

ECON 8534
American Economic History

Professor Ann Carlos

Fall 2013

Econ 208A

Office Hours: M 11.00-12.00pm and by appointment

This course explores the economic history of the United States from colonial times to the present. Its purpose is to expose you to economic history as a method of economic analysis and to provide insights into some of the main features of America's economic growth and development. In a very real sense, this course is a sampler. We cannot cover everything in one semester. Depending on the class interests, missing topics can be added.

For those of you who have not had a course in American economic history, two very useful text books are Jeremy Atack and Peter Passell, *A New Economic View of American History*, 2nd edition, 1994 and Linda Barrington, ed. *Other Side of the Frontier*, 1999. Both are available on line and in the UMC bookstore.

Course Requirements

1. Class attendance and participation. Students are expected to summarize papers and offer comments. Paper summaries and overall class participation - 20% of the course grade.
2. A final exam - 40% of the course grade.
3. A 20 page research paper that is motivated by this class - 40% of the course grade. The paper must be more than a literature review. It needs to have all the elements of a paper: Introduction placing your question in the context of the existing literature; why this question is important; how you propose to answer the question—you could do this, for example, by providing a sketch of the theoretical framework behind your hypothesis; identifying the data sources that provides the necessary evidence, your empirical strategy and methodology, results and conclusion. The paper must be 'historical' in the sense that it deals with a specific time and place (which includes the more recent past) or with change over time. Ingenuity and feasibility are two aspects of your proposal that will be valued and rewarded. All students will be asked to give a short presentation of their proposal near the conclusion of the semester, possibly on a Saturday morning to give sufficient time for presentation and discussion. The term paper may be co-authored with another member of the class.

For the university policies on disabilities, religious observance, honor code, visit:
<http://www.colorado.edu/Economics/courses/index.html>

Suggestions for summarizing and critiquing articles (for referee reports)

Source: Leah Boustan, Course Syllabus, Econ 242, www.eh.net/syllabi

Summary:

Don't feel that you need to be comprehensive or cover all aspects of the analysis. Just hit the high points. Here are some basic questions to think about as you prepare your summary:

What is the big issue at stake in this paper?

What is the model (explicit or implicit) that underpins the paper?

What evidence/data does the author offer in support of his/her arguments? What techniques does s/he use to analyze the data?

What are the main results?

What conclusions does the author draw from the results?

Critique:

The trick to a successful critique is to first evaluate the author on his/her own terms and then to take a step back and assess the author's approach afresh. The best critiques do not ask the author to do the impossible or the impractical, but instead generate ideas about how our understanding of a problem might usefully be advanced.

Here are some basic questions to think about as you prepare your critique:

Taking the author on his/her own terms:

Does the author deliver on his/her promises and accomplish what s/he sets out to do?

Is the paper internally coherent? That is, does its logic "work" within its own framework and set of assumptions?

Does the author interpret his/her results correctly?

Assessing the author's approach:

If the author narrows the question in order to make it analytically tractable, does his/her re-formulation of the problem affect the conclusions we can draw from the study?

Is the model (explicit or implicit) appropriate? Are there better ways to model the problem?

Is the author ignoring data or other evidence relevant to the question?

Are there better ways to analyze the data the author uses?

Can the author's results be explained in other ways? That is, are the findings consistent with alternative hypotheses?

Can you think of additional ways to explore the question or test the various alternative hypotheses that the author may have ignored?

1. Introduction

United Nations Development Report (UNDP) any recent year.

Atack and Passell, ch. 1.

Donald McCloskey, "Does the Past Have Useful Economics," *Journal of Economic Literature*, vol 14, no 2, June 1976: 434-461.

Donald McCloskey, "The Rhetoric of Economics," *Journal of Economic Literature*, vol 21, no 2, June 1983: 481-517.

Paul A. David, "Clio and the Economies of QWERTY," *American Economic Review* (May 1985)

Richard A. Easterlin, "Why Isn't the Whole World Developed"?, *Journal of Economic History*, vol 41, no 1, 1981: 1-19.

