price signals. This role is often buried in our *ceteris paribus* assumptions. The likes of Marshall have written lots about this, but it was generally overlooked in economics until the rise of economic geography. Moreover, its importance is still underappreciated; witness, for instance, the ongoing debate on infrastructure funding in Congress. Transportation is a critically important service with strong public goods properties. It tends to be undersupplied by the free market and subject to congestion.

You did your transportation GIS files on your own. Why?

I did at one point contemplate seeking NSF support (indeed, Steve Ruggles and I talked about this at one point), but in the end I decided to do it alone. A major factor in this decision was my early experience with GIS. Decisions have to be made on almost a minute-by-minute basis while digitizing, and the difficulty of converting those decisions into rules seemed too much. For example, how close an approximation is "close enough"? Or, "where across this terrain would canal builders have sited their canal, given that is has been silted up and farmed over for a century or more?" It would also have required managing a fairly large team, and my enthusiasm for managing is limited—I've done it before and it really is not one of my strengths. I decided that one person—the person responsible for the digitizing—had to make these decisions. So, right or wrong, I am responsible or to blame. Moreover, learning the ESRI (ArcGIS) software involves a huge investment and has a very flat learning curve, so having invested the effort it seemed sensible that I should try get some return on that investment.

Lastly, much of my professional work has been collaborative – I guess that I "play well with others" – but I also wanted to make a contribution that was uniquely my own. These files are it. (Find them at https://my.vanderbilt.edu/jeremyatack/data-downloads/, as well as at ICPSR and NHGIS.) I view them as a way of giving back to the profession that has been very good to, and for, me, although I have also gotten several publications out of them along the way.

How do you see the evolution of the field from then to present times? Do you think economists and historians in the field are now closer or farther apart from each other?

I don't think that big personalities are as involved in the profession as they used to be, and we are more subject to social (or institutional) control so that "colorful personalities" have less opportunity to blossom. There are still big egos, but people are a little more restrained and circumspect than they used to be. Maybe we have all matured. Also it seems to me there are currently no big contentious debates such as "were railroads important?" or "was slavery a benign institution?" roiling the profession. I don't miss the clashes, but I do think it's a shame that there are no issues in economic history right now that capture the attention of the economics profession and the imagination of the wider public in the way that the Cliometric approach or the slavery debate did. They were good for the field. They made economic history much more interesting to economics departments, creating lots of opportunities for those of my generation. In a sense, though, economic historians have ended up being *too* successful, insofar as our technical expertise has created barriers to entry outside of economics departments and has driven away so many historians whose sense of history and knowledge of sources provided much stimulus and inspiration to our field.

The profession had the opportunity during the recent financial crisis to provide a really useful perspective on the evolution of our financial institutions, their performance, and paths to recovery, but the impact seems to have been less than I would have hoped.

You have made enormous quantitative contributions to the field, not just through your own publications but also in the availability of datasets that others can use. Are you surprised by the findings others have made with your data?

Not really surprised... although I have sometimes—often, even—been disappointed that I didn't think of doing something first! But, in general, I've done with the data what I wanted to do, and I'm happy that colleagues have used it to do other things. I believe strongly in the importance of empirical research and the need to confront theory with fact.

You have provided a public good to the profession...

Data sharing really goes back to my graduate training when I was collecting the 1860 Censuses of Agriculture and Population data for Fred. As I indicated earlier, one goal of the Bateman-Foust sample was to provide a sample for Northern agriculture to complement the Parker-Gallman sample for Fogel and Engerman's work. Moreover, Gavin Wright was working on slavery in the South and wanted some comparable data on Northern wealth distributions, so Fred subcontracted me to Gavin to help on that, sharing the preliminary wealth data from the sample with him. Consequently, I saw the virtues of collaboration early on in my professional life. I found that it also builds enduring friendships.

Lastly: How do you see the role and contribution of the field in a PhD program and in undergraduate programs?

Years ago Deidre McCloskey wrote a very eloquent piece in the Journal of Economic Literature ("Does the Past Have Useful Economics?" June 1976) making the case for economic history within the economics profession, and I think she got it absolutely right. Certainly, after reading it, I never felt the need to be defensive about my chosen field of study and my experience has only reinforced her points.

When I arrived at Illinois there was already a vital, active econ history group –Larry Neal and Paul Uselding, plus Donald Kemmerer, who had just recently retired. Moreover, the next year, the department hired Tom Ulen, a student of Paul David from Stanford working on railroads and regulation. Central to our success at Illinois, however, was a required graduate course in economic history, "General Economic History" that sought to show all graduate students the usefulness of our field regardless of their interests. I believe we succeeded in that goal with the course but, more importantly, it lured students into the field who might otherwise never have thought about it, and who have done very well as a result. (I could name names but the list would be long, and I would prefer to let them self-identify should they so choose!) People never know what they are missing if they don't know their range of options and have the experience. In the end, however, I think the very success of that program, of our students, and the course, that led to its demise as a requirement.

After the course was cut at Illinois–and with it our student pipeline into economic history–Bob Margo approached me about moving to Vanderbilt. They made me a very attractive offer, but deciding key factor was the Vanderbilt Department's willingness to institute a required graduate course modeled upon Illinois'. Again, IMHO, this has played a central role luring students to our field, and we have been able to build from there, hiring Peter Rousseau, then Bill Collins and you (Claudia). Sadly, we (or, rather, the University) were unable to retain Bob, but economic history has remained a real strength of the Vanderbilt department, and I am very happy to see a continuing commitment to maintaining it. Indeed, as you know, we now also have an undergraduate economic history major at Vanderbilt as an alternative to double majoring in economics and history. It is now among the college's most popular majors. ▪

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Fireworks to celebrate Clio!