THE CLIOMETRIC SOCIETY

2017 - 2018 NEWSLETTER

The Newsletter of

The Cliometric Society

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The Newsletter of the Cliometric Society

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Report on EHA 2017

This story is by Geoff Clarke, Kara Dimitruk, German Forero-Laverde, Sijie Li, Cathrin Mohr, Rohit Ticku, and Chenzi Xu. It was edited by Mary Eschelbach Hansen.

Members of the Economic History Association met in San Jose California from September 15-17, 2017. Regretfully, it was not possible to recruit reporters for each of the 16 sessions. Summaries of 10 sessions appear below. Information about the remaining session is available on the conference website (http://eh.net/eha/conference-program-and-papers/).

Session 1: Policy and Identity

Trevon Logan (Ohio State University) presented "Black Politicians Matter," which examines the impact of black politicians during Reconstruction. He isolates two testable policies that black politicians universally favored: land reform and education funding. Logan finds that counties with a local black politician have less sharecropping, and that literacy rates for African Americans increased by six percentage points, narrowing the black-white literacy gap by seven percentage points. Once Reconstruction ends, the effects are reversed. Noting a possible endogeneity in his findings, Logan uses the within-state variation of the 1860 free black population as an instrumental variable.

The discussant, Vicky Fouka (Stanford University), praised the paper. She noted an outstanding question about the end of Reconstruction – Was the reversal of fortunes the result of the black politicians leaving or a reflection of the preferences of the white electorate?

Stephan Heblich (University of Bristol) presented joint work with Christian Dippel (UCLA), "Does Civic Leadership Matter? Evidence from the Forty-Eighters in the U.S." The forty-eighters were failed German revolutionaries who emigrated to America, advocating for freedom and national unity, and, in some cases, enlisting and recruiting for the Union in the Civil War. Dippel and Heblich identify 470 of the Forty-Eighters from biographies, and use town-level information on enlistment and desertion to show that towns with these civil leaders had 20 percentage point higher enlistment rates, and, once enlisted, had a 2% lower desertion rate.

The discussant, Jakob Schneebacher (Yale University), advised the authors to investigate the mechanisms that would cause these effects in the towns in question. He worried about how these effects were distributed among the counties in question. He also noted that civic leaders is a value neutral term, and that it would matter whether the leaders were Gandhi or Stalin. The chair, Lisa Cook (Michigan State University), invoked her prerogative to ask why these German revolutionaries were allowed into the country, when the U.S. had a very different approach to, for example, revolutionaries from Haiti.

Finally, Christoph Koenig (University of Bristol) presented "Loose Cannons: War Veterans and the Erosion of Democracy in Weimar Germany." Koenig estimates the veterans present following World War I, and uses a difference-in-difference approach to find that a one standard deviation increase in the number of veterans in a town leads to a 1.4 percentage point gain for right-wing political parties. This is consistent with the rise of the "stab in the back" propaganda of the period, where leftists were blamed for losing a winnable war. Koenig explores possible mechanisms for this effect, including the censorship of news media on the front lines following 1916.

The discussant, Saumitra Jha (Stanford University), focused ideas by noting that one of these loose cannons was, of course, Hitler, so this project is clearly important enough to be published in a top journal. Jha showed that his own research noted the effects of long-term exposure to combat, and wanted the paper to investigate that as a mechanism, as opposed to the proposed censorship mechanic. He also wondered if there was a difference between soldiers recruited in peacetime and those who joined once hostilities began.

Session 2: Political and Technological Drivers International Trade

Reka Juhasz (Columbia University) began the session with "Drivers of Fragmented Production Chains: Evidence from the 19th Century", which is co-authored with Claudia Steinwender (MIT Sloan). The paper aims to understand the extent to which advances in communications technology increase the share of trade in intermediate inputs relative to final goods. They overcome the identification challenges in the modern day data by studying fragmentation in the 19th century cotton textile industry following the introduction of the global telegraph network They instrument for the timing of countries being connected with the ruggedness of the submarine terrain. They show that goods that were higher up the supply chain, such as cotton yarn, benefited more from the drop in communications time. In other words, communication advances fragmented the production chain.

Discussant Michael Huberman (Universite de Montreal) questioned whether the claim of British hegemony at the mid-century was well founded and suggested there were other significant European competitors. He also wants to distinguish whether trade in the cotton-textile industry could be called global value chains or whether it was intra-industry trade. In addition, given that there were other advances in communications, the gains attributed to the telegraph might be overestimated. Members of the audience were interested in whether the authors have looked at the tariff structure of the importing countries, and whether their supply chain variable might be capturing moral hazard and contract enforceability problems.

Florin Ploeckel (University of Adelaide) presented "Gold and Trade: An Empirical Simulation Approach," which is joint work with Rui Pedro Esteves (Oxford University). The paper models the coevolution of trade regimes and monetary standards during the classical gold standard era of the First Globalization. The relationship between the two has been notoriously difficult to disentangle because of their co-evolution: countries signed trade agreements because they were on the same monetary standard, but they also join the monetary standard because they already traded with each other. The model captures the reciprocal influence and dependence between network ties by giving countries separate objective functions for monetary standard behavior and trade network formation. They find that monetary regimes shape trade on the intensive margin but not the extensive margin, and they show that that trade ties significantly influenced the choice of monetary regimes.

The discussant, Christopher M. Meissner (UC Davis), was interested in understanding the intuition of the network analysis and how the results would change given parameter choices. For instance, in the network model, all choices are dyadic, but what happens if a few dyads (such as Britain and France) are more influential? With respect to overcoming endogeneity, they need to assume conditional independence from the error term, but it would be interesting to allow for spatial correlation in the error term because of the historical events of region-wide meetings convened for the specific purpose of coordinating policies. He also pointed out that while the colonies were not considered to be independent nations, many of them were able to choose their own monetary regimes. Finally, the monetary regime was modeled as an ordered choice, but the more natural specification would be a multinomial one. The first question was about how decisions regarding monetary standards were actually made and referenced the international monetary conferences again. Aldo Musacchio (Brandeis University) was interested in the political economy perspective: Could the model predict when a country should adopt the gold standard? A final questioner humorously asked how the telegraph would have affected the decisions.

Walker Hanlon (New York University) presented "Dynamic Comparative Advantage in International Shipbuilding: From Wood to Steel," which measures the extent to which initial cost advantages affected the spatial distribution of production and trade in the long-term. The context is the shipbuilding industry from 1850-1912, which underwent the transition from wood to metal ships. There is a clear pattern of initial resource endowments (US and Canada have cheap wood while Britain has cheap iron), and indeed Britain had an early lead in metal shipbuilding. He compares American shipbuilders on the Atlantic coast (which were open to British competition) and those in the Great Lakes region (which were insulated geographically) and finds that the former group took much longer to transition to metal shipbuilding. He argues that the main mechanism driving the

Upcoming Conferences

April 27-28, 2018
Cliometrics Conference
http://cliometrics.org/conferences.htm

June 4-5 2018
2nd International Conference on Cliometrics and Complexity
https://cac2018.sciencesconf.org/

September 7-9, 2018
Economic History Association
https://eh.net/eha/economic-history-association-2018-annual-meeting/

persistence of Britain's lead was the pool of human capital.

Discussant Dave Donaldson (Stanford University) related the paper to the infant industry protection argument that positive knowledge externalities + learning by doing + (external) increasing returns to scale leads to persistent effects. He was curious about how the first-mover advantage described in the paper relates to that standard argument, and he wanted to know about the persistence past WWI. He suggested a more structural approach: Figure out the geographical scope of each market and use that as the unifying variable of interest for protection. The intuition is that the coast faces competition from all coastal producers while the Great Lakes do not, and incorporating the market access terms would also make the estimates more comparable to those in other papers. Audience members were interested in how the British Royal Navy protected the British industry and helped it to transition to steel. Rick Hornbeck (University of Chicago) suggested that the mechanisms in the paper sounded more like agglomeration than market access and that the finding was that openness to trade harms agglomeration.

Session 4: Macroeconomic Regime Change

The session began with Christopher Hanes' (Binghamton University) presentation of "Wage Inflation in the Recovery from the Great Depression." The paper aims to explain the puzzle of rising wages in the face of increasing unemployment after the Great Depression. He sets the stage by distinguishing between a "boring, traditional" explanation and alternative "more fun" explanations. The former includes the New deal, increased bargaining power of employees and the lack of wage cuts. The latter includes insider-outsider models and the hysteresis hypothesis, downward nominal wage rigidity, an increasing link between wages and profit, and the new Keynesian expected inflation mechanism (NKEIM). He indicates that, under the NKEIM framework, changes in future inflation expectations should have an immediate effect today, so NKEIM would explain why changes in the Fed's monetary policy stance in 1933-34 could have caused wage inflation in a context of unemployment. Using a detailed monthly database of wage inflation, changes in monetary policy, and changes in labor laws he finds no evidence for the NKEIM. Rather, spikes in wage inflation coincide with

Palm Row in San Jose. Photo credit: the_tahoe_guy / CC BY 2.0 changes in labor policy.

In the discussion, Andy Halil (Occidental College), highlighted the time series evidence as convincing. However, he was caution about the conclusions regarding the NKEIM mechanism because the monetary policy regime shift was not tried at the time. Through graphs and excerpts of newspaper articles, he showed that inflation expectations increased during the spring of 1933 but decreased substantially during the summer of the same year. He indicated that he believed that during the first months of 1933 the commitment to higher inflation was a clear shift from previous policy, and the market took it as such. However, he also believed that by mid-1933 the commitment had stopped being credible, and in that sense, the NKEIM may have stopped working. Other attendees worried about generalizability because the results did not account for different sectors of the economy as the wage data correspond only to the manufacturing sector.

The second paper of the session was "Does Social Security Crowd Out Private Savings? The Case of Bismarck's System of Social Insurance", which was presented by Jochen Streb (University of Mannheim) and coauthored with Sibylle Lehmann-Hasemeyer (University of Hohenheim). The paper asks is whether the implementation of a social security scheme during the late-19th century in Germany affected workers' expectations about the future and thus the growth of private savings. Savings and social security benefits can be either complements or substitutes. If the latter is true, then a crowding out of savings should be evident from the data. The paper exploits the fact that the different social security benefits (unemployment, old age, and health) were implemented at different times for different sectors of the German economy. Savings data cover private banks for different German regions. The difference in difference strategy shows that although, savings increased in absolute terms due to an income effect, there was a crowding out effect from the implementation of a social security scheme. The growth in savings during the period was important, but not sufficient, to replace the benefits obtained from social security.

In the discussion, Peter Lindert (UC Davis) wondered how much savings Bismark's actions crowded out. He wanted to know more about the economy-wide effects on national accounts, as an example, he offered a computation that showed a reduction of savings of 0.5% of GDP per year. He also wondered whether there was a distinction to be made by the type of program implemented (health, unemployment or old age) or by the source of funds for the program (paid by the employer, employee or state). Finally, he wondered about the possibility that Germans began depositing there savings elsewhere.

The final paper of the session, "The Volatility of Money: The Call Money Market and Monetary Policy Regime Change," was presented by Caroline Fohlin (Emory University). The paper offers an extensive daily dataset ("constructed with the aid of an army of RAs") on call money loan rates from 1900 until 1933. She describes three main monetary regimes during the period: a period of national banking with no central bank (1900-08); the Aldrich-Vreeland Act era with the creation of the Monetary Commission (1908-14); and the era of the Federal Reserve as a central bank with lender of last resort capacities (1914-33). She uses the data to test the hypothesis that the creation of the Federal Reserve altered expectations, reduced seasonality in the call market, and reduced both the level and volatility of rates. She uses structural break tests to show that the Fed had no effect, but that the Aldrich-Vreeland Act did.

In his discussion of the paper, Eugene White (Rutgers University) highlighted the importance of the massive dataset. Nonetheless, he worried that focusing on call money rates, which is only a subset of all available information in the source, is missing information on market stress, which may also be relevant to understanding the period. He wondered whether the Aldrich-Vreeland Act actually had bite, and wanted Fohlin to consider whether he creation of the Fed might have had a delayed effect on the market.

Session 6: Income Inequality and Mobility

Frank Warren Garmon, Jr. (University of Virginia) opened the session with "Social Mobility and Inequality at the Creation of the American Republic." The paper explores the relationship between the distribution of wealth and the change in the level of wealth over time. The motivation is that there is no straightforward prediction of who will benefit from economic growth. To trace the pattern of wealth holdings, Garmon uses a comprehensive survey of state property tax records. He finds that American wealth was more unequally distributed in the early republic than previous historians have suspected. He confirms that national real wealth declined substantially following the American Revolution.

Letter from the Editor

Dear Clioms,

This issue of the *Newsletter* is my final one as Editor. It's also the final *Newsletter*, at least for now.

Since 2006, I have edited reports on the meetings, forwarded announcements, and coordinated interviews. It has been a joy to serve. During this time, we moved from snail-mailing paper *Newsletters* to e-mailing PDFs. That change reflected a desire to reduce our use of resources, keep dues low, and increase the timeliness of reports.

We've gone two for three. As you can see, there is now a considerable lag between meetings and issues of the *Newsletter*. In fact, in this issue, I have compiled reports of the 2017 meetings of both Clio and EHA. In part, the delay reflects my personal failings. (I won't bore you with a list; that would take a lot of space.) But in part, the delay reflects the difficulty of recruiting and coordinating a sufficiently large group of reporters.

At this time, the Board does not have plans to continue the *Newsletter*. Abstracts of conference papers and future interviews will be shared on the Clio Society website (http://cliometrics.org/).

Sincerely,

Mary Eschelbach Hansen
Editor

Meet your New Executive Director

Melissa A. Thomasson is Julian Lange Professor of Economics at Miami University in Oxford, Ohio, and Research Associate at NBER. She has been at Miami since 1998, when she completed her PhD at the University of Arizona under the supervision of Price Fishback.

Her research on the economic history of health and health care appears in the *AER*, *JEH*, *Explorations*, *Demography*, and the *Southern Economic Journal*. Her work is often cited in the press (including The Financial Times, the New York Times and several popular NPR-distributed shows including All Things Considered, This American Life, and Marketplace. In September 2017, she was invited to testify before the Senate Committee on Homeland Security and Governmental Affairs on "The History and Current Reality of the U.S. Health Care System." She is working on a book manuscript tentatively titled *Medical History: What he Past Says about Health Care Reform and the Future of U.S. Health Insurance*.

Prof. Thomasson began her service as Executive Director of the Cliometric Society In September 2017. She succeeds Michael Haupert (UW-Lacrosse) and is the fourth to serve the Society as Executive Director.

What are the responsibilities of the Executive Director?

Varied! It's been a learning curve as we move operations from UW-LaCrosse to Miami. The Executive Director handles membership, the budget, and puts out calls for papers and Clio Fellows nominations. In addition, the Executive Director acts as the emcee at the Clio conference, and serves on the program review committee for the conference.

What are your goals/hopes for the Society over the next few years?

In the first year, we hope to make the Clio website more user-friendly, and launch a presence on social media. Stay tuned!

We'd like to continue the strong engagement of graduate students and young scholars, and encourage not-so-young scholars to stay active as well.

Joseph Ferrie (Northwestern University) spoke highly of this project, citing its "impressive data collection" noting that it will "open new avenue for future research." He said he wish he had thought of it himself. He wanted to know more. He asked: How broad is the tax base? Does it vary across states? What if someone sells land and move the assets? Could the falling wealth come from composition bias due to age?

James J. Feigenbaum (Boston University) presented "Woman's Suffrage and Intergenerational Mobility," which examines the impact of the extension political opportunity on economic opportunity. The expansion of the vote to women in the U.S. happened on a state-by-state basis from 1869 to 1920, so children in different states were "treated" by gender-equal suffrage for different lengths of time. He finds a higher absolute mobility for whites and no effect on blacks. He also finds a lower relative mobility. Possible mechanisms are an increase in education or the increased probability of moving to cities.

Shari Eli (University of Toronto) described this project as a paper that is off to a wonderful start. She wanted to know how Feigenbaum addresses migration in the data: "How about a child born in one state then move to another state that have different suffrage passing year?" She suggested using first name to keep women in the sample, as first name is a good proxy for socioeconomic status. Because a change in aspiration for women is difficult to pick up, a suggested workaround is to consider the change in membership of political active women's clubs. Concerns were also expressed about selection: Did women move to states where they could vote?

Zachary Ward (Australian National University) presented "The Not-so-Hot Melting Pot: The Persistence of Outcomes for Descendants of the Age of Mass Migration," which examines the correlation of the grandfather's and the son's outcome, and interprets it as "ethnic capital." This paper tries to explain why the intergenerational elasticity (IGE) in the nineteenth and early twentieth century found is high in general but low at the group level. Ward linked three generations using the census complete count data for 1880, 1910 and 1940. He finds that group average persists through three generations due to sorting into neighborhood where the grandparent lived in 1880.

Santiago Perez (UC Davis) discussed the paper and proposed two alternative ways to interpret the findings: Could the findings be the result of the neighborhood of the grandparents? Could the neighborhood where your grandparents lived provide information about transmission within family that occupational status alone cannot capture?

Session 7: Sectarian Strife and Culture

Rohit Ticku (The Graduate Institute, Geneva) presented "Holy Wars? Temple Desecrations in Medieval India." The paper, which is co-authored with Sriya Iyer (Cambridge) and Anand Shrivastava (Azim Premji University), studies the relationship between authoritarian rulers and religious authority during regime transitions in medieval India. Existing models of such relationships suggest that the victorious Muslim regime would have dismantled Hindu religious institutions to delegitimize the previous regime. Using a novel dataset spanning five centuries, the paper shows that incidence of Hindu temple desecrations by medieval Muslim states is predicted by a Muslim state's battle victory against a Hindu state. However, when a temple location was already under the control of a Muslim state, victory does not predict desecration. These results substantiate the political mechanism behind temple desecrations and provide no evidence for indiscriminate desecration of Hindu temples that would allude to a policy of religious iconoclasm perpetuated by medieval Muslim states.

Jared Rubin (Chapman University), who was the paper's discussant, commended the authors for their data collection work and their use of an innovative instrumental variable design to establish causality. Opening the discussion to the audience, Rubin wondered how to make such a niche topic more appealing to the economists. Joel Mokyr (Northwestern University) noted that desecrations of sacred places were a general phenomenon and this should be emphasized in the paper. Furthermore, he suggested that a theoretical framework that explains the empirical findings would make the paper more appealing to the general economic audience.

Heyu Xiong (Northwestern University) presented "Sectarian Competition and the Market Provision of Human Capital." The paper, co-authored with Yiling Zhao (also Northwestern), studies the effect of denominational diversity on the provision of higher education. The paper formulates a basic model of school choice, entry, and denominational affiliation. Using a county level dataset on religious composition and church membership, the paper shows that religious diversity induced educational investment by softening the disincentives from tuition cost and distance to travel.

Arthi Vellore (University of Essex) commended the paper for its data work and for the fact that it neatly exhibits the consequence of religious diversity on economic outcomes through education. One commentator remarked that the choice to put a kid in school is "due to the big S word which no one in this room wants to discuss …it's called Sociology," evoking peals of laughter.

Session 10: Property Rights and Corporate Governance

Eduardo Montero (Harvard University) started a lively session with is presentation of "Cooperative Property Rights and Agricultural Development: Evidence from Land Reform in El Salvador." The paper explores the effect of cooperative ownership structure on agricultural development in late 20th century El Salvador. The motivation is to study how cooperative, as opposed to private, ownership structure in agriculture influences allocation and investment incentives and, consequently, agricultural productivity. To address this classic question, he uses a regression discontinuity design to examine the effects of land rights reforms where land was taken from private-owned haciendas. Key findings show that cooperatives were less productive on average but they devoted less land to cash crop production and more to staple crops, like maize.

Stephen Haber (Stanford University) highlighted ideas behind the results: the cooperatives, while not private property, had lower productivity but may still be better! They may be better because production is in staple crops, where members could consume their production, and where less is skimmed off the top (as was likely in haciendas). Alan Dye (Barnard College) raised important questions about understanding how land rights reform in the rural areas correlate with drug trafficking, violence, and uncertainty. Marie Duggan (Keene State College) drew parallels to collective property rights in Indian congregations under Spanish rule in 18th century California.

Itzchak Tzachi Raz (Harvard University) continued the session with "Use it or Lose It: Adverse Possession and Economic Development." The paper addresses a central issue in economic development: security of property rights. The paper studies how the presence of adverse possession laws across U.S. states made rights less secure by threatening to give idle land from landowners to adverse possessors. Using variation in timing on changes in 19 state laws, he finds that areas with "less secure rights" had greater agricultural productivity on average.

The findings raise important questions about how economists and economic historians think about property rights and development. Discussant Zorina Khan (Bowdoin College) provided detailed historical and legal background on state laws on adverse possession and explained how it worked in practice. Using a series of informative visual aids, she argued that adverse possession was not really "use it or lose it," but was "exclude it or voluntarily transfer ownership." Craig Palsson (Naval Postgraduate School) asked, "If landowners lost their land, were the compensated?" Alexander Persaud (University of North Carolina-Asheville) was curious to find out more about how the laws related to absenteeism in general.

Amanda Gregg (Middlebury College) closed out the session with "The Births, Lives and Deaths of Corporations in Late Imperial Russia." This work, joint with Steven Nafziger (Williams College), studies the life cycle of firms in industrializing Russia. The paper details the tip of the data iceberg. They have constructed a 15-year panel on firm entry and exit. The data contains information across sector, age, size, profitability and governance forms for all active corporations between 1899 and 1914. The preliminary findings show that the corporate sector appears to be quite flexible, with new entrants appearing to respond to market opportunities and where new entrants converged to incumbents within industries.