Douglass C. North, "Institutions," *Journal of Economic Perspectives*, 5, Winter 1991: 97-112

2. Initial Conditions and Development Paths:

Kenneth Sokoloff and Stanley Engerman, "Institutions, Factor Endowments and Paths of Development in the New World," *Journal of Economic Perspectives*, vol 14 (Summer 2000)

Daron Acemoglu, Simon Johnson and James A. Robinson, "Colonial Origins of Comparative Development" *American Economic Review* 2001: 1369-1401

Daron Acemoglu, Simon Johnson and James A. Robinson, "Reversal of Fortune: Geography and Institutions in the Making of Modern World Income Distribution" *Quarterly Journal of Economics* Nov. 2002: 1231-94

David Albouy, "Colonial Origins of Comparative Development: An Investigation of the Settler Mortality Data", *American Economic Review*, 2012: 3059-3076

Melissa Dell, "The Persistent Effects of Peru's Mining Mita", *Econometrica*, vol 78, 2010: 1863-1903.

Nathan Nunn, "The Long-Term Effects of Africa's Slave Trades," *Quarterly Journal of Economics*, vol 123, 2008: 139-176.

3. Colonies and Constitution

Atack and Passell, ch. 2.

David Galenson, *Markets in History: Economic Studies of the Past*, Cambridge University Press, 1989.

Edward Perkins, *The Economy of Colonial America*, Columbia University Press, 1988.

Farley Grubb, "The Transatlantic Market for British Convict Labor," *Journal of Economic History* 60 March 2000

Winifred Rothenberg, "The Market and Massachusetts Farmers," *Journal of Economic History* 41 June 1981

Constitution of the United States, and Bill of Rights

Charles Beard, *An Economic Interpretation of the Constitution*, New York: MacMillan 1913

Robert A. McGuire and Robert L. Ohsfeldt, "Economic Interests and the American Constitution: A Quantitative Rehabilitation of Charles A. Beard." *Journal of Economic History*, 44, 1984

Jac C. Heckelman and Keith L. Dougherty, "A Spatial Analysis of Delegate Voting at the Constitution Convention". *Journal of Economic History* vol 73, 2013: 407-444

John McCusker, "Colonial Statistics" *Historical Statistics of the US*, Millennium ed.

4. Other Side of the Frontier

Linda Barrington, Editor's Introduction: Native Americans and U.S. Economic History, *Other Side of the Frontier*, 1999.

Jared M. Diamond, *Guns, Germs and Steel: The Fate of Human Societies*, New York: Norton, 1997, chs 8,9,10.

Ann M. Carlos and Frank D. Lewis, *Commerce by a Frozen Sea: Native Americans and the European Fur Trade*, University of Pennsylvania Press, 2010.

Richard H. Steckel, "Health and Nutrition in Pre-Columbian America: The Skeletal Evidence", *Journal of Interdisciplinary History*, vol 36 no. 1, summer 2005: 1-32

Ann M. Carlos and Frank D. Lewis, "Property Rights, Competition and Depletion in the Eighteenth-Century Canadian Fur Trade: The Tragedy of the Commons, *Canadian Journal of Economics*, May 1999.

Ann M. Carlos and Frank D. Lewis, "Trade, Consumption, and the Native Economy: Lessons from York Factory, Hudson Bay". *Journal of Economic History* 61, 2001: 1037-1064.

David M. Wishart, "Evidence of Surplus Production in the Cherokee Nation Prior to Removal." *Journal of Economic History* vol 55, no 1 1995: 120-138.

Ann M. Carlos and Frank D. Lewis, "Small pox and Native American Mortality: the 1780s Epidemic in the Hudson Bay Region" *Explorations in Economic History*, vol 49, issue 3, 2012: 277-380.

Bamforth, Douglas B. "Origin Stories, Archaeological Evidence, and Post-Clovis Paleoindian Bison Hunting on the Great Plains." *American Antiquity* vol 76, 2011:24-40.

Christian Dippel, "Historical Legacies and Economic Development: Evidence from Native American Reservations" Working Paper
<http://www.anderson.ucla.edu/faculty/christian.dippel/papers.html>

5. Transportation and American Economic Growth

Atack and Passell, chs. 6 and 16

Cambridge Economic History of the United States, vol 2, ch. 13

Mark Kanazawa, "Possession is Nine Points of the Law: The Political Economy of Early Public Land Disposal. *Explorations in Economic History*, April 1996: 227-249.

Robert Fogel, "Notes on the Social Savings Controversy". *Journal of Economic History* vol 39, no 1, 1979: 1-54.

C. Knick Harley, "Oligopoly Agreement and the Timing of American Railroad Construction". *Journal of Economic History* vol 42, no 4, 1982: 797-823.

