

Friends of the ANU Centre for Economic History,

Seasons greetings and happy new year. While it is the summer teaching break down under, the Centre is getting ready for a number of activities in the next few months, including a workshop on long-run and Australian inequality. We also report on some Centre events that recently took place, such as our workshop on international finance and trade, AusClio Sydney, William Coleman's book launch, and a public lecture given by Professor David Vines (Oxford). Lastly, we are happy to announce a milestone for our discussion paper series, which now has over fifty papers. Thanks again for your support of the Centre and research in economic history.

Best,
John Tang, CEH Director

Recap of Workshop on International Finance and Trade History



Deep thinking economic historians

We were fortunate enough to attract a set of very talented speakers to the Centre for Economic History for our workshop on 27th October. A warm welcome was given by RSE Director Rabee Tourky, who reaffirmed the School's commitment to maintaining and developing strength in economic history at the ANU.

The proceedings opened with Rui Esteves (Oxford) on the links between currency regimes and trade links in the late nineteenth century. The bi-directional relationship was analysed in framework that took account of networks ties (multilateral resistance). He found effects running from trade treaties or trade volumes to a common monetary standard as well as effects in the opposite direction. The discussion focused on the impact of wars and other shocks as well as on the methodology. Lyndon Moore (Melbourne) followed with a study of initial public offerings on the London stock market in the era before investment banks. He found that firms with 'inexperienced' directors tended to under-price their share offers (as measured by the first-day return) and less often used underwriters. But this performance was similar to much more recent experience, suggesting that investment banks are not indispensable. The ensuing discussion focused on the treatment of part-paid shares and on capturing other key features of firms that under-priced.

Barry Eichengreen (UC Berkeley) examined the effects of undersea fibre optic cables laid from the late 1980s on offshore trading in foreign currencies. This technological improvement could either enhance the competitiveness of the (*cont. p. 2*)

Centre for Economic History
Research School of Economics
College of Business and Economics
The Australian National University

Email: CEH.RSE@anu.edu.au
Tel: +61 2 6125 3627
Acton ACT 2601 Australia

News and working papers at:
<https://www.rse.anu.edu.au/research/centres-projects/centre-for-economic-history/>

**Public Lecture:
"Institutions, Individuals,
and Ideas: Macroeconomic
Policy-Making in Australia
from Federation to 2020"**



Professor David Vines (Photo: INET 2017)

On 30 November, the ANU Centre for Applied Macroeconomic Analysis and the Centre for Economic History sponsored a public lecture delivered by Professor David Vines. The three-part lecture began with a discussion of post-WWII reconstruction; then an analysis of the Hawke-Keating reforms in the 1980s; and followed with the liberalizing reforms in the past three decades. The main argument is that strong institutions helped the Australian economy to develop and rebalance over the past century.

Professor Vines has an extensive body of scholarship ranging from macroeconomics to finance and economic governance. His current research is on trust in the financial system, the future of the Euro zone, and the continued role of the IMF in international policy.

Finance and Trade Workshop Recap (cont.)

(from p. 1) local sales desk, leading to more trades in country's currency being made locally, or to trades becoming more widely dispersed as distance became less important. He found that the latter dominated, resulting in greater concentration of foreign currency trades in well-connected centres such as Singapore, New York and London. One suggestion was that the placement of earlier cables could be used as an instrumental variable. Returning to trade in goods, Chris Meissner (UC Davis) examined French export diversification decreased in the decades after the Cobden Chevalier Treaty. Among other determinants he found an inverse U-shape effect of GDP per capita on diversification. Members of the audience deliberated over the mechanisms that lay behind this finding.

