

AMERICAN ECONOMIC HISTORY (ECON/HIST 362)

St. Lawrence University, Spring 2010

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Office Hours: Wed. 1:00pm-3:00pm and by appointment

This syllabus represents the constitutional contract between student and instructor. Please read it carefully. Minor changes may be made at the instructor's discretion.

COURSE DESCRIPTION

This course surveys American history from Colonial Times through the Great Depression using the tools of economics. While the subject matter is similar to a traditional American history course, the emphasis is on how the economic way of thinking can improve our understanding of history. A recurring theme is the relationship between markets and government, and how they can be supportive and antagonistic of one another.

PREREQUISITES

1. Quantitative Methods (Econ 200) or Applied Statistics (Math 113)
2. Intermediate Microeconomics (Econ 251)
3. Intermediate Macroeconomics (Econ 252)

In addition to these courses, it is extremely helpful to have a general understanding of American history. The introductory survey sequence of History 103 and 104 provides a good background, but there are many other means of achieving this end.

READINGS

The required text for this class is Jeremy Atack and Peter Passell, *A New Economic View of American History* (2nd edition). The book also serves as a rough outline for the class.

In addition to the chapters from Atack and Passell, there are a number of journal articles listed in the course outline. Some of these readings require you to use the library's electronic journal access, which we will go over in class (in brief, you must be on campus or use the [VPN](#)).

The book chapters and articles form the basis for the short quizzes (see grading section below). This class may involve more reading than you are used to, but the readings are your primary out-of-class work other than the research paper.

RESOURCES

Several online resources are available to assist you with learning the course material and working on your research paper:

1. [EH.net](#) is an extensive resource for studying economic history. Our course outline contains several entries from the Encyclopedia. The Book Reviews are also very useful.
2. [Historical Statistics of the United States](#) is the first place to go when looking for historical data. In print it consists of five large volumes, but the University has provided you with free online access (as with articles, you must be on campus or use the [VPN](#)).
3. [Measuring Worth](#) provides quick access to some of the most commonly used statistics, such as GDP and CPI. More user-friendly than *HSUS* but much less extensive.

GRADES

Your grade in this class consists of five elements, equally weighted at 20% each:

1. Short Quizzes
2. Three Exams (20% per exam)
3. Research Paper

The short quizzes are based on the required readings for that day. Quizzes are not given every day nor announced in advance. The Course Outline below serves as a guide for the daily readings, and any deviations from this list will be clearly announced in advance. There are no makeup quizzes, but your lowest score will be dropped.

The three exams are based primarily on material covered in lecture. All readings are also potential test material. Exams consist of one long essay and several short-answer questions. Makeup exams are only given in terms of extreme, unforeseeable circumstances (such as medical or family emergencies).

For the research paper, you are to choose a narrow topic in American history. You have a lot of leeway in your choice of topic, but the method I recommend is to choose a debate within economic history. Whatever topic you choose, there should be at least one prominent economic historian on either side of the debate. In the paper, you can summarize the debate and, more importantly, provide original insights into the debate using the framework we have developed in class. Connecting your topic to a current policy debate can also improve the paper.

We will talk more about possible topics in class, and I am glad to help you select a topic if needed. It is crucial that you cite articles in academic economics journals. University press books are an acceptable substitute. The text of the final paper should be between 2,000 and 2,500 words (8-10 pages with standard formatting).

Your grade for the research paper is determined by two components: 1. a 2-3 page summary and literature review (25%, due March 4); and 2. the final paper (75%, due April 29). Additionally,

the class period on March 4 will be spent discussing your paper topics in a seminar setting. Failure to attend the seminar will result in a 10% penalty on the overall paper grade. Also, late submissions for either deadline will incur a 10% penalty plus 2% per additional 24-hour period.

The grading scale is:

≥ 92%	4.0	≥ 74%	2.25
≥ 89%	3.75	≥ 71%	2.0
≥ 86%	3.5	≥ 69%	1.75
≥ 84%	3.25	≥ 66%	1.5
≥ 81%	3.0	≥ 64%	1.25
≥ 79%	2.75	≥ 60%	1.0
≥ 76%	2.5	< 60%	0

NOTICES

As stated in the University Code of Academic Honor, “A major commitment of the University is ‘to the intellectual development of the student’ ... which can be achieved only by strict adherence to standards of honesty. At St. Lawrence, all members of the community have a responsibility to see that these standards are maintained.” This statement and the Honor Code are taken seriously in this class. You are encouraged to read the list of dishonest actions in the Student Handbook (p. 68, <http://www.stlawu.edu/studentlife/handbook.html>), though this is all common sense to a responsible adult such as yourself.

If you have a disability and need accommodation, please see me in private within the first week of class. You should also contact the Office of Academic Services for Students with Special Needs (<http://web.stlawu.edu/needs/index.html>) for guidance on reasonable accommodations.