Paul Gregory (University of Houston and Hoover Institute) emphasized how their ambitious program of research will help us to understand a particularly important time in Russian history - on the 100th year anniversary of the Bolshevik Revolution! The institutional constraints – a lack of low-cost and flexible methods of incorporation - of their period of study has been hypothesized to be important in the revolution, but there was not much data. He expected their research would shed light on this historical puzzle. Stephen Haber asked if corporate charters were used to limit entry in the absence of a law on general incorporation. Many attendees wanted to know more about the details and possible uses the data. Questions ranged from how it can help us think about vertical integration in industries like mining and chemicals (Alexander Persaud), to if there is information on foreign investors in Russian firms (Alan Dye), to the personal identities of the firm owners and founders and geography of firms entry and exit (Naomi Lamoreaux, Yale University). Phil Hoffman (CalTech) took the chair's privilege and offered the final remarks, which should be dear to all economic historians' hearts: Is there any reason not to trust the data? For example, was there any incentive to misreport, say, if the source was used for tax purposes?

Session 11: Migration, Mobility and Factor Endowments

Rowena Gray (UC Merced) presented "Importing Crime? The Effect of Immigration on Crime in the United States, 1880-1930." The paper, co-authored with Giovanni Peri (UC Davis), studies the relationship between influx of Italian migrants and crime in the United States in the period between 1880 and 1930. Rowena solemnly noted that when they embarked on the project the research question was not as important as it seems now. Perhaps pre-empting the audience reaction, she next showed pictures Chicago and LA Public library archives as proof of their data collection effort, which helped to lighten up the atmosphere. The paper shows that, in a period of open borders and substantial inflows, there was no overall relationship between immigration and crime. However, some immigrant groups were initially over-represented in arrests in 1880, but they became much less so in later decades.

Gregory Clark (UC Davis) was up next. He presented "The Big Sort: Selective Migration and the Decline of Northern England, 1800-2017." The paper, which is jointly written with Neil Cummins (LSE), addresses the relative decline of the North of England relative to the South. Using data on surnames that had different geographical distributions in England in the 1840s and a detailed genealogy of 78,000 people, the paper shows that the outmigration of the talented from the North to the South is the main explanation of the economic divergence. The results suggest that policies designed to facilitate investment in the North were unlikely to yield better economic outcomes for those who remained.

Steve Broadberry (Oxford University) said that the paper essentially pitted the "bad geography" hypothesis against the "bad people" hypothesis. However, he suggested that reconsidering the problem in the New Economic Geography Framework would demonstrate that geographical differences can be man-made. This, in turn, would suggest that an active investment policy designed to facilitate agglomeration would help to bridge the regional divide. The irony was not lost on Professor Broadberry that the person currently in charge of England's industrial policy also went by the name of ….Gregory Clark.

Erik Prawitz (Stockholm University) presented the final paper of the session entitled "Mass Migration, Cheap Labor and Innovation." The paper, co-authored with David Andersson and Mounir Karadja (both Uppsala University), studies the determinants of innovation in Sweeden during the Age of Mass Migration (1850-1913). The paper uses new data to show that emigration increased technological patents in the sending municipalities. This suggests that increased labor costs, due to low-skilled emigration, could have been the likely mechanism. One commentator noted the "amazing" data on individual emigration records that was collected from parish church books. These data were complemented by passenger records compiled by shipping companies. Another commentator noted that remittances could be another mechanism through which emigration benefits technological innovation, and this needed to be investigated further.

Session 12: Capital Requirements, Banking and Financial Stability

Alan M. Taylor (UC Irvine) began the session with "Bank Capital Redux: Solvency, Liquidity, and Crisis," which is co-authored with Oscar Jorda (also UC Davis), Bjorn Richter, and Moritz Schularick (both University of Bonn). The paper examines the relationship between higher levels of bank capital and the incidence and severity of financial crises, which is particularly relevant for designing policy aimed at reducing systemic banking crises. The first part of the paper describes a new dataset that presents the history of bank balance sheets going back to 1870 for 17 countries. The second half of the papers shows that lower capital ratios do not predict financial crises, but that, conditional on experiencing a crisis, higher capital ratios appear to mitigate their severity. Peter Rousseau (Vanderbilt University) commended the enormous data collection effort and commented on how this paper builds on the authors' previous work showing that credit growth is by far the best predictor of financial crises historically. He was worried that a structural break in the pre-WWII period could be driving the results. Taylor responded that the results are robust even when restricted just the post-WWII period. Barry Eichengreen (UC Berkeley) suggested that the results for the first half of the period are driven by areas with underdeveloped deposit banking, which could be causing more crises. Peter Koudijs (Stanford Univeristy) pointed out that credit growth predicts financial crises in earlier work and capital ratios have the opposite effect in this work. Taylor pointed to the growing importance of non-standard balance sheet entities as an explanation.

Michael Gou (UC Irvine) presented "Did Capital Requirements Promote Bank Stability in the Early 20th Century United States?" The paper uses regression discontinuity to study whether capital requirements in commercial banks promoted bank stability in the long run. He exploits federal laws that raised capital requirements on banks located in areas above certain population thresholds. He compares the choices and outcomes of similar banks operating in similar towns just above and below the threshold. Although banks with higher capital requirements held more capital, they also increased lending. Their leverage ratios and suspension rates were similar. Matthew Jaremski (Colgate University) led the discussion. He emphasized the importance of understanding capital ratios for modern banking regulation. However, he noted that capital requirements in the 19th century should be interpreted differently than in the modern day because they did not scale with risk or portfolio holdings. The author was encouraged to discuss how his results would translate to the modern period given the different nature of capital requirements. Colin Weiss (Federal Reserve Board of Governors) asked how correlated the portfolio composition was with the capital requirement, and Barry Eichengreen suggested looking at state banks in the same towns because they often had lower or even no capital requirements.

Asaf Bernstein (University of Colorado, Boulder) presented "Costs of Rating-Contingent Regulation: Evidence from the Establishment of 'Investment Grade.'" The paper uses the unexpected introduction of regulation in 1936 that prevented banks from investing in bonds below "investment grade." He shows that this question would be difficult to study in the modern era because firms adapt their behavior so that their bonds fall just above the threshold, whereas there is no such bunching historically. Using a differences-in-differences strategy, he finds that debt becomes more expensive for non-investment-grade bonds. He also finds a decline in the equity value of firms that rely on this type of external debt financing. Peter Koudijs discussed the paper through the lens of the Modigliani-Miller result, and gave a simple portfolio composition model of the frictions preventing firms from simply substituting expensive, speculative debt issuance with a composition of cheaper, investment-grade debt issuance and equity. He argued that making debt safer would transfer firm value from equity holders to debt holders, and this was unpalatable to equity holders. He encouraged the author to include a model of the frictions in the paper. Barry Eichengreen opened the questions by asking whether rating agencies changed the way they interacted with firms rather than being passive actors, and the final question was whether bond trading looked different in the 1930s because of the build-up post-1929.

Presidential Address

Michael Bordo (Rutgers University) delivered his President's Address on Saturday evening. His talk, entitled "An Historical Perspective on the Quest for Financial Stability and Monetary Policy Regimes," was wide-ranging, providing an outline of monetary regimes, a brief historical background of banking crises, and a warning about the current direction of monetary and fiscal policy. It was a powerful argument for economic history as an important tool for policy makers.

Bordo began by discussing monetary regimes, and he summarized the four eras of monetary policy. First came the specie standard, Bordo noted the continued advocacy for the gold standard by some, observing that they "wanted to go back to the good old days of choo-choo trains and the gold standard." Second was the interwar gold exchange standard; third was the Bretton Woods agreement. Finally, we are in the era of the managed float. He briefly discussed the advantages and flaws of each. The gold standard was stable. The interwar exchange standard saw the rise of the dual mandate. The Bretton Woods period featured financial repression. Banking crises are more common in the managed float period.

These regimes were implemented, for the most part, by central banks, and the central banks became better at understanding and fulfilling their responsibilities over time. However, the learning process of these banks was not linear. It was more like a pendulum, with the best period in 1985-2005, the Great Moderation. The one clear area of positive progress in central banking was a greater understanding and awareness of the central banks as lenders of last resort to failing institutions.

The best example of this learning is the period after the Great Moderation, the global financial crisis. The impact of this crisis on banking was less than in the 1930s due to central banks quickly fulfilling the role of lender of last resort. Following the resolution of that crisis came calls for monetary authorities to act in the future to deflate asset price bubbles.

After laying out the monetary regimes, Bordo turned to a selection of banking crises to illustrate the heterogeneity of causes of these crises. He illustrated each of these crises with pictures or caricatures of the crisis in question, noting the similarity in each of many angry people standing around - only the clothing had changed. His broader point was that, while many crises through 1907 were caused by a failure of central banks to be the lender of last resort (or, in the case of the United States, the lack of a central bank), the genesis of later crises were more diverse.

Bordo provided some empirical analysis (what he called "ocular econometrics,") showing graphically that the incidence of asset price booms and busts, credit booms and busts, and financial crises rarely coincide.

Bordo demonstrated that banking crises have many causes, and that they are hard to classify, much less predict (he did note that Canada has so far been immune to financial crises). The two most severe episodes of financial distress were the Great Depression and the global financial crisis. These two were clearly larger discontinuities than other crises of the past 200 years. But is it good policy to enact changes based on the "perfect storm" of the global financial crisis? The policies resulting from the Great Depression led to over forty years of financial repression. If policy makers today do not put the global financial crisis in the correct historical perspective, they risk creating another repressive regime, which would limit economic performance and increase the risk for another large crisis in the future.

President's Banquet

Price Fishback (University of Arizona) emceed the EHA Presidential Banquet. He reported that the EHA Board of Trustees announced that they were going to send the following statement to the econ job market rumors web sites:

The Economic History Association prides itself on its openness to all, regardless of gender, sexuality, race or religion. The EHA embraces a spirit of respect and tolerance to foster collegiality and to encourage and develop graduate students and faculty.

The values exhibited on the internet message board, Economics Job Market Rumors, are antithetical to those we embrace. The Board of Trustees condemns unequivocally the abusive language on the EJMR site, including but not limited to the sexist, racist, homophobic and anti-Semitic statements. This type of language has no place in academic debate and discourse.

Many attendees joined in signing the statement.

The next speaker was Eugene White, who spoke about EHA President Michael Bordo. The main take away was that Bordo is Canadian. Very Canadian. In addition to being Canadian, he is also very productive. White showed that Bordo has, in fact, written more pages than are in the Harry Potter series. White claimed that Bordo's page count is surpassed only the Babylonian Talmud, but forecasted that by 2023 Bordo's work will exceed event the Talmud's length.

Price Fishback quizzed the audience on many useful facts, such as which of Bordo's books does not have a cover picture on Amazon. Winners got to take home some of Bordo's books.

The Alexander Gerschenkron Prize for the best dissertation in economic history dealing with an area outside the United States or Canada was awarded to Michaela Giorcelli (UCLA) for her thesis titled "Economic Recovery and the Determinants of Production and Innovation: Evidence from Post-WWII Italy." The Allan Nevins Prize for the best dissertation in U.S. or Canadian economic history was awarded to Vellore Arthi for her thesis on "Human Capital Formation and the American Dust Bowl."

The Arthur H. Cole Prize for the best paper in the Journal of Economic History went to Trevon D. Logan and John M. Parman (College of William and Mary) for "The National Rise in Residential Segregation," published in the March 2017 issue.

The Larry Neal Prize for the best paper in Explorations in Economic History went to James Feigenbaum and Christopher Muller (UC Berkeley) for "Lead Exposure and Violent Crime in the Early Twentieth Century" from the October 2016 issue.

This year's awards ceremony also introduced two new awards. The Distinguished Referee Award will go to referees that wrote exceptional referee reports. This years' winner will be announced in the following weeks. The new Gallman/Parker award for lifetime achievement in Data Preservation to Michael Haines (Colgate University). In his acceptance speech, Haines acknowledged that data work "is so boring and so important." He reminded us that "cooperation is better than competition, you have to help each other."

The Gyorgy Ranki Biennial Prize for an outstanding book in economic history of Europe was awarded to Bruce M. S. Campbell (Program on Climate Change, Agriculture and Food Security) for his book "The Great Transition: Climate, Disease, and Society in the Late-Medieval World," which the jury found to be "a labor of love." Last, but not least, the Jonathan Hughes Teaching Prize went to a person whose lectures were so good, that students would re-watch his recorded lectures after the semester was over: Nicholas Crafts (University of Warwick).

Session 13: Education and Innovation

In the session on "Education and Innovation," Nicola Boanchi (Northwestern University) presented his and Michela Giorcelli's paper "Scientific Education and Innovation: From Technical Diplomas to University STEM Degrees." They study the effect of a change in the university admission requirements for studying STEM subjects in Italy on innovation. There seems to be a heterogeneous effect: While high achieving students innovate less, lower achieving students innovate more after the change occurred.

Petra Moser (NYU) discussed the paper, and pointed out how much data work her two former students had to do for this project. (In fact, she even advised them to stay away from this project, because it seemed too labor intensive from her point of view.) She suggested that they compare the innovation patterns of students who would have always been allowed to study STEM subjects to students who would never have been allowed to do so. In addition, she pointed out the difficulties associated with patents from managers, as managers' names are often added to patents, even if they were not involved in their development. Lisa Cook wondered whether the data could help us learn something about gender differences. However, the authors said that 99% of students at technical schools during the period of this project were male.

Ewout Frankema (Wageningen University) and Marlous van Waijenburg (Northwestern University) jointly presented "Here Has All the Education Gone: The Free-Fall of Skill-Premium in Sub-Saharan Africa and South Asia, c. 1860-2010." They try to get a better understanding why increases in educational capital in developing countries does not result in higher growth rates. Using a new database, they find that the skill premiums in developing countries were high at the end of the 19th century (around 400%), and they dropped significantly until 1990 (to around 20%). They argue that supply of skills was higher than its demand and that the price of skilled labor consequently fell.

Leigh Gardner (LSE) discussed the paper, and he praised the new dataset. However, a few questions remained from her point of few. Both regions had forced labor systems, which makes the interpretation of wages at this time difficult. Racial differences could also be reflected in occupational patterns and the wages of different occupations. It is also not clear whether the quality of skills remained constant.

Alexander Dongers (University of Mannheim) presented "The Impact of Institutions on Innovation," which is co-authored by Jena-Marie A. Meier and Rui C. Silva (both London Business School). They study the effect of a new set of institutions introduced by the French during their occupation of some German territories on innovation. They find a positive effect of institutions on innovation, especially for high tech (i.e., chemical or engineering) patents.

Giampaolo Lecce (Bocconi University) praised the wide range of robustness checks. However, he was not sure whether it is correct to call the French institutions "inclusive" because it suggests wrongly that political power was broadly distributed in society. In addition, he suggested that the authors include the Duchy of Warsaw as "treated" by the new institutions because it implemented the Napoleonic Code even though it was not occupied. Joel Mokyr pointed out that France did not only occupy Germany, but also other countries, and that this occupation was "a disaster" in the Netherlands and elsewhere. It was also stated that many countries modernized their institutions as a reaction to a French threat, but they were not occupied.

Session 14: Trade, Finance and Growth

Eric Hilt (Wellesley College) presented "Banks, Insider Connections, and Industrialization in New England: Evidence from the Panic of 1873." Using a new and robust data set on Massachusetts corporations from the 1870s, he finds a high level of interlock between banks and corporations: 59% of firms had at least one bank officer as a director. He uses the presence of these banker-directors to see how firms reacted differentially to the Panic of 1873. His differential analysis finds that the presence of a banker on the board reduces the probability of firm failure by eight percentage points (which is 21% of the overall failure rate), increases the annual growth rate of the firm by 5.6 percentage points, and reduces the potential credit rating downgrade by 0.8 of a rating grade. In sum, the easier access to credit helped these firms weather a major U.S. financial crisis.

The discussant, Tyler Goodspeed (King's College, London), wondered which member of the firm-bank relationship asked for the pairing. Were banks demanding seats on boards in exchange for credit, or were firms seeking out bankers in order to get easier access to credit. He also asked if the performance was because of an ex ante reduction in risk-taking rather than ex post access to credit. Hugh Rockoff (Rutgers) asked about the difference between safe and fragile banks, and Hilt noted that Massachusetts bankers were very conservative at this time, so a different state like Pennsylvania may give different results, but no other state had the rich data that was available in Massachusetts.

Chenxi Xu (Harvard Univeristy) presented "Financial Frictions in Trade: Evidence from the Banking Crisis of 1866." She uses the British financial crisis, precipitated by the failure of the Overend and Gurney bank, to analyze how a shock in an age of globalization would propagate across the world. She collects a new data set of bills discounted by the Bank of England, along with shipping data from Lloyd's List and other data sources. Using difference-in-difference and city and day fixed effects, she finds that a one standard deviation in English bank capacity leads to a 2% decline in exports worldwide. This effect is concentrated in the periphery, and it shows how worldwide trade can be impacted by a crisis in the dominant financial market of the world economy.

The discussant, Mark Weidenmeir (Chapman University), noted that the eight-month data range might allow for some effects from the seasonality of trade, and that the U.S. Civil War may impact the results. One audience member asked about the long time frame of shipping, noting that it may take up to six months for some of these ships to reach these ports, and that the communication lag between, for example, London and Shanghai, would still be quite long.

Kim Oosterlink (Libre de Bruxelles) presented his joint work with Olivier Accominotti (LSE) and Philipp Kessler (Mannheim), "The Dawes Bonds: Selective Default and International Trade." There are four commonly believed reasons why sovereigns repay debt: to ensure their reputation, because the bondholders may have collateral, fear of super-sanctions (e.g. gunboats), and trade sanctions. The authors doubt the validity of this fourth mechanism, and support their assertion with the case of Dawes bonds, which were bonds issued as part of German reparations after World War I. One version of these bonds were denominated in pounds, and listed separately in London, Paris, Zurich, and Amsterdam. There were restrictions on ownership, which meant that arbitrage between these markets was eliminated. The authors show that, after Germany defaulted on the bonds in 1934, bond prices in London was much higher than in other countries because the UK entered a generous renegotiation agreement with Germany. Other countries imposed sanctions on Germany, and they received less payment of interest on their bonds. Sanctions were less effective than renegotiation in this case.

The discussant, Kirsten Wandschneider (Occidental College), called this the perfect economist paper because it concludes, "It's complicated, and it depends." She wondered whether the comparison should be between London and the continent and whether there could be reverse causality. She also noted that the threats for repayment are not made in isolation, but rather in combination with other threats, so interactions must be noted. Larry Neal (University of Illinois) recommended that the authors a paper on Great Britain's extraction of reparations from Ireland after Irish independence. He noted that this previous experience of Great Britain may have given them an advantage in designing a beneficial renegotiation. ▪

Report on the World Congress of Cliometrics 2017

This article was written by Hakon Albers, Pamfili Antipa, Emilie Bonhoure, Oliver Bush, Jacky Charles, Annalisa Frigo, Philipp Kessler, Maxwell Kiniria, Matthijs Korevaar, Ousmène Jacques Mandeng, Stephan Maurer, Keith Meyers Alain Naef, Bin Xie, and Franz X. Zobl. It was edited by Mary Eschelbach Hansen.

The World Congress of Cliometrics was held in Strasbourg July 4-7, 2017. It was not possible to obtain a report on every session, but this article summarizes many of the more than 70 sessions. The complete set of abstracts of papers presented appears at http://cliometrics.org/pdf/2017-world-clio-abstracts.pdf.

Heyu Xiong (Northwestern University) presented his joint work with Susan Ou (also Northwestern) called "Linguistic Barrier to State Capacity and Ideology: Evidence from the Cultural Revolution." It attempts to understand the influence of media on the transmission of state ideology. The study examines the effect of radio propaganda on the intensity of the Chinese Cultural Revolution during the 1950s, and it explores how the intelligibility of dialects with Mandarin affected the effectiveness of radio coverage. The presence of radio coverage increased revolutionary activities and the effect was more pronounced in counties where Mandarin was better understood.

In the discussion, Eric Schneider (LSE) pointed out a potential issue of data collection: The death toll may be strategically underreported because it was collected by local officials. The estimates may be a lower bound of the true effect. Myung Soo Cha (Yeungnam University) asked if the authors considered the impacts of regional population density and historical violence. Heyu responded that they have controlled for these confounding factors. Florian Ploeckl (University of Adelaide) and Chris Colvin (Queen's University Belfast) suggested a closer examination of the exogeneity of the location of radio station (e.g., where it was based on the demand for radio coverage, who listened to radio) and its interaction with pre-existing media coverage (e.g., circulation of newspapers). Heyu responded that they had recently improved the measure of radio coverage to include an interaction of presence of nearby radio stations and geographical characteristics of the county. The new version is less reliant on the actual location of radio stations. Susan Wolcott (Binghamton University) and Stephan Maurer (LSE) wondered if there was any long-term effect on other outcomes such as crime, social capital destruction, and self-employment in current labor market.

In the "Not-So-Hot Melting Pot," Zachary Ward (Australian National University) contributes to the study of how immigrants and their descendants integrate into an economy. Using a newly constructed dataset, which links three generations of people in U.S. Censuses, the author compares the performance of persons with an immigrant grandparent to those with native grandparents. Immigrants possess substantially different skillsets relative to natives, but their decedents often perform much better than descendants with only native grandparents do.

Marianne Wanamaker (University of Tennessee) started the conversation with a question about the relevant control group: Did immigrant children converge to their ancestral means? As the discussion progressed, focus shifted towards methods and convergence mechanisms. There were some misgivings about the uses of occupational scoring for social status. (Income data is only available in 1940.) Alexander Persuad (University of Michigan) suggested using the 1915 Iowa Census to observe income of previous generations. Other audience members urged Ward to unpack the institutional factors that might affect convergence.

Leandro Prados de la Escosura (Universidad Carlos III) presented "International Well-being Inequality in the Long Run." The paper examines whether inequality has changed over time. Inequality between the "West" and the rest of the world widened over time. Inequality is related to pensions, or wealth, rather than income. One suggestion was that, in the 21st century, we need to construct data sets.

