

EC258: Economic History of the United States

Colby College
Spring 2020

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Office hours: M 2:30-3:30pm, T 12:30-1:30pm, Th 2:00-4:00pm (or by appointment)

Course Description

This course traces the structure and performance of the American economy through time. The focus of the course is on applying the tools and methods of economics to the study of historical events from colonial times to World War II, including the American Revolution, slavery, the westward movement, the Civil War, and the Great Depression. General topics covered include the roles of agriculture, industry, migration, technology, banking, and transportation in the development of the American economy.

What This Course Will Do for You

In this course, you will have further developed your analytical skills, gained experience in using economic reasoning and data to understand historical events, and sharpened your ability to write about history from an economic perspective. In many ways, economic history is more than a subfield of economics or history; its emphasis on markets provides a distinctive way of understanding both our past and present world.

Course Expectations

Expectations for me:

1. I will be come to class prepared and ready to engage with you about the material.
2. I will assess your work in a timely manner.
3. I will design lectures, discussions, and assignments around the learning goals described above.

Expectations for you:

1. Come to class prepared and ready to engage with me and your classmates about the material.
2. Work diligently on class assignments and complete them on time.
3. Ask questions both inside and outside of class.

Course Structure

Class meetings will be a mix of lecture, student presentations, and discussion. In order to make this a great experience for the class, as well as a vibrant learning environment, your active engagement and participation in support of your classmates is expected.

Prerequisites

EC133: Principles of Microeconomics and EC134: Principles of Macroeconomics are required. Statistical background will be helpful (e.g., EC 293 or MA/SC212).

Materials

The course will feature a variety of readings from a primary textbook and academic journal articles. Readings that are not in the primary textbook will be made available on Moodle. You should print these out for reference during class discussions. You may also find it helpful to bring the textbook to class each day as we'll often be referencing its tables and figures.

Textbook: *A New Economic View of American History* by Jeremy Atack and Peter Passell, 1994, ISBN: 9780393963151.

Grading and Requirements

Your course grade will be determined on a standard scale by two presentations (group), two article responses, two response papers, two exams, a cliometric project (group), and participation in class meetings. Be aware that if you do not keep up with the readings and actively engage yourself in the course material, you will not be prepared for the exams. The following is the course breakdown:

Presentations (group): 5% each
Article responses: 5% each
Art museum response paper: 5%
Seminar response paper: 5%
Exams: 20% each
Cliometric project (group): 20% total
Participation: 10%

You must choose a group of three with whom to complete the presentations and cliometric project. Your group will present two articles from the assigned readings. By noon on Friday, February 7, please notify me regarding 1) who is in your group and 2) your top **five** preferred articles to present listed in rank order (as a group, you may also choose not to submit an article ranking, in which case you give me permission to assign any articles to your group). The first groups to notify me of this information will receive priority in the article assignment process. Although I will do my best, I cannot promise that you will be assigned your top choices. Final article allocations will be made by the following Monday. I will be discussing the articles assigned on February 10 and 12, but all others are available for you to choose.

Presentations: On **two** occasions, your group will be presenting your assigned article. Your presentation must be between 10 and 15 minutes long, after which time I will lead a discussion about the article. You will present the article's main ideas, concepts, methods, and data. All group members must participate in the presentation. Presentation guidelines will be posted on Moodle, and I will provide examples to follow in the first week of class.

