Abstracts of Posters Presented at the Annual Meeting

Liquidity, Contagion, and the Founding of the Federal Reserve System

The successful movement for a U.S. central bank followed the Panic of 1907 and not any earlier National Banking Era panic because New York bankers saw new dangers to the payments system arising from unregulated institutions, the trust companies, outside of their clearinghouse. Panic contagion was spread from trusts to banks through the call-loan market, a short-term loan market. Earlier panics struck national banks, which were members of the clearinghouses, and contagion was contained. In light of this new risk, New York bankers pushed for a centralized system of reserves that they did not have to control.

JON MOEN, *University of Mississippi*,
AND ELLIS TALLMAN, *Federal Reserve Bank of Atlanta*

Central Banking Policy in Eastern Europe: Experience from the Interwar Years

The 1920s and 1930s were challenging times for the central banks of Austria, Hungary, Czechoslovakia, and Poland. Each struggled for independence from its domestic political environment. This occurred during the time when their respective governments wanted to establish legitimacy for governing the newly constituted states. To see how the various central banks succeeded in achieving independence, I compare their charters and derive an index for their relative independence. To determine how they managed the successive financial crises, I quantify the magnitude of international influence and use the prices of reconstruction and stabilization bonds issued by each bank to evaluate their relative performance.

KIRSTEN WANDSCHNEIDER, *University of Illinois at Urbana-Champaign*

Thank God for a Ship

Modern historians are distinctly divided in determining the impact and importance of the Northern naval blockade of the Confederacy during the Civil War. North Carolina Governor Zebulon B. Vance believed that direct ownership and operation of blockade-running ships were imperative to secure a dependable wartime supply source for his state. A primary-source examination of North Carolina's experience demonstrates that failure of the Confederacy to take immediate governmental control of blockade running at the outset of the war was a costly mistake, both for supplying the war effort and in the ultimate cost of paying for those supplies. More significantly, the apparent economic results of North Carolina's decision to own and control blockade runners refute the thesis that the blockade had little or no economic impact to the Confederacy.

MICHAEL WEISEL, *North Carolina State University*