Jeremy Atack, Fred Bateman, Michael Haines and Robert Margo, "Did Railroads Induce or Follow Economic Growth? Urbanization and Population Growth in the American Midwest, 1850-1860?" *Social Science History*, Vol 34, summer, 2010: 171-197.

Jeremy Atack, "On the Use of Geographic Information Systems in Economic History: The American Transportation System Revisited," *Journal of Economic History*, vol 73, no 2, 2013: 313-338.

Dave Donaldson and Richard Hornbeck. 2013. "Railroads and American Economic Growth: A "Market Access" Approach." NBER WP #19213, July 2013.

Baum-Snow, "Did Highways Cause Suburbanization?" *Quarterly Journal of Economics*, vol 122 no. 2, 2007: 775-806.

9. Agriculture and Environmental Economic History

Jeremy Atack and Fred Bateman, *To Their Own Soil: Agriculture in the Antebellum North*. Iowa State University Press, 1987

Alan Olmstead and Paul Rhode, *Creating Abundance: Biological Innovation and American Agricultural Development*, Cambridge University Press, 2008.

Alan Olmstead and Paul Rhode, "The Red Queen and the Hard Reds: Productivity Growth in American Wheat, 1800-1940, *Journal of Economic History* vol 62, no 4, 2002: 929-966.

Richard Hornbeck, "The Enduring Impact of the American Dust Bow: Short- and Long-run Adjustments to Environmental Catastrophe." *American Economic Review* vol 102(4) 2012: 1477-1507

Gary Libecap and XX Hansen, "Small Farms, Externalities, and the Dust Bowl of the 1930s." *Journal of Political Economy*, vol 112, no 3, June 2004: 665-694.

Gary Libecap, "Chinatown Revisited: Owens Valley and Los Angeles - Bargaining Costs and Fairness Perceptions of the Firt Major Water Rights Exchange." *Journal of Law, Economics and Organization*, vol 25, no 2, October 2009: 311-338.

7. Industrialization and Technical Choice

Atack and Passell, chs. 5 and 7

Nathan Rosenberg, "Technological Change in the Machine Tools Industry," *Journal of Economic History* vol 23, no 4, 1963: 414-443.

Gavin Wright, "Cheap Labor and Southern Textiles Before 1880", *Journal of Economic History* vol 39 no 3, 1979: 655-680.

Claudia Goldin and Kenneth Sokoloff, "The Relative Productivity Hypothesis of Industrialization," *Quarterly Journal of Economics* vol 99, no. 3, 1984: 461-488.

John A. James and Jonathon S. Skinner, "Resolution of the Labor Scarcity Paradox," *Journal of Economic History* vol 45 no 3, 1985: 513-540.

Naomi Lamoreaux, "Banks, Kinship and Economic Development," *Journal of Economic History* vol 46 no 3, 1986: 647-667.

Douglas A. Irwin and Peter Temin, "The Antebellum Tariff on Cotton Textiles Reconsidered," and "Comment" by C. Knick Harley, *Journal of Economic History* vol 61 no 3, 2001: 777-798.

Jeremy Greenwood and G. Uysal, "New Goods and the Transition to a New Economy, " *Journal of Economic Growth*, vol 10, no 2, June 2005: 99-134.

8. American Industrial Leadership

Atack and Passell, ch 17

Cambridge Economic History of the United States, vol 2, ch. 9

Richard Nelson and Gavin Wright, "The Rise and Fall of American Technological Leadership," *Journal of Economic Literature* Vol 30, no 4, December 1992: 1931-1964.

Gregory Clark, "Why Isn't the Whole World Developed?" *Journal of Economic History* vol 47, no 1, 1987: 141-173.

