

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: A Retrospective on the Classical Gold Standard, 1821-1931

Volume Author/Editor: Michael D. Bordo and Anna J. Schwartz, editors

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-06590-1

Volume URL: <http://www.nber.org/books/bord84-1>

Publication Date: 1984

Chapter Title: Front matter, preface, table of contents

Chapter Author: Michael D. Bordo, Anna J. Schwartz

Chapter URL: <http://www.nber.org/chapters/c11124>

Chapter pages in book: (p. -12 - 0)



National
Bureau of
Economic
Research

A Retrospective on the Classical Gold Standard, 1821–1931

Edited by

Michael D. Bordo
and Anna J. Schwartz

A Retrospective on
the Classical Gold Standard,
1821–1931



A Conference Report
National Bureau of
Economic Research

A Retrospective on the Classical Gold Standard, 1821–1931

Edited by
Michael D. Bordo
Anna J. Schwartz



The University of Chicago Press

Chicago and London

MICHAEL D. BORDO is professor of economics at the University of South Carolina and research associate of the National Bureau of Economic Research.

ANNA J. SCHWARTZ, research associate of the National Bureau of Economic Research, is coauthor, with Milton Friedman, of *Monetary Trends in the United States and the United Kingdom, 1867–1975*.

The University of Chicago Press, Chicago 60637
The University of Chicago Press, Ltd., London

© 1984 by The National Bureau of Economic Research

All rights reserved. Published 1984

Printed in the United States of America

90 89 88 87 86 85 84 5 4 3 2 1

Library of Congress Cataloging in Publication Data

Main entry under title:

A Retrospective on the classical gold standard 1821–1931.

(A Conference report / National Bureau of Economic Research)

Papers from a conference sponsored by the National Bureau of Economic Research, held in March, 1982.

Bibliography: p.

Includes index.

I. Gold standard—History—Congresses. I. Bordo, Michael D. II. Schwartz, Anna Jacobson. III. National Bureau of Economic Research. IV. Series: Conference report (National Bureau of Economic Research)

HG297.R44 1984 332.4'222 84-2440

ISBN 0-226-06590-1

National Bureau of Economic Research

Officers

Franklin A. Lindsay, *Chairman*
Richard Rosett, *Vice Chairman*
Eli Shapiro, *President*
David G. Hartman, *Executive Director*
and Corporate Secretary

Charles A. Walworth, *Treasurer*
Sam Parker, *Director of Finance and*
Administration

Directors at Large

Moses Abramovitz	Franklin A. Lindsay	Bert Seidman
George T. Conklin, Jr.	Roy E. Moor	Eli Shapiro
Jean A. Crockett	Geoffrey H. Moore	Stephen Stamas
Morton Ehrlich	Michael H. Moskow	Lazare Teper
Edward L. Ginzton	James J. O'Leary	Donald S. Wasserman
David L. Grove	Peter G. Peterson	Marina v. N. Whitman
Walter W. Heller	Robert V. Roosa	
Saul B. Klamann	Richard N. Rosett	

Directors by University Appointment

Charles H. Berry, <i>Princeton</i>	James L. Pierce, <i>California, Berkeley</i>
James Duesenberry, <i>Harvard</i>	Nathan Rosenberg, <i>Stanford</i>
Marcus Alexis, <i>Northwestern</i>	James Simler, <i>Minnesota</i>
J. C. LaForce, <i>California, Los Angeles</i>	James Tobin, <i>Yale</i>
Paul McCracken, <i>Michigan</i>	William S. Vickrey, <i>Columbia</i>
Ann F. Friedlaender, <i>Massachusetts</i> <i>Institute of Technology</i>	John Vernon, <i>Duke</i>
	Burton A. Weisbrod, <i>Wisconsin</i>
	Arnold Zellner, <i>Chicago</i>

Directors by Appointment of Other Organizations

Carl F. Christ, <i>American Economic</i> <i>Association</i>	Rudolph A. Oswald, <i>American</i> <i>Federation of Labor and Congress of</i> <i>Industrial Organizations</i>
Robert S. Hamada, <i>American Finance</i> <i>Association</i>	G. Edward Schuh, <i>American Agricultural</i> <i>Economics Association</i>
Gilbert Heebner, <i>National Association</i> <i>of Business Economists</i>	Albert Sommers, <i>The Conference</i> <i>Board</i>
Robert C. Holland, <i>Committee for</i> <i>Economic Development</i>	Dudley Wallace, <i>American</i> <i>Statistical Association</i>
Stephan F. Kaliski, <i>Canadian Economics</i> <i>Association</i>	Charles A. Walworth, <i>American Institute</i> <i>of Certified Public Accountants</i>
Douglass C. North, <i>Economic History</i> <i>Association</i>	

Directors Emeriti

Arthur F. Burns	Thomas D. Flynn	Boris Shishkin
Emilio G. Collado	Gottfried Haberler	Willard L. Thorp
Solomon Fabricant	George B. Roberts	Theodore O. Yntema
Frank Fetter	Murray Shields	

Since this volume is a record of conference proceedings, it has been exempted from the rules governing critical review of manuscripts by the Board of Directors of the National Bureau (resolution adopted 8 June 1948, as revised 21 November 1949 and 20 April 1968).

