



## EDITOR'S CORNER

This issue marks the last under my editorship. I offer my heartfelt thanks to the authors whose articles have appeared in these pages during my tenure, to the ranks of book reviewers, to the Editorial Advisory Board, and to all of the other referees who spent so much time evaluating manuscripts. I am especially grateful to Pat Denault, Ann Chaney, and Susan Boddie—a talented editorial team if ever there was one—and to Tom McCraw and Dick Viotor for their encouragement and sage advice. I also thank the *Review's* most valuable asset, its reading public, for its patience and continued interest. I am delighted to pass the editorial duties into the able hands of Tom McCraw and David Moss, whose leadership will ensure the continued success of the journal.

—Jack High

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The editors received the following communication from John McCusker in response to a book review that appeared in the Autumn 1993 *Review*:

Professor Winifred Rothenberg has reviewed the article that I published in October 1991 in the *Proceedings of the American Antiquarian Society* and that has subsequently been distributed as a separate monograph. Her review, in the Autumn 1993 issue of the *Business History Review*, reached subscribers, including me, in the late Spring of 1994. As the book and the review have provoked a much wider response than I expected either would have elicited, I feel a certain need to address her concerns.

My monograph was explicitly intended for an audience of generalists—the readership of the *Proceedings*, the knowledgeable scholar interested in the history of the United States and beyond. It had three purposes (p. 312): to explain how a commodity price index worked in the computation of the present value of some value from a time in the past—especially, in this instance, in the past of the United States; to extend our ability to perform these calculations further back in time to the beginning of the eighteenth century; and to explain how to bring such calculations up to the present. Aimed, as is much of my work, at building a bridge between disciplines, it developed no new hypotheses, explicated no new research, presented little new data. My effort was simply to explain to the intelligent and interested non-economist a technique that economists use all the time. Professor Rothenberg's objections, however well-intentioned, fail to take the point of the book into consideration.

Professor Rothenberg's review of my monograph seems to have three points. One of her concerns seems to be how one constructs price indexes. It involves technical issues such as: what commodities are to be included or excluded? how many commodities are to be used? do we weight an index? if so, how? what formula is best for calculating an index?—and so on.

Another concern seems to relate to whether we can extend such a series back in time and how far we may usefully do so. She expresses doubts about whether “a historical index covering nearly three hundred years” can successfully be constructed.

A third concern has to do with whether we may employ such a series usefully in the economy of early British America. Here the issue is whether one index will work for the entirety of that economy or whether many, regional, indexes are better.

The answer to the first concern I leave to the theorists. I am not one of them. Nevertheless, I did read some of their work and I did note—and will continue to quote with considerable satisfaction—the statements of some of the pioneers in the field (Earl Hamilton, Wesley C. Mitchell, Irving Fisher, and others) to the effect that, over the long run, price indexes for the same market, no matter how constructed, tend to move synchronously.<sup>1</sup> That is, over the long run, they move in parallel, change direction at roughly the same times, rise to roughly the same degree, and fall in roughly the same percentage. I take satisfaction in this observation because, in the era in which I work, the eighteenth century and earlier, we have very little data with which to calculate the more elaborate and sophisticated kinds of price index numbers. “Roughly” is a key word in my formulation because, obviously, the cruder the sources available, the cruder the methods we can use to construct an index number and, therefore, the cruder the index number we will have as a result. I think, nonetheless, that the one I present is good enough for the general purposes to which many have put its predecessors and to which we can continue to put it, recompiled as I presented it.

