

Reflections on Thomas Piketty's *Capital in the Twenty-first Century* by Ellen Huppert

Thomas Piketty's massive work *Capital in the Twenty-First Century* (The Belknap Press of Harvard University Press, 2014; translated by Arthur Goldhammer) was a runaway bestseller earlier this past year. It generated a great deal of attention in the press, favorable and unfavorable. Piketty clearly meant to create discussion about causes and cures for current economic inequalities in the developed economies of the United States and Western Europe, and he has done so.

The book is based on fifteen years of research by Piketty and others. In France, in particular, income data goes back to the French Revolution; in Britain, Germany and the US, income taxes and the resulting accumulation of information only goes back about 100 years.

Piketty's conclusions are that income inequality results when the rate of return on capital exceeds the rate of growth of output and income, as it did in the nineteenth century and seems quite likely to do so again in the twenty-first. There was a period in the middle of the twentieth century when growth was strong enough to reduce income inequality, but that period was unique.

I am not going to comment on the economic theories advanced in the text, as I am not qualified to evaluate them. Nor can I assess his prediction that unless counter actions are undertaken, the current inequality will continue or increase. Instead, I am presenting some reflections on the value of the book for historians.

The data, presented in numerous tables, is continually fascinating. In western countries, there has been great growth since the 18th century, accelerating in the 20th century, with purchasing power increasing by factors of 6, 10, or 20. Piketty uses the example of the bicycle: in the 1880s the cheapest model cost one-half of an average worker's annual wage; by 1910, down to 1 month of wages, and in 1960 down to less than a week's wages, while the bicycle has become a much improved means of travel and sport.

Inflation was minimal in the 18th and 19th centuries, creating social and financial stability. Only when political events required national governments to raise taxes, or crop failures left people hungry, did economic factors cause unrest.

Besides the large quantity of economic data, the author uses literary references to make points. For example, Jane Austen knew well what income was required to live in comfort. While the average income in England at that time was £40-£50 per year, the life lived by Austen's characters demanded income of £500-£1,000. Piketty also used the novels of Honoré de Balzac, Edith Wharton, and Henry James and the travel accounts of Arthur Young for insight into the meaning of incomes at that time. They all agree that an income 20-30 times the average is necessary for a dignified life. Thus, one could afford 20 or more servants to take care of the drudgery of cooking, cleaning, keeping horses, and maintaining houses.

In all the societies studied in this book, capital is always distributed less equally than labor. Generally, the top 10 % of laborers received 25-30 % of labor-income, while the top 10 % of capital-income earners owned more than 50 % or more of all wealth. Of course, inheritance has always added to the inequality of wealth. However, World War I marked the suicide of the patrimonial societies of the past. In the US, wealth generally was less equally distributed into the 20th century, because of the availability of cheap land.

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PRESIDENT’S MESSAGE

Thanks to everyone who contributed to the Institute’s year-end fundraising campaign. Over \$1,350 was donated, making it possible for us to continue our minigrants program and our other activities without having to raise dues.

The new year was ushered in on Sunday, January 4 with the first film of the Institute’s World War I series. About 60 people, including a large number of Institute members and friends, came to see the restored 1930 film “All Quiet on the Western Front.” Monica Clyde introduced the film, and she was joined for the discussion afterward by Joanne Lafler and myself.

Please check the dates for the coming months as the film series continues on Sundays, at 1 p.m. at the Main San Francisco Public Library on Larkin Street. After each film, Institute members will lead a discussion. There is no admission charge.

Also at the Main Library, on January 31, Institute members can join a tour of the rich historical collections. Special attention will be paid to materials of interest to participants. (See more about the tour on the next page.)

And don’t forget our annual meeting in February, Saturday, the 21st. Details forthcoming.

Since our website (www.tihs.org) is updated regularly, I recommend that you check it out periodically to find out what is happening.

– *Ellen Huppert*

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California and the West

Six members of the Institute whose specialties include California got together on November 8th at Jody Offer's house to plan for a year of programs: Jody, Ann Harlow, Joanne Lafler, Rose Marie Cleese, Peter Meyerhof, and Edith Piness concluded that organizing a series of visits to historic sites had proven to be a winning formula for 2014 and that there was plenty of material for another year of such explorations. We noted that both the Works in Progress and the Writers Group offer members opportunities to present their own work and get feedback. The historic tours allow for both learning and relaxed opportunities to interact with other members and with history-based groups of all kinds.

The group chose a tentative schedule, pending investigation of the sites. We are planning events for Saturdays to allow maximum attendance. Two visits have been scheduled: an in-depth tour of the historical materials in the Main San Francisco Public Library on January 31 and an introduction to and tour of the historic buildings of Sonoma Plaza, on April 25. (See below for more about these tours.) For July, a day at the San Francisco Presidio, featuring new developments there. And in late October or early November, Ann Harlow will give a tour of her exhibit at the Berkeley History Center on the history of art museums and galleries in Berkeley.