Gavin Wright, "The Origins of American Industrial Success," *American Economic Review* vol 80,

- September 1990: 651-668.
- Paul M. Romer, "Why, Indeed in America?" *American Economic Review* vol 86, May 1996: 202-206.
- Robert J. Gordon, "US Economic Growth Since 1870: One Big Wave?" *American Economic Review* vol 89, May 1999: 123-128
- Daron Acemoglu, "Why Do New Technologies Complement Skills?" *Quarterly Journal of Economics* vol 113, issue 4, 1998: 1024-1054.
- Kenneth Sokoloff, "Was the Transition from the Artisanal Shop to the Non-Mechanized Factory Associated with Gains in Efficiency?" *Explorations in Economic History*, vol 21, 1984: 351-382.
- Claudia Golden and Lawrence F. Katz, "The Origins of Technology-Skill Complementarity." *Quarterly Journal of Economics*, vol 113, no. 3, 1998: 693-732
- Jeremy Atack, Fred Batemen and Robert A. Margo, "Skill Intensity and Rising Wage dispersion in Nineteenth Century American Manufacturing," *Journal of Economic History* vol 64 no 1, 2004: 172-192
- Jeremy Atack, Fred Batemen and Robert A. Margo, "Steam Power, Establishment Size, and Labor Productivity Growth in Nineteenth Century American Manufacturing," *Explorations in Economic History*, vol 45, 2008: 185-198
- Lawrence F Katz and Robert A. Margo, "Technical Change and the Relative Demand for Skilled Labor: The United States in Historical Perspective, NBER Working Paper, w18752, 2013.
- Claudia Goldin, "The Human-Capital Century and American Leadership," *Journal of Economic History* vol 61, no 2, 2001: 263-292.
- Alexander J. Field, "Procyclical TFP and the Cyclicalities of Growth in Output per House, 1890-2004" Working Paper, University of California Santa Cruz (2008)
- Alexander J. Field, "The Impact of the Second World War on US Productivity Growth", *Economic History Review* 61 (August 2008).
- Ian Keay, "Canadian Manufacturers' Relative Productivity Performance: 1907-1990," *Canadian Journal of Economics*, November 2000, Volume 33, Number 4, Page 1049-1068.

9. Business History

- Louis Galambos, "The US Corporate Economy in the Twentieth Century" in *Cambridge Economic History of the United States*, vol. III
- Alfred D. Chandler, "Organizational Capabilities and the Economic History of the Industrial Enterprise," *Journal of Economic Perspectives* vol 6, no 3, 1992: 79-100.
- Alexander Field, "Modern Business Enterprise as a Capital-Saving Innovation," *Journal of Economic History* Vol 47 no 2, 1987: 473-485.
- Charles W. McCurdy, "American Law and the Marketing Structure of the Large Corporation, 1875-1890," *Journal of Economic History* vol 38 no 3, 1978: 631-649.
- Naomi Lamoreaux and Kenneth Sokoloff, "Market Trade in Patents and the Rise of a Class of Specialized Inventors in the Nineteenth Century United States," *American Economic Review* vol 91, May 2001: 39-44.
- Zorina Khan and Kenneth Sokoloff, "The Early Development of Intellectual Property Institutions in the United States." *Journal of Economic Perspectives*, vol 15, no 3, 2001: 233-246.

- Petra Moser, "How Do Patent Laws Influence Innovation? Evidence from Nineteenth-Century World Fairs." *American Economic Review* vol 95, 2005: 1214-1236
- Eric Hilt, "When Did Ownership Separate From Control? Corporate Governance in the Early 19th Century," *Journal of Economic History*, vol 68 2008: 645-685.
- Carola Frydman and Raven E. Saks, "Executive Compensation: A New View from a Long Term Perspective," *Review of Financial Studies*, vol 23, 2010: 2099-2138.

10. Mass Migration

- Timothy Hatton and Jeffrey Williamson, *The Age of Mass Migration: Causes and Economic Impact*, New York, NY: Oxford University Press, 1998.
- Claudia Goldin, "The Political Economy of Immigration Restriction in the United States, 1890 to 1921," in Claudia Goldin and Gary Libecap, eds, *The Regulated Economy: An Historical Analysis of Governments and the Economy*, Chicago: University of Chicago Press, 1994. See also: NBER Working Paper 4345.
- George Borjas, "Long-Run convergence of Ethnic Skill Differentials: The Children and Grandchildren of the Great Migration," *Industrial and Labor Relations Review*, July 1994: 5553-73.
- Daniel. Chiquiar and Gordon H. Hanson, "International Migration, Self-Selection, and the Distribution of Wages: Evidence from Mexico and the United States," *Journal of Political Economy* Vol 113, No 2, April 2005: 239-281.
- Richard Hornbeck and Suresh Naidu, "When the Levee Breaks: Black Migration and Economic Development in the American South," NBER Working Paper, w18296, 2012
- Catherine Massey, "Immigration Quotas and Immigrant Skill Composition: Evidence from the Pacific Northwest," Discussion Papers in Economics, University of Colorado Boulder, 2012.

