Economics 113-- American Economic History

Economics 113 is an upper-division course in the study of the development of the U. S. economy. We survey over 300 years of American economic development, but focus most intensely on periods that were most fundamental to our economic system. This course has numerous goals, but the most fundamental is the application of economic principles to historical episodes.

As a professor in an economics department that is part of a business school, I must make economic history interesting to an audience that would just about be anywhere else. To keep my business students from falling asleep, I have devoted much attention to the basics of history that are relevant today. So, this is the story. In the absence of institutions, David Hume may just be correct; life is "Nasty, Brutish and Short!" Yet, we have avoided the fates of our ancestors. Why is that? Well, we have formalized two important institutions: the state and the market. A good part of economic history focuses on the latter. What is a market and what are the conditions under which it exists? Is a market a good thing and does history validate this claim? And, was your 6th grade teacher correct; was North America populated by ex-cons through indentured servitude, or was a market system working there? Wasn't the institution of slavery, so to speak, a market run-a-muk? Does a market lead to growth, either economic or population? And, what is it about population growth? There is hardly anything that elicits greater enthusiasm than studying how populations grow, except perhaps watching two sloths mate, but just what is it that makes population growth so damn important? It doesn't matter where you turn; there it is. If you decide to go into politics, business or just into the local Parent Teacher Association, changes in demography are going to be there. So, this takes us into migration and that most unappealing study of disease and how we have learned to deal with it. And, who knows; if we can understand the historical processes of the American disease culture, maybe we can replicate our successes into third world countries. Why is that the Europeans gave North American indigenous cultures the boot? Is there anything we can say about the standards of living of North American indigenous cultures or can we just say that since things were bad for them in the late 19th century on reservations, therefore, they must have been bad for them in the 18th and 17th centuries? What about financial markets; do financial markets lead to economic growth, economic growth lead to financial markets, or do they arise simultaneously? What about technology? What about, what about, what about? The questions never end, because just about the time you think you have it figured out, you find something new that you can learn from history. But that is the interesting part!

Having said that Economics 113 is equivalent to History 135; credit cannot be received for both courses. Economics 113 must be taken for a grade if it is to be used toward the requirements for the major.
COURSE LEARNING OBJECTIVES

1. Understand the critical nature of property rights in economic growth, technological improvement and improving standards of living.

2. Consider the market process and how it evolved.

3. Understand American living standards and how they have changed throughout American history.

4. Alternative measures for standards of living beyond traditional measures, such as income and wages.

5. Trends in American mortality and anthropometric history.

Grading

You are graded on your performance relative to the class in four areas.

1. Exam 1, Essay (100 Points)
2. Exam 2, Essay (100 Points)
3. Comprehensive Final, Essay (200 Points)

Professor's Office Hours

Prerequisite

Economics 1 (Introduction to Microeconomics and Macroeconomics) is the only prerequisite for the course. Some familiarity with the broad outlines of U.S. economic history is presumed.

Required Textbooks


Course Reader

Optional Textbook
For those unfamiliar with U.S. History, you may also wish to purchase the optional

**Grading**

Grades are assigned according to your point accumulation relative to the class high. Grades are
assigned according to the following scale:

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**POLICY ON SCHOLASTIC DISHONESTY:**

When legal code is necessary to maintain academic honesty and social interaction, social
bounds of reciprocity are eliminated. Ergo, it is expected that the highest forms of
honesty and respect for others be adhered too. Outside of that, the University expects a
student to maintain a high standard of individual honor in all scholastic work.

**STUDENT CLASSROOM CONDUCT:**

Be nice. Failure to be cool with me, the instructor, or other students may adversely affect
your grade. If you sometimes feel like you're stepping over the lines of social decorum,
you probably are, so step back and reevaluate, because it may detract from our classroom
environment. Other than that, let's just hang out and learn as much as we can this semester.

I have also noticed a disturbing trend among students, and the best way I can think to
address it comes from a Helen Keller quote.

*Small minds talk about people.*
*Average minds talk about events*
Great minds talk about ideas.

