

## Wellesley College

### Economics 204: U.S. Economic History

Professor

Brandon Dupont

Office: PNE 416

Phone: 781.283.2179

Office Hours:   Tuesdays, 3-4pm  
                      Wednesdays, 10-11am and 3:30-4:45pm  
                      Or by appointment

Prerequisites: Econ 101 and 103

*"[I]f economic history...stops with known neoclassical models, activated by data, it is of minor value in economics or in history. ... [Economic history] sweeps up irrationalities, obstructions, lumpiness, partial ignorance, social misery--the piles of brush of the 'real world' and throws them in the path of the social theorists of all sorts, with the challenge to tidy them up."*

*-William Parker*

**Official Course Description**

This course traces the structure and development of the U.S. economy from colonial times to World War II; highlights historical episodes including the start of the nation, slavery, the westward movement, the Civil War, and the Great Depression. Specific topics include agriculture, trade, technology, finance, and labor. Emphasis on relating U.S. historical experience to current economic problems.

**Unofficial Course Description**

Tracing the development of any economy for a century and a half is a daunting task and one that, while noble, may not be entirely realistic. While we will touch on important topics throughout the development of the American economy from 1790 to World War II, practical constraints require that we narrow the focus a bit. The pivotal 19<sup>th</sup> century in American development will capture much of our attention. We will spend time on a number of important issue in this transition period including the development of labor markets, the railroad and the transformation of the financial system.

Way back in 1953, J.H. Clapham wrote, "Every economic historian should have acquired what might be called the statistical sense, the habit of asking in relation to any institution, policy, group or movement the questions: how large? How long? How often? How representative?" It will be our goal to get into the habit of asking these questions. Through probing the issues with these types of questions, we learn not just something about economic development but also how to think critically.

## **Textbooks**

### Required

*A New Economic View of American History: From Colonial Times to 1940* by Jeremy Atack, Peter Passell and Susan Lee. W.W. Norton & Company, 2<sup>nd</sup> edition  
ISBN: 0393963152

### Not Required, but they Look Good on Your Bookshelf:

*History of the American Economy* by Hugh Rockoff and Gary M. Walton, 10<sup>th</sup> edition  
ISBN: 0324259697

*Second Thoughts: Myths and Morals of U.S. Economic History* by Deirdre McCloskey. Oxford University Press, 1993. ISBN: 0195066332

## **Components of Course Grade**

### Exams

There will be three exams in the class including the Final Exam.

### In-Class Participation/Article Summaries

This is a student-centered class and, as such, requires regular participation in our discussions. Because I view learning as too often “passive,” this will not be a typical “lecture” class to which you may be more accustomed. We will learn economic history as a group. That means that we each have a responsibility not only to learn the important concepts in the development of the American economy but we also have a responsibility to help each other learn them. How do we best do this?

About one class per week (always on Thursdays), the discussion will be lead by a small group of students (2-3 students) and will focus on a particular article or book chapter that relates to the topic for that week (to be discussed more generally on Mondays). The students who are responsible for that week’s discussion will also be responsible for writing a short summary of the paper and distributing it (electronically is probably the easiest way to do this) no less than 24 hours prior to the class in which it is to be discussed. The rest of us will be responsible for raising questions, pointing out important features not discussed in the summary, etc. The logistics of your presentation/discussion (overheads, Power Point, chalk/blackboard, etc) are at your discretion – nothing fancy is expected although you are welcome to use whatever the technology of the room will allow.

While participation in discussion is part of your grade for the class, this does not mean that you have to get “everything right” in your summaries and comments/questions. It is simply an effort to make the class more enjoyably and more informative – and the nature of economic history is such that we will talk a lot about what we have read. You are therefore strongly encouraged to offer your opinions on the papers and topics we discuss.

### Review Essay

An important requirement of the class is a review essay on a topic of your choosing. The broad topic must be in American Economic History but the specific area within the field is up to you. A major element of this project is to choose a suitable topic and one that you find interesting. It would be helpful for you to consult with me on your topic before proceeding. The paper can be anywhere from 8 to 10 pages in length (double-spaced). Content and quality are obviously much more important than length. You are expected to use proper annotation and attribution (see, for example, the Chicago Manual of Style). The essay should review the literature on a relatively narrow and specific topic and should include your own critique of the work you are reviewing (as opposed to simply summarizing the papers).

## Composition of Class Grade

Exam 1	20%
Exam 2	20%
Final Exam	30%
Class Participation/Summaries	10%
Review Essay	20%

### **Reading List**

\*indicates required; all others are optional

#### **Class 1: Thursday, September 8**

Topics: (1) Introduction and Motivations

- (2) Is Economic History Useful (well...of course...but how exactly?)
- Atack and Passell, Introduction, "What's New About the 'New View' of American Economic History?"
  - McCloskey, Donald N. "Does the Past Have Useful Economics?" *Journal of Economic Literature*, 1976, vol. 14, issue 2, pages 434-61

#### **Class 2: Monday, September 12**

Topic: Colonial Economic Growth

- \*Atack and Passell, Chapter 2

#### **Class 3: Thursday, September 15**

Topic: Indentured Servitude

- \*David W. Galenson, "The Rise and Fall of Indentured Servitude in the Americas: An Economic Analysis" *Journal of Economic History* (March 1984). Available at JSTOR.

