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 **Economics 303Y1: The Economic History of Modern Europe to 1914**

**Topic no. 10 [20]: International Capital Flows and Price Movements under a Gold Standard, ca. 1840 - 1914: Did Real or Monetary Factors Predominate?**

\* 1. James Foreman-Peck, A History of the World Economy: International Economic Relations Since 1850 (Brighton, 1983): in particular:

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(b) chapter 4, ‘International Trade and European Domination, 1875-1914’, pp. 94-126.

(c) chapter 5, ‘International Factor Mobility, 1875-1914’, pp. 127-159.

(d) chapter 6, ‘The Heyday of the International Gold Standard, 1875-1914’, pp. 160-85.

\* 2. A. G. Ford, ‘International Financial Policy and the Gold Standard, 1870 - 1914’, in Peter Mathias and Sidney Pollard, eds., The Cambridge Economic History of Europe, Vol. VIII: The Industrial Economies: The Development of Economic and Social Policies (Cambridge, 1989), pp. 197 - 249.

\* 3. S. N. Broadberry and N. F. R. Crafts, eds., Britain in the International Economy, 1870 - 1939, Studies in Monetary and Financial History (Cambridge, 1992):

a) S.N. Broadberry and N.F.R. Crafts, ‘British Macroeconomic History, 1870 - 1939: Overview and Key Issues’, pp. 1 - 27.

b) Terence C. Mills, ‘An Economic Historian’s Introduction to Modern Time Series Techniques in Econometrics’, pp. 28 - 48.

c) Barry Eichengreen, ‘The Gold Standard Since Alec Ford’, pp. 49-79.

d) Forrest Capie, ‘British Economic Fluctuations in the Nineteenth Century: Is There a Role for Money?’, pp. 80-97.

e) N.F.R. Crafts and Terence C. Mills, ‘British Economic Fluctuations, 1851 - 1913: A Perspective Based on Growth Theory’, pp. 98-136.

f) T.J. Hatton, ‘Price-Determination Under the Gold Standard: Britain, 1880 - 1913’, pp. 137-56.

g) Neil Blake, ‘Import Prices, Economic Activity and the General Price Level in the UK, 1870 - 1913’, pp. 157-98.

h) T.C. Mills and G.E. Wood, ‘Money and Interest Rates in Britain from 1870 to 1913’, pp. 199-220.

i) P.L. Cottrell, ‘Silver, Gold and the International Monetary Order, 1851-96’, pp. 221-43.

\* 4. Barry Eichengreen and Marc Flandreau, eds., The Gold Standard in Theory and History, 2nd edn. (London and New York: Routledge, 1997) [1st edn. 1985]. Consult also the original publications.

a) Barry Eichengreen and Marc Flandreau, ‘Editors’ Introduction’, pp. 1-30.

b) David Hume, ‘On the Balance of Trade’, pp. 33-43 [From: Essays, Moral, Political and Literary, Vol. I (London, 1752), pp. 330-41, 343-5.]

\*\* c) Donald N. McCloskey and J. Richard Zecher, ‘How the Gold Standard Worked, 1880-1913’, pp. 57-75. [From Jacob A. Frenkel and Harry G. Johnson, eds., The Monetary Approach to the Balance of Payments (London: Allen & Unwin, 1976), pp. 184-6, 192-208 (abridged)].

d) Trevor J. O. Dick and John E. Floyd, ‘A Portfolio-Balance Model of the Gold Standard’, pp. 76-98. [From Explorations in Economic History (1991), pp. 209-11, 213-22, 228-38 (abridged).]

\* e) Michael D. Bordo and Finn E. Kydland, ‘The Gold Standard as a Rule’, pp. 99-128. [From Explorations in Economic History (1995), pp. 423-30, 445-64 (abridged).]

f) John Maynard Keynes, ‘The Significance of the Gold Points’, pp. 131-39. [From A Treatise on Money, Vol. II: The Applied Theory of Money (London: Macmillan, 1930), pp. 319-31.

g) Robert Triffin, ‘The Myths and Realities of the So-Called Gold Standard’, pp. 140-60. [From Our International Monetary System: Yesterday, Today, and Tomorrow (New York: Random House, 1968), chapter 1.

h) A. G. Ford, ‘Notes on the Working of the Gold Standard Before 1914’, pp. 161-86. [From: Oxford Economic Papers (Feb. 1960), pp. 52-76.]

\*\* i) Barry Eichengreen, ‘The Gold Standard Since Alec Ford’, pp. 187-206. [From: S.N. Broadberry and N.F.R. Crafts, eds., Britain in the International Economy, 1870 - 1939 (Cambridge and New York: Cambridge University Press, 1992), pp. 49-79.]