Contents

	<i>Preface</i>	xi
	Introduction Anna J. Schwartz	1
I.	THE GOLD STANDARD AS INTERPRETED IN TRADITIONAL AND REVISIONIST WORKS <i>Chairman:</i> Moses Abramovitz	
	1. The Gold Standard: The Traditional Approach Michael D. Bordo <i>Comment:</i> C. Knick Harley <i>General Discussion</i>	23
	2. The Success of Purchasing-Power Parity: Historical Evidence and Its Implications for Macroeconomics Donald N. McCloskey and J. Richard Zecher <i>Comments:</i> Robert E. Lipsey, Milton Friedman <i>General Discussion</i>	121
II.	TECHNICAL PROCEDURES: RULES OF THE GAME <i>Chairman:</i> Robert A. Mundell	
	3. The Bank of England and the Rules of the Game under the International Gold Standard: New Evidence John Dutton <i>Comment:</i> Donald E. Moggridge <i>Reply</i>	173

	4. Bank of England Operations, 1893–1913	203
	John Pippenger	
	<i>Comment:</i> Charles A. E. Goodhart	
	<i>General Discussion of Dutton and Pippenger Papers</i>	
	5. The Gold Standard and the Bank of England in the Crisis of 1847	233
	Rudiger Dornbusch and Jacob A. Frenkel	
	<i>Comment:</i> J. R. T. Hughes	
	<i>General Discussion</i>	
III.	INTERNATIONAL EXPERIENCE IN THE OPERATION OF THE GOLD STANDARD	
	<i>Chairman:</i> Karl Brunner	
	6. Canada and the Interwar Gold Standard, 1920–35: Monetary Policy without a Central Bank	277
	Ronald A. Shearer and Carolyn Clark	
	<i>Comment:</i> Charles Freedman	
	<i>General Discussion</i>	
	7. Operations of the German Central Bank and the Rules of the Game, 1879–1913	311
	Paul McGouldrick	
	<i>Comment:</i> Heywood Fleisig	
	<i>General Discussion</i>	
	8. Swedish Experience under the Classical Gold Standard, 1873–1914	361
	Lars Jonung	
	<i>Comment:</i> Peter H. Lindert	
	9. Italy in the Gold Standard Period, 1861–1914	405
	Michele Fratianni and Franco Spinelli	
	<i>Comment:</i> Richard E. Sylla	
	<i>General Discussion of Jonung and Fratianni-Spinelli Papers</i>	
IV.	INTERNATIONAL LINKAGES UNDER THE GOLD STANDARD	
	<i>Chairman:</i> Allan H. Meltzer	

	10. The Gold Standard and the Transmission of Business Cycles, 1833–1932	455
	Wallace E. Huffman and James R. Lothian	
	<i>Comment:</i> Michael Connolly	
	11. Real Output and the Gold Standard Years, 1830–1913	513
	Stephen T. Easton	
	<i>Comment:</i> Geoffrey E. Wood	
	<i>General Discussion of Huffman-Lothian and Easton Papers</i>	
	12. Canada without a Central Bank: Operation of the Price-Specie-Flow Mechanism, 1872–1913	547
	Georg Rich	
	<i>Comment:</i> Peter Temin	
	<i>General Discussion</i>	
V.	THE GOLD STANDARD AS A STABILIZER OF COMMODITY PRICES	
	<i>Chairman:</i> Richard H. Timberlake, Jr.	
	13. War, Prices, and Interest Rates: A Martial Solution to Gibson's Paradox	587
	Daniel K. Benjamin and Levis A. Kochin	
	<i>Comment:</i> Phillip Cagan	
	<i>General Discussion</i>	
	14. Some Evidence on the Real Price of Gold, Its Costs of Production, and Commodity Prices	613
	Hugh Rockoff	
	<i>Comment:</i> Robert J. Barro	
	<i>Reply</i>	
	<i>General Discussion</i>	
	15. The Image of the Gold Standard	651
	Leland B. Yeager	
	<i>Participants</i>	671
	<i>Author Index</i>	675
	<i>Subject Index</i>	000

Preface

The conference in March 1982 at which the papers in this book were presented brought together some fifty scholars with an interest in economic history and international monetary relations to examine the current state of knowledge of the gold standard as it operated during the 110 years until 1931, when the classical gold standard may be said to have ended.

Five sessions were held at which fourteen papers were presented. Comments on each paper were prepared in advance of the conference by a designated discussant. Two comments are included with the paper by Donald McCloskey and J. Richard Zecher: one by Robert Lipsey, the assigned discussant, the other by Milton Friedman, who had no specific paper assignment at the first session but who responded to issues the authors' paper raised. A brief summary of the discussion by conference participants, prepared by Barry Eichengreen, follows the papers and the prepared comments. The replies by two authors to the comments on their papers are also included. In addition to the formal papers, at the final dinner meeting Leland Yeager provided an overview of the conference proceedings. His address is the fifteenth paper in this book.

We are grateful to the Earhart Foundation, the Alex C. Walker Educational and Charitable Foundation, and others for their support of the conference.

All the participants express their thanks to Kirsten Foss for her efficient management of the conference arrangements.

Michael D. Bordo
Anna J. Schwartz

