Online Appendix for "The World's First Global Safe Asset: British Public Debt 1718-1913"

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Table 1: Effect of the debt-to-GDP ratio on different private spreads in Britain (1718-1913)

	(1) Bank rate	(2) Bank rate	(3) Prime paper	(4) Prime paper	(5) Mortgage rate	(6) Mortgage rate	(7) Private Discount	(8) Private Discount
Log(debt/GDP)	-0.765***	-0.764***	-0.506***	-0.506***	-1.160***	-1.142***	-0.586***	-0.587***
	(0.150)	(0.149)	(0.163)	(0.163)	(0.118)	(0.118)	(0.176)	(0.177)
Volatility		-0.312*		0.0175		-0.297*		0.145
		(0.161)		(0.116)		(0.159)		(0.0883)
Intercept	4.489***	4.555***	2.538***	2.535***	5.975***	5.966***	2.792***	2.761***
	(0.685)	(0.692)	(0.730)	(0.735)	(0.491)	(0.485)	(0.782)	(0.790)
F statistic	26.14	13.61	9.677	4.872	96.59	51.36	11.06	8.310
Durbin-Watson statistic	1.21	0.38	1.23	0.45	1.16	0.95	1.16	0.95
Observations	196	196	196	196	158	158	196	196

Notes: This table shows a series of OLS regressions where the dependent variable is a measure of the private minus public spread. The corresponding private yield used is given under the numbers labeling the columns. Each spread is calculated as the corresponding yield minus the British consol yield. Standard errors in parentheses are robust to first-order autocorrelation and heteroskedasticity. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 2: Effect of the debt-to-GDP ratio on bank and prime paper spreads in Britain, pre-Napoleonic Wars (1718-1815)

	(1) Bank rate	(2) Bank rate	(3) Bank rate	(4) Bank rate	(5) Prime paper	(6) Prime paper	(7) Prime paper	(8) Prime paper
Log(debt/GDP)	-1.605***	-1.639***	-1.641***	-1.635***	-0.452**	-0.435**	-0.442**	-0.420**
	(0.178)	(0.160)	(0.160)	(0.166)	(0.198)	(0.198)	(0.202)	(0.194)
Volatility		-0.389***	-0.390***	-0.384***		0.200***	0.195***	0.214***
		(0.121)	(0.121)	(0.125)		(0.0611)	(0.0633)	(0.0656)
Real import growth			0.0410				0.206	
			(0.310)				(0.418)	
GDP per capita growth				-0.542				-1.740
				(1.647)				(1.548)
Intercept	8.341***	8.609***	8.615***	8.592***	2.113**	1.975**	2.005**	1.922**
	(0.803)	(0.717)	(0.714)	(0.738)	(0.919)	(0.928)	(0.946)	(0.911)
F statistic	81.30	54.38	37.59	39.86	5.230	14.64	9.665	9.956
Durbin-Watson statistic	0.54	0.70	0.71	0.71	0.66	0.70	0.71	0.72
Observations	98	98	98	98	98	98	98	98

Notes: This table shows a series of OLS regressions for the period between 1718 and 1815, where the dependent variable is a measure of the private minus public yields. The private yields used are the bank and the prime paper rates. Each spread is calculated as the corresponding yield minus the British consol yield. Standard errors in parentheses are robust to first-order autocorrelation and heteroskedasticity. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 3: Effect of the debt-to-GDP ratio on bank and prime paper spreads in Britain, post-Napoleonic Wars (1816-1913)

	(1) Bank rate	(2) Bank rate	(3) Bank rate	(4) Bank rate	(5) Prime paper	(6) Prime paper	(7) Prime paper	(8) Prime paper
Log(debt/GDP)	-0.445**	-0.383**	-0.382**	-0.384**	-0.479**	-0.449**	-0.456**	-0.447*
	(0.180)	(0.175)	(0.176)	(0.175)	(0.224)	(0.226)	(0.224)	(0.227)
Volatility		-3.355*	-3.367*	-3.388*		-1.603	-1.426	-1.534
		(1.694)	(1.709)	(1.710)		(2.077)	(2.065)	(2.080)
Real import growth			-0.145				2.064	
			(1.256)				(1.602)	
GDP per capita growth				-1.101				2.312
				(4.385)				(4.763)
Intercept	3.000***	3.224***	3.229***	3.255***	2.601***	2.708***	2.640***	2.642***
	(0.825)	(0.851)	(0.855)	(0.849)	(0.980)	(1.003)	(1.004)	(0.995)
F statistic	6.133	4.234	2.805	2.865	4.559	2.484	2.685	1.701
Durbin-Watson statistic	1.47	1.46	1.46	1.46	1.30	1.29	1.28	1.30
Observations	98	98	98	98	98	98	98	98