Michelangelo Vasta (University of Siena) wanted more about human capital, and he wondered if literacy still captures well-being. Claudia Rei (University of Warwick) wondered what is gained from Leandro's measurements. Others worried that too much importance was placed on the old and too little on the young. Leandro thought that this was incorrect. He felt that the increase in life expectancy increased the quality of life for everyone.

In his study of the *Reichsbank*, Ousmène Mandeng

(LSE) exploits the particular organization of German central banking during the 1870s and 1880s to show that a decentralized central banking system with competing individual banks can, in fact, work well and provide a stable monetary environment. He stresses the role of the amount of note issuing and differential private discount rates for prime borrowers as the main channels of competition between the federal *Reichsbank* and regional *Privatnotenbanken*. Using monthly balance sheet data of the *Reichsbank* and the six largest private banks of issue, he employs a Structural VAR model to show that the *Reichsbank* competed with individual private banks of issue in their respective regions. Moreover, the system as a whole was stable because structural innovations emanating from any one bank were quickly absorbed by the other banks.

The discussion centered on the institutional setting and the concept of competition employed in the paper. Chris Hanes (Binghamton University) asked about the role of bank deposits, and he questioned if there was really a difference between commercial banks and banks of issue at the time. To Masato Shizume (Waseda University), the interaction between the *Reichsbank* and regional *Privatnotenbanken* looked much more like decentralized cooperation than competition. In a similar vein, Matthias Morys (University of York) warned against using a US-style framework. He offered a different interpretation, in which the powerful federal states of Imperial Germany prevented complete centralization for an intermediate period, even though there was always really only one central bank, the *Reichsbank*. Contestability of markets was another competition-related matter raised by Kris Mitchener (Santa Clara University). Similarly, Alexander Donges (University of Mannheim) suggested that a look at the customer bases of the different banks to assess whether they actually competed with each other. Vincent Bignon (Banque de France) asked about the institutional setting, Philipp Kessler (University of Mannheim) about the intuition behind the model restrictions applied, and Farley Grubb (University of Delaware) about the legal tender character of the bank notes issued.

Farley Grubb presented on the nature of Colonial Virginia's paper money regime between the Seven Year's War and the American Revolution. In a first step, he reconstructs the amounts of paper money in circulation in Virginia each year, as well as the amount of paper money redeemed from the public each year. In a second step, he decomposes the exchange rate of paper money to Pound Sterling bills on London into

Clio first-timers.

its two components, its expected real-asset present value and its transaction premium (i.e., its surplus value as a medium of exchange). Finally, he estimates the effect of the amount of paper money per capita on the transaction premium. He concludes that Virginia's paper money was predominantly used as a barter asset. Even though the transaction premium remained small in normal years, it was large enough to make paper money the preferred medium of exchange for domestic transactions within Virginia. Moreover, the transaction premium was positively related to the quantity of paper money in circulation. Higher circulation turned paper money into a ubiquitous and familiar means of payment, ever closer to being a fiat currency instead of just another barter asset.

The discussion started with Michael Haupert (University of Wisconsin, La Crosse) who couldn't understand why the traditional concept of money was insufficient, according to the author. He also pointed out that pure barter assets were not risk-free. The money characteristics of different assets might therefore be due not only to their convenience but also to their riskiness. Vincent Bignon similarly challenged the author to apply a narrower definition of barter. Masato Shizume was skeptical about the risk accounting in the paper; he advised against using constant interest rates. The choice of interest rates was also central to the criticism advanced by Christopher Hanes. He suggested using the rates of interest at which Virginia planters were able to borrow from their factors in London. Book credit between London merchants and colonial planters was really the defining element of Virginia's money supply. In reaction to a technical point raised by Benjamin Chabot (Federal Reserve Bank of Chicago), Grubb conceded that available price currents for the period were typically expressed in book credits.

Jacob Weisdorf (University of Southern Denmark) presented "Unreal Wages? Real Income and Economic Growth in England, 1260-1850," which is co-authored work with Jane Humphries (Oxford). Motivated by discrepancies between long term estimates of real annual income based on daily wages and real GDP per capita, the objective of this paper is to provide an alternative real annual income estimate based on annual contracts rather than daily wages. By loosening the assumption of a constant working year of 250 days, they find that the trends in real annual incomes resemble the trends in GDP per capita. The working year increased from around 100 days during the post-Black Death period to 325 days during the industrial revolution. The new series shows that after around 1580 the English economy was characterised by continuous increases in real annual earnings, which were fuelled by increased labour input.

The discussion was kicked off by Joyce Burnette (Wabash College), who emphasized the importance of the research and asking about the role of age in the earning distribution which was followed by a similar

Clioms at work.

question with respect to human capital by Nuno Palma (University of Groningen, now University of Manchester). Another set of enquiries by Gregory Clark (University of California-Davis), Jean-Pascal Bassino (University of Lyon) and Jan Luiten van Zanden (Utrecht University) were related to the length of the working week, the role of leisure and the appropriateness of the Bob Allen consumption basket as a measure of payments in kind. Jacob responded that the Bob Allen consumption basket was surprisingly accurate. Moreover, Jeffrey Williamson (Harvard University and University of Wisconsin, Madison) was wondering what the people were doing during the rest of the time. Chris Colvin then asked the question whether we should stop teaching Bob Allen. Jeffrey Williamson and Susan Wolcott wanted to know more about the regional variation of the earnings series, which, according to Jacob, show quite similar trends.

Gregory Clark's and Neil Cummins' (LSE) paper, "The People, not the Place: The Decline of the North of England 1918-2017, A Surname Investigation," studies the differences in economic outcomes between Northern and Southern England. By comparing people with particular names across time, the authors find that selective outmigration of skilled Northerners to the South and less skilled Southerners to the North explains the difference between the two regions today. Clark asserted, "It's the people, not the place, that are the problem." He suggested that government intervention into the North would do little to improve outcomes for the Northern population. Clark and Cummins tag teamed the presentation, with the authors taking turns to address the audience. The reaction to some of the stronger claims were remarkably cordial. One commenter remarked, "I agree with your results but not your conclusions." Claudia Rei questioned whether the North-South dichotomy presented in the paper was a London vs. the Rest story. Much of the discussion revolved around how geography interacts with demographics to cause outcomes.

Mike Haupert hands off executive director duties to Melissa Thomasson.

Sun Go (Chung-Ang University) began with the motivation of "Identifying Historical Shocks to Marriage." The first objective is to estimate the long run trend in Asian age at marriage. The second objective is to analyze what motivates people to marry early or late. Most interesting are historical shocks such as war and rebellion. Grooms were older than brides by about two years. After the mid-18th century, age diverges. Men's age at marriage fell; women's age at marriage remained constant at around 16.5-17 years old. Rebellions reduced age at first marriage by six percent. Other historical events did not matter.

Emile Bonhoure (Université Toulouse Capitole and Toulouse Business School) asked whether the families in the data were similar to the population. Paul Sharp (University of Southern Denmark) wondered if Asian age at marriage was similar in other countries during the period examined. Andrew Seltzer (Royal Holloway, University of London) wondered whether there were nobility-specific reasons for marriage related to politics or commerce. Florian Ploeckl asked if the relatively fast decline in men's age at marriage suggested changing marriage rates and if there were regional differences in the marriage patterns.

Jonathan Chapman's (NYU-Abu Dhabi) "The Contribution of Infrastructure Investment to Britain's Urban Mortality Decline, 1861-1900" adds to the debate over the extent to which the decline in British urban mortality after 1850 was driven by better nutrition or improvements in the sanitary environment. Based on a panel of data on town level infrastructure investment and local mortality rates, Chapman finds that infrastructure investment was the more important. He uses lagged infrastructural investment as an instrument and shows that infrastructure investment explains almost 60 percent of the decline in mortality. The effect is strongest on waterborne disease and weaker on airborne disease. What remains to be open for further research is to identify the types of infrastructure investment most closely associated with the decline in urban mortality.

There was much discussion of possible mechanisms. Hakon Albers (Martin Luther University Halle-Wittenberg) wanted the issue of the mechanism question at the centre of the article, and Jeffrey Williamson wondered whether the provision of public goods was correlated with voting power. There was also the (inevitable) discussion about the validity of the instrument. Chris Minns (LSE) asked about the efficiency of investment, and Erik Schneider was surprised that there was not more spillover from urban to rural regions.

David Chambers (University of Cambridge), like many economists, was inspired to write his new "Currency Regimes and the Carry Trade" after studying the work of John Maynard Keynes. Chambers and his co-authors put together a large dataset on daily exchange rates since 1919 to study the relationship between the return on carry trades and the exchange rate regime. Regime matters a lot: The positive return on carry trades is entirely driven by floating currencies. But positive returns can turn into large losses in cases of currency pegs collapse. This type of risk may explain the positive returns.

The audience wasn't immediately convinced by Chambers' pitch. The fire came, in particular, from the extreme left of the big Marie Curie hall, where Kris Mitchener and Chis Hanes were seated. Hanes wanted the analysis extended backwards through the use of bills of exchange from various cities. The ensuing exchanged is best summarized using the famous Thai tourist phrase *same but different*. Hanes argued that BoE were essentially the same as the instruments in Chambers' dataset; Chambers argued the opposite. Mitchener challenged the idea that fixed vs. floating captures the essence of regimes, which are ultimately political constructs, with policy depending on context and with some regimes more credible than others. The rest of the room did not remain silent. Ben Chabot asked about other risk factors: To what extent could time variation in the spread be explained by time varying risk premia? Farley Grubb wanted to know the extent to which the collapse of pegs was forecastable.

Chris Minns presented "Technical Change and Human Capital Investment: Evidence from the Industrial Revolution," which is co-authored with Alexandra M. de Pleijt (Oxford) and Patrick Wallis (LSE). The paper assesses the connection between technical change and skill formation in England. The arrival of steam technology reduced entry into apprenticeship.

Given the preliminary nature of the paper, a spirited discussion followed. Alexander Persaud (University of Michigan) pointed to the (non-) transferable nature of human capital and asked whether it leads to measurement issues. Alessandro Nuvolari (Sant'Anna School of Advanced Studies) recommended a robustness check that controlled for a threshold number of engines that would make the new technology "visible." Marianne Wanamaker proposed a dynamic instrument that interacted geography variables with national trends on aggregate number of steam engines. Eric Schneider's idea of a nice instrument was to track newspaper articles or travelling exhibitions advertising the new technology. Joyce Burnette wondered whether the decline in apprenticeship merely signalled that the institution was obsolete.

The second part of the discussion centred on the peculiarities of the steam engine with respect to any other new (textile) technology. Eric Schneider observed that coefficients may be capturing some differences between steam engines and non-mining steam engines. Timothy J. Hatton (Essex and Australian National University) and Alessandro Nuvolari would run placebos with waterpower and other mills (e.g. Arkwright mills). Lastly, Kevin O'Rourke (Oxford University) would highlight results by regional divisions as some areas may be driving the results.

Jörg Baten (University of Tübingen) presented his co-authored paper called "The History of Violence over the Past Two Millennia: Archaeological Bone Traumata as a Source for European Violence History." This paper uses the share of individuals whose skeletal remains exhibit weapon wounds or cranial traumata among overall bone remains as a measure of interpersonal violence. The findings allow him to assess the history of interpersonal violence in Europe from both chronological and geographical perspectives: (1) such a violence follows a steady trend in intensity during the first fifteen centuries of our era, with high levels in the late Middle Age, and (2) it was more intense in Southern, central, and Eastern parts of Europe in comparison to North-Western Europe (today Netherlands and North-Western Germany). Moreover, it relates levels of violence to levels of education and shows that both are negatively correlated.

The following discussion raised a number of issues and suggestions for the authors to include in the broader project. First, several people raised several selection and overall data issues related to soil types (that may lead to better-preserved bodies or graves), to cultures that might affect differently levels of violence, etc. In particular, Jörg Baten argued that soil types had been taken into account by using data from different origins and controlling for this in the tests. Moreover, cultural impacts (such as the fact to burn bodies instead of burying them) find consensus in the literature: this is not a strong issue. The geography and the timing of the data also raised some concerns: they have been addressed by time-specific identification like regicide and nobility data that displays comparable trends to bone data. Second, a bias towards allegedly more developed areas such as North-Western Europe has been highlighted: may them have developed more innovative technologies of killing people, more organized and thus more professional violence that are not visible in cranial traumata? According the presenting author, these issues were indeed difficult to assess through the data; nonetheless, their other dataset such as the regicide one may allow checking for them. Finally, it was suggested to test the explanations for the trends in violence that are given by the authors. As an answer, Pr Baten recognized that this paper is for now just about assessing cranial trauma data and their relevance, and comparing them to regicide and homicide data to make sure they are correlated.

Bin Xie's (Rutgers University) paper "The Effect of Immigration Quotas on Wages, the Great Black Migration, and Industry Development" studies the effects of the US immigration quota system, which was established in 1921 and 1924, on US regional labour markets. Exogenous variation in the change of the foreign born share in US regions is used to estimate the causal effect of immigration on manufacturing wages. The exogeneity of the change in immigrant supply is based on the immigrants' heterogeneous preferences of US locations by country of origin and the design of the quota system, which discriminated against southern and eastern European migrants. Bin

At the banquet, Sumner LaCroix presents a prize to Jacky Charles.

Xie's analysis shows that a 1 %-point decline in the share of the foreign-born labour force increases the wage level on average by about 2%. Moreover, a larger quota driven decline in the foreign-born share causes the black population share to increase. The negative labour supply shocks is, furthermore, associated with a smaller firm size, lower electrification ratios, higher horsepower per worker, higher value added per wage worker and a higher skill to unskilled labour ratio.

The paper was very well received. Timothy Hatton was surprised that nobody else had done this before, as it seems to be such a good idea. There was some discussion about the validity of the instrument. Alexander Persaud and Timothy Hatton were wondering whether the quotas were binding. Bin Xie responded that the quota system was binding for most countries and that there is no placebo effect on pre-trends. Incorporating additional labour market shocks from WWI or the 1918 Influenza was suggested by Keith Meyers (University of Arizona). Apart from this discussion on the instrument, questions were asked regarding skill differentials and the selection of migrants. Moreover, the within US geography of black migration has been identified as an interesting field for further analysis.

Giacomin Favre (University of Zurich) presented his co-authored paper "Social Mobility in the Long Run – Evidence from the City of Zurich." Focusing on the changes in socio-economic positions (SEP) in Zurich between 1794 and 1926, he and co-authors manage to disentangle the effects of both father and paternal grandfather SEP and find that the latter has also a distinct impact on individuals' position. Other determinants of individuals' SEP are nonetheless related to their father (his networks, wealth, and geographical mobility).

Many suggestions for additions were offered, including religion, places of births and residences. The difficulty of assessing occupations on such a long period was discussed; occupation types might have changed over the 19th century following changes in economic and industrial structures, people may themselves have changed their occupation over their lifetime, etc. Giacomin Favre argued that he consider such changes by defining very broad categories of occupation. He added that a further examination would include the break down into birth cohorts (over ten years) to address people's changes in their occupation. The inclusion of women transmission and influence was also suggested, but data sources very rarely display information about them. Some further exploration was proposed. The authors could examine the channels of mobility and transmission (grandfathers' networks, education), categorizing not only with income but also with requirements on skills to have a given occupation, etc.

Liam Brunt's (Norwegian School of Economics) "Why 1990 International Geary-Khamis Dollars?" outlines the difficulties of making comparisons of output and prices across countries and over time. Appropriate methodologies that are found in contemporary comparison programmes are not used for historical data. Long run estimates are therefore biased and inconsistent. There are significant differences in actual and estimated price and volume data due to a time series problem (commonly used price benchmarks are far removed from the output estimations) and a cross-sectional problem (international prices and consumption baskets may not be representative of national prices and consumption). The paper offers a

Greg Clark gets canned.

remedial approach with the construction of historical international Geary-Khamis prices with new data obtained through crowd sourcing to reveal significant estimation biases and differences in estimated output growth. The authors also offer all calculations on-line at https://bruntfidalgo.shinyapps.io/try_shine/.

The discussion focused on revisions to key data series. Participants remarked that the Maddison project constructed a new benchmark for 1800 and that Lindert and his co-authors offered new nominal GDP estimates. The authors stressed that there are more data than usually recognized. They cited the Blue Book series for Africa (available since the 1840s) as an example. They similarly found a lot of production data based on anecdotal evidence through secondary sources in, for example, Harvard University on-line resources. The lack of continuity of countries like the U.S. from 1700 through 1970s also pose important estimation problems. The authors highlighted the choice of the arable sector, as the agricultural sector would have represented the largest sector historically while pointing to methodological difficulties of using animal data: "cows are input and output." One participant asked whether the Maddison tables are still good enough to be used for teaching. The authors explained that the differences between the authors and Maddison growth data turn out to be small but only because of two offsetting biases as the 1990 prices nearly cancel out the author's volume data that grow twice as much.

Nuno Palma closed the first day of the Congress presenting "Danger to the Old Lady of Threadneedle Street? The Bank Restriction Act and the Regime Shift to Paper Money, 1797-1821," co-authored with Patrick O'Brien (LSE). The paper proposes an explanation for the success of the restriction period in England. They complement the standard consensus by quantitatively documenting the long-term evolution of Bank of England paper money over coin supply. They analyse the process of accumulation of reputation of prudent behaviour of the Bank of England over the previous hundred years that made this unorthodox policy possible. Finally, they showed that the extra-liquidity that developed in this period stayed in the financial system.

The main discussion point was on the notion of success of the policy under analysis, and it was challenged right away by Pamfili Antipa (Banque de France). She maintained that inflation was instead quite important. What followed was a heated debate between Palma and Antipa, who strongly disagreed on the anecdotal evidence on the use of bank notes, Gresham's law, and the role of the government in endorsing the policy. The chairman encouraged other contributions to open the discussion. Farley Grubb asked a clarification on the use of currency for smaller transactions and changes in velocity. Then, he advanced the hypothesis of patriotism playing a role, because of the wartime period. If so, there might have been some pricing difference out of other motivations for holding money. Christopher Hanes was interested in a comparison with the analogous US phenomenon from 1860 to 1879. There are several similarities, although the reputation of the American government was not alike. Additionally, he commented on the rate of exchange between paper pounds and gold and its sources in terms of weekly market prices. He argued that exchange rates might have responded to fiscal news and this would be easily testable. Masato Shizume asked for elucidation on the indicators of prudence. Finally, Michael Haupert focused on the choice of the variable and wondered whether results change if you use year averages rather than mid-year observations.

Natalya Naumenko (Northwestern University) provides a rare quantitative and empirical look at the early Soviet economy in "Collectivization of Soviet Agriculture." Using pre-famine agricultural records for the Ukraine, she explores what factors drove the collectivization of Soviet agriculture and studies to what extent collectivization contributed to the 1932-1933 famine. She finds evidence to suggest that tremendous drops in agricultural productivity rather than over extraction of grain by Soviet bureaucrats drove famine mortality. Given the novelty of the research and unique historical circumstances surround the famine, the audience sought more information regarding Soviet economic institutions. Claudia Rei asked if there was a way to separate out the effect of decreased yields from government extraction. There were queries about migration, the geographic distribution of deaths, and the effectiveness of Soviet coercion. The instrumental variables strategy relies on the timing of a public statement Stalin made regarding collectivization and spring sowing schedules. Bill Collins (Vanderbilt University) wondered why the OLS results for mortality were biased downwards relative to the IV results. A fair amount of the discussion revolved around better understanding this IV and the mechanisms though which it operated.

Craig Palsson (Yale, now Naval Postgraduate School) presented “Breaking from Colonial Institutions: Haiti’s Idle Land, 1928-1950.” At the core of his paper are two puzzles. One puzzle is trying to understand why farms in Haiti are small. The second puzzle is high labor mobility and idle land. In the early 1900s about twenty percent of the prime age male labor force was migrating out of Haiti towards the Dominican Republic and Cuba to work on plantations. At the same time about half of Haiti’s agricultural land was sitting idle. The question Palsson asks is: Why are so many people leaving the country when they could be cultivating this idle land in Haiti, especially given that farms are so small? The explanation that Palsson gives is that there are high transaction costs to acquiring this idle land. These high transaction costs are embedded in two historical institutions. First, there was a large-scale land reform that redistributed the land after independence. The land was also divided and redistributed to former slaves. Over time, several individuals had claims to the same plot of land. For example, if an individual wanted to purchase a plot of land this involved paying in some cases over one hundred people; thus there were high transaction costs in the purchase of land in Haiti. Second, there was a ban on foreign property ownership, which continued until 1918 during the United States occupation of Haiti

Sumner LaCroix directs traffic.

One part of the discussion was about the reasons why Haiti had small farms rather than large plantations post the Haitian Revolution and slavery. One reason stated by Jacky Charles (University of Adelaide) was the attitude of the slaves who refused to work on plantations after slavery had ended. Legislation that worked to control ex-slaves in small colonies did not work well in larger colonies such as Haiti. Palsson thought that this common explanation can be used for people within the margin but for people on the margin there are other reasons why there was high migration out of Haiti as several of these migrants left Haiti to work on large plantation in Cuba and the Dominican Republic. Jean-Pascal Bassino thought that there was a political elite in Haiti who were not interested in investing in sugar mills. Palsson thought that the literature on the political economy in Haiti during the 19th century is small but agreed with Jean-Pascal that the political elite in Haiti at that time was not interested in reforming agricultural policy. Chris Minns wondered whether the Dominican Republic was undergoing transformation during the period under consideration. Palsson thought that the Dominican Republic presented a good counterfactual compared to what was happening in Haiti at that time. Events in the Dominican Republic were the exact opposite of what was happening in Haiti during the 19th century. The Dominican Republic, for example, was open to foreigners and there were large plantations.

