

BOSTON COLLEGE
Department of Economics

EC 232: American Economic History
Professor Anderson
Spring, 1998

Office: Carney 240, X3691
Office Hours: T,Th 3-4
or by appointment

Objective

The objective of the course is to understand and explain the economic development of the US from colonial times to the present. The main emphasis will be on economic models as tools for understanding, but historical methods and perspectives will also be used.

Course Requirements and Rules

Course requirements: (1) Midterm exam, March 10, (30% of grade)
(2) Term paper, due last day of class, April 28 (30%)
(3) Final exam at scheduled time (30%)
(4) class participation (10%)

Exams missed without prior consent of instructor (granted only for very good reasons) will be graded F. **I never give makeup exams.** The date of the midterm exam, if changed, will be changed with 2 weeks notice.

Term papers must be on a topic approved by the instructor. A separate handout will present more details. The topic should be approved by Feb. 17. In class preliminary presentations of research begin March 31. Final versions of papers due on April 28, last day of class.

Class participation is encouraged and accounts for 10% of your grade.

Procedures

Readings marked with an asterisk (*) are not required. Lectures will proceed approximately at the rate of one per capital lettered section on the syllabus below. Reading the material before the lectures is helpful, but is not essential. There is a lot of reading, not all nicely digested. Part of excellent work in the course is getting something more out of the reading than what I digest for you.

SYLLABUS

TEXTS:

- 1) Douglas C. North, The Economic Growth of the United States: 1790-1860, a pioneering attempt to build a micro theory of growth and confront it with data. Norton paperback.
- 2) J.R.T. Hughes and Louis V. Cain, American Economic History, Scott-Foresman, 5th ed. 1998 -- the best general American economic history text.

OTHER MAIN REFERENCES:

many interesting references may be found at the Cliometric Society Web-site <http://cs.muohio.edu/>.

- 1) D.C. North, Terry Anderson, and Peter Hill, Growth and Welfare in the American Past, 3rd ed., an analytical sketch of problems the econometric historians have successfully tackled. Prentice-Hall paperback, 3rd edition, 1983.
- 2) Gary M. Walton and James Shepherd, The Economic Rise of Early America, Cambridge 1979. Best single source for colonial economic history.
- 3) Jeremy Atack and Peter Passell, A New Economic View of American History, Norton PB, 1994. A fairly high level text, supplementing other sources for a summary of recent research.
- 4) Ralph Andreano, New Views on American Economic Development, excellent collection of econometric history work. Schenkman paperback.
- 5) Ralph Andreano, The Economic Impact of the Civil War, very useful collection of essays on the subject.
- 6) Stanley Coben and Forest Hill, American Economic History, a collection of essays arranged by problem areas, mostly by historians.
- 7) R. Fogel and S. Engerman, The Reinterpretation of American Economic History, a collection of some of the best econometric history articles.
- 8) L. Davis, et al., American Economic Growth, a classic of economists' effort at a complete quantitative economic history.
- 9) L. Davis and D. North Institutional Change and American Economic Growth, Cambridge. Pioneering work emphasizing the importance of institutions in growth.
- 10) R. Fogel and S. Engerman, Time on the Cross, Vol. 1. Classic study of the economics of slavery.
- 11) Temin, P., The Jacksonian Economy, monograph on the 2nd Bank of the United States.
- 12) Polanyi, K., The Great Transformation, classic study of evolution (and demise? as he wrote in 1944) of a market system.
- 13) Gavin Wright, The Political Economy of the Cotton South.
- 14) Rosenberg, Nathan, Technology and American Economic Growth, M.E. Sharpe, 1972. Lovely book on modeling technological change.

- 15) J.G. Williamson and P. Lindert, American Inequality: A Macroeconomic History, New York: Academic Press, 1980.
- 16) Baumol, W., S. Blackman, and E. Wolff, Productivity and American Leadership, MIT, 1989. A comparative study of growth across nations, with focus on recent relative decline.

I. METHODOLOGY IN ECONOMICS AND ECONOMIC HISTORY

- Readings: * R.W. Fogel, "The Limits of Quantitative Methods in History," AHR (April, 1975), pp. 329-350.
 *D. McCloskey, "Does the Past Have Useful Economics?" JEL (June, 1976), pp. 434-461.
 *Hicks, Chs. 1-3 in A Theory of Economic History.
 *P. de Jouvenal, "Efficiency and Amenity," AEA, Readings in Welfare Economics.

II. COLONIAL DEVELOPMENT: 1607-1790

A. Immigration, Patterns of Production, and Trade

Readings:

- *Coben and Hill, Ch. 1.
 Walton and Shepherd, Chs. 2-4.
 Hughes and Cain, chs. 1-2

B. Mercantilism and Colonial Development

Readings:

- Coben and Hill, Ch. 7 (Nettels essay).
 Walton and Shepherd, Ch. 5.
 Hughes and Cain, chs. 3-4.

C. Colonial Money and Finance

- Readings: Andreano, New Views, Lester essay, pp. 73-118.
 Smith, Bruce, "Some Colonial Evidence on Two Theories of Money," J. Pol. Econ., Dec. 1985, 1178-1200.
 Hughes and Cain, ch. 3.