COURSE OUTLINE

January 19 – Overview

Atack and Passell, Introduction

Whaples, Robert. 1995. “Where Is There Consensus Among American Economic Historians? The Results of a Survey on Forty Propositions.” *Journal of Economic History* 55(1): 139-154.

January 21 – Economic Growth and Business Cycles in the Long Run

Atack and Passell, Ch. 1

Davis, Joseph H. 2006. “An Improved Annual Chronology of U.S. Business Cycles since the 1790s.” *Journal of Economic History* 66(1): 103-121.

January 26 – Government Growth in the Long Run

Atack and Passell, Ch. 23

Robert Higgs. 1985 “Crisis, Bigger Government, and Ideological Change: Two Hypotheses on the Ratchet Phenomenon.” *Explorations in Economic History* 22(1): 1-28.

Wallis, John J. 2000. “American Government Finance in the Long Run: 1790 to 1990.” *Journal of Economic Perspectives* 14(1): 61-82.

January 28 – Colonial Period

Atack and Passell, Ch. 2

Lamoreaux, Naomi R. 2003. “Rethinking the Transition to Capitalism in the Early American Northeast.” *Journal of American History* 90(2): 437-461.

February 2 – The American Revolution and the Constitution

Atack and Passell, Ch. 3

McGuire, Robert A. 2001 “Economic Interests and the Adoption of the United States Constitution.” <http://eh.net/encyclopedia/article/mcguire.constitution.us.economic.interests>

February 4 – Financial Revolutions

Atack and Passell, Ch. 4

Dwyer, Gerald P. 1996. “Wildcat Banking, Banking Panics, and Free Banking in the United States.” Federal Reserve Banking of Atlanta *Economic Review* (December): 1-20.

Sylla, Richard. 1998. “U.S. Securities Markets and the Banking System, 1790-1840.” *The Federal Reserve Bank of St. Louis Review* 80(3): 83-98.

February 9 – The Transportation Revolution

Atack and Passell, Ch. 6

Klein, Daniel B. and John Majewski. 2008. “Turnpikes and Toll Roads in Nineteenth-Century America.” <http://eh.net/encyclopedia/article/Klein.Majewski.Turnpikes>

Puffert, Douglas J. 2000. “The Standardization of Track Gauge on North American Railways, 1830-1890.” *Journal of Economic History* 60(4): 933-60.

February 11 – Industrialization, Growth, and Trade I

Atack and Passell, Ch. 7

Meyer, David R. 2008. “The Roots of American Industrialization, 1790-1860.”

<http://eh.net/encyclopedia/article/meyer.industrialization>

Atack, Jeremy. 1986. “Firm Size and Industrial Structure in the United States During the Nineteenth Century.” *Journal of Economic History* 46(2): 463-475.

February 16 – Industrialization, Growth, and Trade II

Irwin, Douglas A. 2001. “Tariffs and Growth in Late Nineteenth Century America.” *The World Economy* 24(1): 15-30.

Clay, Karen. 1997 “Trade Without Law: Private-Order Institutions in Mexican California.” *Journal of Law, Economics, and Organization* 13(1): 202-31.

February 18 – First Exam

February 23 – Slavery

Atack and Passell, Ch. 11-12

February 25 – The Civil War

Atack and Passell, Ch. 13

Goldin, Claudia D. and Frank D. Lewis . 1975. “The Economic Cost of the American Civil War: Estimates and Implications,” *Journal of Economic History* 35(2): 299-326.

March 2 – The Fate of Free African Americans

Atack and Passell, Ch. 14

Higgs, Robert. 1982. “Accumulation of Property by Southern Blacks Before World War I.” *American Economic Review* 72(4): 725-737.

Roback, Jennifer. 1986. “The Political Economy of Segregation: The Case of Segregated Streetcars.” *Journal of Economic History* 46(4): 893-917.

March 4 – Paper Topics Seminar – Paper Topic and Literature Review Due (2-3 pages)

March 16 – The Rise of Big Business: The Changing Nature of the Firm

Atack and Passell, Ch. 16

Chandler, Alfred D. 1992. “Organizational Capabilities and the Economic History of the Industrial Enterprise.” *Journal of Economic Perspectives* 6(3): 79-100.

Clay, Karen and Werner Troesken. 2002. “Strategic Behavior in Whiskey Distilling, 1887–1895.” *Journal of Economic History* 62(4): 999-1023.

March 18 – The Rise of Big Business: Standard Oil

Atack and Passell, Ch. 17

McGee, John S. 1958. “Predatory Price Cutting: The Standard Oil (N.J.) Case.” *Journal of Law and Economics* 1: 137-69.

Granitz, Elizabeth, and Benjamin Klein. 1996. “Monopolization by ‘Raising Rivals Costs’: The Standard Oil Case.” *Journal of Law and Economics* 39(1): 1-47.