Phillip Kessler’s paper “The Dawes Bonds: Selective Default and International Trade,” which is co-authored work with Olivier Accominotti (LSE) and Kim Oosterlinck (Université Libre de Bruxelles), develops the argument that the relationship between international trade and sovereign default is more complex than threatening to reduce trade in case of default. The authors argue that the German default on its external debt in 1933 and 1934 shows that investors expected differential treatment of foreign creditors, which was closely related to creditor countries’ trade relationships with Germany. Within a general trend towards international bilateralism, the German government used trade negotiations in order to play out its creditors against each other and minimize its debt burden.

As the authors have not yet chosen their preferred methodology, one part of the discussion was focused on this aspect of the paper. Matthias Morys suggested to focus on bond spreads and to apply an event study approach in order to isolate trade effects. Kevin O'Rourke suggested a comparison with another country, one that has only one important creditor in contrast to Germany with multiple strong creditors. Apart from methodological suggestions, the audience was interested in the reliability of the source material (Ousmene Mandeng) or referred to additional sources. On the dynamics between creditor countries, Oliver Bush (LSE) asked whether there is any evidence of cooperation.

Bill Collins presented the co-authored "Unions and the Great Compression of American Inequality." The authors study to what extent unions contributed to declines in economic inequality and test whether this effect is persistent across time. To overcome data limitations, the authors construct a comparable and consistent set of State Economic Areas. These are the smallest geographic regions where contemporary (and publicly available) data is available. The authors find that increased union exposure contributes to persistent reductions in economic inequality over time. Compression occurs between the 90-10 and 50-10 income differentials.

The 1940s and postwar era was an odd time in American history and authors sought to unpack the conditions that would lead one area to unionize more than another would. Jeffery Williamson posed questions about the general equilibrium implications surrounding the paper and felt a cross county comparison might be fruitful. The role of labor shortages, mobilization, and possible agglomeration spillovers all came up in the audience discussion. Susan Wolcott posited that monopoly rents and firm concentration made accommodating unions less costly and thus contributed to the rise of unions in areas where industries had larger Herfindahl-Hirschman Index values. Other commenters remarked that unionization itself might have induced occupational sorting across regions such that higher paying occupations concentrated in areas with lower levels of unionization. Rowena Gray (UC Merced) suggested the authors exploit their war labor board data to explore the effects on other left hand side variables.

In "The Evolution of Bank Lending Behavior," Oliver Bush creates a new index measuring British bank lending behavior from internal memos coordinating bank branch behavior with that of the head bank. He then uses this new measure to study the effects of the Competition and Credit Control Reform of 1971, which deregulated a large segment of British banking. Oddly, this reform should have increased lending, but the author finds that banking behavior did not change substantially following the reform. This calls into question whether financial liberalization contributed to a more unstable business cycle.

While the work is formative and new, the audience was nonetheless impressed with the paper presented. Much of the discussion revolved around the new narratively based index. Chris Hanes asked whether narrative accounts of bank shocks also appeared in the intrabank memos. Ben Chabot suggested that the index would be particularly attractive to macroeconomic researcher and that Bush could benefit immensely from this. He also found it quite interesting that the new index resembles the Federal Reserve's Senior Loan Officer Opinion Survey. As to the empirical results regarding banking liberalization, there was much focus on what mechanisms were in play. Was it intransigent managerial behavior that drove the null result, or was the regulation not bind? What were the effects of the policy on bank balance sheets? Kris Mitchener suggested the effects of the liberalization could be on bank balance sheets rather than through lending.

Christopher Coyle (Queen's University Belfast) presented "Prices and Informed Trading." The paper, co-authored with Graeme Acheson (University of Stirling), David Jordan (also QUB) and John Turner (QUB) explores the link between the liquidity of stocks and the number of informed traders in the market. To do so, the authors construct a measure of informed trading, using a hand-collected data set that covers all company insiders and professional investors that bought or sold shares of the North British and Mercantile Insurance Company (NBMIC) during the period 1882-1920. Results imply that bid-ask spreads increase in the presence of informed trades. Spreads can narrow during periods of informed trading provided that it is timed to periods of large uninformed volume. Finally, the authors find evidence that spreads increase during the closure of the London stock exchange in 1914.

A large part of the discussion focused on the definition of informed traders and the type of information they used. David Chambers wondered whether results depended on the definition of informed traders. Liam Brunt inquired how opaque the market was, i.e. how well traders could be identified. Vincent Bignon wanted to know whether informed trading happened before the release of public information in contemporary newspapers. Farley Grubb asked whether companies were subject to disclosure requirements. A second set of questions was concerned with market structure. David Chambers pointed out that results depended critically on the liquidity of the stock under consideration and that some comparison with other stocks along this dimension would be useful. As the data set covered 38 years, Matthijs Korevaar (Maastricht University) requested whether legislation regarding insider trading had changed over the period.

Alexander Donges shared his paper "The Impact of Institutions on Innovation," which is co-authored work with Jean-Marie A. Meier (London Business School) and Rui C. Silva (London Business School). This article analyses the effects of institutional reforms on innovative activity in the German Empire during the long 19th century by combining a reform index, which is based on the code civil, the abolition of serfdom, the implementation of agrarian reforms and the dissolution of guilds, with county level patent data between 1890 and 1910. Causality is suggested by instrumenting the reform index with the length of French occupation during the Napoleonic Wars. The findings show that institutions that are more inclusive are positively associated with patents per capita at an economically meaningful magnitude. Moreover, the authors find that the size of the effect is conditional on conservatism with the weakest effect in ecclesiastical states. In addition to culture, inclusive institutions interact with access to finance, which leads the authors to conclude that inclusive institutions, access to finance and culture enter the production function of patents multiplicatively.

The discussion was quite diverse. A key aspect which was raised by Giovanni Federico (University of Pisa), Matthias Morys and Alessandro Nuvolari was the methodological similarity to the heavily debated 2009 article on the French Revolution by Acemoglu , Cantoni, Johnson and Robinson. Giovanni Federico questioned the validity of the reform index and Alessandro Nuvolari suggested focusing on specific institutional reforms rather than using an index. Concerns based on geographical arguments were raised by Kevin O'Rourke, who focused on market access and spatial autocorrelation, and Matthias Morys, wondered about the role of access to natural resources. A third cluster of questions focused on the measure of innovative activity. Alessandro Nuvolari commented on the different propensities to innovate across various industries and Florian Plöckl (University of Adelaide) suggested using a count model for analysing patent data. Michelangelo Vasta also highlighted the skewness of the patent distribution.

In "Uncertainty and Hyperinflation," Jose Lopez (Federal Reserve Bank of San Francisco) and Kris Mitchener explore the role of policy uncertainty in explaining which countries experienced hyperinflations across Europe during the early 1920s. Their starting point is the fact that macroeconomic conditions were severe all across the continent after the end of the First World War. Being on a particular side of the War is therefore not sufficient in explaining why certain countries suffered hyperinflations and others did not. Instead, they hypothesize that different degrees of policy uncertainty across countries after the War can explain subsequent inflation performances. To test their hypothesis they use monthly-realized exchange-rate volatility as a measure of policy uncertainty for each of ten European countries, based on daily New York exchange rates between 1919 and 1925. In the next step they estimate impulse-response functions of monthly inflation to realized volatility for the non-hyperinflation period of each country. Using a smooth- local-projections model they find that inflation changes are indeed sensitive to changes in realized volatility in countries that subsequently experienced hyperinflation. This is almost never the case in the other countries, which shows that policy uncertainty can in fact explain different national inflation patterns during the 1920s.

The discussion focused on alternative stories to explain the episodes of hyperinflation. Chris Colvin and Matthias Morys wondered how different the uncertainty story really was from other explanations, considering that all methods identify the same countries as candidates for hyperinflation. Vincent Bignon stressed the role of low currency reserves that prevented currency stabilization at an early stage in all hyperinflation countries. He also pointed to the importance that the previous literature attributed to exchange rate behavior in explaining hyperinflation. Benjamin Chabot suggested considering more closely the role of fiscal policy in different countries. Ousmène Mandeng asked about the role of economic expectations independently of policy uncertainty. Oliver Bush introduced criticism that is more technical by urging the authors to spell out an explicit model to corroborate their empirical findings. In addition, David Chambers brought up the issue of external validity, by asking whether realized volatility can explain other hyperinflation episodes throughout the 20th century.

Maxwell Kiniria (Cornell) presented "The Mortality Effects of Local Boards of Health in England 1848-70." Local health boards were introduced in England after 1848 to improve the country's "sanitary" state. Using a newly built comprehensive dataset of all local health boards between 1848 and 1866, Kiniria finds that the creation of a health board in a locality decreased mortality by 14% after four years. Contrary to their reputation of having been ineffective, local health boards therefore "saved" around 225,000 lives across the whole of England.

At first, the discussion focused on the mechanics behind local health board adoption. Timothy Hatton suggested providing a more detailed framework of the political economy of health board creations: Who was paying for them, who was gaining from them and thus who had incentives or disincentives to act? In a similar vein, Jessica Bean (Denison University) asked whether the local generosity of poverty relief could be an important factor in determining health board adoption. Jonathan Chapman wondered about other local alternatives to health boards such as improvement commissions.

A lively discussion then ensued around the mechanisms through which local health boards brought about their benign effects. Natalya Naumenko was wondering whether they facilitated the provision of basic health education. Heyu Xiong suggested a heterogeneity analysis to tease out which local conditions made health boards more or less effective. Potential sources of heterogeneity mentioned in the discussion were coal (Melissa Thomasson, Miami University), railroad access (Jonathan Fox, Free University of Berlin), or local susceptibility to different diseases (Carolyn Moehling, Rutgers). Eric Schneider also pointed out that the quality, length or sheer existence of the reports by local medical officers of health could be an indicator for a health board's effectiveness.

Claude Diebolt welcomes Melissa Thomasson and Carolyn Moehling.

Kostadis Papaioannou (LSE) presented "Rainfall Patterns and Human Settlement in Tropical Africa and Asia Compared. Did African Farmers Face Greater Insecurity?" coauthored with Ewout Frankema (Wagningen University). The authors explore the impact of climate on human settlements and concentrations using a newly constructed dataset of annual and monthly district-level rainfall pattern in Asia and Africa between 1920 and 1940. They find countervailing effects of rainfall level and rainfall variability. Rainfall level increased the population density and rainfall variability decreased population density because of greater insecurity. The authors suggest that the climatological conditions played an important role in the divergent trajectories of agriculture development in Asia and Africa.

Keith Meyers and Alexander Persaud stressed that climate could influence institutions and state capacities that in turn affected technology adoption of agriculture production and crop storage. Chris Colvin proposed that the effect could be heterogeneous in irrigated/non-irrigated places. Craig Palsson also proposed an alternative mechanism that slave trade might be associated with climatological conditions and affected population density. Anastasia Litina (University of Luxembourg) wondered how climate shocks shaped cultures and how it might affect settlement patterns. Martin Uebele (University of Groningen) questioned if the period of the study is too short (20 years) to draw conclusions that can be extrapolated and suggested collecting data of a longer period. Marianne Wanamaker raised a related issue that authors should endeavor to prove weather shocks were persistent enough so that people were able to recognize the pattern and chose to migrate but not too persistent that the effect has long gone. Kostadis recognized the problems and planned to further extend the period of the study, albeit with some difficulties in using earlier or later data, especially confounding factors after the post-1960 demographic boom.

Jan Luiten van Zanden presented his co-authored paper "Gender Wage Inequality in Western Europe, 1400-1800." The study assesses gender wage inequality before 1800 and highlights both geographical and time differences. The former is related to regional gaps in gender wage inequality (that used to be higher in Southern Europe than in the North Sea region). Regarding the latter, it is shown that women wages and thus gender wage inequality changed with the labor market supply and demand. These results allow them to bring some support as well as to mitigate the "Little Divergence" usual view.

Many ideas in the paper were challenged. Among them, one is the comparison with only UK data: indeed, as many attenders to the sessions were familiar with British wage data rather than European ones, the discussion has quickly been oriented towards the trends in the United Kingdom. Some were surprised by the UK levels of female wages versus male ones, and some even challenged the authors on the (relatively weak) amount of data for female wages in this country; however, the presenter reassured them on the relevance and the robustness of the dataset. Another strongly discussed topic was that the possibility that women were more skilled has been overlooked (for example they might have been present rather in some high-skill-need industries); nevertheless, as the main point of the paper was to focus on unskilled workers, and the comparison of different skills may be very difficult to assess. The authors do not think that adding a dataset or considerations on this topic could be valuable. Moreover, on the female topic, they also considered that differentiating unmarried and married women would not make a difference.

With the housing bubble and subsequent crisis of the 2000s still fresh in the memory, Sebastian Fleitas (University of Arizona), in joint work with Price Fishback (also Arizona) go back to the housing crisis during the Great Depression to examine the impact of foreclosed real estate on credit provision by the building & loan industry. Foreclosures caused B&Ls to hold more real estate, which caused trouble on their balance sheets. This depressed new lending.

The discussion with a question from Farley Grubb, who wondered which local conditions, besides foreclosure, may have contributed to balance sheet problems. Chris Hanes added a comment that he described himself as 'unhelpful': The paper needs an instrument but he could not think of one. The audience embarked on a quest for a valid instrument. Kris Mitchener suggested looking at industrial mix. Lee Alston (Indiana University) suggested the presence of a moratorium on farm foreclosures; the effects of these moratoriums might have spilled over to the housing market. The discussion turned to whether bad management contributed to bad balance sheets.

Young-ook Jang (LSE) presented his work "The Road Home: the Role of Ethnicity in Soviet and Post-Soviet Migration." The study explores the internal migration in the late-Soviet and post-Soviet periods and

examines the determinants of migration, especially the role of ethnicity. The author collects population statistics from Soviet administrative vital records to construct a novel dataset of regional net migration of ethnic groups. He finds that the ethnic mixing trend in the Soviet period was reversed after the dissolution of the Soviet Union and the removal of migration restrictions. Migrants were likely to move to regions with higher proportion of co-ethnics in the post-Soviet period. The author suggests that ethnic link was a crucial determinant of the destination of migration in the post-Soviet period.
Natalya Naumenko proposed an alternative explanation: After the collapse of Soviet Union people could move because of better chances of employment in regions with stronger ethnic links and social network so the motivation was still economically driven. She also pointed out the potential effect of negative economic shocks to different regions in the post-Soviet period. Adolfo Meisel-Roca (Central Bank of Colombia) pointed out German's outmigration of former USSR that might also affect the analysis. Chris Minns wondered if there was hiding or changing ethnic identity to avoid persecution that caused measurement error. Matthias Morys discussed the framing of the topic: whether it is a unique or general case and how it fits into the literature of migration. Bin Xie also suggested reframing the research because ethnic preference and economic motivations are compatible and the post-Soviet reversal of migration reflected the change in external conditions, such as cost of migration, instead of the change in the decision-making framework.

Maria del Pilar Lopez-Uribe (LSE) presented "Threat of Revolution, Peasant Movement and Redistribution: the Colombian Case, 1957-1985." The paper examines whether democratic reform leads to increased redistribution and mitigates the threat of revolution. Based on a hand-collected data set for Colombian municipalities between 1957 and 1985, the author finds that empowering the peasantry did not lead to higher redistribution towards the peasantry as a group. However, it caused an increase in targeted redistribution: peasant leaders gained benefits in the form of allotted land and public sector jobs. While co-optation of this type appeased the potential revolutionary threat, empowerment exacerbated it, as manifested in land invasions during the years following the end of government support for the peasant movement (1972-1978) and rebel activity during the first stage of conflict (1974-1985).

A first set of questions evolved around the identity of peasant leaders and the mechanics inside the peasant groups. Susan Wolcott inquired how much land peasant leaders received and whether they stopped invasions because their parcels were very large. Christopher Hanes asked whether leaders were elected and whether they possessed particular characteristics. The discussion then focused on the interactions between the peasantry, the government and other social bodies/groups. Lee Alston wanted to know whether the Catholic Church played a prominent role in redistribution of land and remarked that redistribution looked a lot like expropriation. Adolfo Meisel-Roca commented that the peasant movement was organized by the government that supported land invasions, before the movement got out of hand. Craig Palsson asked under what circumstances targeted redistribution was a better strategy than broad redistribution. Finally, a gentleman using Price Fishback's nametag inquired whether there were regions that were more affected by land redistributions than others.

Alain Naef (Cambridge University) presented a co-authored paper called "The Gold Pool (1961-1968) and the Fall of Bretton Woods System.' Lessons for central bank cooperation." The paper provides original insights to the failure of the Gold Pool and more broadly of the Bretton Woods system. Contrary to what has been sometimes found in literature, US national policies in particular regarding inflationary pressures along with the sterling devaluation in 1967 accounts for important determinants of the failures, whereas the French lack of cooperation had little effect. Additionally on the central bank cooperation topic, it shows that a technical cooperation (such as the Gold Pool) is not sufficient if it is not coupled with more economic policy convergence.

Naef was asked whether additional reports were available and answered that others exist from the Bank of England or from the FMOC (Fed releases) that could be interesting to explore. He was also challenged on the alleged non-responsibility of France in the fail of the Gold Pool; as a particular answer, he argued that changes in French gold reserves had no impact. As an answer to many other questions and concerns, he also further explained authors' "skepticism" over cooperation between central banks: studying this crucial example for such a cooperation, the paper does not argue that it could not work but conditions was wrong at that particular time. Further, authors think that in such a case, there is a need for much more cooperation, and in particular not only a technical one ("cooperation can work but not against the fundamentals").

In "Rents and Welfare," Rowena Gray investigates the rental market in New York City from 1880-1910, adding to the literature on the historical cost of housing that seems to be gaining more and more interest in recent years. Based on an impressive hand-collection of rental data from various New York newspapers, Gray assembles a database of rental prices and housing characteristics that she geocodes and uses to construct a hedonic price index. The resulting index reveals that quality-adjusted prices increase by 39% in this period, and that increases in rental prices seems strongly correlated with the inflow of immigrants to the US.

The discussion of the paper started with some praise from Joerg Baten, who was impressed by the maps crafted for this project. He did however wonder how crime could be related to the level of rents, and whether this might cause an endogeneity problem. Timothy Hatton was both intrigued as well as surprised with some of the results: how was it possible that furnished homes were cheaper than unfurnished ones? Although no one truly knew the answer, the audience was quick to provide various hypothesis that could explain this puzzling fact. Afterwards, most of the speakers came with suggestions to exploit the collected data in more detail. Andrew Seltzer was interested in links among housing markets and the local labor market, as the distance to the nearest job opportunity could have strong effects on prices. Martin Uebele wondered how rental price developments could be related to supply side factors, such as construction. Neil Cummins suggested diving more deeply into the effects of ethnicity: ethnicity was a defining characteristic of NYC neighborhoods in this period, and this might have significantly affected rents. The various participants continued to give suggestions, such that the 45 minutes were finished very soon. Chris Colvin claimed the last opportunity to speak, but unfortunately forgot the page he wanted to refer to. However, Colvins' unlimited enthusiasm makes him a man that is easy to forgive, and with coffee and delicious French 'viennoiseries' awaiting all participants after the session, no one seemed unhappy with the prospect of leaving a few seconds earlier.

Alexander Persaud presented "Risk Mitigation and Selection under Forward Contracts: 19th Century Indian Indentureship." The first motivation of the paper was trying to understand indertureship as a form of contract that ties a laborer to an employer for a set period. He described it as temporary slavery. This form of contractual arrangements occurred in parts of the Middle East such as Qatar and Saudi Arabia, and in parts of South America and the Caribbean such as Guyana and Trinidad. Several Indians left India in the 19th century under contractual arrangements that tied them to their employers for a period of five years. These Indians travelled all over the world under these arrangements and especially to parts of South America and the Caribbean. Alexander examines how volatility causes people to migrate from India. He thinks of this as a push factor with a motivation of smoothing consumption over time. Alexander also examines the long-run effects of these contracts where people can choose to settle in destination countries or have they passage paid to return to their country of origin. Alexander found that those indentured servants who settled in the colonies are those who came from highly volatile parts of India.

Susan Wolcott thought that the volatility results were interesting. She also thought that return migration would vary according to the geographic concentration of the caste. Those with good social networks, for example, may be more likely to return to India. Claudia Rei and Susan Wolcott wondered whether the growth of population in India at the time was taken into account. Jacky Charles wondered whether the offer of incentives to stay post the end of indentured servants' contracts (example offer of land by the government in colonies such as Trinidad) was taken into account. Alexander indicated that due to data constraints he is not able to analyze this. Particularly he does not have data for Trinidad where such an incentive was given. Jean-Pascal Bassino was interested in the diversity of contracts. Farley Grubb thought that colonizers had tried to make indentured servitude not look like slavery. He thought that there was a sample selection problem as the people that want to migrate are those that have lower productivity. Since migration he thought was coming from a small part of the population he wondered whether there was migration selectivity. Esther Redmount (Colorado College) was interested in the demand side. She wondered whether most of the contracts went to particular employers in the host countries. She also wondered whether there were brokers in India. Alexander indicated that the British had agents who got contracts across different geographic areas in India. These agents were responsible for the recruiting of the indentured servants. Craig Palsson was interested in knowing whether there are general equilibrium effects from migration or from remittances. Susan thought that during this period, since height was a good measure of wealth, Alexander could interact height and volatility. This would give an idea as to the extent to which volatility matters either for people who have wealth themselves.

In their paper, Maylis Avaro (Graduate Institute of Geneva) and Vincent Bignon provide a detailed account of the discounting activity of the Banque de France during the late 19th century. Their research is based on a comprehensive dataset comprising detailed information on the entire population of presenters to the discount windows of all 94 regional branches of the Banque de France during the year 1898. The Banque de France employed a sophisticated system of counterparty risk monitoring and internal audit, which successfully ensured that the Banque was not exposed to moral hazard or to any ex-post credit risk during the period. In fact, the Banque conditioned discounted amounts on the risk characteristics of the individual presenter. At the same time, it managed to provide discounting facilities to a very wide range of economic agents: Less than half of all presenters were banks, with the rest coming from all sectors of the economy. Moreover, the banks that did use the discounting facilities of the Banque de France were squarely representative of the French private banking system. In conclusion, the authors show that careful counterparty risk management was key to offering broad discounting facilities at the Banque de France. Central Banks may safely accept a broad variety of counterparties, as long as they have an effective risk monitoring system in place.

