ABSTRACTS

MARIE ELIZABETH SUSHKA

The Antebellum Money Market and the Economic Impact of the Bank War

This paper examines the impact of the Bank War on the economic events of the 1830's. An economic model of the antebellum money market is developed and tested. Specifications for money demand and supply are drawn from contemporary monetary literature and empirically estimated. Next, the historical hypotheses are tested by exploring the structural stability of the model. The results clearly indicate that: the Bank War affected the economy because it altered the pattern of financial behavior; wildcat banking was not characteristic of the post-Bank period; and finally, the Panic of 1837 was the result of a severe monetary contraction.

PAUL GREGORY AND JOEL W. SAILORS

Russian Monetary Policy and Industrialization, 1861-1913

Some recent critics of Russian industrial policy argue that the costs of the Witte System may have been excessive relative to its benefits and that similar rates (or perhaps higher rates) of industrial growth could have been attained if alternate fiscal and monetary policies had been adopted. Once differential rates of growth of prices and real national income are considered, it appears that the Russian money supply was not unduly constrained. The authors also demonstrate that foreign capital inflows made a substantial contribution to Russian economic development, as did the decision to adhere to the international gold standard.

THOMAS MCILWRAITH

Freight Capacity and Utilization of the Erie and Great Lakes Canals before 1850

This paper deals with the relationship between tonnage capacity and utilization of the Erie, Welland and St. Lawrence River canals before 1850. Estimates are presented for the capacities of the canals, as built and modified. Comparison with the actual tonnage carried eastward for selected years shows that the British canals were grossly and increasingly underutilized, while the Erie's utilization was closely correlated with its capability, particularly through its eastern half. Reasons for this situation are given and it is argued that had British funds been redirected away from canal enlargement and applied to the construction of vessels and harbor facilities, the British might have entered upon a prosperous carrying trade within North America in the second quarter of the nineteenth century.

JOHN A. JAMES

The Development of the National Money Market, 1893-1911

In this article the convergence of U.S. interregional interest rates in the late nineteenth century is examined and two major hypotheses are tested in the framework of a bank portfolio selection model based on the capital-asset-pricing model. Both the spread of the commercial paper market and the lowering of entry barriers through the reduction of national bank minimum capital requirements are rejected as principal explanations. The erosion of local monopoly power is shown to have been of central importance, and this development was due to the growth of state rather than national banks.

PETER TEMIN

The Post-Bellum Recovery of the South and the Cost of the Civil War

In the last half of the nineteenth century the economy of the American South experienced three separate shocks which have been analyzed separately by different authors. This note synthesizes the literature and presents an integrated story in which the decline in the rate of growth of the demand for cotton (noted by Wright) and the results of emancipation on the southern labor supply (noted by Ransom and Sutch) had equal impacts on measured income in the post-bellum South. The Civil War itself had a much smaller and less lasting effect on southern income than Goldin and Lewis assumed; in the long run, it was the least important of the three shocks.