11. Racial convergence, Inequality and Mobility

- Simon Kuznets, "Economic Growth and Income Inequality," *American Economic Review*, March 1955: 1-28.
- John J. Donohue and James Heckman, "Continuous versus Episodic Change: The Impact of Civil Rights Policy on the Economic Status of Blacks," *Journal of Economic Literature*, vol 29, no 4, December 1991: 1603-1643.
- William Collins, "When the Tide Turned: Immigration and the Delay of the Great Black Migration," vol 57, no 3, 1997: 607-632.
- Leah Boustan, "Competition in the Promised Land: Back Migration and Racial Convergence in the North, 1940-1970," *Journal of Economic History*, vol 69 no 3, 2009: 755-782.
- Leah Boustan, Price Fishback and Shawn Kantor, "The Effect of Internal Migration on Local Labor Markets: American Cities During the Great Depression," *Journal of Labor Economics*, October 2010: 719-746.
- Joseph P. Ferrie, "History Lessons: The End of American Exceptionalism? Mobility In the United States since 1850," *Journal of Economic Perspectives*, vol 19, no 3, 2005: 199-215.
- Jason Long and Joseph P. Ferrie, "Intergenerational Occupational Mobility in Britain and the U.S. Since 1850," *American Economic Review*, 2013.
- Ran Abramitzky, Leah Boustan and K. Eriksson, "Europe's Tired, Poor, Huddled Masses: Self-Selection and Economic Outcomes in the Age of Mass Migration," *American Economic Review*, August 2012: 1832-1856.

T. Piketty and E. Saez, "Income Inequality in the United States, 1913-1998," *Quarterly Journal of Economics*, vol 118, no. 1, 2003: 1-39.

12. Women's labor Force Participation

Claudia Goldin, *Understanding the Gender Gap*, New York: Oxford University Press, 1990: 83-158.

Dora Costa, "From Mill Town to Board Room: The Rise of Women's Paid labor," *Journal of Economic Perspectives*, vol 14, no 4, 2000:101-122.

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

Martha Bailey, "More Power to the Pill: The Impact of Contraceptive Freedom on Women's Lifecycle Labor Supply," *Quarterly Journal of Economics*, vol 121, no 1, 2006: 289-320.

Martha Bailey, "Momma's Got the Pill," *American Economic Review* vol 100, 2012: 98-129.

B. Stevenson and J. Wolfers, "The Paradox of Declining Female Happiness," *American Economic Journal: Economic Policy*, August 2009: 190-225.

Martha J. Bailey and William J. Collins, "The wage gains of African-American women in the 1940s" *Journal of Economic History*, Vol 66, no 3, September 2006: 737-777.

Price Fishback, William C. Horrace, and Shawn Everett Kantor, "The Impact of New Deal Expenditures on Mobility during the Great Depression" *Explorations in Economic History* April 2006: 179-222.

13. Health and Mortality

Robert Fogel, *The Escape from Hunger and Premature Death, 1700-21: Europe, America, and the Third World*, Cambridge University Press, 2004.

Hoyt Bleakley, "Disease and Development: Evidence from Hookworm Eradication in the American South," *Quarterly Journal of Economics*, vol 122, no 1, 2007: 73-117.

D. Cutler and G. Miller, "The Role of Public Health Improvements in Health Advances: The Twentieth Century United States," *Demography* February, 2005: 1-22.

Douglas V. Almond, "Is the 1918 Influenza Pandemic Over? Long-term Effects of *In Utero* Influenza Exposure in the Post-1940 U.S. Population," *Journal of Political Economy*, Vol 114, no 4, August 2006: 672-712.

Joseph P. Ferrie and Werner Troesken, "Water and Chicago's Mortality Transition, 1850-1925," *Explorations in Economic History*, vol 45, 2008: 1-16.

Melissa Thomasson, "From Sickness to Health: The Twentieth Century Development of U.S. Health Insurance," *Explorations in Economic History*, vol 39, 2002: 233-253.

J.C. Herbert Emery "Un-American' or Unnecessary? America's Rejection of Compulsory Government Health Insurance in the Progressive Era," *Explorations in Economic History* vol 47, 2010: 68-81.

Other topics as time permits