

Economic History of the United States

Economics 4524-002

Fall 2015

MWF 1:00-1:50 Faculty Club 4

Professor Brian Domitrovic

Office Hours:

in Economics 106: Wed, 3:30-4:30, Fri. 10:30-11:30

in Woodbury 302: Wed. 10:30-11:30

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This class covers the sustained rise of the largest economy of the world during the greatest period of global economic growth in history, the era of the industrial revolution and its aftermath. The main textbook is:

Richard H. Timberlake, *Monetary Policy in the United States: An Intellectual and Institutional History* (University of Chicago Press, 1993).

We shall also be reading from Timberlake, *Constitutional Money: A Review of the Supreme Court's Monetary Decisions* (Cambridge University Press, 2013) among other selected readings.

It is required that students read the professor's biweekly columns on Forbes.com (forbes.com/sites/briandomitrovic) as they come out this term.

There are five assignments. Two midterm exams, two statistics/document reviews, and the final exam. There may be pop quizzes as well, which will count in the participation grade. As for the statistics/documents, students are to familiarize themselves with these resources:

- *Historical Statistics of the United States*
- NBER Macrohistory Database
- FRASER and FRED at stlouisfed.org
- usgovernmentspending.com and usgovernmentrevenue.com

Course schedule:

Week 1: Aug. 24 and 26 (no class Aug. 28):

The accomplishments of American economic history

Reading: Brian Domitrovic, "[My Presentation to Janet Yellen](#)," Forbes.com, Mar. 1, 2015

Week 2: Aug. 31-Sept. 4

Commerce, the Constitution, "manufactures," the tariff

Reading:

1. Robin L. Einhorn, "[Slavery and the Politics of Taxation in the Early United States](#)," *Studies in American Political Development* 14 (Fall 2000), 156-83
2. Philip W. Magness, "[The Tariff as a Constitutional Problem](#)," in "From Tariffs to the Income Tax: Trade Protection and Revenue in the United States Tax System," Ph.D. diss., George Mason Univ. (2009), 41-89

Week 3: Sept. 9 and 11

An American system

Reading:

1. Nathan Appleton, [Introduction of the Power Loom, and the Origin of Lowell](#) (Lowell, Mass: B.H. Penhallow, 1858) (circa 30 pp.)
2. Begin research into *Historical Statistics of the United States*, the NBER Macrohistory Database, FRASER and FRED at stlouisfed.org, and usgovernmentspending.com and usgovernmentrevenue.com

Week 4: Sept. 14-18

DUE on Fri., Sept. 18: statistics/document assignment #1

Banking, money, and growth

Reading:

1. Timberlake, *Monetary Policy in the United States*, chs. 1-6
2. Timberlake, *Constitutional Money*, chs. 3-7

Week 5: Sept. 21-25

Slavery and civil war

Reading:

1. Philip W. Magness, "Morrill and the Missing Industries: Strategic Lobbying Behavior and the Tariff, 1858-1861," *Journal of the Early Republic* 29, no. 2 (Summer 2009), 287-329
2. Timberlake, *Monetary Policy in the United States*, ch. 7
3. Timberlake, *Constitutional Money*, chs. 8-9

Week 6: Sept. 28-Oct. 2

MIDTERM EXAM #1 Friday, Oct. 2

Becoming the largest economy

Reading:

1. Jeffrey G. Williamson "Watersheds and Turning Points: Conjectures on the Long Term Impact of Civil War Financing," *Journal of Economic History* 34, no. 3 (September 1974), 636-661
2. Skim Timberlake, *Monetary Policy in the United States*, chs. 8-13
3. Timberlake, *Constitutional Money*, chs. 14-15

Week 7: Oct. 5-9

The founding of the macroeconomic institutions

Reading:

1. Timberlake, *Monetary Policy in the United States*, chs. 14-16
2. Timberlake, *Constitutional Money*, ch. 18

Week 8: Oct. 12-16

The World War I and the Roaring '20s

Reading: Timberlake, *Constitutional Money*, ch. 19

Week 9: Oct. 19-23

Great Contraction and Great Depression

Reading:

1. Timberlake, *Monetary Policy in the United States*, ch. 17
2. Timberlake, *Constitutional Money*, chs. 20-22
3. Timberlake, "Gold Standards and the Real Bills Doctrine in U.S. Monetary Policy," *Independent Review* XI, no. 3 (Winter 2007)

Week 10: Oct. 26-30

World War II and early postwar prosperity

Reading: Timberlake, *Monetary Policy in the United States*, chs. 20-21

Week 11: Nov. 2-6

MIDTERM EXAM #2 Friday, Nov. 6

Postwar Prosperity: The “Go-Go Years”

Reading:

1. Tom Wolfe, “The Tinkerings of Robert Noyce: How the Sun Rose on the Silicon Valley,” *Esquire*, December 1983 (also available in Wolfe’s essay collection *Hooking Up*)
2. Video: “The Impact of Integrated Circuits, lecture by Robert Noyce” (Youtube.com)

Week 12: Nov. 9-13

Stagflation

Reading: Timberlake, *Monetary Policy in the United States*, chs. 22-24

Week 13: Nov. 16-20

The supply-side revolution

Reading:

1. Timberlake, *Monetary Policy in the United States*, chs. 25-27
2. John Rutledge, “Supply-Side Thermodynamics,” www.rutledgecapital.com
3. Robert A. Mundell, “A Reconsideration of the Twentieth Century” (video of Dec. 1999 lecture or its transcript), nobelprize.org

Week 14: Nov. 30-Dec. 4

DUE on Fri., Dec. 4: statistics/document assignment #2

The Great Recession

Reading: Database work

Week 15: Dec. 7-11

The momentum of economic history in the 21st century

Reading: Database work

FINAL EXAM week of Dec. 13

Grading:

2 term-time tests:	20% each
2 statistics/document reviews:	10% each
Final exam	30%
Participation	10%

University policy links:

Behavior:

<http://www.colorado.edu/policies/student-classroom-and-course-relatedbehavior>

University Honor Code:

<http://www.colorado.edu/policies/student-honor-code-policy> and at
<http://honorcode.colorado.edu/>

Disabilities: <http://www.colorado.edu/disabilityservices>

Religious practice:

<http://www.colorado.edu/policies/observance-religious-holidays-and-absences-classes-andor-exams>

Institutional Equity and Compliance:

<http://www.colorado.edu/institutionalequity/> and
<http://www.colorado.edu/institutionalequity/policies>

Office of Student Conduct:

<http://www.colorado.edu/studentaffairs/studentconduct/index.html>

All policies:

<http://www.colorado.edu/policies/>