

Preface

This project on Historical Monetary Statistics in Norway was initiated in the Statistics Department of Norges Bank in the mid-1990s by its former director Jon P. Holter. Drawing on more than 30 years of service in Norges Bank, he started out with the aim of improving the quality of a relatively crude historical consumer price index which had previously been constructed in 1978, and which was based on only a few benchmark years between 1835 and 1865. Holter collected annual market prices for eight groups of commodities and this formed the basis for an improved price index for this period. Holter's first article on consumer prices was followed by a series of articles (in Norwegian) on the main monetary variables which would shed some light on the development in consumer prices, such as historical exchange rates, monetary aggregates, the production and circulation of coins and interest rates. These articles were published during the years 1996–2000. The article about "Inflation over 300 years", which was published in the Bank of England's Quarterly Bulletin in 1994, certainly was a great inspiration for this work.

In 2001 the responsibility for the project was transferred to the Research Department. After some discussion about the reliability of the collected raw material and the methods used to construct long runs of price indices, it was decided to fill in missing lacunae and make some improvements in the weak spots detected. The scope of the project was also widened to cover not only the variables relevant to price stability, but also the other main area of responsibility for central banks – financial stability. The focus of the project has been to construct long time series of a reasonably high quality for a limited number of macroeconomic variables. The selected variables are considered to be of central importance in the areas of price stability and financial stability. Within the limitations of the available time and resources, the aim is to provide increased quantitative knowledge about historical developments in Norway back to 1819 (Norges Bank was established in 1816 but it was not until 1819 that it became fully operational). The aim of the project is to collect and systematize the historical background material – making the material available for economic research and analysis. We have also made the historical data available at Norges Bank's web-site to stimulate further work in this area.

In 2001 it was also decided to provide the project with more resources. Professor Jan T. Klovland, Norwegian School of Economics and Business Administration, has been engaged in the project since 2002 through a part-time position at the Research Department. In addition

to acting as a consultant for the project, Klovland has focused on improving the historical data on interest rates and monetary aggregates. In the fall of 2002 it was also decided to increase the ambitions of the project following some preliminary investigations into the Historical Archive on Prices and Wages at the Norwegian School of Economics and Business Administration, which was assembled in the 1930s by the School's first rector Professor Ingvar Wedervang. This Archive had not previously been utilized in a systematic way in the context of a price historical project for the period prior to 1850. In the fall of 2002 two students were hired to help collect historical price information from these archives under the supervision of Professor Ola H. Grytten at the Norwegian School of Economics. Professor Grytten has been associated with the project since 2003 in a part-time position at the Research Department. It was also decided to publish documentation of the project in Norges Bank's series of Occasional Papers. In 2003 the project expanded into the area of collecting historical house prices and a series of studentships were organized in four Norwegian cities which enabled us to construct a large database for historical market prices for housing capital. This database forms the basis for the construction of repeat sales indices for house prices reported in Chapter nine in this volume.

This book provides detailed documentation of the historical database as of June 2004. The data are available in spreadsheet format on Norges Bank's web-site. The web-site will be updated with information about revisions and corrections of errors in the database. It is therefore advisable to check the current status of the historical database at <http://www.norges-bank.no>. During the work with this publication we have benefited greatly from comments from many colleagues. Solveig Erlandsen has provided editorial assistance throughout the project and she has also served as project coordinator for the collection of data for historical house prices. Anne Sandsbraaten and Rønnaug Teige have provided technical assistance with the web-publication of this project and Øystein Bieltvedt Skeie has read the final manuscript and helped eliminate errors in the reported data. We are also grateful for comments from Forrest Capie, Peter Englund, Andrew Filardo, Olle Krantz, Lasse Sandberg, Pierre Siklos and other participants at a seminar in Norges Bank on June 11th 2004.

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