For 2016, Joanne Lafler hopes to organize a visit to the African American Museum and Library in Oakland, and Rose Marie Cleese will be investigating the possibility of an overnight visit to the historic Mother Lode, specifically Jackson and Volcano in Amador County, both sites relating to her study of Angelo Rossi, Mayor of San Francisco from 1931 to 1944. Visits to the historic sites in Benicia and around San Francisco's Fisherman's Wharf are additional possibilities for the future.

All of California and the West's historic tours are open to the larger Institute membership. For ideas, suggestions, or information, contact Jody (joffer@juno.com) or Ann (annharlow@pacbell.net). More specific information about each tour will be posted on the website and sent via e-mail as available.

Main Library Tour. Please join us at the New Main Library on Saturday, January 31, from 10:15 to 12 noon. The New Main (now almost 20 years old!) opened its doors on April 18, 1996. Susan Goldstein, the City Archivist, will lead an exclusive tour for IHS members through the building, focusing on sections of the library that would be of particular interest to members. Our tour will conclude at the San Francisco History Center and Book Arts and Special Collections on the 6th floor, where we'll view various items pulled from different sources —e.g., city records, rare books, maps, and various archives and manuscript materials. The goal of this visit is to become familiar with what is available at the library that is relevant to our research and the most efficient ways to access those materials.

Goldstein has served as City Archivist since the summer of 1995. In her position, she works with all the city departments to preserve and make accessible their historical records. She also manages a robust program and exhibition schedule and is currently engaged in a number of digitization projects.

RSVP by Monday, January 26: annharlow@pacbell.net. When you respond, let us know the subjects that are of the greatest interest to you vis-à-vis your current research or writing projects, so that the tour can be better tailored to our needs. Space is limited to 20 participants, so reserve your spot early!

Historic Sonoma. The tour will meet at the historic Maysonnave House, about one block from the Sonoma Plaza, for a brief introductory

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talk on the historic importance of Sonoma. Then we will walk to some of the nearby buildings of historic significance—the Sonoma Mission, the Sonoma Barracks, the Blue Wing adobe, etc. Peter Meyerhof will be our tour guide. Lunch will be at a nearby restaurant. Specific details including the sign-up procedure and the exact time and place of meeting will be e-mailed to members as the day gets nearer.

– *Jody Offer and Ann Harlow*

Play Readers

In the previous issue of the Newsletter I wrote that the group had started reading “Sir Thomas More,” an unpublished Elizabethan play, probably written in the early 1590s. “Sir Thomas More” had several authors including Henry Chettle, Anthony Munday, who is thought to be the main author, as well as William Shakespeare. (Three of the original pages of the manuscript, now in the British Library, were judged to be in his handwriting.) We completed reading the play depicting the life of the famous Catholic martyr in October.

Due to the holidays, the group only met one more time in 2014. On December 9th, we began reading George Bernard Shaw’s “Heartbreak House,” subtitled: “A Fantasia in the Russian Manner on English Themes.” Shaw started writing the play before the First World War, in 1913, and continued “at intervals” throughout the fighting. Production was postponed until after the war, when it was published in 1919 and first performed at the Garrick Theatre in New York in 1920.

The action is set in a country house in Sussex, presided over by the naval veteran Captain Shotover, who at first meeting appears more than a bit out of it. However, reality versus appearance is a constant theme throughout the play as Shaw lampoons British society. As we

observe each character, each turns out to be nothing like what he or she appeared to be initially. As an example, Magnan, reputed to be a “Captain of Industry,” turns out to be not only poor, but incompetent, and earlier had financially ruined the father of his fiancée, Ellie, also one of the guests at Captain Shotover’s home. A mixture of farce and tragedy is constant throughout the play as is the display of self-indulgence and lack of understanding exhibited by the characters.

The Play Readers have completed reading the first act of three from “Heartbreak House.” At its January 13 meeting, the group finished its reading and invites all those interested to join us in future readings. Please contact Joanne Lafler (jwlafler@gmail.com).

