

Centre for Economic History

Spring 2014, Issue 8



Australian
National
University

Dear Friend of the ANU Centre for Economic History,

The 2014 academic year is drawing to a close and besides the pollen flying around, a number of our associates have been active on the conference circuit, with summaries included in this issue. We are also planning a number of events coming up in November, including the book launch of the Cambridge Economic History of Australia and the second Australasian Cliometrics Workshop hosted by the University of Melbourne. We hope you will join us at one of these activities, and thanks again for your support and interest in economic history.

Best,
John Tang, CEH Director

Featured Economic Historian: Professor Leslie Hannah



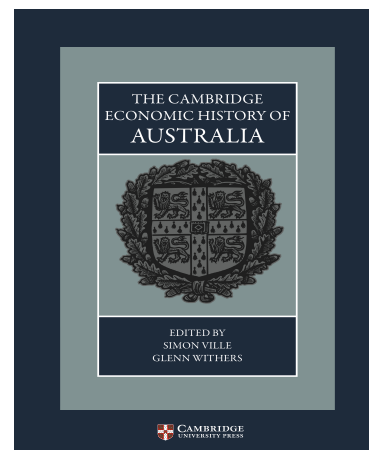
The Centre will be hosting Professor Leslie Hannah next month as part of his visit to Australia. Les will be presenting a departmental seminar at the Research School of Economics (ANU) on 20 November as well as giving a keynote lecture at the Australasian Cliometrics Workshop (Melbourne). Les holds a Distinguished Honorary Professorship at the University of Cardiff, and has held positions at Cambridge, Essex, LSE, Oxford, and Tokyo universities. One of the most prominent business historians in the United Kingdom, he has made a number of outstanding contributions in the field. -JT

Cambridge Economic History of Australia

Book Launch, 10 November 2014

ANU University House, 5:45 - 6:30pm

The *Cambridge Economic History of Australia*, edited by Simon Ville (Wollongong) and Glenn Withers (ANU), has now been published and will be officially launched next month. The edited volume is published by Cambridge University Press and includes contributions by leading economic historians of Australia (including a number of Centre affiliates).



The Centre is proud to sponsor the Canberra book launch, which will take place on 10 November as part of the Academy of Social Sciences in Australia's annual meeting. In addition to the attendance of many leading academics as well as contributors to the book, Professor Ross Garnaut (Melbourne) will give an opening address. The book will be on display and copies are available to order.

Attendance is free and open to the public, so please join us in this exciting occasion. Details of the volume are attached to this issue of the newsletter. -JT

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Jetlog: Reports on Recent Conferences

A number of Centre affiliates have been busy presenting their research across the globe at major conferences in the past few months. Besides receiving (considerable, sometimes cutting, but usually constructive) feedback on their projects, they were also able to enjoy hearing the latest and greatest in economic history research on a wide range of topics. Below are summaries of these conferences.

The Australian Sonderweg: Between Chance, Choice and Destiny 25 July 2014 Newcastle, Western Australia

The one-day conference, held in July at Notre Dame Australia on *The Australian Sonderweg: Between Chance, Choice and Destiny*, was concerned to explain the distance of Australia's conduct of economic and social policy in the early 21st century from the tendency of the Anglophone world. Australia has its own different way of doing things; its own Special Path or 'Sonderweg'.



Attendees at the Sonderweg Conference, with William Coleman in the middle wearing a dashing red tie.

William Coleman (ANU) began by nominating the most distinctive features of the Way as: 1) a rigidly regulated labour market; 2) a government revenue heavily dependent on direct taxation and government welfare payments strongly shaped by means testing; 3) a 'facade Federalism', where an appearance of a federal structure belies the establishment of a unitary state; 4) a lofty place in public life of an 'official family' of senior bureaucrats; and 5) certain electoral singularities: including compulsory, preferential voting and a distinct National Party. The conference was given over to the task of explaining this seemingly collectivist accent of policy.

