The JOURNAL of ECONOMIC HISTORY

VOLUME 70

SEPTEMBER 2010

NUMBER 3

PUBLISHED FOR THE ECONOMIC HISTORY ASSOCIATION

IN COOPERATION WITH THE UNIVERSITY OF ARIZONA, TUCSON

SAXONHOUSE AND WRIGHT National Leadership and Competing Technological Paradigms: The Globalization of Cotton Spinning, 1878–1933

COSTA Pensions and Retirement Among Black Union Army Veterans

KARAMAN AND PAMUK Ottoman State Finances in European Perspective, 1500–1914

FOHLIN

Asymmetric Information, Market Power, and the Underpricing of New Stock Issues in Germany, 1882–1892

HUBERMAN AND MEISSNER Riding the Wave of Trade: The Rise of Labor Regulation in the Golden Age of Globalization

ABRAMITZKY, FRANK, AND MAHAJAN Risk, Incentives, and Contracts: Partnerships in Rio de Janeiro, 1870–1891

DAUDIN Domestic Trade and Market Size in Late-Eighteenth-Century France

LO AND SUTTHIPHISAL Crossover Inventions and Knowledge Diffusion of General Purpose Technologies: Evidence from the Electrical Technology

THE JOURNAL OF ECONOMIC HISTORY

ISSN 0022-0507

Published for the Economic History Association in Cooperation with the California Institute of Technology by Cambridge University Press

EDITORS

PHILIP T. HOFFMAN

PRICE V. FISHBACK EDITORIAL ASSOCIATES

ALAN MILLER

PAUL W. RHODE EDITORIAL STAFF

PHILIP T. HOFFMAN

JEAN-LAURENT ROSENTHAL

SABRINA BOSCHETTI AND BRENDAN LIVINGSTON, ASSISTANT EDITORS SABRINA BOSCHETTI, PRODUCTION EDITOR ALEXANDER J. FIELD, EHA EXECUTIVE DIRECTOR

EDITORIAL BOARD

Martha J. Bailey, University of Michigan Dan Bogart, University of California, Irvine John C. Brown, Clark University Karen Clay, Carnegie Mellon University Mauricio Drelichman, University of British Columbia Oscar Gelderblom, University of Utrecht Stephen Haber, Stanford University Eric D. Hilt, Wellesley College Douglas Irwin, Dartmouth College David Jacks, Simon Fraser University Shawn Kantor, University of California, Merced

Ian Keay, Queens University Sumner La Croix. University of Hawaii Christopher M. Meissner, University of California, Davis Kris James Mitchener, Santa Clara University Sevket Pamuk, Bogaziçi University and the London School of Economics Carol H. Shiue, University of Colorado Jochen Streb, University of Hohenheim Werner Troesken, University of Pittsburgh Marc Weidenmier, Claremont-McKenna College

Aims and Scope: The Journal of Economic History seeks to promote the scholarly study of economic aspects of the human past from a diversity of perspectives, notably those of economists and historians. By encouraging careful formulation of issues and clear exposition of methods, the JOURNAL hopes to stimulate discourse among scholars with varied interests and modes of inquiry. The JOURNAL is abstracted in EconLit, e-JEL, JEL on CD, Sociological Abstracts, Elsevier Geo Abstracts, and Scopus. Back issues of the JOURNAL (5-years-old and older) are available on-line to JSTOR subscribers. Http://JSTOR.ORG.

Instructions for Contributors: Articles on economic history and related aspects of history or economics will be considered for publication by the Editors on the understanding that the articles have not previously been published and are not under consideration elsewhere. Papers should indicate the wider significance of detailed original research findings as well as the logic and limitations of specialized techniques of analysis. Comments and shorter notes are also welcome. The JOURNAL does not accept unsolicited book reviews, nor can it honor requests to review particular works. Contributions should be kept within 35 double-spaced pages, inclusive of footnotes, references, figures, and tablesapproximately 15,000 words. A submission fee, payable to the Economic History Association, of \$50.00 or a year's membership (fee schedule below) is required from nonmembers of the Association.

How to Submit a Paper for Consideration: Log into http://mc.manuscriptcentral/jeh and follow the instructions there. Choose Editor Phil Hoffman for submissions dealing with all regions except the Americas; choose Editor Price Fishback for submissions dealing with the Americas. Upload files (completely blinded of identifying information) as Word, WordPerfect, or Excel documents.

Editorial Office Addresses: Price Fishback, Editor; Journal of Economic History; jeh@eller.arizona.edu; Department of Economics, University of Arizona, Tucson, AZ 85721. Jean-Laurent Rosenthal, Editor; Journal of Economic History; jeh@hss.caltech.edu; Division of the Humanities and Social Sciences, Mail Code 228-77, California Institute of Technology, Pasadena, California 91125. For style sheets and general inquiries: Sabrina Boschetti, Production Editor; Journal of Economic History; sabrina@hss.caltech.edu; Division of the Humanities and Social Sciences, Mail Code 228-77, California Institute of Technology, Pasadena, California 91125. 626-395-4228.