Professor Rothenberg's second concern is the extent of time that such index numbers can usefully span. My series covers from 1700 to the present. Given that series constructed by others also end each in its own “present,” the issue is not about stretching such numbers into the late twentieth century. It is, instead, about how far back in time we can go to begin them. The David and Solar index extended from the present back to 1774. The Taylor-Hoover index extended back to 1720. The index of English prices compiled by Phelps-Brown and Hopkins extended back to 1264. Rothenberg seems reasonably comfortable with all of these indexes, calling the first one “sophisticated” (it spans two hundred years) and the last “remarkable” (it spans more than seven hundred years), but I think everyone will agree that the further back in time we move with such a series, the

<sup>1</sup> Professor Rothenberg is, of course, welcome to her doubts. She may think my approach “rather cavalier,” but she is quite correct in noting my “justification [in the work] . . . of the pioneers of index number theory and practice” (p. 464). They were thoughtful, careful scholars whom no one would call cavalier.

less precise the results that we can expect. The index number series I present is based on and parallels these other index numbers. It is only as good or as bad as they. I happen to think that they are—and mine is—pretty good within the limits that the compilers of those indexes—and I—make clear.

Professor Rothenberg's third concern is the usefulness of such a series in helping us to understand the economy of early British America. Her worry seems largely to stem from her feeling that an index number based on prices in one place cannot be used to describe the trends in prices in other places. Obviously, that depends. It depends on how well integrated the markets were. Her pronouncement in her last sentence that United States "commodity, capital, and labor markets before the Civil War were at best only regionally integrated" may come as a surprise to some. She herself has commented on "how strikingly the cyclical movement of Massachusetts farm produce prices mirrors the cyclical movement of general wholesale prices in the big-city markets of New York and Philadelphia" over the period 1750–1855.<sup>2</sup> Such synchronicity seems hardly to have been accidental; it argues, as she herself concludes, for increasingly well-integrated markets (p. 985). That, in addition, prices were converging, as she also demonstrates, strengthens her—and my—argument.

The conclusion is certainly implicit in my presentation of one index number for the United States economy, but I take this opportunity to underscore my sense that Professor Rothenberg is correct in her article (and in her book), no matter what she says in her review: commodity prices in the economy of early British America were "markedly synchronous" and were converging. Thus, in offering one index number series for the early economy of this country (and one index number series for the economy of England over the same nearly three hundred years), I am simply recognizing that the prices in the place from which the indexes are derived stand as adequate, if rough, surrogates for the prices of the entire market of which they were a part. One newspaper writer at Newcastle upon Tyne put it in 1740: "London . . . governs the value of all grain in England."<sup>3</sup> The increas-

<sup>2</sup> Rothenberg, "A Price Index for Rural Massachusetts, 1750–1855," *Journal of Economic History* 39 (Dec. 1979): 980. These arguments are repeated and elaborated in her book, *From Market-Places to a Market Economy: The Transformation of Rural Massachusetts, 1750–1850* (Chicago, Ill., 1992).

Compare the conclusions drawn from the several studies conducted under the auspices of the International Scientific Committee on Price History as summarized by Arthur Harrison Cole, *Wholesale Commodity Prices in the United States, 1700–1861*, 2 vols. (Cambridge, Mass., 1938), 1: 97–101, 103 (quotation): there was "decreasing variation among individual price series," series that included Philadelphia, New York, Charleston, New Orleans, and Cincinnati.

<sup>3</sup> *Newcastle Journal*, 19 July 1740, as quoted in Jeremy Black, *The English Press in the Eighteenth Century* (London, 1987), 69. Rothenberg, *From Market-Places to a Market Economy*, 95, detects in "the narrowing of wheat price differentials the emergence of a market economy in much of Europe by the end of the seventeenth century." Others would find the origins of that process back even further in time and would expand that market economy to much of the North Atlantic world.

ingly integrated market known as “early British America” had not one such locus but several port towns that shared trade and shared prices for commodities closely enough that one index number will do, crudely, for all.