The ensuing discussion focused on historical details of the case. Sumner La Croix (University of Hawai'i) asked about the costliness of the shares the regional discount committees had to deposit with the Banque de France in order to avoid cronyism on the regional level. Christopher Hanes pointed out that the Banque de France acted much more like a commercial bank compared to the Bank of England, and wondered whether the operations of the Banque were in turn much different from any other commercial bank. He also inquired about how discount policy changed during crises. In a similar vein, Kris Mitchener suggested the authors should compare the non-crisis year of 1898 to any crisis year to see whether information gathering on counterparties reacted to crises. A related point was raised by Nikita Lychakov (Queen's University Belfast). Farley Grubb and Oliver Bush dug deeper on information gathering by the Banque, by asking how gathering worked in practice and how cost-effective the information collection and supervision system were. Eric Girardin (Aix-Marseille University) touched upon the instructions regarding discounting decisions provided by the head office of the Banque in Paris to its regional branches. Finally, Ousmène Mandeng asked about other forms of lending by the Banque de France.

Charlotte Le Chapelain (Université Jean Moulin Lyon 3) opened the third day sessions with the paper titled "Industrialization as a Deskilling Process? Steam Engines and Human Capital in 19th Century France," which is joint project with Claude Diebolt (CNRS and University of Strasbourg) and Audrey-Rose Menard (also Strasbourg). They analysed of the effects of the French industrialization process on human capital accumulation throughout the 19th century. They contribute to the literature implementing a panel analysis accounting for later stages of the French industrialization and by disaggregating human capital to examine changes in skills demand at different stages. Exogenous geographic variation is adopted as instrument for the number of steam engines erected in each French department. Their results show a positive effect of industrialization on investments in "intermediate" human capital; however, this started only later in the process of industrialization, i.e. in the second half of the 19th century.

Jörg Baten found this study to be convincing, although it would benefit from taking into account the rising inequality in health status that characterized the period under analysis. Jeffrey Williamson drew the attention on the definition of industrialization and its link with urbanization. Le Chapelain pointed out that in the 19th century the latter phenomenon is mild, with a very active agricultural sector. Alessandro Nuvolari and Franz Zobl (LSE) focused on the steam engine variable and have some concerns on the goodness of the instrument. They argued that considering horsepower and the distance to coal mines would refine the measurement. Kevin O'Rourke and Joyce Burnette maintained that income effects could play a role; a theoretical section could help explain the potential co-existence of skilling and de-skilling effects. Douglas Puffert (Gordon College) wondered whether there was a request for educational institutions. Along the same line, Claudia Rei suggested to focus exclusively on classes for adults, whereas the ones for children are part of the natural development of a country.

Hakon Albers presented a joint paper with Ulrich Pfister (University of Münster) and Martin Uebele in which they discuss grain price convergence and grain price volatility in 17th and 18th century Germany. Based on a newly collected data set of rye prices from 15 German cities in the period 1650 to 1790, they show that price convergence occurred only in Northwestern Germany once the effect of possibly differential climate change across climatic sub-regions is controlled for. Their result is based on a critique of the coefficient of variation as the standard method for measuring price convergence. Instead, they use cross-sectional standard deviations of five-year mean prices, which allows them to control for weather shocks to the price series that are symmetric across all cities. Moreover, they find a substantial decrease in aggregate grain price volatility over time, which coincided with a decline in both the level and the fluctuation of the aggregate death rate in Germany during the period. This observation indicates a potentially important impact of lower volatility of food prices on the death rate, especially on the survival probability of children.

During the discussion, Jonathan Fox pointed to the literature that showed how grain price convergence did not influence fertility or mortality in early modern Europe and asked how these results were compatible with the authors' findings. He also inquired to which extent their results were driven by the particular selection of cities or world market influences. Giovanni Federico called the authors' attention to the disadvantages of using Standard Deviations instead of the coefficient of variation, as well as to the pitfalls associated with their way of computing five-year price averages. He also suggested testing for the effect of exogenous shocks to grain prices, as the shocks identified in the paper were all endogenous. Matthijs Korevaar, who wondered why the authors didn't use a structural time series model and whether data quality varied over the centuries, raised further methodological issues. More to the historical side, Jan Luiten van Zanden asked about the role of potential substitutes such as potatoes or legumes, while Eric Girardin expanded on the issue of grain seeds.

In "An Economic Conversion?" Chris Colvin and co-authors Stuart Henderson and John Turner (all Queen's University Belfast) investigate the rise of rural cooperative banking in The Netherlands. They test whether the rise of local cooperative banks was the result of rising market demand, changing conditions in the agricultural sector, or a social consequence of the religious 'pillarization' of the Dutch society in this period. The paper finds that while the latter was the main reason for the emergence of such banks, particularly supported by the Catholic clergy, their religious basis quickly lost importance as the Dutch started to realize the economic advantages provided by the cooperative banks.

Being a lifetime client and former employee of the cooperative Rabobank, I, author of this summary, was almost predestined to enjoy the subsequent discussion of the paper. I surely did. Kevin O'Rourke started by comparing the Dutch situation with the Irish, where cooperative banks did not do so well, despite similar religious divides. Susan Wolcott told a similar story for India. In India, cooperatives did not work nearly as well as local moneylenders. O'Rourke argued that exactly this lack of external validity makes us economic historians and these studies interesting: why does something work in country A, but not in country B? Jan Luiten van Zanden suggested that the paper should therefore address one more issue: why did the cooperative model exactly emerge in this period, and not before or after, and why was it the most effective? Farley Grubb added to that at the bank level, and asked if it would be possible to find out on a micro level why a particular bank was opened in a particular village at a certain time. Doug Puffert wondered to what extent wealth effects could explain the emergence of cooperatives in this period: did banks open more frequently in wealthy areas? The session probably reached its high point when Colvin started providing details on mortgage applications: men, who were denied a mortgage, might show up the next day with their mum, who accidentally lived in exactly the same house, to use her possessions as collateral or the mortgage. Michael Haupert closed the session with an important question: What should be taken away from this paper? Colvin's original reply: There is lots of interesting economic history out there that deserves to be cliometricized, and Dutch historians, all too obsessed with the Golden Age, should realize that their own late 19th century deserves that, too.

Alessandro Nuvolari presented "The Origins of the Italian Regional Divide: Evidence from Real Wages, 1861-1913," co-authored with Giovanni Federico and Michelangelo Vasta. This paper contributes to the debate by estimating yearly series of real wages of unskilled male workers at provincial level from the Unification to WWI, following the approach by Allen. According to the figures in the study, on a comparative level, in 1870 the real wage of England was five times the Italian one. The gap with North-Western Europe continued to widen until the War, with real wages from England being six times the Italian ones. The South was poorer than the North at the Unification and the gap grew with the industrializing Northwest until the beginning of the 20th century.

Jeffrey Williamson suggested enriching the evidence on the number of working days looking at the suitability of different crops and farm related jobs. Then the discussion moved to how to deflate data with a GDP implicit price deflator that accounts for services and commodities. In general, he complained about the lack of research about the determinants of relative prices across countries. Leandro Prados de la Escosura expressed some concern on the assumption of a constant number of days of work per year. Then, he mentioned that Italian welfare ratios are extremely low in a global perspective. The authors agree, although other indicators of standard of living (heights) are in line with Chinese ones, where salaries are also similar. Jörg Baten observed that in the map of regional welfare ratios single cities in the South are well off first and then getting worse. When the North-centre vs. South divide became more evident, Sicily was a notable exception. Joyce Burnette was interested in what was happening on the islands in terms of cultural backwardness or social discrimination of women in the labour market. Alexandra de Pleijt would not aggregate so much the data, trying to tell a more detailed story on what is driving the welfare ratios. Liam Brunt was surprised by how small were the differentials, and consequently he argued that it couldn't be an institutional failure. He would run some panel regression on institutional blockages and past rulers or linguistic barriers. Blanca Sanchez-Alonso (University Foundation San Pablo-CEU) wondered how these salaries were sufficient to afford the massive international emigration out of Italy that characterized those decades. Lastly, Lee Alston pointed out that the study of consumption bundles uncovered the myth of the urban vs. rural wage gap in the US. In this instance, the same could happen if we account for adjustments in relative prices.

Les Oxley (University of Waikato) presented "Long Run Changes in the Body Mass Index." The paper introduces a new dataset of BMI estimates since World War I in three British-origin, food abundant, settler countries compiled from military records, prison records, and national surveys. Its principal finding is that there has been acceleration in BMI beyond what is considered "healthy" beginning in the late 20th century in all three countries among successive cohorts of males and females aged 20 to 49. Cross-country variation in the rate of BMI acceleration has been considerably greater among female cohorts. The authors disaggregate BMI estimates by year, gender, and birth cohort.

Discussion of the paper consisted of three principal types. First, there were suggestions about additional disaggregation of the sample (e.g., by race, by ethnicity, by occupation, and by economic status). Second, there were concerns about the data's accuracy (e.g., mismeasurement due to self-reporting) and the sample's representativeness (e.g., data derived from military casualties will suffer from selection bias to the extent that high-BMI soldiers were either more or less likely to be killed). Third, there were inquiries about the relative importance of height and weight as determinants of BMI trends.

In "The Impact of Commuting and Mass Transport," Jessica Bean, Andrew Seltzer, and Jonathan Wadsworth (Royal Holloway) investigate the consequences of commuting for the London labor market. More specifically, they use data from the 1930 *New Survey of London Life and Labour* in order to estimate the effects of access to the London underground on the probability of commuting. Although the study is still in progress, initial results reveal that better access to the Underground leads to a higher probability of commuting. In addition, both distance commuted and Underground access were correlated with higher earnings.

Marianne Wanamaker opened the discussion with a simple but interesting question: How about those that bike to work? Although Seltzer acknowledged that their data did not allow for exact estimation of the number of bikers, it could be deduced that, even in 1930, about 8% of people biked to work. Gregory Clark then had to admit that his pulse did not yet start racing from the title, but proposed an idea that could make his pulse more excited: comparing the commuting and rent situation in those days, to that what is occurring now. What has changed, and what is still the same? Carolyn Moehling wondered how sorting across neighbourhoods could change due to commuting: public transportation and commuting might force or facilitate people to sort on income. Is there any evidence of this? Bean wisely responded the question that there were indeed 'a whole lot of things going on', and Seltzer added that neighbourhoods in 1930 were actually more diverse than in the previous 1880 survey. Claudia Rei picked out one of these 'things' that was ‘going on’: the Great Depression. Could the uncertainty due to the depression, and the corresponding higher unemployment, affect the results? The discussion ended with a question that Giacomin Favre described himself as ‘silly’, but actually touched an important point: the paper focused on the distance of home to the Underground station, but could distance from the Underground to work not be equally important?

In the next session, Thor Berger (Lund University) presented “Economic Shocks and Crime in 19th Century Sweden,” in which he explores the relationship between crimes and local economic shocks in Sweden from the 19th century. Using three measures of economic shocks (harvest failures, food prices, and wages), he finds that they led to an increase in property crimes but to a decrease in violent crimes. Furthermore, he shows that the development of the Swedish railroad network by the 19th century acted as a mitigation mechanism of the link between local agricultural shocks and crime levels.

In the following discussion, the author was asked about the indirect evidence he brings for the alcohol-crime channel and the possibility to find some more direct proof of alcohol correlation with crime levels and economic shocks. As an answer, he argued that, despite numerous alcohol production units in Sweden, such direct data may be explored thanks to governmental sources (that used to tax alcohol). Another possible source of direct evidence may rely on criminal sources that may specify the reasons why convicted people committed crimes: the author indeed started to explore such sources that are so far consistent with this channel. Some attenders also discussed the different results over property versus violent crimes and suggested to go beyond the alcohol channel (for instance by exploring cultural mechanisms that may underlie such a difference). Berger was much questioned over his railroad variable and its mitigation effect. Broadly, he found anything else likely to mitigate the effect of these shocks (including increasing agricultural technologies).

Matthias Morys presented “Greece in a Monetary Union: Lessons from 100 Years of Exchange-Rate Experience.” The paper explores the first century of Greek monetary history from the foundation of the National Bank of Greece (NBG) in 1841 to World War II. It first documents the exchange-rate record and shows that SEE followed the gold standard only for brief periods and points to manifest weaknesses while adhering to gold. It also analyses the role of seigniorage and international financial control. Lastly, the study tests the fiscal dominance hypothesis. Thus, the recent Greek experience is viewed in the light of the three key themes: seigniorage versus capital imports; external dependence & financial supervision; and a strong political rationale behind monetary union membership.

Ousmène Manden opened the discussion with a question on the political economy of the country and the reasons behind Greek voters not reacting. Pamfili Antipa agreed on this leitmotif in Greek recent history: the lack of fiscal capacity and consequently the insufficient income tax collection. Martin Uebele asked for more details on the composition of the spending and whether a relevant share was war related because of the threat from Balkans countries or linked to some social turmoil. Morys explained that indeed expenditure changed massively, but the problem was much more deeply seeded, underlining the institutionally weak nature of the country. He added that even when taxes are effectively raised through the aid of financial supervision, there have always been many culturally embedded ways to avoid paying taxes in Greece.

Timothy Hatton asked: What are the responsibilities of the state today compared to the 19th century and what is the social and economic implication of fiscally taking over the responsibility of a weak state today. Masato Shizume proposed a comparison with Japanese austerity policy and wondered why Greece accepted so easily to lose sovereignty. Oliver Bush asked whether creditor moral hazard was part of the story, weakening creditor discipline on the Greek state. The bank of Greece shared data on expected debt revenue, showing that, until the financial supervisor came in, expected taxes collected were underestimated, as they needed technical help. Ousmène Manden mentioned the potential requirement of an independent fiscal authority imposed by the League of Nations, as it happened in other African countries. Kevin O’Rourke warned Morys to be careful with what we call structural reforms when it is actually only fiscal. Then, the discussion turned to technical questions and comments. Martin Uebele asked clarification on how to pool different time series periods into one period. Moreover, he suggested to pool four similar countries to run tests with more observations. Eric Girardin contributed to the econometric discussion, ruling out the use of panel data and supporting the use of multiplicative dummies. The final part of the discussion cantered on the different definitions of seigniorage especially if there is inflation. Morys was confident that data on the individual sub-components of the money supply are good quality.

Nikita Lychakov presented her paper that explores the role of political connections in bringing about the financial crisis in Russia between 1899 and 1902. The Czarist government under Sergei Witte played a dominant role in Russia's rapid industrialization during the 1890, especially through government procurement and support for the growth of heavy industries. Consequently, the boards of large private banks and companies were full of people with direct personal connections to the inner circle of power in Saint Petersburg. Lychakov finds that with private banks, better political connections prior to 1899 actually led to higher levels of bank distress during the ensuing crisis. This finding reflects the governments' encouragement of these banks to expose themselves excessively to heavy industries. When industrial growth rates slumped, well-connected banks were thus at the same time the worst affected. Governments should be prudent when encouraging private bank lending to particular sectors of the real economy, and private banks should be mindful of potentials drawbacks from being politically well connected.

Keith Meyers opened the discussion by asking how the author's findings fit into the existing literature. He also suggested comparing the situation in the Czarist Empire to modern Russia, to enlarge the analysis to industrial companies, as well as to check for feedback effects between banks and industries. Farley Grubb was concerned with the narrow definition of personal connections in the paper, which likely underestimated the true effect of connections. He also demanded more specifics about the nature of the information flowing between government circles and banks through personal connections. Emilie Bonhoure wondered whether connections between banks and industrial companies were not as important as connections between banks and the government. Natalya Naumenko encouraged the author to frame his story in terms of how different methods of information collection influence economic performance. Moreover, she stressed the potential role of the ethnicity of bank managers in how well banks were connected with the political elite. Alexander Donges moved the discussion to methodological issues. Remarking the low number of observations available, he suggested transforming the data into a panel. This would make it possible to check how political connections influenced banks' profits over time. He was also worried about potential Omitted Variables in the regression analysis and advised the author to include geographical distance between banks and industrial companies in order to catch other information effects. Also on the issue of methodology, Eric Girardin suggested using formal network.

Franz Zobl presented "Technological Choice and Urban Agglomeration." Zobl examines for the first time empirically an earlier argument that French urbanization and industrialization were retarded by the relatively slow switch from water to steam power in the 19th century. France was much slower to adopt steam power than Britain and, in the view of these authors, this prevented growth in city size and consequently industrial development and economic growth. Using data from industrial and population censuses, Zobl finds a positive association between steam power and urbanization. Furthermore, urban firms were more productive and paid higher wages than their rural counterparts pay. This evidence is consistent with the retardation hypothesis and casts doubt on revisionist accounts suggesting that continued reliance on waterpower was not costly to the French.

Early discussion centered on the relationship between power sources and urbanization. Did steam power lead to urbanization, or was causation the other way around? Zobl thought the former and had tried to instrument the power source, but with no success as yet. Alessandro Nuvolari said that firms had originally congregated in Manchester because of the water, and only when waterpower was insufficient did they switch to steam power. Even then, canals were important for transporting the coal to Manchester. A number of attendees (including Tim Hatton) argued that Zobl needed to be more specific about the model of firm decision-making he was using and this might lead to further, more searching tests of his hypotheses. For instance, some examples of how individual firms or industries made their location and power source decisions would help. Zobl took this feedback on board. Towards the end of the session, discussion turned to whether French development had been suboptimal: perhaps French firms had chosen waterpower because water was plentiful and this was the right model of development for France. Zobl agreed that this might have been the right course of actions for individual firms, but pointed towards those arguing that the lack of investment in the French rail network had prevented cheap coal transportation and led to a suboptimal social outcome.

Chair Craig Palsson brought the session to its end by complementing Zobl on an excellent historiography, which should be held up as a model for other papers.

In the paper "Banking Networks and Financial Market Integration: A Case of Japan during the Late 19th Century," Masato Shizume compares the networks established by national issuing banks and the BoJ (Bank of Japan, the central bank) in Japan in the late 19th century, and their impact on Japanese financial integration. It shows that national bank networks participated more in this integration compared with the BoJ networks.

First, the author was challenged over a couple of definitions (types of contracts, relationships that are considered in his network analysis), and then more generally over the stakes of the BoJ implementation. Indeed, at the very beginning, the BoJ was created to establish the banking networks national banks had failed to set; the point of the paper being precisely to show that the central bank did not much more until it was fully aware of its role as a central bank. Unfortunately, most BoJ archives have been destroyed in the 1923 earthquake and cannot thus provide any narrative over the debate related to their creation and their subsequent role. Moreover, the comparison between this Japanese system and the US one has been much questioned; the author specified that he did not try to compare the performance of both systems but only to explain that the Japanese one inspired from the US decentralized network. Another point that was much discussed is the impact of potential crises (and in particular the one of the 1890s) on such a system. Even if this period was actually out of the paper scope, Masato Shizume tried to address such concerns and explained that with the 1890s crisis, national bankers suddenly cared about who was supposed to deal with such a crisis and provide most liquidity. After this episode, the BoJ became aware of its role of central bank and in particular of lender of last resort.

Although the 9 a.m. session after the conference dinner was tough, particularly because sauerkraut was quite abundant, many attendees joined this session. Paul Sharp presented the main insight of the paper "A Land 'of Milk and Butter": Elites induced application of new technologies and this had a long-lasting effect even on future technology adoption. More specific, migrating elites from Northern-Germany brought new ideas (proto-modern dairies) to Denmark in the 18th century. Parishes that were closer to this new type of dairy adopted another key innovation (the automatic cream separator) together with the cooperatives much later in the 1880s.

The audience was mainly interested in understanding in how far the elites in Denmark were different from those in Ireland or England, where comparable technology adoption did not happen. Was Denmark special? Paul explained that the elites in England and Denmark were quite different. In Denmark, elites were fascinated with the agricultural enlightenment: accounting, experimenting on optimal feed, etc. Particularly the German migrants had a good reason to look into the details of agriculture, because they

Claude Diebolt welcomes Melissa Thomasson and Carolyn Moehling.

wanted to earn profits with their purchased estates. The English nobility by contrast owned much larger estates for a long time already; often they did not even live on their farms.

The whole paper is backed up by a well-researched and explained qualitative story, which is forthcoming as a book. The participants had a hard time coming up with criticisms of the econometrics. The results of the cross-sectional IV regression looked quite robust. The instrumental variable is the travel time to the estate where the German migrants first implemented the new dairy system in the 18th century. In addition, the authors tested other potential controls and used standard errors adjusted for spatial dependency. It is true that further developments took place at the national level (agricultural reforms in the late 18th century). Still, we are left with the strong spatial correlation between a parish being located within the service area of a cooperative (the binary dependent variable) and the existence of elite-led estates in the 18th century. Furthermore, Denmark was quite homogenous in many regards. One concern was whether it would have been more convincing to work with spatial lags instead of adjusting the standard errors ex post, because this is an empirical model of a diffusion process. The role of cooperatives is—next to technology adoption—the other main theme of the paper. The paper leaves us with a strong contrast: elites are important for technology adoption while cooperatives are only modestly relevant by helping to share the high costs of cream separators.

In "News Media and Stock Market Returns," Clive Walker (Queen's University Belfast) and his coauthors explore the effect of news media on market sentiment. Negative or positive word choice in media reporting influences short-run returns. Using over 350,000 articles from the *Financial Times*, they analyze the effect of the market on news media. Findings include that the commentary section of the *Financial Times* affect returns and that sentiment plays a role in propagating price movements. This research was the first paper of a series after four years of data collection.

Florian Ploeckl chaired the relatively sleepy session on the day after the conference dinner. Participants were very interested in the new dataset. The presenter showed the importance of media in understanding markets. Clive stressed the importance of the paper by arguing that people 'smarter than himself' such as Nobel laureate Robert Shiller were interested in the topic. The debate went around the direction of causality between the market and the media. Participants made points about international arbitrage, the composition of the reference index in a very engaged and informal setting.