Association Office Address and Membership Information: Individuals who are members of the Economic History Association receive the JOURNAL as part of their annual dues. Membership rates (in U.S. dollars) are \$60.00 for those with income above \$50,000 a year; \$35.00 for those with income below \$50,000; \$20.00 for students and for professors emeriti who have been members of the Association for ten years; \$1,200.00 or 20 times the annual rate for life membership. Payment of additional \$32.00 permits joint membership with the Economic History Society (UK). Applications and inquiries concerning membership should be addressed to the Economic History Association, Dept. of Economics, Santa Clara University, 500 El Camino Real, Santa Clara, CA 95053-0385. Telephone: (408) 554-4348. E-mail: afield@scu.edu. EHA members should send changes of address to the association office.

Subscription, Publishing, and Advertising Office Address: Cambridge University Press, 32 Avenue of the Americas, New York, NY 10013-2473, U.S.A.; or Cambridge University Press, The Edinburgh Building, Shaftesbury Road, Cambridge CB2 8RU, England.

Subscription Information: The Journal of Economic History is published quarterly in March, June, September, and December. Annual institutional print-and-electronic subscription rate (2010) is US \$249 in the U.S.A., Canada, and Mexico, UK £153 elsewhere. Annual institutional electronic-only subscription rate (2010) is US \$211, UK £131. Annual institutional print-only subscription rate (2010) is US \$228, UK £142. Individuals subscribe by becoming a member of the EHA. Prices include surface postage and insurance.

Copyright © 2010 The Economic History Association

All rights reserved. No part of this publication may be reproduced, in any form or by any means, electronic, photocopy, or otherwise, without permission in writing from Cambridge University Press. For further information see http://us.cambridge.org/information/rights/. Photocopying information for users in the U.S.A.: The Item-Fee Code for the publication (0022-0507/10 \$15.00) indicated that copying for internal or personal use beyond that permitted by Sec. 107 or 108 of the U.S. Copyright Law is authorized for users duly registered with the Copyright Clearance Center (CCC) Transaction Reporting Service, provided that the appropriate remittance of \$15.00 per article is paid directly to CCC, 222 Rosewood Drive, Danvers, MA 01923. Specific written permission must be obtained for all other copying.

The Journal of Economic History (USPS 279-580) is published quarterly by Cambridge University Press. Periodicals postage paid at New York, NY and additional mailing offices. Postmaster: Send address changes to The Journal of Economic History, Cambridge University Press, 100 Brook Hill Drive, West Nyack, NY 10994-2133.

Printed in the United States of America.

THE JOURNAL OF ECONOMIC HISTORY

Volume 70	September 2010	Number 3
ARTICLES		
GARY R. SAXONHOUSE National Leadership of	E AND GAVIN WRIGHT and Competing Technological I	Paradions
1	Cotton Spinning, 1878–1933	535
DORA L. COSTA Pensions and Retireme	ent Among Black Union Army V	eterans 567
K. KIVANÇ KARAMAN Ottoman State Finance	AND ŞEVKET PAMUK es in European Perspective, 15	00–1914 593
CAROLINE FOHLIN Asymmetric Informati of New Stock Issues in	on, Market Power, and the Un Germany, 1882–1892	derpricing 630
	AND CHRISTOPHER M. MEISSNI ade: The Rise of Labor Regula balization	
-	PHYR FRANK, AND APRAJIT MA Contracts: Partnerships in Rio	
GUILLAUME DAUDIN Domestic Trade and 1 France	Market Size in Late-Eighteenth	-Century 716
	ANOOS SUTTHIPHISAL and Knowledge Diffusion of Ger Evidence from the Electrical To	
EDITORS' NOTES		765

REVIEWS OF BOOKS

GENERAL AND MISCELLANEOUS

REINHART AND ROGOFF. This Time is Different: Eight Centurie	5		
of Financial Folly	M. Weidenmier	766	
LYONS, CAIN, AND WILLIAMSON, EDS., Reflections on the Cliometrics			
Revolution: Conversations with Economic Historians	R. Whaples	769	
DIAMOND AND ROBINSON, EDS., Natural Experiments in Histor	y R. A. Margo	770	

ANCIENT TO MODERN EUROPE

LANDES, MOKYR, AND BAUMOL, EDS., The Invention of Enterprin	se:	
Entrepreneurship from Ancient Mesopotamia to Modern Time	s P. Temin	772
EVANS AND RYDÉN. Baltic Iron in the Atlantic World in the		
Eighteenth Century	P. R. Rössner	773
HANAWALT. The Wealth of Wives: Women, Law, and Economy i	n	
<i>Late Medieval London</i> A.	E.C. McCants	775

UNITED STATES

WALKER. The History of Black Business in America: Capitalism	,	
Race, Entrepreneurship, Volume 1, to 1865 (Second Edition)	V. Bogan	777
THOMPSON. Structures of Change in the Mechanical Age:		
Technological Innovation in the United States, 1790–1865	A. L. Olmstead	778
LARSON. The Market Revolution in America: Liberty, Ambition,		
and the Eclipse of the Common Good	E. Hilt	780