I think we can see that market integration steadily increased in the Atlantic World over the centuries. Markets converged. Arbitrage was the method of such convergence. By the last decade of the twentieth century, it has brought us to a condition in world markets in which the smallest variations in price are almost instantaneously cleared. Obviously, the slowness of communications and transportation in earlier times meant that such a process took longer to achieve than it does today. Lags in communication were the key. The speed of the delivery of mail improved only slowly in the century or two before the era of the Civil War and the coming of the transcontinental and transoceanic telegraph. Nevertheless, information about prices was conveyed regularly and consistently as quickly as possible, and men and women worked to improve those means of communication. At the middle of the nineteenth century, one could have said that “Liverpool governs the value of all grain in the Atlantic World.” Allowing for differences in time, producers and consumers were just as intent on buying low and selling high in seventeenth- and eighteenth-century British America as they were in Great Britain in the same centuries and in the United States in the nineteenth century. Those lags in time will show up as higher or lower prices for the same commodities at the same moment in different places. Such differences in prices, a function of the slowness with which price variations were arbitrated out in the seventeenth and eighteenth centuries, are, nevertheless, probably so small that, given the already crude nature of our index number series, they are hardly significant.

We have—let me say it again—only a crude series that gives us only a rough approximation of the behavior of prices in early British America. But it is no cruder in my formulation than in the earlier formulations offered by my predecessors in the field, Professor Rothenberg included. What I have presented in my book cannot be any cruder than what my betters have offered simply because it is based on those offerings, Professor Rothenberg's included.

—John J. McCusker

Winifred Rothenberg chose not to respond.

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The Bibliographical Society of America (BSA) invites applications for its annual short-term fellowship program, which supports bibliographical inquiry as well as research in the history of the book trades and in publishing history. Eligible topics may concentrate on books and documents in any field, but should focus on the book or manuscript (the physical object) as historical evidence. Such topics may include establishing a text or studying the history of book production, publication, distribution, collecting, or reading. Enumerative listings do not fall within the scope of this program. BSA fellowships, which include a stipend of up to \$1,000 month in support of

travel, living, and research expenses, may be held for one or two months. The program is open to applicants of any nationality.

Applications, including three letters of reference, are due on 31 January 1995. Prospective applicants are invited to contact the BSA Executive Secretary, P.O. Box 397, Grand Central Station, New York, NY 10163, for application forms and additional information about the program.

The Department of History at the University of Delaware offers two- and four-year fellowships for a course of study leading to an M.A. or Ph.D. degree for students interested in careers as college teachers or as professionals in museums, historical agencies, and archives. The University of Delaware–Hagley Program's focus is the history of industrialization, broadly defined to include social, labor, business, and economic history, material culture, and the history of science and technology. The Hagley Museum and Library provides students with unique opportunities to do primary research in manuscript, imprint, pictorial, and artifact collections and to study, observe, and experience museum work first hand. For students pursuing careers as museum professionals, the University of Delaware sponsors a certificate program in museum studies.

Hagley Fellowships cover tuition for courses at the University of Delaware and provide a yearly stipend of \$9,750 for master's candidates and \$10,820 for doctoral candidates. Fellowships may be renewed once for those seeking a terminal master's degree and three times beyond the initial year for those seeking the doctorate. Hagley Fellows also receive support for travel to conferences, archives, and museums.

Application for a Hagley Fellowship can be made through the Coordinator, University of Delaware–Hagley Program, Department of History, University of Delaware, Newark, DE 19716; telephone: 302-831-8226. The deadline for the receipt of completed applications is 30 January 1995.

The Ingenuity and Enterprise Center at the Rhode Island Historical Society welcomes applications from academics, doctoral students, and independent scholars working in a field related to history, business, or technology for its short-term research fellowships. Fellowships provide up to \$2,000 in support of the use of the collections of the Society and other nearby institutions in a project related to the mission of the Center.

The application deadline is 15 February 1995. For information or application forms, please contact the Ingenuity and Enterprise Center at the Rhode Island Historical Society, 110 Benevolent Street, Providence, RI 02906; telephone: 401-331-8575; fax: 401-351-0127; e-mail: [kevingu@dsl.rhinet.gov](mailto:kevingu@dsl.rhinet.gov).