Pincus began by rehearsing W.K. Hancock's thesis of 1930 that Australia's collectivism was one of means rather than ends. Australians, in other words, placed little value on essentially collective goals such as national standing or mission. To the same effect, Australians had little propensity to enjoy commonly a success irrespective of its individual location. They were, in fact, rigorously individual; 6 million little 'silos', who were, in truth, resentful of any neighbouring 'tall poppies' having more than their own. But they were persuaded that each silo could be best filled by collective action. Thus 'mateship' was not an ethic, but a technique for filling the swag of each mate to the full. Pincus observed that Hancock's thesis was inconsistent with the plain signs in Hancock's day of group solidarity of Australia: most obviously, the willingness of Australians to risk their lives for Belgium and the British Empire.

Richard Pomfret took up the paradox that the sphere of life which seems quintessentially Australian – sport – inverts many clichés about Australia. Thus in Australian sport tall poppies are idolized, 'industrial action' is unheard of (in contrast to the US!) and labour market regulation is ruthlessly geared to exploit labour; not one Australian is in the world top 100 of sports earners; the best paid Australian sportsperson is in the NBA.

The CEH welcomes courtesy announcements from Centre affiliates for inclusion in the newsletter. Please send news and/or conference information (subject to editing) to CEH.RSE@anu.edu.au

John Nethercote traced the unloved state of Australian federalism to various *deformation professionnelle* of the elite must be relied on to maintain a federal consciousness: historians, lawyers, and, above all, political scientists, whose typically British education inculcated them with an ethos of a unitary state. *(continued next page)*

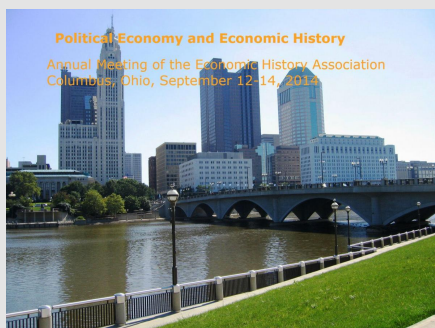
Jetlog: Reports of Recent Conferences (cont.)

[Sonderweg, from page 1] Greg Melleuish suggested that the Australian bureaucracy had from a century ago been nurtured by the cult of the expert in service of productivity and efficiency; something which served well the blunt consequentialism of collectivism.

Nick Cater took up the contrast a between the dynamism of the Canadian wheat industry in the years before 1914, and the torpor of its Australian counterpart. In those years vigorously growing Canadian wheat embraced bulk distribution and grain elevators, while the Australian wheat industry was content with bags of wheat on bullock drays, despite the strenuous efforts of John Monash.

Peter Yule traced the story of the Mackay and Shaw families from northern Ireland to their ultimate confrontation in 1907 with another Ulsterman, HB Higgins in the 'Harvester Case'. Yule stresses the dynamic character of the Sunshine Harvester business, and – at the same time – the sympathy of George Shaw, Mackay's barrister and family friend, to Higgins' judgement.

The conference concluded with Geoffrey Blainey delivering a brilliant impromptu discussion of the day's papers. "History is made out of insoluble differences" he suggested. The conference was generously sponsored by the Mankall Foundation, and proceedings will be published. -WC



EHA publicity photo of Columbus

Economic History Association Annual Meeting 12-14 September 2014 Columbus, Ohio, USA

The annual meeting of the EHA, which had over two hundred participants, focused on the theme of "Political Economy and Economic History." Spread over three days and sixteen sessions, the event was a highlight of the economic history calendar and showcased luminaries in the field as well as new scholars attending for the first time. The Aussie contingent was strong, including Martine Mariotti (ANU), Edwynna Harris (Monash), and Chris Lloyd (Tampere).

Given the number of parallel sessions, your correspondent was unable to attend all the papers he found of interest, but a few memorable papers stand out: Richard Hornbeck (Harvard/Chicago) presented his research on the redevelopment of buildings in Boston following the 1872 fire, and found that replacing structures generated significant positive externalities on land values. This was due to the interest in developers to build buildings of comparable quality as surrounding ones, which was exacerbated by the exogenous shock provided by the fire. *(continued next page)*

Centre for Economic History Discussion Paper Series

The CEH website hosts a discussion paper series on a variety of topics in economic history. Recent additions include the following (CEH affiliate in **bold**):

- 2014-07 "Corporate Defaults, Workout and the Rise of the Distressed Asset Investment Industry" by Douglas Cumming and **Grant Fleming**
- 2014-08 "Health, Height and the Household at the Turn of the 20th Century" by Roy E. Bailey, **Timothy J. Hatton**, and **Kris Inwood**
- 2014-09 "Did the World Settle Its Debts Through the Branches of Multinational Banks? Evidence from the 1930s" by **Laura Panza** and **David Merrett**

We welcome contributions from any Centre affiliates and visitors.
Older papers are also available at <http://rse.anu.edu.au/CEH/>

Jetlog: Reports of Recent Conferences (cont.)