Florian Ploeckl (Adelaide) examined data on international money orders by origin and destination, the volume of which rose steeply from the 1880s to 1913 but then declined. Regression analysis of bilateral flows showed that both countries being on the gold standard mattered, but the coefficient was unstable. Participants asked if the stock of migrants could matter and pondered possible substitutes for money orders. The last paper of the workshop was presented by David Jacks (Simon Fraser) on the influence of globalisation on long run growth. He used a matrix of trade flows over time to construct a measure of market potential (based on market access), which was found to be strongly related to per capita GDP. The audience raised a variety of questions about the method used and about how to interpret the results. (cont. p. 3)

Register for APEBH 2017

The 2017 Asia Pacific Economic and Business History Conference will be held on 9-11 February at the Royal Melbourne Institute of Technology. The conference theme is "Current Trends in Economic and Business History Research", and the Noel Butlin Lecture will be given by Professor Abe de Jong (Erasmus/Groningen).

For more information about the conference and registration instructions, please visit the conference webpage at: <https://apebh2017.wordpress.com>

Finance and Trade Workshop Recap (cont.)

(from p. 2) The workshop was rounded off by Barry Eichengreen who gave the Goldsmith Lecture, a public lecture, which doubled as the keynote for the workshop. He traced and interpreted the role of national currencies in international transactions from the Greeks and Romans to the present. The long sweep of history provided insights into the national characteristics of reserve currency countries. These included a political stability, a large economy, financial depth, and centralised monetary policy. Based on the historical record he argued that we should not necessarily expect to see one hegemonic reserve currency. But while the US dollar may lose some of its current pre-eminence, the conditions are not yet ripe for ascent of the Chinese Renminbi. The lecture was attended by a large and appreciative audience and it provided a fitting finale to a fascinating day of international economic history. -TJH



Conference dining, Scarf Room style

Centre for Economic History Discussion Paper Series

The Centre's series achieved a milestone of sorts in the past quarter, passing the fifty-paper mark (52, to be precise). This allows our series to be ranked by RePEc for impact and other metrics. Total downloads from RePEc since 2012 are currently 2,990, with abstract views numbering 3,472; both are increasing over time. Thanks to all our affiliates and visitors for their contributions.

Recent additions include the following (CEH affiliate in **bold**):

- 2016-05 "Implicit contracts and acquisitions: an econometric case study of the nineteenth century Australian banking industry", by **Andrew J. Seltzer**
- 2016-06 "The role of English fluency in migrant assimilation: evidence from United States history", by **Zachary Ward**
- 2016-07 "Managing political imperatives: strategic responses of Philips in Australia, 1939-1945", by **Pierre van der Eng**
- 2016-08 "The impact of the 1896 Factory and Shops Act on Victorian labour markets", by **Andrew J. Seltzer and Jeff Borland**
- 2016-09 "Atmospheric pollution and child health in late nineteenth century Britain", by Roy E. Bailey, **Timothy J. Hatton, and Kris Inwood**

Centre affiliates and visitors are encouraged to submit working papers to the series. All papers are available at: <https://www.rse.anu.edu.au/research/research/ceh-working-papers/>

Book Launch and Media Debate over *Only in Australia*



William Coleman, Miranda Devine, and Peter Costello at the Sydney launch

The recent publication of *Only in Australia: The History, Politics, and Economics of Australian Exceptionalism* (OUP 2016), edited by Centre affiliate William Coleman, has received an unusual degree of media attention for a scholarly title.

The book was launched in September by the Chairman of Channel 9 and former Treasurer, Peter Costello. Coleman, Costello opined, was 'quite pessimistic', and to corroborate he quoted the book's introduction: 'Australia is the country that won't move on, which is stuck in its way. Australia is not the world's 'social laboratory'; it is a sacred grove dedicated to the dogged observance of customary gods.' Costello responded: 'Like Coleman I feel pessimistic but I do not feel hopeless. The customary gods can be challenged and exposed like the prophets of Baal on Mount Carmel'.

The Sydney launch was covered – and the book reviewed – in *The Australian* by Paul Kelly, whose *Age of Uncertainty* is a classic account of policy in the Hawke-

Keating period. 'The post-1983 reform age is framed in our heads' Kelly wrote in his review. 'As a consequence much discussion revolves around kindling and reigniting the reform age. For Coleman this is a project in futility that misses the point. Australia is merely reverting to type'.