#### **Class 4: Monday, September 19**

Topic: The American Revolution from the Perspective of Economic History

- \*Atack and Passell, Chapter 3

#### **Class 5: Thursday, September 22**

Topic: Economic Causes of Revolution

- \*Joseph D. Reid, Jr., "Economic Burden: Spark to the American Revolution?" *The Journal of Economic History*, Vol. 38, No.1, pp. 81-100.
- Lance E. Davis and Robert A Huttenback, "The Cost of Empire" In *Explorations in the New Economic History*, Roger Ransom, Richard Sutch and Gary Walton (eds.)
- Marc Egnal and Joseph A. Ernst, "An Economic Interpretation of the American Revolution" *William and Mary Quarterly* (January 1972).

#### **Class 6: Monday, September 26**

Topic: Banking from the Revolution to the Civil War

- \*Atack and Passell, Chapter 4
- Paul B. Trescott, *Financing American Enterprise*
- Robert E. Wright, *Origins of Commercial Banking in America, 1750-1800.*

**Class 7: Thursday, September 29**

Topic: Banks and Economic Development

- \*Naomi Lamoreaux, "Banks, Kinship, and Economic Development: The New England Case," *The Journal of Economic History*, Vol. 46, No. 3 (Sep., 1986), pp. 647-667.

**Class 8: Monday, October 3**

Exam 1 In Class

**Class 9: Thursday, October 6**

Topic: The Transportation Revolution

- \*Atack and Passell, Chapter 6

**Note – No Class on Monday, October 10 (Fall Break)**

**Class 10: Thursday, October 13**

Topic: Antebellum Regional Trade Hypothesis

- \*Lloyd J. Mercer, "The Antebellum Interregional Trade Hypothesis: A Reexamination of Theory and Evidence" In *Explorations in the New Economic History*, Roger Ransom, Richard Sutch and Gary Walton (editors).

**Class 11: Monday, October 17**

Topic: Early Industrialization in the U.S.

- \*Atack and Passell, Chapter 7

**Class 12: Thursday, October 20**

Topic: Mass Production

- \*Alfred D. Chandler, Chapter 8, "Mass Production" in *The Visible Hand: The Managerial Revolution in American Business*

**Class 13: Monday, October 24**

Topic: Northern Agricultural Development Before the Civil War

- \*Atack and Passell, Chapter 10

**Class 14: Thursday, October 27**

Topic: Profitability of Northern Agriculture

- \*Atack and Bateman, Chapter 14, "The Profitability of Northern Agriculture: Economic Survival and Resource Allocation" in *To Their Own Soil: Agriculture in the Antebellum North*

**Class 15: Monday, October 31**

Topic: The South Before the Civil War, Part I – Slavery and Development

- \*Atack and Passell, Chapter 11

**Class 16: Thursday, November 3**

Topic: Slave Exploitation

- \* Robert W. Fogel and Stanley L. Engerman, "The Anatomy of Exploitation," from *Time on the Cross*

**Class 17: Monday, November 7**

Exam 2 In Class

**Class 18: Thursday, November 10**

Topic: The South Before the Civil War, Part II - The Economics of Slavery

- \*Atack and Passell, Chapter 12
- Paul A. David and Peter Temin, "Slavery: The Progressive Institution?" *Journal of Economic History*, (September 1974): 739-783.

**Class 19: Monday, November 14**

Topic: The Postbellum South

- \*Atack and Passell, Chapter 14

**Class 20: Thursday, November 17**

Topic: Debt Peonage – Credit Markets and Development

- \*Roger L. Ransom and Richard Sutch, "The Trap of Debt Peonage," from *One Kind of Freedom: The Economic Consequences of Emancipation*

**Class 21: Monday, November 21**

Topic: Railroads and 19<sup>th</sup> Century Growth

- \*Atack and Passell, Chapter 16
- Topic: Alfred D. Chandler, "The Railroads: The First Modern Business Enterprises, 1850s-1860s," in *The Visible Hand: The Managerial Revolution in American Business*

**Note – No Class on Thursday, November 24 (Thanksgiving Break)**

**Class 22: Monday, November 28**

Topic: The Development of the American Labor Market

- \*Atack and Passell, Chapter 19

**Class 23: Thursday, December 1**

- \*Joshua L. Rosenbloom, "Job Seekers, Employers, and the Creation of Labor Market Institutions," Chapter 2 in *Looking for Work, Searching for Workers*.

**Class 24: Monday, December 5**

Topic: Structural Change in Postbellum Financial Markets: The National Bank Era

- Atack and Passell, Chapter 18

**Class 25: Thursday, December 8**

Topic: The Great Depression, Part 1

- Atack and Passell, Chapter 21

**Class 26: Monday, December 12**

Topic: The Great Depression, Part 2

- Atack and Passell, Chapter 22