

Syllabus

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2020-09-02

1. *Economic and Financial History: An introduction to key concepts*

The first class will start by providing some background on the themes we will be covering. For the lecture, I will try to place the capital market into long-run perspective and discuss speculative movements. For the primary sources, we will reflect on how to read this material. We will also take some time to look at the databases that exist that could be helpful in this area.

General readings

- Charles P. Kindleberger, *Manias, Panics and Crashes* (John Wiley and Sons, 1996). Chapter 2 on the anatomy of financial crises
- Barry Eichengreen, "Financial History, Historical Analysis, and the New History of Finance Capital," *Capitalism: A Journal of History and Economics*, 1: 1, 20–58.
- Naomi Lamoreaux, "The Future of Economic History Must Be Interdisciplinary," *The Journal of Economic History* (December 2015), 75: 4, 1251–1257.

International Lending Booms

We will spend a few weeks on international lending booms and contractions and their role in generating crises and political and economic response. We will begin with the 1825 crisis, which emerged out of a boom in international lending driven by the end of the Napoleonic Wars and the growth of independent republics in particular in Latin America.

2. *Lending money abroad: the global sovereign debt crisis of 1825*

General Readings

- Michael Pettis, *The volatility machine* (Oxford: Oxford University Press, 2001). Chapter 4
- Larry Neal, "The Financial Crisis of 1825 and the Restructuring of the British Financial System," *Review* (1998), May/June.
- Leland H. Jenks, *The Migration of British Capital to 1875* (Alfred A. Knopf, 1927). Chapter 2.¹

¹ Jenk's book is an interesting financial history up to 1875 written in the 1920's before the Great Depression

- Damian Clavel, "What's in a fraud? The many worlds of Gregor MacGregor, 1817-1824," *Enterprise & Society* (Cambridge University Press, 2020), 1-40.²

² This is a recent reinterpretation of the Poyais scheme.

Primary Sources

- Thomas Tooke, *A History Of Prices Vol.1-2* (London: P. S. King & Son, 1838). read pp. 148 to 171.
- Benjamin Disraeli, *An inquiry into the plans, progress, and policy of the American mining companies*. (London, 1825). read up to page 21 and then skim a section on one country of your choice.³

³ Disraeli was involved in speculation in South America with an investor named J. D. Powles who also commissioned him to write this promotional pamphlet.

3. The aftermath of sovereign debt crises

- Marc Flandreau, "Sovereign states, bondholders committees, and the London Stock Exchange in the nineteenth century (1827-68)," *Oxford Review of Economic Policy* (December 2013), 29: 4, 668-696.

4. The Baring Crisis

General readings

- Juan H. Flores, "Information asymmetries and conflict of interest during the Baring crisis, 1880-1890," *Financial History Review* (Cambridge University Press, 2011), 18: 2, 191-215.
- Gerardo Della Paolera and Alan M. Taylor, "A Monetary and Financial Wreck," in *Straining at the anchor: The Argentine Currency Board and the search for macroeconomic stability, 1880-1935*, eds. Gerardo Della Paolera and Alan M. Taylor (Chicago: University of Chicago Press, 2001).

Primary sources

We will be looking at the Barings Archive for sources on the Argentine crisis of 1890. In addition to the below, you will go to the online holdings of the Barings Archive and select 2 documents of your choice. This will likely involve a lot of searching. There is correspondence in French (Barings to Argentine Government), Spanish (Argentine Government to Barings), and German (consortium banks to Barings) in addition to English so feel free to make use of any special language skills if you like.

- "Correspondence from Disconto Gesellschaft to Baring Brothers on Buenos Aires 4.5% Loan (HC4/1/109/2/11)."
- "Scheme for conversion of 6% Argentine Loans (HC4/1/105/5)," (1888).

- "Proposal for Argentine Government Bonds (HC4/1/113/13)."
- "Correspondence from George H White (1817-1889) to Barings on calculations for converting the Argentine Government Debt (HC4/1/105/11)."
- "Telegram from Disconto Gesellschaft to Barings (HC4/1/104/1)," (January 1889).
- "Draft of response to Luis L Dominquez (HC4/1/115/7)," (1893).
- "Correspondance from Foster & Braithwaite, stockbrokers, to Barings (HC4/1/114)."

5. *The interwar crisis and sudden-stops: the mechanics of the payment network*

- Olivier Accominotti and Barry Eichengreen, "The mother of all sudden stops," *The Economic History Review* (John Wiley & Sons, Ltd, May 2016), 69: 2, 469–492.

6. *The Great Recession and transatlantic flows*

- J. Adam Tooze, *Crashed* (Allen Lane, 2018).