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## Internet Signposts for Business Historians

The most recent (May 1994) edition of the *Directory of Electronic Journals, Newsletters, and Academic Discussion Lists*, published by the Office of Scientific and Academic Publishing of the Association of Research Libraries, is 531 pages long and includes 1,785 entries, of which 443 are academic electronic journals and newsletters. It is in part with these figures in mind that we inaugurate "Internet Signposts" in this issue of the *Business History Review*. This new feature has two purposes: to help bridge the gap between those currently traveling on the "information superhighway" and those who are not, and to serve as an organizing medium for the rapidly growing body of information now appearing electronically.

To these ends, we invite readers to send us information so that we may point to:

- moderated academic discussion groups, worldwide, that have relevance to business historians;
- completed or ongoing projects to place historical data relevant to business historians on the Internet, either at gopher sites or on the World Wide Web;
- historical sources, including original materials, images, and datasets available on the Internet;
- finding aids, either printed or electronic, that would help scholars locate business history information available electronically;
- library catalogues reachable and searchable on the Internet;
- new or continuing electronic publications related to business history.

The editors reserve the right to edit or to choose not to publish information that is supplied, and no material will be published that does not include a full gopher or URL address. People reporting on materials created at their home institutions should check to make certain that access is not restricted to local users. News for inclusion may be sent via regular mail to Pat Denault at the *Business History Review*, Harvard Business School, 60 Harvard Way, Boston, MA 02163 or via e-mail to pdenault@cchbpub.harvard.edu.

We are grateful to K. Austin Kerr for providing information about the following three scholarly lists.

H-NET: Humanities On-Line is an international group of over forty newsletters for scholars in the humanities, at the moment primarily in history. Financial support is provided by the National Endowment for the Humanities, and the lists are hosted by the University of Illinois at Chicago and Michigan State University. The executive director of H-NET is Richard Jensen, professor of history at the University of Chicago. To quote from the information posting, the goals of H-NET are "to enable scholars to easily communicate current research and teaching interests; to share new approaches, methods, and tools of analysis; to share information on electronic databases; and to test new ideas and share comments on current his-

toriography.” For information about all the H-NET lists, contact H-NET@uicvm.uic.edu.

Two of the H-NET lists will be of special interest to *BHR* readers: H-Business and ECONHIST. H-Business, formally “Teaching and Research in Business History,” is an international electronic discussion group operated by the Cliometric Society and jointly sponsored by the Society, H-NET, and the Business History Conference. H-Business publishes syllabi, course outlines, teaching materials, bibliographies, listings of new sources, library catalogues, and archives, and reports on new datasets, software, and CD-ROMs. The list also posts announcements of conferences, fellowships, and job openings. The editors (co-moderators) are K. Austin Kerr of the Department of History, Ohio State University, and Jeremy Atack, Department of Economics, Vanderbilt University. The Editorial Board, whose membership will be enlarged, now includes Louis Cain of Loyola University of Chicago, Mark Rose of Florida Atlantic University, and Mary Rose of Lancaster University in the UK. To subscribe, send the message <subscribe H-Business Your Firstname Your Lastname, Yourschool> to lists@cs.muohio.edu. [Please note that, in order to avoid confusion, we will enclose the text of e-mail messages in < >; the < > themselves should not be part of the message.]

ECONHIST, “Topics in Economic History,” is the umbrella list of several operated by the Cliometric Society. It provides an electronic bulletin board for the posting of announcements such as calls for papers and for the discussion of issues; it seeks to provide information about topics relevant to scholars in all aspects of economic history. The editor is Samuel H. Williamson of Miami University in Oxford, Ohio. For information about ECONHIST, send the message <info ECONHIST> to lists@cs.muohio.edu. For information about other Cliometric Society lists (including H-Business), send the message <info lists> to the same address.