– *Edith L. Piness*

Medieval Studies

Note: Despite good communication between editor and writers, and the eagle eyes of our newsletter copy editor, occasionally a blooper is overlooked. Apologies to **Lyn Reese** and to our readers who must have been puzzled by the phrase “slovenly-built” in reference to the Basilica of San Clemente in Rome in the write-up of presentations by the Medieval Studies Group. In fact, Lyn describes the structure as “one of the most richly adorned churches in Rome.” She writes that “for me, the sumptuous mosaics which cover the walls and the stories they tell are vastly interesting. Completed in about the 1130s, the unknown artisans employed a technique that had not been used in Rome for two centuries. In the apse, the theme of the redemption of mankind is the focal point. Christ on the Cross is depicted as the Tree of Life from which the four rivers of paradise are restored. Not all elements in this scene are wholly Christian. Twining plants, cowherds, shepherds, a woman feeding birds, a slave with a milking

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pail, pagan putti, are just a few of the images. And there is Christ again, on the bottom this time, depicted as a lamb, an early Christian symbol, flanked by his twelve disciples, presented as sheep. Charming too is the mosaic of the city of Jerusalem on one side and Bethlehem on the other, both looking like medieval walled Italian cities. All told, these mosaics offer a spectacular viewing experience.”

In November, at the home of Ellen Huppert, **Nancy Zinn** gave a talk based on the book by William Rosen, *Justinian's Flea*, which looks at the transition from the Roman Empire to the gradual appearance of the various political entities comprising Europe by the end of the 6th century C.E. Fueling this change were the transformation of Roman political organization, the growing pains of the Christian religion, barbarian incursions from the north and east, and finally, disease. The disease, of course, was the bubonic plague, caused by *yersina pestis*, carried by the flea, *xenia cheopsis* on the rat, *rattus rattus*. Climatic and reproductive conditions coincided to produce its first appearance in Pelusium, near Alexandria, in 540, reaching Constantinople in 542.

The initial onslaught lasted 4 months, with the death toll between 60,000 and 200,000. Constantinople's physicians (court, public paid by cities, and private) ministered to their patients with (depending on their own education) Galen's humeral theories, religious relics, amulets and prayers, spells, and, perhaps most popular, apparently, the cold water cure (applied cloths and immersion), and a pharmacopoeia of similars and contraries.

Justinian himself survived the disease, but thousands didn't. The city ran out of medical and burial attendants, as well as coffins, and cemeteries filled up (cremations were not a choice in the Christian religion.) The square towers in the walls around Constantinople, built

by Theodosius in 337, were filled, creating a fearful stench. Plague spread to Gaul in 543, to Mesopotamia in 547, back to Constantinople in 558 (the same year as the earthquake), and Marseilles in 588. Disease and depopulation brought about not only major civic, economic, and political problems, but also agricultural and military crises. It returned again, at least six times between 588 and the end of the century, thus “sabotaging Justinian's reconquest and permitting European states to survive their infancies.”

In December at the home of Lyn Reese, **Lorrie O'Dell** reported on William Rosen's latest book (2014), *The Third Horseman: Climate Change and the Great Famine of the 14th Century*. The Great Famine began at the end of the Medieval Warm Period, around 1300. Like most famines, there was a sudden disruption in the food supply: heavy amounts of rain meant top soil was washed away and crops couldn't be planted or harvested. According to one source, there were 155 days of rain in 1315 and the rain continued into 1316, meaning there were two lost harvests. The four worst winters in 400 years occurred during the years 1310 to 1330 .

This was distinctly a Northern European phenomenon; neither Spain nor southern Italy was affected. Grain was the main source of food, and the grain shortage affected all of the British Isles, France, Flanders, and Northern Germany. The shortage brought with it a devastating effect on the population: malnutrition, scurvy, pellagra, starvation. Great numbers died. Even though the harvest of 1317 was a rich one, 1318 brought drought instead of rain and rinderpest began to affect the cattle: 65% of the cattle died; parasitic worms affected goats and sheep with a devastating effect on the wool trade. Attempts were made to procure grain from the Baltic States, which led to the creation of the Hanseatic League. In 1321, farmers were still suffering from drought, and it was getting

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colder and colder. The Little Ice Age was beginning.

A large part of the book focuses on the various wars, particularly those between England and Scotland, which added enormously to the problems of the peasantry's food supply. Infrastructure was destroyed, manorial lands were ridden over, taxes were increased; England was taxing the peasantry for an army it couldn't afford and which it couldn't really deploy. "The balance between producing food and consuming it grew more fragile every year."

Stories about the famine lasted a long time and eventually became folk lore. Many of these stories were eventually documented by the Brothers Grimm, who brought us *The Pied Piper of Hamelin* and *Hansel and Gretel*, among many others. We have all heard these stories without understanding their historical background.

– *Lorrie O'Dell*

In Memoriam

"On September 4, 2014, **Dan Sims Wages** died suddenly yet quietly while landing at Dulles Airport." So begins the obituary published in the *San Francisco Chronicle* and the *Washington Post*. Perhaps a key word is quietly. Dan and his wife Sally joined the Institute in 2001. Neither tooted their own horns. So not a great deal is known about Dan's post-retirement professional life. I was always glad to see them at our annual membership meetings in the past couple of years and noticed that Dan required additional oxygen, which he carried with him.