Article responses: A significant portion of the course revolves around daily discussion of the articles. In addition to the textbook readings, there are 18 assigned articles. You must submit individual responses for **two** of these articles throughout the semester. I will randomize these article assignments and provide a list for your reference. These responses will begin on February 17. Each response must be 1.5-2 typed double-spaced pages in length, due in class the day of the article's discussion, and must include the following elements:

- 1) In one paragraph, describe the article's **main** question and finding. You may also discuss ancillary findings, but it must be clear what you think the primary question and finding to be. *Hint: look for important tables and figures that provide this information to help you narrow in.* Note that you do not need to provide in-depth details about the author's data or econometric methodology.
- 2) In one paragraph, evaluate the article's main question and finding by discussing how it fits into the topic for the day and why it matters. Do the article's findings differ from evidence provided in the assigned readings of the textbook, support the textbook's claims, or otherwise add to the ideas discussed in the textbook readings? How does the article advance our knowledge of economic history?
- 3) Provide one thoughtful question you have about the study's emphasis, methodology, and/or results. You will be graded on the quality of this question, so think hard about it. What did you not understand? Is there a finding that seems at odds with what you know about history? What are the implications of the study's findings for our understanding of economics and/or history? Feel free to craft questions using these prompts as guidelines. You will have an opportunity to raise this question in class and provide additional thoughts during the day's discussion of the article, so think of using this question as a way to bring up with your classmates any questions you have about the article and its findings.

Art museum response paper: This paper will be a short typed response to questions posed about our visit to the Art Museum during the semester. I will provide prompts about which to write before our visit. The paper will be due in the next class period.

Seminar response paper: This paper will be a short typed response to questions posed about our visitor talk on Thursday, April 9 (with Leticia Arroyo-Abad). I will provide prompts about which to write before the talk. The paper will be due in the next class period.

Exams: The exams will feature material from both lectures and discussions (i.e., textbook and academic article readings). The last exam will not be cumulative and will take place in class.

Cliometric project: 'Clio' is the muse of history in Greek mythology and 'metric' is a standard of measurement. In this project you will be interpreting history through data and economic reasoning. It will consist of a poster presentation at CLAS and a paper due during finals week. You must choose a historical topic, propose a research question, and then use data to help answer your question. You must use at least one data series from the *Historical Statistics of the United States*. If you wish to use a different data source, please talk to me first. You must also use economic reasoning in your paper and may employ econometric methods if you choose, although a more descriptive approach is acceptable (and perhaps preferable). Your point of contact for research assistance in the library is Bonnie Paige; she is available throughout the semester and she will introduce herself to our class in March. Details about the project will be forthcoming.

Participation: Class participation is an integral part of the course. Credit will be earned through your participation in course readings, lectures, and discussion by both asking and answering questions. I will be taking note of your participation throughout the semester.

Re-grade requests: You may resubmit any graded material with an additional sheet attached clearly explaining why you deserve a better grade. These requests are due within one week after the graded work is returned. If you choose to petition for a change to your grade, I will re-grade the *entire* work, not only the part in question. Remember, you are assessed on what is actually written on your paper, not what you meant to write.

Policies

Office hours: Please make use of my office hours to answer any and all questions you have about the course and the material. If you cannot reach me during my office hours, please email me to schedule an appointment.

Email: I aim to return emails within 24 hours. I usually respond more quickly than that, but sometimes it is not possible given semester schedules and daily obligations.

Disruptive behavior: Behaviors that are disruptive to teaching and learning will not be tolerated. Such behavior includes talking in class, use of electronic devices, and coming to class late or leaving early. I discourage the use of smartphones and laptops. It is distracting for those around you, for lecturers, and can be distracting for you. There is also empirical evidence that students learn more when taking notes by hand. If you have a legitimate reason to use a cell phone during class, come late, or leave early, please let me know prior to lecture. Also, unauthorized audio and/or visual recording of the class is prohibited. Please see me if you have concerns about anything mentioned here and I will work with you to support your learning needs.

Diversity: It is my intent that students from diverse backgrounds and perspectives be well-served by this course, that students' learning needs be addressed both in and out of class, and that the diversity that students bring to this class be viewed as a resource, strength, and benefit.

Class and exam attendance: Although I do not take attendance, you are expected to attend all classes and scheduled course events during the semester and are responsible for all material assigned as readings and presented in class. Unexcused absences from exams will result in a grade of 'zero.' If you know you are going to miss a scheduled test or event (see important dates below) because of an extracurricular event or observance of a religious holiday, please let me know within the first two weeks of class.