[EHA, from page 2] Jules Hugot (CEPII) presented his joint work on the globalization of trade and provocatively argues that the process started in the first half of the 1800s as opposed to the latter decades of the century. He does so using a new dataset of bilateral trade (1.3 million observations!), which indicates earlier price convergence. Following presentations by the Gerschenkron and Nevins Prizes finalists, Phil Hoffman (Caltech), as the outgoing president of the EHA, gave his address on the changing role of the state in economic development. -JT



East meets West, Old meets Modern

Asian Historical Economics Conference 19-20 September 2014 Istanbul, Turkey

The fourth AHEC was held at the picturesque campus of Bosphorus University, attracting over eighty participants interested in the economic history of Asian economies. Keynote speakers included Ken Pomeranz (Chicago), who opened the conference with musings on discontinuities in development, and Joel Mokyr (Northwestern) and Jin Dengjian (Dickinson), who gave a spirited exchange on why the west industrialized before the east.

As usual, with 23 parallel sessions of two to four papers each, your correspondent was spoiled for choice, but to highlight a few: Leonard Dudley (Montreal) looked at the role of social networks in explaining the divergence between the North Atlantic and southern China. He finds that cooperation (via growth in network size and language standardization) in the former appeared to facilitate technological progress. Jean-Pascal Bassino (Lyons) presented joint work with Kyoji Fukao (Hitotsubashi) on regional inequality for Japan in the late nineteenth and early twentieth centuries, and finds that it was low across the country and between individuals before its integration



Vegetarian lion, circa 2000 BCE



For all the typology fans out there...

with world markets.

Ye Ma and Herman de Jong (Groningen) compared early Chinese industrialization to the United Kingdom using newly constructed manufacturing benchmarks to estimate labor productivity. They find that in the first three decades of the 1900s, Chinese labor productivity did not converge toward British levels because of shifting industry composition toward less productive sectors. -JT

Centre for Economic Policy Research Economic History Symposium 25-26 September 2014 Vienna, Austria

The CEPR organised, with the support of the National Bank of Austria, the 2nd Economic History Symposium. The first day had various papers focusing on financial and banking history, such as Kim Oosterlinck's (ULB) paper on Belgian Lottery Bonds and Stefano Ugolini's (Institut d'Etudes Politiques de Toulouse) article on the Bank of England's liquidity management between 1889 and 1910.

(continued next page)



When in Vienna, drink coffee...

Jetlog: Reports of Recent Conferences (cont.)

During the second day, one session was devoted to the presentation by Clemens Jobst (OeNB) of the long-run history of the Oesterreichische Nationalbank, in preparation for the bank's bicentennial anniversary in 2016.

Other papers focused on different themes of economic history, such as the impact of land inequality on education by Joerg Baten (Tuebingen); Anglo-Asian market integration in the early modern period by Pilar Nogues-Marco (Carlos III); and the Great Divergence by Stephen Broadberry (LSE).

The keynote speaker was Marc Flandreau (Graduate Institute), who highlighted the relevance of historical lessons for the current debate on the introduction of Euro bonds, drawing from the experience of Victorian England and its linkages with the Empire. -LP



Ewout Frankema smiling for the camera

Industrialization in the Global Periphery Workshop 2-4 October 2014 All Souls College, Oxford University

The contributors of the forthcoming book *Industrialization in the global periphery, 1870-2008*, edited by Kevin H. O'Rourke and Jeffrey G. Williamson, met at All Souls College in Oxford to present their respective book chapters.

