

## **The making of an economic and monetary union in Switzerland, 1835-1865**

This paper asks whether the establishment of the Swiss monetary and economic union after the introduction of the federal constitution in 1848 contributed to goods market integration. During this period, Switzerland introduced a common currency, abolished internal tariffs, and experienced rapid technological progress in communication (telegraph) and transport (railway). We collect grain price data from six Swiss cities to examine whether these changes fostered goods market integration. We do so by examining the level of price dispersion over time and how rapidly they converge back to their initial level after a region-specific shock. We find that prices indeed converged more rapidly to each other after the introduction of Swiss economic and monetary union. However, compared to neighbouring countries, price dispersion was already much lower beforehand, mostly because of the shorter travel distances.