March 23 – The Rise of Big Government: Antitrust and Monopoly

DiLorenzo, Thomas J. 1985. “The Origins of Antitrust: An Interest-Group Perspective.” *International Review of Law and Economics* 5(1): 73-90.

Libecap, Gary D. 1992. “The Rise of the Chicago Packers and the Origins of Meat Inspection and Antitrust.” *Economic Inquiry* 30(2): 242-262.

March 25 – The Rise of Big Government: The Progressive Era and Regulation

Glaeser, Edward L. and Andrei Sheleifer. 2003. “The Rise of Regulatory State.” *Journal of Economic Literature* 41(2): 401-425.

High, Jack and Clayton A. Coppin. 1988. “Wiley and the Whiskey Industry: Strategic Behavior in the Passage of the Pure Food Act.” *Business History Review* 62(2): 286-309.

March 30 – Before the Welfare State

Ransom, Roger L. and Richard Sutch. “Tontine Insurance and the Armstrong Investigation: A Case of Stifled Innovation, 1868-1905.” *Journal of Economic History* 47(2): 379-390.

Murray, John E. 2008. “Industrial Sickness Funds.”

<http://eh.net/encyclopedia/article/murray.industrial.sickness>

April 1 – Second Exam

April 6 – Financial Markets Revisited

Atack and Passell, Ch. 18

Calomiris, Charles W. 1990. "Is Deposit Insurance Necessary? A Historical Perspective." *Journal of Economic History* 50(2): 283-295.

Horwitz, Steven. 1990. "Competitive Currencies, Legal Restrictions and the Origins of the Fed: Some Evidence from the Panic of 1907." *Southern Economic Journal* 56(4): 639-49.

April 8 – Labor Market Issues

Atack and Passell, Ch. 19

Fishback, Price V. 1986. "Did Coal Miners 'Owe Their Souls to the Company Store'? Theory and Evidence from the Early 1900s." *Journal of Economic History* 46(4): 1011-1029.

Whaples, Robert. 1990. "Winning the Eight-Hour Day, 1909-1919." *Journal of Economic History* 50(2): 393-406.

April 13 – Changing Role of Women

Goldin, Claudia. 2006. "The Quiet Revolution That Transformed Women's Employment, Education, and Family." *American Economic Review* 96(2): 1-21.

Lott, John R. and Lawrence W. Kenny. 1999. "Did Women's Suffrage Change the Size and Scope of Government?" *Journal of Political Economy* 107(6): 1163-1198.

Zagarri, Rosemarie. 1998. "The Rights of Man and Woman in Post-Revolutionary America." *William and Mary Quarterly* 55(2): 203-230.

April 15 – The Great Depression and New Deal I

Atack and Passell, Ch. 20

White, Eugene N. 1990. "The Stock Market Boom and Crash of 1929 Revisited." *Journal of Economic Perspectives* 4(2): 67-83.

Horwitz, Steven. 2009. "Great Apprehensions, Prolonged Depression." *Econ Journal Watch* 6(3): 313-336. http://www.aier.org/aier/publications/ejw_com_sep09_horwitz.pdf

April 20 – The Great Depression and New Deal II

Atack and Passell, Ch. 21

Parker, Randall. 2008. “An Overview of the Great Depression.”

<http://eh.net/encyclopedia/article/parker.depression>

Higgs, Robert. 1997. “Regime Uncertainty: Why the Great Depression Lasted So Long and Why Prosperity Resumed after the War.” *The Independent Review* 1(4): 561-590.

April 22 – The Great Depression and New Deal III

Atack and Passell, Ch. 22

Steindl, Frank G. 2008. “Economic Recovery in the Great Depression.”

<http://eh.net/encyclopedia/article/Steindl.GD.Recovery>

Higgs, Robert. 1992. “Wartime Prosperity? A Reassessment of the U.S. Economy in the 1940s.” *Journal of Economic History* 52(1): 41-60.

April 27 – Are There Lessons from Economic History?

McCloskey, D.N. 1992. “Competitiveness and the Antieconomics of Decline.” In McCloskey, ed., *Second Thoughts: Myths and Morals of U.S. Economic History*, p. 167-173.

http://deirdremccloskey.org/docs/pdf/Article_18.pdf

Calomiris, Charles W. 2009. “Banking Crises Yesterday and Today.” <http://tinyurl.com/ygxje4x>

Bordo, Michael D., Barry Eichengreen, and Douglas A. Irwin. 1999. “Is Globalization Today Really Different Than Globalization a Hundred Years Ago?” *Brookings Trade Forum* 1999: 1-50. <http://www.dartmouth.edu/~dirwin/docs/Brooking.pdf>

April 29 – Review Session and *Final Papers Due*

Final Examination – Friday, May 7 from 1:30-4:30pm