In "The Volatility of Money" Caroline Fohlin (Emory University) presents a new database of daily call loan rates in New York from 1900 to 1933. It includes important crises such as 1907 or 1929. The author presents extensive data from various archival and existing sources and highlights breaks in the data. Her data shows no clear break around the founding of the Federal Reserve System but interest rates fell and became nearly constant after 1933.

Rumor had it that the author forgot about the paper deadline and wrote the whole paper in only four days, explaining its short length. The author did not recommend the four-day writing approach: "Don't try this at home if you are not tenured," she warned. Caroline presented the paper arguing that the founding of the Fed had no significant effect on the money market. Questions were asked on the structural breaks, the difference between the foundation of the Fed and its active involvement in the market, and on sampling.

It is probably not the easiest task to attract a large audience when a session is the last one at the conference. Nevertheless, many researchers wanted to discuss "Railroads, Technology Adoption, and Modern Economic History." Junichi Yamasaki (Kobe University) finds a large effect of railway access on installed horsepower of steam engines in Japan at the turn from the 19th to the 20th century. For this research, he has digitized new data on steam engines. The identification strategy rests on a difference-in-differences approach with the following instrumental variable to account for endogeneity of railway access: distance to the least-cost path. The author additionally includes local geography control variables to avoid that correlation of the IV with a county's geography undermines identification (flatter areas might be generally more prosperous from an agricultural perspective).

As no researcher questioned the relevance of this work, the audience quickly dived into the difficult details. One issue raised was that it was unclear whether there were stations in each of the county. After all, passing-by trains do not create market access—trains need to stop. Other researchers who are firm in US railway history argued that one should check in how far their might have been a difference between maintenance and proper stations. Junichi refuted this point by stating that to his knowledge almost all counties had a proper station. Why does the author aggregate the firm level data? Disaggregated data could be used to exploit variation in the distance to railway (stations). The data on steam engines is certainly very comprehensive. Junichi explained that he has data on all firms with more than five workers. But unfortunately the names/ postal addresses of firms have changed so that is impossible to infer the distance of single firms to the railway stations.

A further question was that the railway not only increased the market for outputs but also allowed provision with now more affordable inputs (coal). In this way also relative factor prices might become part of the mechanism that lead to increased installation of steam engines. To understand this channel, it would be interesting to see evidence on the relative transport costs of sea and rail. Junichi argued that productivity advances in the industrial sector were much more important than in the agricultural sector for Japan's structural transformation (labor pull view). One question then is how Japan's agriculture managed to feed Japan's population with less labor in agriculture given the fact that food imports played only a minor role if any. Overall, the impression was that this session was a tasty dessert to close the Congress.▪

Tanner's House in Strasbourg. (www.allreephotos.com)

An Interview with Bob Margo

Robert A. Margo is Professor of Economics at Boston University. Prior to joining BU in 2005, he taught at the University of Pennsylvania, Colgate University, and Vanderbilt University. Among his many contributions to economic history are four books, two edited volumes, and an incredibly large number of articles, book chapters, and book reviews. Bob was the editor of Explorations in Economic History from 2003 to 2008, and he has served on the board of numerous journals, including the American Economic Review, the Journal of Economic History, and the Quarterly Journal of Economics. He has earned the Arthur H. Cole Prize and the Clio Award. He served as President of the Economic History Association in 2014-2015, and he was elected a Fellow of the Cliometric Society in 2012. Bob currently serves on the board of the Classical Mandolin Society of America.

Interviews for this piece were conducted by Carola Frydman on January 6, 2017 during the ASSA Meetings in Chicago. Transcripts were edited and amended through email correspondence.

Let's start from the beginning. You majored in economics and mathematics when you were an undergraduate at Michigan. What drove you to these fields?

When I went to college I was not really intending to do either economics or math. In high school, I was quite involved with literature and drama. That's also when I first thought of becoming a professor—I am not sure why because there are no academics in my family. I went to the University of Michigan because at that time it just loomed very large in people's minds where I grew up. It wasn't like today when you apply widely and go anywhere. I was really intending to be an English major but I didn't find the English Department at Michigan that accessible or welcoming. I took economics and immediately found it to be welcoming, and the same was true with math, so I decided to major in both subjects.

Were the professors welcoming, or did you feel that the discipline was welcoming?

Both. As it happens, I took intermediate microeconomics with Gavin Wright. He is a great teacher and I just liked it a lot. I got attention from various faculty which was encouraging. I took another course on European Economic History with Gavin when I was a senior, and applied to a bunch of Ph.D.

programs. It was a different time; I got into all of the places I applied to.

How did you choose Harvard for your graduate studies, of all those places?

Among the places I got into were MIT and Harvard. At that time MIT basically delayed its admissions decisions based on who gets an NSF. I got an NSF but somehow I got the idea that my social life might be better at Harvard! [Chuckles.] Also, Harvard had just hired Bob Fogel, and having taken this class with Gavin I sort of was intrigued by economic history. I knew that Fogel was a big name in the field. But there were lots of big names in the field at Harvard at that time. You were star struck to some degree.

So you went really deeply into economic history at Harvard.

Yes, and again, that wasn't my intention. When I started, I thought I would be a mathematical economist. I wrote an undergraduate honors thesis on differential topology and economic equilibria. It was literally an application of topology—I was pretending to channel Gerard Debreu or something.

My undergraduate thesis was on adaptive expectations, so we have something in common… [Both laugh.]

Yeah, I know! My undergraduate advisor was Ted

Bergstrom, who is a very prominent theorist. So I went to Harvard and I thought, "Well, I will be a mathematical economist." But after a while I lost my interest in it. At that time there was a required history class, and I took Bob Fogel's class. There were quite a number of people around who since have become prominent. Jeff Sachs. Larry Summers. Ken Sokoloff was the TA in Fogel's class, and we became friends. Bob was never a great classroom teacher, at least not in my experience. But the subject matter interested me. I also liked the people. They were very friendly and warm and inviting. That was very true of Fogel. It is almost as if he took people in.

Was there a history workshop or a lunch at that time?

Yes, there was a workshop. It was very integrated with the History Department, and it was jointly run by Bob and David Landes. Lots of good people would attend regularly: Naomi Lamoreaux, Winnie Rothenberg. There was a lot of camaraderie, and Bob would have people once a year over to his house for dinner. He would always invite a famous person to interact with his students from his lengthy list of famous friends. I remember once meeting John Kenneth Galbraith. I took a date to that—she was not an economist and she was very impressed because Galbraith talked about his friendship with John Steinbeck. [Both laugh.] I met John Dunlop. But the most memorable was that I met Simon Kuznets. I was seduced into economic history basically because I really liked the people. It was as intellectual as anything else, and I didn't get any pushback from any place else in the department. In fact, I got encouragement, for example from Richard Freeman. Richard at that time had started writing a book that he never actually finished, which was an economic history of African Americans—education, income, etc. I got a copy of the manuscript that he was working on, and it was pretty much out of my interactions with Richard that my own work in that area started.

What you are describing is a relatively flat field. One thing that attracted me to economic history is that in the US it does not matter much whether you are senior or junior—this is even more so relative to other fields, at least based on my experience. The senior economic historians are encouraging of the junior people. Was that also special about economic history in the past?

I think that developed a little bit more over time. I was at Harvard just a few years after Time on the Cross and there was some animosity in the air. Even so I met lots of people: Doug North, Peter Temin, many others. In economic history, we have a very high level of social capital so that people take care of each other's students. I always viewed it as part of my job to take care of people no matter where they were coming from. And that is reciprocated. If one of Price Fishback's students, say, needs some help from me, I'm happy to do it. If Price is the right person for one of my students to talk to, I send them. I think this is very conscious and it helps to grow the field. Another example was really trying to make the EHA an institution that would be welcoming to people starting out. I could never reproduce Bob Fogel's house, but you could reproduce it in a different way by making the organization welcoming.

And we certainly do more of that than other fields in economics.

Yes, we do. Some of the other fields are on the dark side of the force, for sure. In economic history, everybody tries to make sure that younger people meet the senior people. And it is calculated because somewhere down the line people need to get letters for their promotion decisions, and it helps to know people. For young people coming up in a big field like macro or labor, it can be very hard.

That is actually how I met you. I was working on a paper on teachers as a graduate student and Claudia Goldin told me "Bob has some data, go ask him." I thought, "This person doesn't even know me." And you had the data, you just gave it to me—that's how we met. That was a long time ago!

Well, of course Claudia and I go back. I met Claudia in 1979 when she was visiting at Harvard.

Let's go back to Fogel. In preparing for this interview, I found a list of his advisees in a volume in his honor.[1] *It is the who's who of economics. How was Bob as an advisor, and how does he continue to influence you?*

Well, as an advisor, he was pretty hands-off, at least with me. . I would show him things and I would meet with him from time to time, but not that frequently. There were other times when he was very forceful. I will be talking more about this tomorrow at the AEA session "Cliometrics in Historical Perspective: In

1 Claudia Goldin and Hugh Rockoff, eds. Strategic Factors in Nineteenth Century American Economic History: A Volume to Honor Robert W. Fogel. (University of Chicago Press, 2008): 465-470.

Remembrance of Robert Fogel and Douglass North."[2] If you think about there being a line where the left part of the line is history and the right part of the line is economics, I have always been on the right part of the line, even beyond the end point. I was always pushing this, and Fogel was never entirely comfortable with it. And not just when I was a graduate student.

Were you pushing on the theory side or on the methods side?

Both—theory and econometrics. I was very much coming at things from an economics point of view. He really pushed me back in the other direction. An example is the paper that I wrote with Georgia Villaflor on wages in the United States before the Civil War.[3] That paper in the original version had a model in it and he did not like it at all. He thought that this should be a paper addressed to historians. That paper was completely rewritten with that in mind. It's funny. He was enormously influential for me personally. Just sort of seeing someone at a level that was really hard to comprehend. It wasn't just the topics that were so big, it was something about the way he conceived research. He was able to see the big picture. I will use a musical analogy. He had this macro view of what he was doing, in the same way that someone performing a piano sonata has to have a macro view of the piece, and then each little part has to fit into the macro view. I found that very helpful in thinking about my own work. Often when I am writing a paper I try to imagine what the paper will look like when it is done, even before I have written it. He was a master of that.

Is that something that you started doing in graduate school because of his influence?

Yes. I became very aware of how good he was at this, and that he was much better than anybody else. And I would say that it is still true today. I did not find him, though, all that useful as a model to channel when I started writing my own papers. I think one of the hard things when you are starting out is there is a lot of natural inclination to imitate the people that are mentoring you in one way or another, and I didn't want to do that exactly. So I went around looking for other models.

Who were your other models?

Well, one of them was Bob Higgs. I found Bob's style useful because he also could visualize an article from the beginning to the end, and he was able to make it compact. I got a lot out of reading his papers. The style of Peter Temin's articles was also a big influence. Developing a style is an important part of becoming a scholar. So they were my models to an even greater degree than Fogel was. You have these influences and you don't really reflect on them until much later.

Maybe you previewed the answer before when you mentioned Richard Freeman, but how did you become interested in issues of race and schooling and inequality in the American South, and how did you specifically come to your dissertation topic?

It was a combination of things. I grew up in the suburbs of Detroit. I have a vivid memory of the Detroit riots in 1967 because my dad was working in a company with headquarters very close to where the riots were occurring. He had to go into his office and retrieve all sorts of business documents. I had very limited contact with African-American culture in the sense of friends, but I was very involved with jazz when I was a teenager. I listened to black artists. I was very aware of the music. And that developed further at Michigan because I was a member of the university's jazz orchestra. Then when I read Richard's manuscript and I thought, "Well, this is an interesting topic." And I remember going and looking up some of the data that he was using which were school reports by departments of education of various southern states. There was one set of documents, and I looked for the name of the last person who had checked them out, and it was Gunnar Myrdal. So I thought "OK!!!" I had an instinct that this was a good set of topics.

I find it so sad that now it's all gone electronic, and you don't have the little thing in the back of the library books.

It's all gone... I told Richard, and he was very encouraging. He never followed that much up on it, and I think he liked having someone work on it. I am not saying that I stumbled on it, but it really was a case of seeing that this was a good topic and that it was obviously important. The other thing that I liked was that it was connected with Fogel, but it wasn't Fogel. I had an instinct that if I did something that was connected, that was good, but that if I did something that wasn't directly connected, it was better, because I could establish my own identity. I wanted my identity

2 A link to the session's webpage, which includes links to papers and presentation slides, can be found at https://www.aeaweb.org/conference/2017/preliminary/1323?page=7&per-page=50

3 Robert A. Margo and Gloria Villaflor. "The Growth of Wages in Antebellum America: New Evidence." The Journal of Economic History, 47 (1987): 873-895.

to be separate.

There is something incredibly rewarding of having ownership of what you are about.

Well, you were the same way, though. I don't know whether you realized it when you started working on executive compensation how important the topic was going to be, but you must have had an instinct. Don't you think?

I also benefited from advisors that encouraged me to do different things from what they worked on. That's what Claudia Goldin and Larry Katz valued. I did not realize at that time that my topic was connected theirs, but it is. It ultimately is about a certain part of income inequality. It feels like I am far apart, but…

But you are connected. I think it makes the whole greater than the sum of the parts. Because there is sort of a chain, and it doesn't stop with the person.

One question that frequently comes up in the Clio interviews is the divide between economic history and history. One way to get into this issue is with the current debate on the effect of slavery on American capitalism. What are your views?

The whole thing is very strange. When I was at Harvard, there was a lot of interaction between economists and historians. When I was a Ph.D. student, I subscribed to the Journal of American History and actually read it, ok? [Both laugh.] The controversy and the divide were already present, but they got much stronger in the 1980s to the point where there has been much less interaction since. This partly reflects the fact that academic history is declining in terms of students, faculty positions, and so forth. History went on a long period of detour from quantitative analysis. I will be talking more about this in the paper that I am giving tomorrow at the AEA session, but this is one of the things that the early Cliometricians thought that they would do.[4] I see this as part of the problem of carving an academic identity. What are you supposed to do if you are an economic historian in an economics department? Fogel's flavor of this was to colonize history. And in retrospect I think history did not want to be colonized. Also, historians don't have the same model of thinking about the world in terms of models of behavior. And history tends to go through phases were different methodologies become popular. One of the things that happened in the last 30 years in history is that the rest of the world didn't stop. Now we have big data, tremendous advances in computing power, and the digitization of everything. The infrastructure for dealing with these advances is generally not there yet in history departments.

But I have to say I find the whole history of American capitalism mystifying because it almost reverses the debate that happened back in the 1970s. The original view of slavery was that it was a backward form of capitalism. So when Fogel and Engerman come in and start seeing slave owners as rational profit maximizers, this drove some people crazy. When Fogel and Engerman argued that there were economies of scale in slave agriculture, they were basically arguing that there was an aggregate effect of slavery on per capita income. If you got rid of slavery, per capital income would be lower. But you don't have to spend a lot of time with the numbers to realize that the aggregate effect cannot be very large, because it is only in a few crops—it does not account for much of the economy. In retrospect, you wonder why there was so much animosity, because we are not arguing about something that had a huge effect on per capita income. But the historians of capitalism are almost arguing the opposite—that in the absence of slavery, modern economic growth would not have happened in the US. It is a bad thing that there isn't willingness or enough interaction between the two sides of the field, where the historians of capitalism can draw on the best work in Cliometrics, and bring new insights, whatever these new insights may be.

Besides this particular debate, there seems to be little conversation between economic history and history more broadly. Do you have any views on how to bridge the gap?

I don't really know. The paper I am giving tomorrow basically argues that over the past 40 years economic history has integrated into economics, and it is becoming indistinguishable from other branches in empirical economics. A lot of that is the supply side. There is selection involved, and there is just not a lot of benefit to the interaction. So it is not just simply that there is an absence of a conduit for the interaction. You can't have trade unless there are gains from trade. And it is not obvious that there are gains from trade.

Let me ask you about the gains from trade. You collaborated with a lot of economic historians, but your

4 Robert A. Margo. "The Integration of Economic History into Economics." NBER Working Paper No. 23538 (2017).

work on American schoolteachers was with a historian.[5] *How was that process different?*

Joel Perlman was someone who I met while I was a graduate student at Harvard. Joel was one of the last generations of historians who were very well trained in quantitative methods. He is a great traditional social historian, and yet at the same time he can talk the language of quantitative history. There was a lot of struggle in that book, again because I wanted to take it in a certain direction and he wanted to take it in the other direction. We sort of ended up in the middle. I am very happy we had that collaboration.
Do you think the middle was better for our understanding of the topic?

I think the middle communicates better. I don't think you can separate the question of understanding from the communication. You can have a deep insight but if you can't communicate it, it is not going to work. I think in those instances in which I wanted to take things in an economics direction and I was pulled on the other direction, the benefit has been on the communication. There is a tradeoff. You sacrifice something on the technical side, but you get a better story, you advance the literature more.

When you add "big data," the massive access to historical records that we have now, and a disconnect between economics and history—it seems that there is an increased risk that we may not pay attention to the history as much. We can analyze data and come up with statistical findings, but maybe we are just getting the story wrong.

Well, there are definitely tradeoffs on both sides. For a long time, it didn't really matter because there wasn't much economic history really going on in history departments. And now there is a little bit of it because of the history of capitalism. The social planner in me says that there is a cost because the historians are not incorporating the insights of economics. But we now are also in a world in economics where historical evidence is widely accepted. Lots of people run regressions of per capita income at the county level in the year 2000 on some variable from the 1860 Census. There is lots of work using historical data in economics where it's clear that the person using the data is not altogether aware of the historical context. Is that necessarily bad? You could come up with something interesting, but it could also be the case that what you are doing is highly misleading. So there is a need in economics for a core of economic historians to maintain a deep connection to the historical context. And we don't have too many people who do that. The great example is Stan Engerman, who was always in communication with both sides of the field. But I don't know how to bridge the gap because I don't think the labor market incentives make it easy to do that.

A related concern I have is how to make sure that our field preserves the collective memory about data sources, the problems and limitations of certain data sources, etc. At the DAE, for example, there are people from the older generations with massive amounts of knowledge of where to find the right data, etc., etc. When you were starting, did you have the same feeling? Is this something that develops as you age in the profession?

I can only speak for myself, but I don't think so. You were coming into the field at a time when your mentors had already made the transition into economics. In my case, that wasn't quite yet true. Yes, they knew more about the data. I knew more about the econometrics. So I didn't quite have the same impression. But you talk about influence. It was obvious that Fogel spent enormous amounts of time burling into the details of the data sources. And that is something that stuck with me, and it clearly was very useful.

That was Claudia Goldin's influence for me—developing obsessiveness about data.

But I think she got that from him – I certainly did. Obsessiveness about data was clearly one of his influences on the field that people don't think about very much. They think about the substance of the work, not as much about what goes into it or how it is communicated.

We have senior scholars who seem to know everything about everything. Again, it has to do with identity: what it is that you spend your time doing? In this case people want to spend their time developing an extremely wide knowledge. There is an alternative view of how the field could have developed, in which there was less of that, but there may have been just a few topics in which there was extremely intensive work. One of the things it always strikes me when I teach American economic history is how much is still up for grabs. There is not much in the field that is settled. And that even is true for things that you think ought to

5 Robert A. Margo and Joel Perlmann. Women's Work? American Schoolteachers, 1650-1920. (Chicago: University of Chicago Press, 2001).

be settled, like, say, the Great Depression.

Oh, yes. A lot of it is lack of data too.

Yes. But think about this. The way Cliometrics developed was such that people had a vision in their mind that someone would eventually write a textbook that would reinterpret the economic history of the United States or England. Bob and Stan wrote The Reinterpretation of American Economic History. Atack and Passell wrote A New Economic View of American History. So you had the idea that you would be able to reinterpret the big picture. But the big picture is huge, it has many, many moving parts, it has every conceivable field in economics. It is simply impossible to be an expert about all of this. So, yes, we have people who are repositories of information. But you can envision a different type of field where there was less of that, and there was deeper understanding of fewer things. Which is better, I am not sure.

At the AEA meetings tomorrow, you are presenting a paper on the integration of economic history into economics. Can you summarize your views on the evolution of Cliometrics, and where you think the field is headed?

Every so often we have sessions to talk about what has happened, and where the field is headed. Most of these papers are written by insiders. The one exception that I think is important is a paper by Jim Heckman.[6] Also, the previous papers are almost all normative. They are basically saying, "Well, this is what economic history used to do, the Cliometricians came about and did X, this is what we have accomplished, this is what we haven't done." Those sessions have great value and they certainly stake out different points of view. But that is not me. I wanted to use economic reasoning to explain some data. A few years ago, I was asked by the AEA to write a paper about the history of the AER for the hundredth anniversary.[7] I had a great deal of fun writing that paper because I thought about the economics of the AEA and the AER. I have been a journal editor and I realize that there are lots of interesting economics in this. There has been very little work done on the industrial organization of economics and whatever economic problems arise within the discipline, like the formation of scholarly identity. Why do people work on what they work on? How do ideas get transmitted across scholarly generations? When I got asked to do this paper for tomorrow's session, this was in the back of my mind.

To look at the history of Cliometrics, I start with the stylized facts: that today economic historians in economics departments are basically trained to behave—I am talking about professional behavior—just like every other economist. I document this in a couple of ways. One way is the use of econometrics language in the JEH, Explorations, and a variety of journals, and how it changed over time. You see very strong convergence to other journals in economics. I also collected people's CVs. There are very striking differences in the publication records over time. The first generation post the early Ciometricians—people who got their PhDs in the 1970s—published books; they rarely published in economics journals. The next generation of PhDs in the 1980s—that happens to be me—started to publish much more frequently in economics journals. Most people still published books, though there were a few people who didn't. Then a little further movement in the 1990s towards economics. And then you get to the post-2000s PhDs, such as yourself. And it is a structural break like you would not believe. There is a move away from publishing in history journals, even in economic history journals, and much more towards economics. Some of that is towards the major journals (the AER and so forth), but also towards top field journals. Why did that happen?