The book is aimed at providing an in-depth investigation of the deep historical roots of the spread of modern industry to the global periphery. This has been subdivided in 13 regions, whose particular industrial

experience is explored in detail in individual chapters. Thus, using a comparative approach, the volume will provide an historical account of the spread of modern manufacturing beyond its traditional heartland, to Southern and Eastern Europe, Asia, the Middle East, Africa and Latin America.

While the various participants of the Oxford conference adopted a long-run approach to describe regional patterns of industrial development, some authors placed more focus on the early years of the spread of modern industry. This was particularly the case of the fast industrialisers, like Japan and Italy, which joined the group of core of industrial nations earlier than the rest of the periphery.

During the three-days conference a lot of the debates were animated by the desire to identify the *drivers* of the spread of modern industry to the global periphery, and specifically to understand the reasons why some countries were more precocious industrialisers than others.

What emerged from the presentations is that modern industrial growth was in many cases a surprisingly early phenomenon, especially in peripheral Europe, Latin America and some parts of Asia. In other regions, such as the Middle East, while the manufacturing sector started expanding during the interwar, sheltered by protectionist measures, it was the post-WWII era that saw the strongest phase of industrial growth, spurred on by ISI policies. Overall, the so-called Golden Age (1950-73) resulted to be the phase of strongest manufacturing growth for most countries. -LP



British politeness extends to the signs

Psst: The Centre is planning a few more events in the first quarter of next year, including workshops on heights and railroads. Stay tuned for more information...

Conference Announcement

Australasian Cliometrics Workshop
Tuesday, 25 November 2014
University of Melbourne

- | | |
|-------------|---|
| 9:00-9.30 | Morning coffee |
| 9.30-10.15 | Stoja Andric (Monash), "The Rise in Mass Education: Macro Evidence using 21 OECD Countries, 1820-2009" |
| | <i>Discussant: Raj Banerjee (UniSA)</i> |
| 10.15-10.45 | Coffee break |
| 10.45-12.15 | Eik Swee (Melbourne), "Good geography, good institutions? Historical evidence from nineteenth century British colonies" |
| | <i>Discussant: Lyndon Moore (Melbourne)</i> |
| | Mattia Fochesato (SciencesPo), "Demographic shocks, labor institutions and wage divergence in early modern Europe" |
| | <i>Discussant: Jeff Borland (Melbourne)</i> |
| 12.15-1.30 | Lunch |
| 1.30-3.00 | Martine Mariotti (ANU), "Accounting for technology changes in the history of selection into the armed forces" |
| | <i>Discussant: Tim Hatton (ANU/Essex)</i> |
| | John Tang (ANU), "Industrialization and disease incidence in late nineteenth century Japan" |
| | <i>Discussant: Florian Ploeckl (Adelaide)</i> |
| 3.00-3.15 | Coffee break |
| 3.15-4.00 | Hoa Nguyen (Arizona), "Automobile Diffusion and the Relationship with Road Development in U.S. Early 20th Century" |
| | <i>Discussant: Trevor Kollmann (RMIT)</i> |
| 4.00-4.15 | Coffee break |
| 4.15-5.15 | Keynote address, Les Hannah (Cardiff) |
| 5.15 | Close |

This event is proudly sponsored by the ANU Centre for Economic History and the Departments of Finance and Economics at the University of Melbourne

The Cambridge Economic History of Australia

EDITED BY:

Simon Ville – University of Wollongong
Glenn Withers – Australian National University

Australia's economic history is the story of the transformation of an indigenous economy and a small convict settlement into a nation of nearly 23 million people with advanced economic, social and political structures. It is a history of vast lands with rich, exploitable resources, of adversity in war, and prosperity and nation building. It is also a history of human behaviour and the institutions created to harness and govern human endeavour.

The Cambridge Economic History of Australia provides a systematic and comprehensive treatment of the nation's economic foundations, growth, resilience and future prospects, in an engaging, contemporary narrative. It examines key themes such as the centrality of land and its usage, the role of migrant human capital, the tension between development and the environment, and Australia's interaction with the international economy.

Written by a team of eminent economic historians, *The Cambridge Economic History of Australia* is the definitive study of Australia's economic past and present.

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HARDBACK

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1ST EDITION

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