D. Colonial Economic Growth and Development

- Readings: Walton and Shepherd, Chs. 5-7.
 Hughes and Cain, ch. 3.

E. Economic Causes and Results of the Revolution

- Readings: North, Growth and Welfare, Ch. 4, pp. 51-56, Ch. 5.
 Walton and Shepherd, Chs. 8-9.
 Hughes and Cain, chs. 3,4.
 *Hamilton, Alexander, The Report on Manufacturers, The Report on the Public Credit, The Report on a National Bank.

III. NATIONAL ECONOMIC GROWTH AND INTEGRATION: 1790-1860

A. Growth Accounting and Distribution

- Readings: Davis, et al., Chs. 1, 2, 8.
 Hughes and Cain, Ch. 6.
 Lindert and Williamson, Chs. 1, 3, 4, 5(*).
 *R. Fogel, "Nutrition and the Decline in Mortality since 1700" in Stanley Lebergott and R. Gallman eds, Long Term Factors in American Economic Growth, 439-556.

- B. Law and the Rise of American Capitalism, Readings: Hughes and Cain, Ch. 7,
(3rd ed.)
- C. Technological Change
Readings: Rosenberg, Chs. 1, 3, 4.
Hughes and Cain, ch. 8.
- D. An Export Demand Model of U.S. Economic Growth: 1790-1865
Readings: North, Economic Growth, Chs. 1-5.
- E. Export-led Growth: 1815-1860
Readings: North, Economic Growth, Chs. 6-9, 13-15.
- F. A More Sophisticated Model
Readings: Fogel and Engerman, The Reinterpretation, pp. 98-115.
- G. Transportation
Readings: Fogel and Engerman, The Reinterpretation, Ch. 14.
Hughes and Cain, ch. 8
- H. Money and Finance
Readings: Davis, et al., Chs. 9, 10.
P. Temin, The Jacksonian Economy, Chs. 1, 6.
Hughes and Cain, ch. 12.
*Fogel and Engerman, The Reinterpretation, Ch. 33.
*Rolnick and Weber, "New Evidence on the Free Banking Era,"
American Economic Review, Dec. 1983, pp. 1080-91.
- I. The Economics of Slavery
Readings: Fogel and Engerman, Vol. 1, Time on the Cross.
Gavin Wright, The Political Economy of the Cotton South,
Chs. 1, 5.
Hughes and Cain, ch. 10.
*Herbert Gutman, Slavery and the Numbers Game.
*Paul David, Reckoning with Slavery.
*Fogel and Engerman, June 1977, American Economic Review.
*H. Gutman, The Black Family in Slavery and Freedom.
- J. Dualistic Regional Development Patterns and the Economic Roots of the
Civil War
Readings: Hughes and Cain, ch. 9
Coben and Hill, Ch. 18.
Wright, Ch. 5.
*R. Gallman essay, April 1979, Southern Economic Journal.
- K. Economic Impact of the Civil War

Readings: Andreano, Economic Impact of the Civil War, Part IV.
Hughes and Cain, Ch. 13 .

IV. THE INDUSTRIAL NATION EMERGES: 1865-1914

A. Industrialization

Readings: Hughes and Cain, Chs. 16-17 .

B. The Rise of Large Scale Enterprise

Readings: Andreano, New Views, pp. 277-307.

A. Chandler, The Visible Hand, Chs. 1, 3, 7, 9, and the
conclusion (after Ch. 14).

C. Business Cycles

Readings: Andreano, Part V, Chs. 1, 4.

Schumpeter, Business Cycles, Vol. 1, Chs. 3, 4, 7.

D. Agrarian and Urban Discontent

Readings: North, Growth and Welfare, Chs. 10, 11.

Hughes and Cain, Ch. 15, Ch. 21

E. Money and Finance

Readings: Davis, et al., Ch. 10.

Hughes and Cain, Chs. 19-20 .

F. Monopoly Control

Readings: Dewey, Monopoly in Economics and Law, Chs. 1, 11.

Hughes and Cain, Ch. 18

G. Regional Development: The Impoverished South

Readings: Gavin Wright, "The Economic Revolution in the American South", Journal of Economic Perspectives Summer, 1987, 161-178.

R. Ransom and R. Sutch, One Kind of Freedom, Chs. 1,9.

L.J. Alston and J. Ferrie, "Paternalism in Agricultural Contracts in the U.S. South: Implications for the Growth of the Welfare State", American Economic Review, Sept. 1993, 83, 852-876.

V. THE WELFARE STATE: 1914-

A. The Growth of Government

Readings: R. Higgs, Crisis and Leviathan, Oxford U.P. 1987, chs. 1-4

Hughes and Cain, chs. 22-23.

B. The Great Depression

Readings: Higgs, ch. 8

Hughes and Cain, chs. 24-25

C. The Productivity Slowdown

Reading: J. Williamson, review of Baumol, Blackman and Wolff Productivity and American Leadership, in March 1991 Journal of Economic Literature

*Baumol, Blackman and Wolff Productivity and American Leadership, MIT Press 1990

R. Barro and X. Sala-i-Martin, "Convergence", Journal of Political Economy, 100, 223-251. (April, 1992).