I make an equilibrium argument that has to do with labor market incentives. Cliometrics was as a shock to the demand for quantitative research in economic history coming about because there were the NBER studies of Kuznets and others, there was Solow... All these people wanted to have a firmer factual basis for understanding economic growth. That was not present in the economic history literature of the time, which was very traditional. The early Cliometricians had to satisfy two masters: the economists and the historians. Over time, economics won. Each generation has responded to incentives, and the incentives are extremely strong in economics to behave like an economist. I think also there is only a limited extent in economics departments for people to be interested in historical debate. Suppose you publish a paper that proves that a historian was wrong about X. Well, there is only so much that economics is going to be interested in that. I think the timing of the structural break does reflect the influence of the early

6 James Heckman. "The Value of Quantitative Evidence on the Effect of the Past on the Present." The American Economic Review, 87(1997): 404-408.

7 Robert A. Margo. "The Economic History of the American Economic Review: A Century's Explosion of Economics Research." The American Economic Review 101 (2011): 9-35.

Cliometricians, which is pretty long lasting. There were two influences. One is Bob and the other is Doug. Bob's influence was to push people towards history, and Doug's influence was to push people to be critical of economics. And I think in the current generation of economic historians you see much less of both. People have embraced economics and have no incentive to change how the history world works. I am thinking about this as a stylized fact for which I have a model.

Not whether it is good or bad.

Yes. It is obviously good for the individuals. We make a lot more money; have low teaching loads. This is another feature of economics that demands study, which is that our market is much stronger. Whether it is a good thing for society is a much bigger question.

Your paper shows that economic history is becoming applied microeconomics or macroeconomics—we use econometrics and identification to make our points. This way of thinking forces us to ask narrower questions. Are you concerned about that? What do you think is the space in economic history to produce new data, new facts, big books?

In the paper, I speculate on the natural end point of these changes. And one end point is that there is no field of economic history. That in fact there are within the different fields in economics—labor, public finance—people who specialize to some degree on the historical side of things that is relevant to that field. In that world, there is no field of economic history. I don't think that we are going to get there because there is a residual demand for "big think." There are economists out there—Bob Solow, for example —that were well aware of the facts and trends I am describing, and they did not like them. Bob thought that something was being lost. If you are good at it, though, you can still carve out a very fine career in economics doing big books, like Joel Mokyr has done. Piketty is not an economic historian. Bob Gordon thinks hard about historical questions. So the question is, is this where economic history is headed?

I was at a conference at the NBER the few years ago. Joachim Voth and I were the only card-carrying economic historians in the room, but half of the papers were history. I got the feeling that the people present liked the fact that there were people in the world of economics that actually did know something about the historical data and the historical context. I don't think economic history will disappear as a field, but if my paper has any long-term value it is calling attention to the fact that this could happen. I don't think that it is good either, but I am not sure what we can do about it because what we are seeing is a long-time trend that reflects the nature of the labor market.

We have completely revamped our knowledge of income and wealth inequality over the long run, and that wasn't economic historians. There is of course Peter Lindert and Jeff Williamson's work going way back in time, but …

Right. And I think that is a very good thing. There was a period in Cliometrics when we tended to isolate ourselves and we told ourselves a story that somehow we did empirical work better than other fields in economics. And that was never true. There has always been a lot of good economic history coming from the economics side. Friedman and Schwartz is one of the great books. We do not do ourselves any favors by imagining that we are on the top of this pedestal, that just because we know something about what happened in 1922 that somehow makes us more insightful. We are all after the same thing, which is progress in understanding the economic past, and that can come from any direction.

When I meet non-economic historians, I get asked, "What is economic history after all? Aren't you just doing labor economics—or any other field—with historical data?" What is your answer to that? In which way are we different?

Well, I think it is a difference of degree but not kind. The difference between what I do and a labor economist does is how much front and center is the historical context. If I am interested in early childhood education in the United States, and I use data from the introduction of Sesame Street, do I talk about the 1960s and PBS, or do I say, "Well, here is an interesting body of data, here is a shock, and I will use that to say something about early childhood education." I think that those of us that see ourselves as economic historians put the historical context front and center. So we ask questions about the actual economy. What if slavery had not happened? What would the economy look like in 1880? What if the Security and Exchange Commission did not exist? What would have happened to firms? We try to situate the questions in the actual economy. This is actually an important activity in economics, and it is something that we do. That is something that other people do, too, even if they don't call themselves economic historians.

What is your pull towards asking the historical questions, personally?

I found myself interested in questions where the relevant outcomes evolve across multiple generations. There is an intergenerational component. I have to go back in time a long way, otherwise I miss something of central importance. I don't think I can fully understand the present unless I go back. Now, some of that is instinctive. Every time I am interested in something, I approach it with that in mind. It is sort of built-in my scholarly DNA to take that point of view.

Recently, you have revisited earlier work by other economic historians and by yourself. You did that with Sokoloff's work in your paper on technical change and relative skills, and you did that with your own work on the long-run trends in racial inequality.[8] That strikes me as incredibly important, but we do less of it than perhaps we should.

Well, I don't want to put myself up on a pedestal. [Both laugh.] I do think that it's important to do this and, yes, I do not think that we do enough of it. It is hard, and it is not always pleasant. You discover mistakes that you made. But I said to myself, "I published a lot about XYZ and I am going to go back and revisit it. I am going to think hard about whether it is right or not." And from the experience of having done this a couple of times, I am led to believe that there is a lot of what we now take for granted in our field that if we take a closer look at it, we would discover that it is not robust. If I am going to stand in front of an undergraduate class and tell them that in 1870 the black-to-white income ratio was a number like 0.25 and today it is a number like 0.63, I want to actually mean it. I want to be accurate. There is a lot of power in numbers. Those of us who have been trained in economics have tools that can confuse and obfuscate people very easily. Yes, I would like to see more of this. I hope that the couple of times that I have done this encourages other people to do it.

Your paper shows very slow convergence in racial inequality over time except for a couple of periods. This seems one of the big problems facing America. You have been thinking about issues of race for a long time. What do you think we can or should do as economists or economic historians to think about these issues, to guide policy design?

For much of the intellectual history of the topic of race there has been a lot of attention paid to specific policies and their effects. What I am after in my Presidential address is the intergenerational connection. When I was working on my dissertation I didn't have the tools to think about it, but it struck me as being important and neglected. And I think that race in the United States is "the America Dilemma." It is pregnant with overtones and there is so much else going on, that you can't really grasp what the real questions are. In many ways, I think the central question is about convergence and intergenerational processes. We tend to think that the United States is this great melting pot; that immigrants came and succeeded. But we now know from the work that Abramitzky, Boustan and Eriksson are doing that a lot of this reflects who stays.[9]

If you conceive a typical intergenerational regression—so parent's income on child's income—most of the time these studies are done in the context of countries. If you start to embed it in a worldwide income distribution, you just realize that in fact the slow convergence of blacks in the U.S. is a lot more common that we would like to admit. There is a lot of slow convergence all around. If you had asked me when I started working on black-white income differences as a graduate student, do I think that we are going to see racial equality in incomes in the next 40 years in the United States, I probably would have said, "Well, maybe not equal but probably a lot more equal than we have seen." I would have never predicted that Obama would have been President, but I would have thought that there would be a lot more racial convergence than there was.

Why do you think that it happened faster for women that for blacks?

Women are half of the population. [Chuckles.]

But the change in norms has also been different. Why would marriage bars go away, for example, but not so much various norms that discriminate against blacks?

True. It is a good way to think about the problem. I

8 See Lawrence Katz and Robert A. Margo. "Technical Change and the Relative Demand for Skilled Labor: The United States in Historical Perspective," in L. Boustan, C. Frydman, and R. Margo, eds., Human Capital in History: The American Record, pp. 15-57. (Chicago: University of Chicago Press, 2014), and Robert A. Margo, "Obama, Katrina, and the Persistence of Racial Inequality." Journal of Economic History 76 (2016): 301-341.

9 See, for example, Ran Abramitzky, Leah Boustan, and Katherine Eriksson. "A Nation of Immigrants: Assimilation and Economic Outcomes in the Age of Mass Migration." Journal of Political Economy, 122(2014): 467-506.

admit I have not really thought about it in those terms. Part of what I was trying to say in my Presidential address is that there is a way of conceptualizing the history of black-white inequality in which slavery has a much longer reach than people generally acknowledge. The usual argument about slavery is that it affects things initially, but that it lasts roughly two generations. A good example of this is the literacy gap.[10] This argument is much more limited than it looks. In my paper, I argue that the initial gaps were really, really huge. And they narrowed over time, but collectively there were just a lot of different gaps. And, yes, de jure segregation slowed the process considerably. But even if that hadn't been the case you would still had observed a fairly slow convergence, because slavery had enormous effects on the initial gaps in human and physical capital. I am not the one to judge whether that is a successful argument, but this is partly what I was trying to say.

OK, let's switch topics. Which books would you recommend a graduate student who is trying to get into economic history to read, and which books have been the most influential for you? They don't need to be economics books…

Oh, my god! Well, for sure I would say people should read "Railroads and American Economic Growth." Also "Understanding the Gender Gap." I think reading those two books is really important.

When I was younger, I was very influenced by Faulkner. I would probably pick one of Faulkner's great novels… "As I Lay Dying" or "The Sound and the Fury." In literature, I was very influenced by Thomas Pynchon, so "Gravity's Rainbow." In economics, a book that influenced me a lot was Becker's "The Economics of Discrimination." I read that many times, thinking very hard about each step of the way.

Let's end on a personal note. I assume most people know but, for the record, let's state that you are also a very accomplished musician. At Fogel's memorial, you spoke about the importance of having a life outside of economics, of having other passions. It also seemed to be an influence of Fogel on your own life. How important has that been for you?

Oh, it has been of complete importance. I've played music since I was a teenager, and I kept it up. It was always part of me. It was a second life, as it were. When I was at Harvard, I would play gigs with a pianist at Legal Seafoods, and they would feed us, basically.

That is so funny!

I subsequently studied and performed on modern classical guitar for a very long time, and then eventually branched out into mandolin and early music as well. It's very central to my personal identity. It's very, very different from what we do for a living. And I am glad my life evolved the way it did, so I was able to do music too. I have a very strong need to be artistic.

Our work is partly artistic, though.

Well, yes, and I think that over time I realized how much art there is in economics. It cuts both ways. It took a long time for me to find the niche in music that I wanted. I wanted to make a contribution at a high level, but knew full well that I lacked the sort of credentials that musicians that were making the kind of contributions that I wanted to make would normally have. I did not go to a conservatory. I do not have a doctorate in composition or musicology. So it took me a long time to find the niche, which I have found in the mandolin world. I commission music, I perform in Europe, I write music articles. And it is satisfying in ways that are surprisingly similar to the way things are satisfying in economics. When I am writing an economics paper, it's not that terribly different than when I am thinking of playing a piece of music. And when I play a piece of music, it's very analytical when I am approaching it. Although I would say that one of the things that I value in musical performance is the ability to be spontaneous. I like the spontaneity to improvise. That is something that we can't do in economics. We can only do it a little bit in a workshop or in a classroom. And in some ways the best presentations or the best classes allow for that.

I felt at Fogel's memorial that you were trying to tell young people in the profession to try to have that space in our lives. That it was important to you to communicate this.

I totally believe this. I think that if you don't have this space in your life, your work loses perspective. It doesn't have to be arts; it can be anything. I think that it gives you the ability to step outside. Bob had two hobbies—one was photography and the other was woodworking. And he was extremely good at both of

10 See, for example, Bruce Sacerdote. "Slavery and the Intergenerational Transmission of Human Capital." The Review of Economics and Statistics, 87(2005): 217-234.

them. One of the things of playing an instrument is that as you get better and better at it, you become more and more convinced about how little you know. And I think economics is like that too.

You are not going to start comparing yourself to Jordi Savall now, are you?

No. [Laughs.] In economics, the more we do something, the more you get convinced of what you don't know. And music can be exhilarating and frustrating at the same time because as you get better, your standards get higher and higher. You are searching for an ideal in performance. In my case, the hardest part is performing. When we perform in economics, we get in front of a classroom or in front of a group of people, and invariably there are micro errors that you make. Your words don't come out exactly like you want, you skip something, whatever, and it never matters. But in music if you are up there committing micro errors every two seconds, it's very obvious. There is an exactness that I value in it, that then feeds back into economics in that if I can be simultaneously exact in performing a musical phrase and yet have it embedded into a bigger picture, that's a model for doing scholarly work. I am going to be exact with the details, and have it fit into a bigger picture.

That's beautiful. Let's end with that. Thank you, Bob. ▪

The Warbler Report: Farewell from Afar


A black-faced warbler. Photo credit: Naina Devi / [CC BY 2.0.](https://creativecommons.org/licenses/by/2.0/)

The Warbler found himself in unfamiliar territory for his final tour of duty. There was cheese, so that was sort of like home, but they called it something else. (The Warbler still recognized it as cheese. Chalk that up to good old Wisconsin intuition). And there was beer, also sort of like home. But again, the brands weren't Spotted Cow or Schlitz, so something just wasn't right. This place was sort of like Germany, sort of like France . . . and yet, sort of like Wisconsin as well.

But all of that ruminating would have to wait. The Warbler had a job to do. It was his final assignment, and he wanted so very badly to go out with a bang. For the final time, he would be the arbiter of all that was said at the annual gathering of the Cliometric tribe. In case you have been hiding somewhere on the dark side of the eclipse these past many years, what the Warbler is looking for (actually, listening for) is the occasional pearl of wisdom, dispensed, sometimes unnoticed, in the buzz of intellectual activity that is the hallmark of all things Clio. But the Warbler is not satisfied with just any old pearl. Only those forged during the heat of verbal jousting attract his notice. And only those that are profound, universally true, and spontaneously dispensed.

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 stunned the gathered intelligentsia with the observation that one should "never open a can of worms larger than the universe." Thus began the annual search for truth, near truth, and skewed logic. Since then we have learned 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. Last year our Gaelic Elder comforted us with the reassurance that "it's not moving down the ladder, it's falling off that's the problem." The Warbler was confident that in this large, international, multicultural gathering of Clioms, there would be lots of good things to hear. He was not disappointed. Almost immediately out of the gate, Old Money piqued his interest by citing the Warbler's home state, using it as the barometer of all things important when he confidently announced that "if you want to measure the impact, just compare it to Iowa." Quickly thereafter there was another geographic reference from the German Down Under who wondered, "If we construct a counterfactual and eliminate the French, will anybody care?" And then, incredibly, another one! This time it was something that even the ripe old Warbler did not know. Thanks to the Young Banker, now the world knows that "Dutch farmers used their moms and their farms as collateral on their loans." This was going to be a good farewell party for the Warbler, and it came with some savvy financial advice to boot.

Cliometricians are many things. But they are not complimentary. At least not in the way they think they are. For example, when a young Cliom, still without his antlers, saw the Harvard Don raise his placard and get in the queue, he could scarcely contain his enthusiasm. And why not? The Don was going to dispense some wisdom in his direction! Finally, the Don's turn in the queue arrived, and he spoke: "That's a nice endogenous variable, and it helps tell a nice story. But nobody cares." The Warbler could only imagine the emotional roller coaster the young recipient was on. But then later he heard our Annales Colleague announce that "I don't mean to suggest that their paper is better than yours. But it is equally as bad." Sigh. Maybe next year a session on complementary compliments?

Cliometricians attempting to dispense kind words are only the most recent example of how tough the world can be. The Prose Polisher reminded us, "It's not easy to leave your labor union. Somebody will beat you up and take your lunch money." And The Man with No Last Name noted that class also has its rough edges when he revealed that "rich people can afford to knife their victims, but the poor have to club theirs on the head." This sort of thing has apparently been going on for hundreds of years. The Counter of All Things revealed that "even if you weren't a witch you were punished more violently in the 17th century." Fortunately, not all that the Warbler heard was so gruesome. Nor was it all so specific. In three different sessions, the Warbler encountered the Gaelic Lad. And each time he learned something about the value of precision to a Cliometrician. First, he was reminded, "Gravity is everywhere we look." That seems comforting, except when the Warbler falls off that ladder that his elder told us about last year. It wasn't long before that same Lad revealed, with a sense of excitement in his voice, what seemed to be one of the major findings of his latest research. It turns out that "there's a difference between Icelandic pineapples and American cars." The Warbler was intrigued. Having thought about it now these last several weeks, he is ready to jump on that bandwagon. He may even tweet it out, if he can ever figure out what that means. But the Lad was not done. He also showed that precision in time is also important to a Cliometrician, when he discovered that "median wages in America started to rise sometime between Saturday Night Fever and the Sex Pistols." Specific. Concrete. Easy to verify with Wikipedia. It doesn't get much better than that.

But the Warbler digresses. Let us get to the punchline. The finalists for his final annual rite of recognizing the most profound and universal truth. The finalists comprise a familiar lot. There was Old Money, who in discussing his passion, told us, "Everything is money. Anything can be money. That chair is money...Actually, I don't even know what money is." It started out so well. Profound! Universal! But then, if even he doesn't know what money is, how could the mere mortals among us ever know? Once again the Warbler heard a familiar voice – that of The Man with No Last Name. He told us that he had determined (but with what precision?) that "the higher your parents are on the social spectrum in the North, the more likely you are to die in the South." The Warbler found that profound, but because it was specifically a North-South thing, it could not be universally true. Only moments later, that same Cliometrician pulled a rare double – not one, but two near-misses in one conference. In attempting to sum up his life's work, he mused, "I can't think of it right now, but I'm sure there's a French phrase that means *c'est la vie*." If only the Warbler could speak French, he might be able to help.

Finally, the moment of truth. From the Pan-European who rose to the level of previous Klioms before him. He captured in one brief statement all that Clio is, was, and ever will be, when he announced, "The broad goal is to compare everything before Jesus with everything after Jesus." What more can the Warbler add to that? What a fitting way to say goodbye. ▪

An Interview with Gary Hawke

Professor Gary Hawke retired in July of 2008 from Victoria University of Wellington where he was Head of the School of Government and Professor of Economic History. He had served Victoria University for 40 years. He also served as Director of the Institute of Policy Studies from 1987-1998, and he was Chair of Experts Advisory Group on Tertiary Education Reforms and of the New Zealand Committee of the Pacific Economic Co-operation Council.
Professor Hawke was awarded a CNZM (Companions of the New Zealand Order of Merit) in 2008 for services to education and economics. In 1998, he was awarded the NZIER-Qantas Prize in Economics. He is a Fellow of the Royal Society of New Zealand and a member of the Academic Advisory Council of the Economic Research Institute for ASEAN and East Asia.
Professor Hawke was a visiting fellow at Stanford University in the United States, All Souls' College, Oxford in the United Kingdom, at the Australian National University in Australia, and with a number of institutions in Japan. In 1978, he was Tawney Lecturer for the Economic History Society in the UK.
Evan Roberts conducted this interview in June 2017. Evan Roberts and Mary Eschelbach Hansen edited transcripts for length and readability.

The style of these [interviews] is a discursive tour through your career and go where the conversation leads us. So, starting at the beginning, you came to Victoria [University of Wellington]. What got you into economics?

A report of the Economic Commission for Europe. I did industry in geography at school, and I do recall we were looking at a report from the Economic Commission of Europe…and I can remember a teacher saying that this obviously attracted me—presumably because it was written in jargon and was quite incomprehensible.

Economics was just part of the Commerce degree, and I was interested in the whole range of subjects: maths, history, and economics fell into place. I started doing the BA…

You were interested in history as well, even to start with. Did you know economic history was a subject?

The prescription in those days for the final year at school was a very simple prescription: simply English history, 1272 to the present day. Included in that was some economic history. I do recall reading some economic history books at the time, but I didn't realize it was different from other sorts of history.

Then, at Victoria, economic history offered as a subject. It had been a course in economics from somewhere around the 1920s; it was copied from Scotland. In economics, too, for a long time there had been a paper in economic history. Then John Gould was appointed here as a lecturer, in economics originally, and he organized a separate course in economic history. There were courses in economic history, there was a separate unit in the degree, and then there was a paper. Then you could do an economic history paper at Honours, and it was in the economics program.

And was John Gould teaching all of those?

He was. He was it. And, indeed, somewhere in those years—in 1963 or from the beginning of 1964—he held the first chair in economic history.

You got an Honours degree at Victoria before you went to Oxford?

Yes, and I actually did a paper in history as part of the Honours [degree. That is, an additional year after the three-year BA.]

I did basically the reverse … Honours in history but two papers in economics!

Yes, that was one of the attractions of a degree in New Zealand. It wasn't so unusual in Scotland, but in England people couldn't understand it. I remember Geoffrey Elton was absolutely puzzled that we expect students to manage these things in different subjects. I thought, when I got to England, the English students actually knew more content, but they weren't further advanced in their main subject, and we knew a lot more about other subjects.

That's interesting, I've always described New Zealanders coming out of the English system, but it sounds like maybe we came out of the Scottish system.

Yes, the Scottish system. Up until 1971 we had a nine-unit degree, and the nine-unit degree was copied straight out of the Scottish. Nobody actually ever really given me a very clear explanation of why! I mean it evolved, not adopted. It's founded of course with Otago [University], and then you would have expected Canterbury [University] to do become an English [style university], but it was the Scots who prevailed in the New Zealand system.

That was a common progression in those days, to go to England?

It had been common. By the time I did this, in '63-'64, it was becoming more common to go to America. Frank Holmes had been traveling around and he was quite keen on the American degree. The main attraction of the American degree, I'm afraid, was [that] it was much better teaching preparation. I was, I suppose, even in those days, incipiently conservative—although I thought I was a radical student—and I didn't really want to do any more exams.