After fighting in the Third Army under General Patton (1944-45), Dan began his career as a historian (BA, 1947 Furman University; MA, University of North Carolina, Chapel Hill). While working on his Ph.D. at Columbia University, a Fulbright scholarship to London

led him to put history on the back burner. In 1953, he joined the newly formed CIA, serving in various overseas assignments in the Department of State's Foreign Service. After his retirement from the government and after some years as a stockbroker, Dan returned to his initial passion. He wrote articles on the Hundred Years War and on the Dutch Revolt. He celebrated his 90th birthday in July.

– *Maria Sakovich*

Rob Robbins is the guest editor for the Fall 2014 (vol. 33, no 2) journal *Russian Studies in History*. The issue, entitled "Governors, Provincial Administration, and Local Self Government in Late Imperial Russia" should appear soon. (*RSIH* publishes English translations of recent works by Russian scholars.) Rob also attended the annual convention (November 20-23, 2014) of the Association for Slavic, East European, and Eurasian Studies in San Antonio where he participated in a round table on politics and society in late imperial Russia. Beginning January 21, he will give a 6-week course for the Osher Lifetime Learning Institute (OLLI) in San Francisco on selected topics in Russian history, from earliest times to 1825.

On January 4, 2015, **Neil Dukas** presented a paper, "The Independent Historian and the Question of 'Academic' Rigor," at the American Historical Association Annual Meeting, in New York City.

After 17 years of editing H-Scholar (an online moderated discussion list for independent scholars via the H-Net Humanities and Social Sciences network), **Joanne Lafler** has retired as a list editor. H-Scholar was created by the National Coalition of Independent Scholars in 1997. "My work as one of three list editors," Joanne writes, "has entailed receiving, editing,

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and transmitting messages. I'll keep a bit less busy from now on as a support editor behind the scenes. Subscribers receive regular information about conferences, grants, publications, websites, etc. If you're not a subscriber and would like to join, you'll find information and an invitation to subscribe on the home page: <https://networks.h-net.org/h-scholar>."

Peter Meyerhof has been invited to give a presentation at the annual conference of the California Mission Studies Association in Ventura on February 15. His talk, entitled "Changing Role of the Mayordomos at Mission San Francisco Solano de Sonoma," includes some of his recent research on the Sonoma Mission.

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Piketty frequently issues pithy statements which can be amusing. For example, he finds that in the US, economists are among the wealthiest, so naturally they think the economy is doing fine. American economists and politicians are among the oligarchs who will defend the current system. In France, he explains, economists occupy a lower rank. They also are required to work in collaboration with historians rather than keeping only to their own academic disciplines.

Another of Piketty's insights—easily challenged—is that lack of wealth in the US is seen as due to character, not outside factors, and is therefore harder to live with. The characters in Balzac's and Austen's novels never saw their wealth deriving from personal qualities; rather, family background and chance played the most important roles. No guilt or shame can arise when inequality is the way of the world. According to this author, the esteemed *École Libre des Sciences Politiques*, which trains virtually all politicians and upper-level civil

servants in France, was deliberately founded to maintain control by an elite. Emile Boutmy, the founder, created Sciences Po in 1872 with a mission: to provide a superior education for that elite. Obligated to submit to the rule of the majority, the classes that call themselves the upper classes can preserve their political hegemony only by invoking the rights of the most capable. As traditional upper-class prerogatives crumble, the wave of democracy will encounter a second rampart, built on eminently useful talents, superiority that commands prestige, and abilities of which society cannot sanely deprive itself. In other words, meritocracy has always meant rule by an oligarchy which is determined to maintain its commanding position.

Finally, in one end note Piketty establishes the meaning of the currencies of England (the value of a guinea against that of a pound) and France (the meaning of a livre tournois and a louis d'or) along with their comparative values. This is a very helpful summary of a confusing subject.

In conclusion, if an historian wants information on 19th- and 20th-century economies in the west, this book can provide it. It is often repetitive and reflects its author's sometimes eccentric use of sources. For anyone interested in modern history, it is worth at least a quick read.

Advance notice — an Institute weekend:

Saturday, 21 February – Annual meeting, at the North Berkeley Library

As usual, business meeting in the morning, followed by lunch. Our newest members will present aspects of their work in the afternoon:

Sue Mote: Historical fiction: The Viking age

Basya Petnick: Oral history projects

Margaret Simmons: Other people's research

Jamila Sinlao, Elizabeth Vasile, and Edward Von der Porten: not yet determined

Sunday, 22 February – Second film in the World War I series, at the Main San Francisco Public Library

“La Grande Illusion,” directed by Jean Renoir (son of the artist), is considered to be one of the great films of all time.

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