Further launches of the book followed in Brisbane and Canberra. In the national capital the launch speaker was Senator Leyonhjelm, who was noted as being the only 'classical liberal' ever to succeed in winning election to the Australian Senate, something which itself speaks volumes on Australian Exceptionalism. The Senator did not permit the controversy that engaged him that same week to trespass on his considered comments. Dinner with the Senator afterwards at *Figaro's* was marked by the sudden and utterly unheralded appearance by former Prime Minister Tony Abbot, and shortly thereafter Deputy PM Barnaby Joyce. Only in Canberra! -WC

Highlights from the 2016 AusClio Sydney

On 4 November, the University of Sydney and the Centre for Economic History hosted the third annual Australasian Cliometrics Workshop. The one-day meeting provided intense feedback on seven papers, and concluded with a keynote lecture given by Mauricio Drelichman (UBC). In lieu of summarizing the papers (many are works in progress), here are some choice bon mots from some of our participants:

"I searched your text (and read it)" -Chris Meissner

"It might be about oats" -Florian Ploeckl

"Everything I learned about networks I learned from Florian and everything about bank directors from Lyndon, which means I don't know much" -Martine Mariotti

"Data mining gets a bad rap" -Mauricio Drelichman



No beer is safe around German economic historians

Conference Announcement and Programme:

Workshop on Inequality and Living Standards, Past and Present

16-17 March 2017

Fred Gruen Suite, H.W. Arndt Building 25A
Australian National University

Thursday 16th March: *Inequality and Living Standards in the Long Run*

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| 9.30-9.45 | Welcome |
| 9.45-10.30 | Jeff Williamson (Harvard and Wisconsin), "Australian Exceptionalism? Inequality and Living Standards 1821-1871" |
| 10.30-11.00 | Tea/Coffee |
| 11.00-12.30 | Leandro Prados de la Escosura (Carlos III, Madrid), "International Inequality in the Long Run, 1870-2007" |
| | Anna Missiaia (Lund, Sweden), "Inequality in the Nordic Countries, 1750-1900" |
| 12.30-1.30 | Light Lunch |
| 1.30- 3.00 | Peter Egger (KOF Swiss Economic Institute), "The Taxing Deed of Globalisation" |
| | Markus Brueckner (ANU), "Inequality and Growth: Global Evidence, 1970-2010" |
| 3.00-3.30 | Tea/Coffee |
| 3.30-4.15 | Xin Meng (ANU), "Inequality in China: Long-Term Trends" |

Goldsmith Public Lecture

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| 5.30-7.00 | Innovations Lecture Theatre, Building 124, Eggleston Road, ANU |
| | Leandro Prados de la Escosura (Carlos III Madrid) "Economic Freedom and Income Inequality in OECD Countries since 1850" |

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Friday 17th March: *Inequality and Living Standards in Australia*

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| 9.45-10.30 | Gordon Menzies (University of Technology, Sydney), "Inequality and the Fertility Transition" |
| 10.30-11.00 | Tea/Coffee |
| 11.00-12.30 | Rob Bray (ANU), "The Australian Minimum Wage and the Needs of a Family: A 100 Year Overview" |
| | Bob Gregory (ANU), "Human Capital and the Left Hand of Darkness - Changing Gender Roles and Australian Labour Market Income over the Last Half Century" |
| 12.30-1.30 | Light Lunch |
| 1.30- 3.00 | Peter Whiteford (ANU), "Trends in Australian Inequality: Effects of the Tax-Benefit System" |
| | Jeff Borland (Melbourne), "What Has Happened to Labour Market Inequality in Australia in the Past 40 Years?" |
| 3.00-3.30 | Tea/Coffee |
| 3.30-4.30 | Andrew Leigh MP (Federal Parliament), "Inequality in Australia: Prospect and Retrospect" |

Registration is requested for catering purposes. For more information and/or to register to attend, please contact Tim.Hatton@anu.edu.au

The CEH welcomes courtesy announcement from affiliates and interested parties for inclusion in our newsletter. Please send news to CEH.RSE@anu.edu.au (subject to editing).