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Description of Public Lecture

1. Technology manias: From railroads to the Internet and beyond

A comparison of the Internet bubble with the British Railway Mania of the 1840s, the greatest technology mania in history, provides many tantalizing similarities as well as contrasts. Especially interesting is the presence in both cases of clear quantitative measures showing a priori that these manias were bound to fail financially, measures that were not considered by investors in their pursuit of "effortless riches." In contrast to the Internet case, the Railway Mania had many vocal and influential skeptics, yet even then, these skeptics were deluded into issuing warnings that were often counterproductive in that they inflated the bubble further.

The role of such imperfect information dissemination in these two manias leads to speculative projections on how future technology bubbles will develop.