Academic honesty: I take academic dishonesty very seriously and believe strongly in the values articulated in the Colby Affirmation. Although you are encouraged to work and study with each other, ALL work submitted must be your own. Plagiarism, fabrication, cheating, and facilitating the academic dishonesty of others are serious offenses for which you will fail the course (or worse). Therefore, you should become familiar with the College's policy on academic dishonesty and the Colby Affirmation, which is found in the Colby Student Handbook.

Course Schedule and Readings (subject to change)

All readings other than those from the textbook are posted on Moodle. Please note that we will not be able to cover the textbook readings in complete detail, so read the assigned pages with this in mind (i.e., strive to understand the big ideas and how the authors use data and economic reasoning to make their arguments). This also holds for the article readings, which should be read not like novels, but with the purpose of learning and thinking critically about the findings. Some articles feature basic regression analysis, and they are so marked below. For these articles, focus more on grasping the main findings from the analysis and less on the details of the econometric methodology. Important dates to remember include the following:

Wednesday, March 11	Research session with Bonnie Paige (meet in Diamond 322)
Wednesday, March 18	Midterm exam (in class)
Wednesday, April 8	No class (seminar on Thursday: see below)
Thursday, April 9 (4pm)	Seminar: Leticia Arroyo-Abad
Wednesday, April 22	Colby Museum of Art (meet in museum lobby)
Wednesday, April 29	No class (CLAS on Thursday: see below)
Thursday, April 30	CLAS poster presentation
Wednesday, May 6	Final exam (in class)

The following is the course schedule:

I. Long-Run Growth and Population Trends

- a. Introduction to economic history (Feb 5)
- b. Economic growth and structural change (Feb 10)
 - i. *New Economic View*, Ch. 1
 - ii. Sokoloff, Kenneth L. and Stanley L. Engerman (2000). "History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World," *Journal of Economic Perspectives*, 14: 217-232.
- c. Internal migration and urbanization (Feb 12)
 - i. *New Economic View*, Ch. 8 (pp. 237-245)
 - ii. Boustan, Leah P., Devin Bunten, and Owen Hearey (2018). "Urbanization in the United States, 1800-2000," *Oxford Handbook of American Economic History*.
 - iii. Haines, Michael R. (2001). "The Urban Mortality Transition in the United States, 1800-1940," NBER Historical Paper 134.
- d. Population growth and immigration (Feb 17)
 - i. *New Economic View*, Ch. 8 (pp. 212-234)
 - ii. Abramitzky, Ran and Leah Boustan (2017). "Immigration in American Economic History," *Journal of Economic Literature*, 55(4): 1311-1345.

- e. Human capital and the labor market (Feb 19)
 - i. *New Economic View*, Ch. 19 (pp. 530-551)
 - ii. Goldin, Claudia (1998). "America's Graduation from High School: The Evolution and Spread of Secondary Schooling in the Twentieth Century," *Journal of Economic History*, 58: 345-374.

II. Colonial Economic Development and the American Revolution

- a. The colonial economy (Feb 24)
 - i. *New Economic View*, Ch. 2 (pp. 40-51)
 - ii. Mancall, Peter C. and Thomas Weiss (1999). "Was Economic Growth Likely in Colonial British North America?" *Journal of Economic History*, 59(1): 17-40.
- b. Economic causes and consequences of the American Revolution (Feb 26)
 - i. *New Economic View*, Ch. 3 (pp. 54-65, 67-74)
 - ii. Mittal, Sonia, Jack N. Rakove and Barry R. Weingast (2010). "The Constitutional Choices of 1787 and Their Consequences," in *Founding Choices: American Economic Policy in the 1790s*, eds. Douglas Irwin and Richard Sylla, pp. 25-56.