The attraction of the English degree was that it was a research degree. I did no exams in England. I enrolled originally in Oxford as a so-called "provisional advanced status student" which meant that you did something for a term, and after that they decided whether you would go on to do a doctorate. I was among the last humanities students to go straight to the doctorate, and I had no doubt I was doing a research degree.

So choosing Oxford … Tell me about that. Did you apply to other places? What was the attraction of Oxford?

I applied a number of other places because I applied for the Commonwealth scholarship. You're only allowed to nominate one at Oxford, Cambridge [or] London.

In '63, or around then, both Max Hartwell and John Habakkuk came to New Zealand, and I met them here in Wellington. It would have been John Gould who introduced me. The key figure was actually John Habakkuk. John was enthusiastic about following up on Cliometrics. …We talked about Fogel, we talked about railways in England. It was always clear that what I wanted: I carried Bob Fogel's Railways and American Economic Growth with me on the plane to England. I recall that very clearly because the immigration official at Sydney Airport went through [it], page by page—what nefarious literature!

I had to be admitted [at Oxford], and the person I went to was John Habbakuk again, and he telephoned John Hicks, who at that stage was chair of the economics faculty. I went to John Hicks and the only question he asked me was, "Are you sure want to do this with Habbakuk?" The process was simple from that point. I certainly got to appreciate [Hicks] as an intellectual force. He lectured on A Theory of Economic History.

He moved into economic history later, wasn't it?

[Yes.] In '65 he was just withdrawing from being chair of the economics faculty. He gave up the Drummond Chair, became a research fellow, and really concentrated on research. That's when he wrote [his] the second lot of books—the ones which have his name as John Hicks, not J.R. Hicks. He used to write about "J.R. Hicks" [as if he were] a distant relative. He was much more historical in his interest from that point.

You were working with Habbakuk and were in the British system: one main supervisor. Were there other people who were influential as you were working on the railroad research?

I spent a year at Balliol. Balliol did supply a college tutor, in addition to the university supervisor (who was John Habbakuk). The college supervisor was Wilf Beckerman, a well-known economist on growth. I did see Wilf occasionally, but he didn't play any significant part in the thesis. After a year, I applied to transfer to Nuffield. Nuffield was a totally postgraduate college, and at Nuffield there was Max Hartwell, who I'd met in New Zealand, and who had participated in seminars with John Habakkuk. Max was, technically, a reader in recent social and economic history, and he was my college [supervisor] from the second year onwards. We talked all the time. Max and I did some teaching together. Also, Alec Ford was an economic historian at Warwick, a relatively new university then, a couple of hours away from Oxford. Alec was on leave for a year, and Max agreed to provide for the graduate course in economic history, and then passed it on to me. Well, not quite. He still did some of it. I think of Max as the organizer. He traveled to Warwick when the weather was fine, and I traveled [when it was] snowing and raining!

You'd started out inspired by Fogel. Was the idea to replicate what he'd done for Britain? Did you see some problems with the social savings approach?

Inevitably, every student wants to find something wrong. Bob [Fogel] came to Oxford…to address the EHS [Economic History Society]. Obviously, we talked about it. I've always wanted to see the strengths in the past, and also to introduce the strengths of what is new. So in the book which eventually came out as Railways and the Economic Growth of England and Wales is obviously beginning as a replication of Bob's [work on] America. But…I wanted to set it in the context of the traditional pattern of the advantages of history, and so it is slightly different… You couldn't make the assumption [of perfect competition], and Bob had made that in a number of respects. [Y]ou got two systems working at the same time, [so] you can guarantee the social saving is nil, because otherwise one would not exist alongside the other. The social savings that I calculate [therefore] depends on costs of railways and canals, rather than on the prices they charge.

About Oxford in those days, was there a good intellectual environment around economic history? A weekly seminar? What was it like?

Habbakuk ran a weekly seminar. It was disparate [and covered] a lot of different subjects, but there was a corporate life. And Nuffield was very much the social sciences college…[T]here were enough economic historians there, around Max, that you really did think of it as a group of economic historians. And then there were some people at other colleges. That's how we thought. People at other colleges were just unlucky, but there were some, and some became quite good friends.

You finished in good time, in 1968, and then came back to Victoria. Looking backwards, to just come back to where you'd been, how much of an element of contingency was there? At the time was that what you wanted to do?

I was offered jobs in Oxford and at Sydney…[I]t was very much a matter of choosing where I wanted to be, and I did want to come back. When I went to Oxford, I had thought I might stay a bit longer. By 1968, I was fed up with winters in England. I was also a little disillusioned with English academic life. They were very insular. I always get a rise in Oxford by saying "Oxford: It's a great place to be. There are such good visitors!" [This] was deliberately provocative, but there was an element of truth, and I could see that, if I stayed in Oxford, I would become an Oxford don. Nothing else in England really appealed to me… Wellington offered me a better job than anybody else. Better than Sydney.

So you came back [to Victoria University] and joined [Professor John] Gould who was here. When I was at [Victoria] University [in the early-1990s], economic history was a separate subject. Is that something that you developed with John?

I was never very sure I wanted economic history to be distinct. I wanted it to be available to a variety of students, especially economics students and history students. But I didn't think economic history would survive on its own, and I wasn't sure that was the best way of thinking about economic history. I thought, on the whole, it needed constant revitalization alongside economics and history. Dual labeling has always seemed like a better idea than a very small program.

John Gould thought that if you were going to develop economic history as a major, you wanted to build a major on knowledge of economics, so we never did have a first-year class. [As a result,] economic history was always financially insecure because…in Wellington the way you manage anything is to have a large first-year class which cross-subsidizes everything.

Whenever anyone writes your biography, they marvel at your very rapid promotion from lecturer to professor—in six years. Tell us about that and about how you got the book out very quickly.

Yes, I was lecturer initially. I was promoted to reader in 1971 because I was offered the chair in economic history at Auckland. I was tempted, but again [moving was difficult for family reasons.] … Part of the return to New Zealand in 1968 was also that my wife Helen and I have never been very good at managing the timing of families. [I remember] traveling back to New Zealand. I actually had to sign a document to Air France who are flying us from New York to Mexico City. [It said that if] the plane had to divert for a woman's labor, we would reimburse all expenses and all their legal expenses for other members of the crew!

Soon after publishing the book on the railways you moved right into your work on New Zealand economic history, is that right?

Yes. The second thing which I did was write a history of the Reserve Bank. That was a commissioned history….[W]e'd left behind significant debts in England. We were on an attractive lecturer's salary but that [still] wasn't easy… I still needed a second mortgage to buy a house, I had no conceivable assets. I do remember suggesting to a banker—who had made a statement like,"[T]he most important thing in borrowing from a banker is character and reputation"—that he could test his theory by giving me a loan, but he wasn't responsive. The offer from the Reserve Bank came with an offer of some extra emolument. In particular, it came with, over a couple of years, [about] the equivalent of a year's salary. And they were willing to put that in writing. [We] simply assigned the payment from the Reserve Bank to the mortgage, and that was what built this house. But it was also, of course, an opportunity to get involved in New Zealand economic history using all the Reserve Bank records from 1933 onwards, with facilities for doing that, and more!

Tell me more about the history of the bank. What issues did it raise in terms of New Zealand's economic history?

The nature of the Depression in the 1930s. Several things have grown out of that. The general picture of the 1930s, [had been of] everybody together, all struggling to overcome overseas oppression … It didn't take long working on [it] to realize that was far too simple. The [real] picture of the 1930s is of [an income] distribution which was very much widening. You had falling money incomes [and a] fall in prices. If you…lost your money income, you didn't benefit at all from the fall in prices… Although relatively few were disadvantaged, across the population as a whole what you see is an anxiousness about whether they were going to move into the disadvantaged [class]. It was an insecurity problem, rather than an income problem.

Well, you'll be pleased to know that when I was in university, [former Victoria University lecturer, and now ANU professor of social history] Melanie Nolan and [former Victoria University lecturer, and now NZ Parliamentary historian] John Martin, presented that view. [They taught] that if you had a job, and most people still had a job, it was pretty good, and it was the insecurity and uncertainty of whether you'd keep your job was the issue.

I think I can claim that the article I wrote introduced that. Of course, you can always go back and find an intelligent observer in the 1930s who noticed. [Laughs.] One of them was A.G.B. [Allan George Bernard] Fisher, who had been professor of economics at Otago and then went off to Western Australia, [and who was] the director of Chatham House in London. He wrote The Clash of Progress and Security.

The history of the Reserve Bank got you into writing about New Zealand economic history. It was at that point that you decided to revisit John Bell Condliffe and to write a general history. I spent a lot of time in my third year [at university] looking at your working papers about the labor force and reconstructing New Zealand incomes. It seemed that they led up to The Making of New Zealand. That was your ambition—to write a general history?

Yes. What I didn't finish was a history like Noel Butlin's, the actual income trends, which those working papers were intended to do. By the 1980s there were other people involved [in New Zealand economic history], and a general history [would] be the better way of reaching them. It's also, again, partly just a matter of university organization. At that stage we were looking at how we were serving students. We were teaching British history and international economic history at Stage Two [sophomore/junior level]; New Zealand's history and a study of comparative economic development at Stage Three [senior level]. It did seem to me, and eventually to John [Gould], that we ought to be teaching New Zealand economic history at Stage Two. The Making of New Zealand actually began life as a lecture notes for the Stage Two course on New Zealand economic history.

One of the problems [we had was that], in the '90s, there was a real problem continuing students in economic history. People did try [to recruit]. The most successful was Gordon Boyce, who I recruited, and who really did build a relationship between economic history and business. Then he went off and became Dean [of Business] in Queensland. I think Cliometrics [everywhere] has always had the job of keeping itself alive, and not becoming simply applied economics, and not losing the notion of applying the boundaries of techniques developed in economics to understanding the past.

At this same time, you wrote Economics for Historians. What was your goal there, to get history students into economic history?

Yes, that was really a product of [teaching]. I was on sabbatical…in Oxford, so [the project] had to be self-contained and something that could be done while [I was] away… I suppose I was thinking that this could be a way of attracting more students. In retrospect, I was hopelessly optimistic.

Yes, right around the moment with the cultural turn in history…

The book always, it seemed to me, to be much more successful with students than it ever was with colleagues.

It was digitized by Google. It's stood the test of time. You wrote it around the same time you were moving into policy. How did that transition occur? You chaired the New Zealand Planning Council. When did that begin?

Frank Holmes, [who had] been a teacher of mine, [was] Professor of Money and Finance [and] wrote a report on economics and social planning. We had rooms next to each other [in the Economics Department at Victoria University of Wellington]. He persuaded me to become a member of what was then called the Economic Monitoring Group, and things just grew from there. It was the Muldoon government that actually appointed me to be a member of the Planning Council. And then the [David] Lange [led] Labour government in the 1980s asked me to chair the Planning Council. That continued until the National [Party] government, about 1991…[They were into] saving expenditure [and abolished the Planning Council].

How did you bring your economic history background to the role?

I wrote a paper called "Getting your hands dirty." A lot of people regarded the connection between [economic history and policy that way]. That's never been my experience. It's always been the skills of economic history which have really at the core of…the things that I've done in the policy advisory field. By "the skills of economic history" what I have in mind is the ability to mix the abstract reasoning [and] the best available tools to deal with the issues. I've never felt there was any disconnect, and on the whole, I would maintain that quite firmly that it's as an economic historian that I've approached public policy issues.

One of the people at Oxford who I remained quite close with was Terence Gorman, an econometrician. At dinner one time I tried to get an advance on Terrence and argued that there is really nothing to economics but a particular combination of history and mathematics...[T]hat was a dinner table thing that would last for a bottle of wine at least! What I discovered was that Gorman knew a lot more history than I did.

It was tremendously interesting an exciting time over the 80s to be involved in policy. A lot of the readers of this interview may not have all the background [in NZ economic policy], so can you briefly explain what the challenges were?

I wrote an essay on that, [it's] called "Blissed dawn." It was great to be alive at that stage, but to be young was heaven. The basis of [that feeling] was that you had a change of government—it doesn't matter much about the politics—you had a change of government which had a change of generations. It was young … I think the oldest was [Bob Tizard, who had served in World War Two.]

…

What you got was a change in the willingness to look at things afresh. Every issue of policy was something which you could look at, and say, "How should we analyze this? What is the best thing to do?" They didn't always get it right, but that was always the approach. It was almost certainly David Lange who said it first, because he was the one who made the best quips. He said, "Don't tell me what the problems are. Don't tell me why we can't do it. Tell me what we should do. We will look after it." Or, as David Caygill said, "I don't really care [about] the next election. What I want to know is, 'How will this be regarded by historians in the future?'" That just created the climate.

It was thoroughly controversial…You wondered whether what you were participating was something like what had happened in Australia, where the Democratic Labour Party extracted an enormous amount of support from the Labour Party and transferred that to the liberal coalition. You already knew there was a possibility that something [political] like that was happening, but on the whole I have no doubt that people were genuinely looking for solutions. They wanted a solution to economic issues. The integration of economic and social policy was always at the core. They broke up, but from '84 to '88 was a great period.

In the history that's often told of era, the Treasury, their publications, and their advice is given a lot of emphasis.

The Treasury had a very good policy of ensuring that the people [who spoke publicly] were themselves committed to the view that the Treasury had taken. You got the sense from outside of a totally organized and coherent body. But inside the Treasury there was a fantastic debate taking place over everything, and there was a genuine search for truth. At the end, Treasury came to a view, which the Treasury advanced, and then they got somebody who believed in it to represent them. Inside Treasury, it was a debating chamber, and the best academic debating chamber I've actually participated in.

At this point in your career, you're up the hill and down the hill [that is, at the university and in government]. How did you bring this into your teaching of economic history?

I think it was not obvious to those I was teaching. I was only teaching Honours. I was also director of IPS [Institute of Policy Studies].

What was the impetus for the founding of IPS in the 1980s?

It went back [further]. I wasn't involved directly in the founding of IPS. The people involved in founding it were Frank Holmes and Henry Lang. This was the early '80s. Frank was still chairing the Planning Council, and he got off side with Muldoon. [He] thought [to form] a different and independent organization. Frank [and Henry] persuaded the University to establish the IPS. The first director was Malcolm Templeton who came from MFAT [Ministry of Foreign Affairs and Trade]. He was Director '84 to '87. I was still chairing the Planning Council when Henry [Lang] approached me and said they were looking for a second director. Would I be interested? I wasn't sure, but [then] decided that I would, and that's how I got the first dibs.

In that role, you convened a lot of conferences, did a lot of reports, and had a very diverse portfolio. What was your thinking as you were laying out the agenda for the Institute of Policy Studies?

I was most concerned about the public service: What were the things which are emerging as issues in the future? And what could we do to be better prepared for them?

Henry Lang was a very strong influence on us. He was the chair of the Institute when I became the Director, and in many ways he'd laid the groundwork for the Institute. The idea was always to define the issue, and to form a notion of where, collectively, we wanted to do something, [while recognizing that we were working] within a society which was never going to agree on what should be done. [You wanted] the people involved knew what you were doing, and [also to know that] they didn't control what was coming out of the Institute… We were trying to do that across all domestic policy, economic and social policy.

My perception of the policy debate and the relevance of economic history was [that I was] responding to the relative under performance of the New Zealand economy. In the 1950s [NZ had] very high per capita income and [after that] falling per capita income growth, falling productivity growth. The challenge across a range of areas was to develop policy settings to improve the trends. Is that how it was perceived? Was that the long-term historical challenge that one was dealing with?

It was, indeed. Conrad Blythe, director of [the NZ Institute of] Economic Research, wrote a book in 1960 on the relative growth rate of New Zealand. At that stage, I was a student. We thought he had simply identified the fact that it was a Korean wool bump… Through the 1970s, Frank Holmes's first reports for the Monetary and Economic Council were about the relatively slow growth of GDP. At that point, we started thinking, "To what extent was this simply the result of the fact that GATT was opening up trade in industrial goods, but not in agricultural goods?" That was actually also the motivation behind the Think Big [industrial diversification] program, which came to be such a disaster…The big puzzle since then is why, despite all the changes which were made in the 1980s, you haven't had [better growth]…

There are two areas of your interests which seem to be responses to that challenge. One is diversification and the attempts to develop more export markets within Asia. The other is human capital development, tertiary education, and lifelong learning. It strikes me, looking at New Zealand economic history, just how little investment there was in any education in New Zealand. In some ways [we] had pretty high income for its lack of education in the 1950s, and we're catching up in that area.

International markets loom large, and narratives in New Zealand economic history put the emphasis on exports to England…We put the emphasis on responding to the signals from the international economy. It means exporting, but it also means getting investment flows right, and it means getting people flow right…

The emphasis on Asian [markets has] nothing to do with anything going on in New Zealand….[W]e thought a lot about Japan and about Southeast Asia. China was something of a surprise. So, through the '80s, into the '90, you have, "You can't escape China." Now, instead of thinking of ourselves as being the furthest away from the North Atlantic center of the world -- "New Zealand was a dagger pointing at Antarctica" was one of David Lange's better, but least accurate, quips – [I]n the 1980s and onwards, [we thought of ourselves as] halfway between Asia and Latin America, the most dynamic parts of the world economy! [T]he change in the position of [foreign policy] was important, and it was connected with the anti-nuclear policy, and with the ending of the American alliance.

I was never an enthusiast for Lange's [anti-nuclear] view,..[but] we are fortunate in that we have been much better to respond to changes in the world as a result of not having an American alliance, than we would have been if we had still been in ANZUS…

So the free trade agreement with China …

Successive governments from the original [Lange 1984] Labour government, especially from Jim Bolger's government through the Shipley and through Helen Clark's, made extremely good use of connections with China. A number of Chinese officials and academics have said to me things along these lines: "[W]e know when we're talking to you we are talking to you; when we're talking to Australians we never quite sure whether they're Americans." We [were…] the first to recognize China as a market economy, the first to complete the agreement that China shall become a member the WTO, and then the first developed country to form a free trade area. And it means things to them. It's a long-term relationship…

Now the other [policy issue you mentioned earlier], education, again was fortuitous in a quite different way. I've known Geoffrey Palmer for a very long time. We were students together. Then he became Deputy Prime Minister.

I had been briefly and peripherally involved [in education issues] through the Planning Council. Then Russell Marshall was the Minister of Education. He wanted to get some outsiders involved in thinking about education...[eventually we had an inquiry]. Russell controlled it. [We got] the Picot reforms to school administration…Around the 1987 election, [when] you had Geoffrey Palmer as the chair of the Social Equity Committee, you have a whole succession of topics which they wanted reports on. One of them was post-compulsory education and training… [T] hat's really how I got involved in thinking about education policy…The committee that I chaired was quite explicitly told…to look at a whole succession of proposed reforms on polytechnics...

Circling back a little to the economic history of New Zealand in the late '80s and early '90s—It seems like there were two challenges. One was to raise the rate of participation and post-compulsory education. The other was to get better post-compulsory education. At the universities, research productivity was varied. You had people who did a lot of research, but then there were people who did very little research. Reforms needed to be to be made to get better post compulsory education. Is that a fair assessment?

Yes. And always the driving force of education policy has remained absolutely stable. The driving force of the education policy [is] lifelong education for all and to recognize achievement…[W]e did get to a position where increasing participation did come close to being an objective all of the time, but that was never intended. The idea always was to increase the amount of learning. We cannot just increase participation. The trouble is there are no direct measures of learning… [I]n the '90s [we tried to] increase the number [of students while] making sure that the quality level is maintained…[Then] we tried to promote the idea of a scholarship and research agency in 1988. That was resisted by the institutions, and the politicians weren't all that interested. It took another 10 years [before] PBRF [Performance Based Research Fund] was established.

I noticed even in the short time that I was [at Victoria University] that it became increasingly bureaucratic. Counting the outputs is not very sophisticated.

The design [of PBRF] talks about the contributions of learning, and talks about the real gains of knowledge. But over time that has come down to counting publications. The Brits have been through this. They did exactly the same with the research assessment exercise…And then they found ways of simplifying it…

There's no perfect policy to deal with these issues.

There isn't.

We are coming towards the end of the interview. We've emphasized the themes of New Zealand's economic history and development. Taking the long view, where do you see New Zealand's economic situation now, and how does that relate to the economic history?

It's productivity we want to look at. We're still a long way from where we want to be in the education sector, but there's been an enormous gain in student achievement. Whenever I hear employers complaining about people needing more training, I think two things. One is that people did that better when they were in the Medieval Age… [T]he real implication [is that we] should be talking about every employing enterprise has to be a learning institution. It's lifelong learning...[s]o every employer ought to be engaged in training in in some way. But we still have a long way to go to get that.

We still do have problems of getting New Zealanders to accept the importance of seeing and responding to international signals. For the last 30 years, of course, we've had a broad trend towards integration and towards interdependence. [Now] not all of the world is looking in the same direction...New Zealand is going to have more problems to face in the future, but they are in many ways similar to the ones we have faced in the past.

More and more, people do take advantage of the economic history in trying to get a sense of what the big picture is. In the policy literature in the law few years, I've read more about globalization from 1854-1914 than I'd read for years before that…I think you you're seeing that [economic history in policy] a great deal more now than a few years ago.

I think we are really living in a good age for economic history…[This interview] emphasizes that Cliometrics is very informative for contemporary policy because one can understand the long term roots of [current problems]. But returning finally to economic history, if you were give a student an idea for some interesting topic in New Zealand economic history what would it be? What would you see as the exciting thing for a PhD?

[First] one finds out what the student is interested in! One would want to look at the productivity issues. Some of the most interesting economic history I've read recently has been Australian economic history, with people exploring what's been happening with productivity levels from the 1820s to the 1870s.

[Also,] I would love to know more than I do about the nature of the Maori economy pre-[European] settlement and the impact which settlement actually had…The Pākehā occupation and invasion, and the Treaty of Waitangi, needs a great deal more research.

I think a law and economics approach to the Treaty of Waitangi is potentially really quite revealing. There's lots to do in New Zealand economic history.

The world can come! ▪

Selected Publications of Gary Hawke

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