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\* 5. Roderick Floud and Paul Johnson, eds., Cambridge Economic History of Modern Britain, 3rd edn., 3 vols. (Cambridge and New York: Cambridge University Press, 2004), Vol. II: Economic Maturity, 1860 - 1939:

a) C. Knick Harley, ‘Trade, 1870 - 1939: From Globalisation to Fragmentation’, pp. 161-89.

b) Michael Edelstein, ‘Foreign Investment, Accumulation, and Empire, 1860 - 1914’, pp. 190 - 226.

c) P. A. Cottrell, ‘Domestic Finance, 1860 - 1914’, pp. 253-79.

d) Roger Middleton, ‘Government and the Economy, 1860 - 1939’, pp. 456-89.

\* 6. Roderick Floud and Donald McCloskey, eds., The Economic History of Britain Since 1700, 3 vols., 2nd edition (Cambridge, 1994), Vol. 2: 1860 - 1939

a) Roderick Floud, ‘Britain, 1860 - 1914: A Survey’, pp. 1-28.

b) Michael Edelstein, ‘Foreign Investment and Accumulation, 1860 - 1914’, pp. 173-96.

c) Forest Capie and Geoffrey Wood, ‘Money in the Economy, 1870 - 1939’, pp. 217-46.

d) Solomos Solomou, ‘Economic Fluctuations, 1870 - 1913’, pp. 247-64.

\* 7. M. D. Bordo and A. J. Schwartz, eds., A Retrospective on the Classical Gold Standard, 1821 - 1931 (Chicago, 1984):

a) Michael Bordo, ‘The Gold Standard: The Traditional Approach’, pp. 23-119.

b) W. Huffman and J. Lothian, ‘The Gold Standard and the Transmission of Business Cycles, 1873 - 1932’, pp. 455-511

\* 8. Michael D. Bordo and Hugh Rockoff, ‘The Gold Standard as a ‘Good Housekeeping Seal of Approval’, Journal of Economic History, 56:2 (June 1996), 389-428.

\* 9. Marc Flandreau and Clemens Jobst, ‘The Ties That Divide: A Network Analysis of the International Monetary System, 1890 - 1910’, Journal of Economic History, 65:4 (December 2005), 977-1007.

\*10. Michael D. Bordo and Anna J. Schwartz, ‘Money and Prices in the Nineteenth Century: An Old Debate Rejoined’, Journal of Economic History, 40 (March 1980), 61 - 72; and Michael D. Bordo and Anna J. Schwartz, ‘Money and Prices in the 19th Century: Was Thomas Tooke Right?’ Explorations in Economic History, 18 (1981), 91 - 127.

\*11. Claude Diebolt and Antoine Parent, ‘Bimetallism: The “Rules of the Game”,’ Explorations in Economic History, 45:3 (July 2008), 288-302.

 12. Gary Magee, ‘The Importance of Being British: Imperial Factors and the Growth of British Imports, 1870 - 1960’, Journal of Interdisciplinary History, 37:3 (Winter 2007), 341-69.

 13. Kris James Mitchener, Masato Shizume, and Marc D. Weidenmier, ‘Why Did Countries Adopt the Gold Standard? Lessons from Japan’, Journal of Economic History, 70:1 (March 2010), 27-56.

\*14. Niall Ferguson and Moritz Schularick, ‘The “Thin Film of Gold”: Monetary Rules and Policy Credibility’, European Review of Economic History, 16:4 (November 2012), 284-407.

\*15. Edward R. Wilson, Battles for the Standard: Bimetallism and the Spread of the Gold Standard, 1870 - 1914, Modern Economic and Social History, Variorum Publications (London and Brookfield, 1999).

\*16. Giulio M. Gallarotti, The Anatomy of An International Monetary Regime: The Classical Gold Standard, 1880 - 1914 (Oxford and New York: Oxford University Press, 1995).

 17. Mario Tiberi, The Accounts of the British Empire: Capital Flows from 1799 to 1914 (Aldershot, UK: Ashgate Publishing, 2005).

**QUESTIONS:**

1. What was the international gold standard, from c.1860 to 1914: how did evolve; how did it work; what were its monetary and foreign exchange requirements; what were its requirements in terms of national monetary and fiscal policies?

2. What role did money, monetary forces, gold, and the international gold standard play in European business cycles and secular price movements (inflation and deflation), 1840-1914?

3. How well did the international gold standard work in moderating or influencing international economic cycle movements? What role did the Bank of England play. Were real factors more important?

1. What were the benefits and costs of the international gold standard system: for the international economy, the European economy, and individual western economies?
2. Why did the international gold standard system break down during World War I: and why could it not be restored after the Great War?