Regulation and Innovation

Under this heading we are going to consider several waves of domestic investment that resulted in asset price bubbles. We are also going to consider the evolution of corporate regulation and how regulatory change and investment behavior are historically linked. We will also examine how investors have informed themselves, or been misled, by newspapers and rating agencies. And finally, we will spend a week looking at what we know about the characteristics of British investors.

7. *The railway mania of 1845 and crisis of 1847*

General Readings

- Gareth Campbell, "Government Policy during the British Railway Mania and the 1847 Commercial Crisis," in *British Financial Crises since 1825*, eds. Nicholas Dimsdale and Anthony Hotson (Oxford University Press, 2014).
- Andrew Odlyzko, "The collapse of the Railway Mania, the development of capital markets, and the forgotten role of Robert Lucas Nash," *Accounting History Review* (November 2011), 21: 3, 309–345.

Primary Sources

- William Aytoun, "How we got up the Glenmutchkin and how we got out of it," *Blackwood's Edinburgh Magazine* (1845), October.⁴
- Anon., *A Short and Sure Guide to Permanent Investments in Railways* (Effingham Wilson, 1847).

⁴ The text is reproduced on Andrew Odlyzko's website. He has supplied a helpful introduction which you should also read.

8. The development of the joint-stock corporation

General readings

- James Taylor, *Creating Capitalism* (Royal Historical Society/Boydell Press, 2006).

Primary sources

- Parliamentary enquiries
- Spencer maybe on railway morals?
- Share prices!

9. The media and company promotion

General Readings

Primary sources

- Charles Duguid, *How to Read the Money Article* (E. Wilson, 1902).⁵

⁵ This is a book on how to read financial coverage in 19th century newspapers written at the turn of the century. It's a useful guide to reading some of the other primary sources in the course.

10. Rating agencies, credit default swaps and financial surveillance

11. The investing public

General readings

- Janette Rutterford, David R. Green, Josephine Maltby, and Alastair Owens, "Who comprised the nation of shareholders? Gender and investment in Great Britain, c. 1870-1935," *The Economic History Review* (2011), 64: 1, 157-187.
- Lucy Newton and Philip L. Cottrell, "Female investors in the first english and Welsh commercial joint-stock banks," *Accounting, Business & Financial History* (July 2006), 16: 2, 315-340.
- For primary sources force them into the hard stuff
 - Probate records
 - Subscription lists
 - memoire?

12. *Mortgage mania*

- Those ridiculous renovation shows
- Marketing materials from Northern Rock maybe?

13. *Dissertation Chat*

Banking Crises

Banking crises are a particularly dangerous and severe financial event. Often, even the suspicion of a banking crisis can prove enough to precipitate one. We will spend two weeks on them. First, we will consider the historical development of central bank doctrine to respond to banking crises. Second, we will look at the banking crisis in the inter-bank market that emerged in 2008.

14. *The London money market and the crisis of 1866*

- Can I get discount window sources?
- Bagehot

15. *Bank of England in 2008*

- Gary B. Gorton, *Slapped in the Face by the Invisible Hand* (Rochester, NY: Social Science Research Network, May 2009).

The stock exchange

We will spend two weeks on the London Stock Exchange (LSE)

16. *The growth and development of the London Stock Exchange in the 19th century*

General Readings

- James Taylor, "Inside and Outside the London Stock Exchange," *Enterprise & Society* (July 2020), 1–36.
- LARRY NEAL and LANCE DAVIS, "The evolution of the structure and performance of the London Stock Exchange in the first global financial market, 1812-1914," *European Review of Economic History* (Oxford University Press, 2006), 10: 3, 279–300.

Primary Sources

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17. *The Big Bang*

General readings

- Bernard Attard, "Making a market. The jobbers of the London Stock Exchange, 1800-1986," *Financial History Review* (April 2000), 7: 1, 5-24.

Primary sources

- Bernard Attard, *London Stock Exchange oral history*. Pick two interviews and listen to them or read transcript

Currencies

18. *The 'classic' Gold Standard*

- Barry J Eichengreen, *Globalizing capital* (Princeton: Princeton University Press, 2008). Chapter on the Classical Gold Standard
- Angela Redish, "The Evolution of the Gold Standard in England," *The Journal of Economic History* (Cambridge University Press, 1990), 50: 4, 789-805.
- Ricardo for primary sources

19. *The interwar crisis*

- Keynes, Mantoux
- Cunliffe report

20. *Decolonization and the pound*

- Read maybe Balachandran
- Vanessa Ogle, "'Funk Money'," *Past & Present* (August 2020), gtaa001.
- Maylis (if her article is ready) and Schenk

21. *Snake, Tunnel, Eurodollar, Exorbitant privilege*

- Maybe Schenk?
- Also Eichengreen book

22. *Dissertation chat*

23. *The Great Recession*

24. *The Great Recession*

25. *Exam Review*

Bibliography