Peter H. Lindert & Jeffrey G. Williamson, *Unequal gains: American growth and inequality since 1700.* (Princeton & Oxford: Princeton University Press, 2016. pp. xx+398. 30 figs. 68 tabs.)

In this book, Professors Lindert and Williamson have simultaneously executed the yeomanly and the magisterial. The basis of the book is the reconstruction of social tables, estimating average incomes and population of classes of society and using them to reconstruct GDP and inequality over the whole history of the continental United States. For example, "Yeoman" and "Magistrate" are both categories of individuals, and the average income of the Yeoman is $70 while the average income of magistrates is $700, and if there are 9 times as many yeoman as magistrates, then average income per capita is $133, the share of income going to magistrates is 53%, and the Gini coefficient would be roughly 0.43.

Lindert and Williamson apply this method to datasets both new and old, harmonizing vast tracts of microdata and producing estimates of GDP per capita and inequality for the full period of American history, from 1776 through the Gilded age, the Great Compression, and finally our most recent period of runaway inequality. They estimate regional and racial gaps in income, and document an aleatory story of American economic growth and inequality. While America is often the richest country in the world, this growth is sometimes disequalizing (as in the 19th century), sometimes not (as in the Great Compression).

The numbers the authors provide are likely the best of any that are available, and the focus on income accrued to individual occupations (rather than factors of production) updates the traditional literature to be more in accord with contemporary measurement of inequality. Indeed the Appendices alone are a valuable input to graduate teaching in economic history, providing a comprehensive inventory of historical microdata. Ongoing linking across generations in these datasets will allow future researchers to calculate intergenerational mobility over similarly grand time-scales, a dimension of inequality that is not addressed in this work.

The authors have to compute incomes for a given group based on incomplete and inconsistent data sources, detailed again in the Appendices and subject to many robustness tests. But the details matter, and precision with which the two authors present their findings is belied by some of the sausage-making that goes into the estimates. This is unavoidable, but the authors could have qualified the precision of their estimates more: reporting 3-digit Gini coefficients computed from very fuzzy and incomplete data overstates the knowledge we actually have.

Further, when the raw incomes are not available, the book imputes under assumptions of perfect markets and perfect competition that ought to be quarreled with. These assumptions are used both to calculate incomes and wind up constraining the candidate explanations for the resulting changes in income distribution. As an example of the former, consider the calculations on the rate of return on wealth. As is well-known, in the presence of credit constraints, assuming a single rate of return is problematic, and the assumption that net rates of return are equated across assets might not make sense in a financially underdeveloped economy. As another example, the authors infer marginal products of slave labor from free labor wages, which is fraught in the presence of the abundant labor market imperfections of the 19^{th} century.

The explanations of inequality put forward by the book are also straightforward economics, often neglecting the broader historical and institutional context: inequality can be explained by movements in supply and demand of land, skilled and unskilled labor, and capital, with policy limited to either taxes or education. For example, the authors stand by the belief that immigration lowered unskilled wages in the late 19th century, with a caveat that it was offset by capital flows. But the possibility that agglomerations and scale-economies created by increased population further offset any partial-equilibrium labor market impact is not considered, let alone the effects European migration had on politics, policies, and the diffusion of ideas.

As another example of a self-imposed narrative straightjacket, consider the authors' explanations of the Great Compression. The global victory of social democracy after the conflagrations of 1914-1945 structurally transformed all the advanced economies, and the US was no exception. The authors' only candidate policies are taxes and education, rather than the panoply of social democratic institutions and norms. Antitrust, unions, minimum wages, and capital controls all had an important role in compressing the income distribution, and the underlying balance of political forces is likely more important than any particular policy.

Some might comfort themselves with the belief that deviations from raw supply and demand are second-order relative to the “first-order" forces, but this would be a belief taken on faith, not evidence. Given the plausible importance of monopoly power and political influence in the most recent increase in inequality, not considering institutions, politics, and market structure as explanations of past inequality is the biggest omission in this otherwise comprehensive work.

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