We should want great minds, so let's devote ourselves to thinking and talking about great ideas.

Outline

Section 1

**Economic history and an introduction to the American Economy**
- Reader #1 (McCloskey, "Does the Past Have Useful Economics?")
- Reader #2 (McLagan, "Non-Econometrician's Guide to Econometrics")
- Reader #3 (Leonard, “Food for Thought.”)

**The Rise of the West and Markets**
- Atack and Passel Chapter 1 pages xiii-xxi
- Reader #5 (North, "Rise of the Western World")

**Colonial America**
- Atack and Passell Chapter 2 pages 26-53
- Reader #6 (Rothenberg, "The Market and Massachussetts Farmers")

**Indentured Servitude**
- Reader #7 (Galenson, "The Rise and Fall of Indentured Servantude")
- Reader #8 (Grubb and Stitt, “The Liverpool Emigrant Servant Trade”)

**The Jacksonian Economy**
- Reader #9 (Sylla, “The Jacksonian Economy”)

**The Mass Westward Migration**
- Atack and Passell Chapter 8 pages 212-248
- Reader #4 (Lee, “Demographic Transition”)
- Reader #14 (Steckel, "The Economic Foundations of East-West Migration")
- Atack and Passell Chapter 9 pages 249-273

**Transportation, Labor and the Rise of the Modern Corporation**
- Atack and Passell Chapter 6 pages 143-174
- Reader #16 (Chandler, "Railroads Cooperation and Competition")
- Atack and Passell Chapter 10 pages 206-225
- Atack and Passell Chapter 11 pages 228-246

**Antebellum Banking**
- Atack and Passell Chapter 4 81-111
The North Before the War
Atack and Passell  Chapter 10  274-298

The Peculiar Institution
Atack and Passell  Chapter 11  pages 299-325
Wright, Gavin, Political Economy of the Cotton South
Reader #11 (Fogel and Engerman, "Anatomy of Exploitation")
Reader #10 (Weiss, “Time on the Cross”)
Reader #12 (Wahl, “Jurisprudence of American Slave Sales”)
Atack and Passell, Chapter 12  326-354

Lucifer in Starlight
Atack and Passell  Chapter 13  pages 355-375
Atack and Passell  Chapter 14  pages 376-401
Reader #15 (Brinkley, "The Decline in Southern Agricultural Output")
Reader #13 (Ransom and Sutch, "Trap of Debt Peonage")

The Grim Reaper Stalks Us All
Reader #20 (Fogel, "Economic Growth, Population Theory, and Physiology")
Reader #23 (Fogel, "Can we Afford Longevity")

Railroads and the Rise of the West
Atack and Passell  Chapter 16 and 17, 427-492
Reader #15 (Landes, “The Visible Hand”)
Reader #17 (Atack, "Industrial Structure and the Emergence of the Modern Industrial Corporation")
Reader #21 (Prince and Steckel, "Tallest in the World")
Reader #22 (Prince and Steckel, "Nutritional Success on the Great Plains")

The Emergence of the Labor Class and the Plight of Working Blacks
Atack and Passell  Chapter 19  pages 522-553
Reader #24 (Maloney, "African Americans in the Twentieth Century")

Financial Markets of the Late 19th and Early 20th Centuries
Atack and Passell  Chapter 18  pages 493-521
Reader #18 (Sylla, "Financial Systems and Economic Modernization")
Reader #25 (Rockgoff, "The Wizard of Oz as a Monetary Allegory")

The Great Depression
Atack and Passell  Chapter 21, 22 pages 583-647
Reader #23 (Romer, “The Nation in Depression”)

Recovery and World War II
Atack and Passell  Chapter 23, 648-682
### Tentative Exam Schedule

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<tr>
<th>Exam 1</th>
<th>July 8</th>
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<td>Exam 2</td>
<td>July 29</td>
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<tr>
<td>Final</td>
<td>August 12</td>
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This is a tentative syllabus and outline. I reserve the right to make changes. However, all changes will be announced in class. If you miss a day, you are responsible to be informed of any changes to this syllabus.