Notes: This table shows a series of OLS regressions for the period between 1816 and 1913, where the dependent variable is a measure of the private minus public yields. The private yields used are the bank and the prime paper rates. Each spread is calculated as the corresponding yield minus the British consol yield. Standard errors in parentheses are robust to first-order autocorrelation and heteroskedasticity. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 4: Effect of the debt-to-GDP ratio on mortgage and private discount spreads in Britain, pre-Napoleonic Wars (1718-1815)

	(1) Mortgage rate	(2) Mortgage rate	(3) Mortgage rate	(4) Mortgage rate	(5) Private discount	(6) Private discount	(7) Private discount	(8) Private discount
Log(debt/GDP)	-1.074***	-1.090***	-1.083***	-1.095***	-0.732***	-0.718***	-0.715***	-0.703***
	(0.136)	(0.133)	(0.132)	(0.134)	(0.255)	(0.258)	(0.259)	(0.249)
Volatility		-0.165	-0.160	-0.175		0.156**	0.159**	0.171**
		(0.116)	(0.118)	(0.112)		(0.0739)	(0.0773)	(0.0773)
Real import growth			-0.196				-0.110	
			(0.294)				(0.404)	
GDP per capita growth				1.296				-1.864
				(1.363)				(1.916)
Intercept	5.372***	5.491***	5.464***	5.508***	3.359***	3.252***	3.236***	3.195***
	(0.595)	(0.581)	(0.577)	(0.587)	(1.139)	(1.159)	(1.167)	(1.125)
F statistic	62.17	33.87	22.73	22.68	8.225	10.28	6.911	7.101
Durbin-Watson statistic	0.81	0.88	0.88	0.85	0.54	0.55	0.55	0.57
Observations	97	97	97	97	98	98	98	98

Notes: This table shows a series of OLS regressions for the period between 1718 and 1815, where the dependent variable is a measure of the private minus public yields. The private yields used are the mortgage and the private discount rates. Each spread is calculated as the corresponding yield minus the British consol yield. Standard errors in parentheses are robust to first-order autocorrelation and heteroskedasticity. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 5: Effect of the debt-to-GDP ratio on mortgage and private discount spreads in Britain post-Napoleonic Wars (1816-1913)

	(1) Mortgage rate	(2) Mortgage rate	(3) Mortgage rate	(4) Mortgage rate	(5) Private discount	(6) Private discount	(7) Private discount	(8) Private discount
Log(debt/GDP)	-0.132	-0.147	-0.147	-0.147	-0.504**	-0.549**	-0.547**	-0.551**
	(0.119)	(0.133)	(0.137)	(0.134)	(0.225)	(0.226)	(0.228)	(0.227)
Volatility		0.278	0.278	0.272		2.444	2.414	2.373
		(0.606)	(0.610)	(0.603)		(2.090)	(2.105)	(2.095)
Real import growth			0.00371				-0.353	
			(0.490)				(1.449)	
GDP per capita growth				0.194				-2.385
				(1.084)				(5.043)
Intercept	2.200***	2.218***	2.218***	2.214***	2.515**	2.352**	2.363**	2.419**
	(0.498)	(0.516)	(0.526)	(0.512)	(0.993)	(1.006)	(1.004)	(0.998)
F statistic	1.230	0.616	0.424	0.438	4.992	3.367	2.355	2.412
Durbin-Watson statistic	0.22	0.23	0.23	0.24	1.09	1.14	1.14	1.14
Observations	61	61	61	61	98	98	98	98

Notes: This table shows a series of OLS regressions for the period between 1816 and 1913, where the dependent variable is a measure of the private minus public yields. The private yields used are the mortgage and the private discount rates. Each spread is calculated as the corresponding yield minus the British consol yield. Standard errors in parentheses are robust to first-order autocorrelation and heteroskedasticity. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 6: Summary Statistics of British Private Spreads

Panel A: Pre-Napoleonic Wars, 1718-1815			
	Mean	Standard deviation	Number of years
Bank rate	1.14	0.82	98
Prime paper rate	0.08	0.64	98
Mortgage rate	0.56	0.60	97
Private discount rate	0.07	0.72	98
Panel B: Post-Napoleonic Wars, 1816-1913			
	Mean	Standard deviation	Number of years
Bank rate	1.05	1.25	98
Prime paper rate	0.50	1.39	98
Mortgage rate	1.67	0.22	61
Private discount rate	0.30	1.22	98

Note: Average and standard deviation for British private yield spreads (in %) before and after the Napoleonic Wars. Each spread is calculated as the corresponding yield minus the British consol yield. The last column gives the number of years for which data is available.