III. Westward Expansion and Agricultural Development

- a. Westward expansion (Mar 2)
 - i. *New Economic View*, Ch. 9 (pp. 249-270)
 - ii. Allen, Douglass W. (1991). "Homesteading and Property Rights; Or, 'How the West Was Really Won,'" *Journal of Law and Economics*, 34: 1-23. **[regression]**
- b. Northern agriculture (Mar 4)
 - i. *New Economic View*, Ch. 10 (pp. 282-290) and Ch. 15 (pp. 414-419)
 - ii. Olmstead, Alan L. and Paul W. Rhode (2002). "The Red Queen and the Hard Reds: Productivity Growth in American Wheat, 1800-1940," *Journal of Economic History*, 62: 929-966.

IV. Transportation and Commerce

- a. Early transportation and market growth (Mar 9)
 - i. *New Economic View*, Ch. 6 (pp. 143-159, 160-171)
 - ii. Klein, Daniel B. (1990). "The Voluntary Provision of Public Goods? The Turnpike Companies of Early America," *Economic Inquiry*, 28: 788-812.

- b. The role of railroads in 19th century growth (Mar 16)
 - i. *New Economic View*, Ch. 16 (pp. 427-444, 446-450)
 - ii. Puffert, Douglas J. (2000). "The Standardization of Track Gauge on North American Railways, 1830-1890," *Journal of Economic History*, 60(4): 933-960.

V. Industry and Banking

- a. Early industrialization (Mar 30)
 - i. *New Economic View*, Ch. 7 (pp. 175-188, 201-205)
 - ii. Harley, C. Knick (1992). "International Competitiveness of the Antebellum American Cotton Textile Industry." *Journal of Economic History*, 52: 559-584.
- b. The rise of big business (Apr 1)
 - i. *New Economic View*, Ch. 17 (pp. 462-488)
 - ii. Libecap, Gary D. (1992). "The Rise of the Chicago Packers and the Origins of Meat Inspection and Antitrust," *Economic Inquiry*, 30: 242-262.
- c. Evolution of the banking system (Apr 6)
 - i. *New Economic View*, Ch. 4 (pp. 81-94, 103-107) and Ch. 18 (pp. 502-505, 516-520)
 - ii. Lamoreaux, Naomi R. (1986). "Banks, Kinship, and Economic Development: The New England Case," *Journal of Economic History*, 46: 647-667.

VI. The Southern Economy

- a. Slavery and the economy of the antebellum south (Apr 13)
 - i. *New Economic View*, Ch. 11 (pp. 299-307, 308-316)
 - ii. Olmstead, Alan L. and Paul W. Rhode (2008). "Biological Innovation and Productivity Growth in the Antebellum Cotton Economy," *Journal of Economic History*, 68: 1123-1171. **[regression]**
- b. The economy of the postbellum south (Apr 15)
 - i. *New Economic View*, Ch. 14 (pp. 376-396)
 - ii. Alston, Lee J. and Joseph P. Ferrie (1993). "Paternalism in Agricultural Labor Contracts in the U.S. South: Implications for the Growth of the Welfare State," *American Economic Review*, 83: 852-876.

VII. The Great Depression and Big Government

- a. The Great Depression (Apr 20)
 - i. *New Economic View*, Ch. 21 (pp. 583-614)
 - ii. Olney, Martha L. (1999). "Avoiding Default: The Role of Credit in the Consumption Collapse of 1930," *Quarterly Journal of Economics*, 114: 319-335. **[regression]**

- b. Recovery from the Great Depression (Apr 27)
 - i. New Economic View, Ch. 22 (all)
 - ii. Field, Alexander J. (2003). "The Most Technologically Progressive Decade of the Century," *American Economic Review*, 93: 1399-1413.

- c. The rise of big government (May 4)
 - i. *New Economic View*, Ch. 23 (pp. 651-656, 665-677)
 - ii. Wallis, John (2000). "American Government Finance in the Long Run: 1790 to 1990" *Journal of Economic Perspectives*, 14: 61-82.