

Fall 2011
Office hours:
Tues, 2:30-3:30; Wed., 4:00-5:00;
or by appointment

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Economics 182a/History 135 (WR): American Economic History

The United States, with its enviable record of two centuries of sustained economic growth, is often held up to developing countries as an example they should emulate. The lessons that policy makers lay out are not always based on a deep understanding of history, however. In this course we use tools from economics and history to obtain a clearer sense of the way in which the United States developed economically—how what was really a minor British outpost in the late eighteenth century became a world economic leader by the beginning of the twentieth century. We also discuss some of the problems that Americans faced as the nation's economy grew, including the spread of slavery, rising economic inequality, and periodic financial crises.

Students are expected to attend all classes, read the assigned readings, and come to sections prepared to discuss them. Written assignments consist of three critical essays based on articles or book chapters assigned as course readings. There is also a regularly scheduled final examination. The final grade will be based on class participation (25 percent), the final examination (30 percent), and the critical essays (45 percent). The grade for the critical essays will be adjusted to reflect improvement over the semester.

All readings are available through the course website.

Schedule of Class Meetings and Reading Assignments

Sept. 1 Introduction

Sept. 6 Institutions and Economic Development

Stanley L. Engerman and Kenneth L. Sokoloff, "Factor Endowments, Inequality, and Paths of Development among New World Economies," *Economia* 3 (Fall 2002): 41-102.

Sept. 8 From Indentured Servitude to Slavery

Edmund S. Morgan, "Slavery and Freedom: The American Paradox," *Journal of American History* 59 (June 1972): 5-29.

- Sept. 13 The Atlantic Economy
- David Hancock, "Commerce and Conversation in the Eighteenth-Century Atlantic: The Invention of Medeira Wine," *Journal of Interdisciplinary History* 29 (Autumn 1998): 197-219.
- Sept.15 Colonial Grievances
- Joseph D. Reid, Jr., "Economic Burden: Spark to the American Revolution?" *Journal of Economic History* 38 (Mar. 1978), 81-100.
- Sept. 20 The First New Nation
- Seymour Martin Lipset, *The First New Nation: The United States in Historical and Comparative Perspective* (New York: W. W. Norton, 1979), Ch. 1.
- Sept. 22 Hamilton's Economic Program
- Alexander Hamilton, "Report on a National Bank" (1790).*
- Sept. 27 From Monopoly Privilege to General Incorporation
- Naomi R. Lamoreaux, "Banks, Kinship, and Economic Development: The New England Case," *Journal of Economic History* 46 (Sept. 1986): 647-67.
- Sept. 29 The Erie and the Canal Craze
- John Joseph Wallis, "Constitutions, Corporations, and Corruption: American States and Constitutional Change, 1842 to 1852," *Journal of Economic History* 65 (March 2005): 211-56.
- Oct. 4 An Entrepreneurial Society
- "The Journal of James Guild," *Proceedings of the Vermont Historical Society* V (Sept. 1937): 249-314.*
- Oct. 6 Smithian Growth
- Kenneth L. Sokoloff, "Was the Transition from the Artisanal Shop to the Non-mechanized Factory Associated with Gains in Efficiency?" *Explorations in Economic History* 21 (Oct. 1984): 351-82
- Oct. 11 The U.S. Patent System and the Management of Invention
- Carolyn C. Cooper, "Social Construction of Invention through Patent Management: Thomas Blanchard's Woodworking Machinery," *Technology and Culture* 32 (Oct. 1991): 960-98.

Oct. 13 Employing Women

Thomas Dublin, *Transforming Women's Work: New England Lives in the Industrial Revolution* (Ithaca, NY: Cornell University Press, 1994), Chapter 3 ("Lowell Millhands").

Oct. 18 Protection as a Development Strategy

C. Knick Harley, "International Competitiveness of the Antebellum American Cotton Textile Industry," *Journal of Economic History* 52 (Sept. 1992): 559-584.

Oct. 20 Immigration and Inequality

Richard H. Steckel and Carolyn M. Moehling, "Rising Inequality: Trends in the Distribution of Wealth in Industrializing New England," *Journal of Economic History* 61 (Mar. 2001): 160-83.

Oct. 25 Slavery and the Southern Economy

Gavin Wright, "Slavery and American Agricultural History," *Agricultural History* 77 (Autumn 2003): 527-552.

Oct. 27 The Human Tragedy of Slavery

Steckel, "A Pernicious Side of Capitalism: The Care and Feeding of Slave Children," unpublished paper (2007).

Nov. 1 Forty Acres and a Mule: What Might Have Been

Melinda Miller, "'The Righteous and Reasonable Ambition to Become a Landholder': Land Ownership and Racial Inequality in the Postbellum South," unpublished paper (2011).

Nov. 3 The Railroads and Gilded Age Financing

Richard White, "Information, Markets, and Corruption: Transcontinental Railroads in the Gilded Age," *Journal of American History* 90 (June 2003): 19-43.

Nov. 8 Land and Agricultural Policy

Alan L. Olmstead and Paul W. Rhode, "The Red Queen and the Hard Reds: Productivity Growth in American Wheat, 1800-1940," *Journal of Economic History* 62 (Dec. 2002): 929-66

Nov. 10 The Mortgage Crisis of the 1880s (and the 2000s)

Kenneth A. Snowden, "The Evolution of Interregional Mortgage Lending Channels, 1870-1940: The Life Insurance-Mortgage Company Connection," in Naomi R. Lamoreaux and Daniel M. G. Raff, eds., *Coordination and Information: Historical Perspectives on the Organization of Enterprise* (Chicago: University of Chicago Press for NBER, 1995), 209-55.

Nov. 15 Cartels and Trusts

Elizabeth Granitz and Benjamin Klein, "Monopolization by 'Raising Rivals' Costs': The Standard Oil Case," *Journal of Law and Economics* 39 (April 1996): 1-48.

Nov. 17 The Rise of Big Business

Naomi R. Lamoreaux, Daniel M. G. Raff, and Peter Temin, "Beyond Markets and Hierarchies: Towards a New Synthesis of American Business History," *American Historical Review* 108 (April 2003): 404-33.

Nov. 29 World Industrial Leadership

Paul A. David and Gavin Wright, "Increasing Returns and the Genesis of American Resource Abundance," *Industrial and Corporate Change* 6 (March 1997): 203-45.

Dec. 1 Globalization and its Discontents

Claudia Goldin, "The Political Economy of Immigration Restriction in the United States, 1890 to 1921," in *The Regulated Economy: A Historical Approach to Political Economy*, eds. Claudia Goldin and Gary D. Libecap (Chicago: University of Chicago Press for NBER, 1994), 223-57.

Final examination: 2:00 PM, Dec. 13, 2011

*Reading cannot be used for a critical essay.

Written Assignments:

Each essay should be five to six pages in length (double spaced, 12-point font, 1-inch margins) and should summarize and critique one of the articles or book chapters assigned for the course. Essays are due by class time on the Tuesday following the week in which the reading was discussed. Thus essays on Engerman and Sokoloff's "Factor Endowments, Inequality, and Paths of Development among New World Economies" are due on September 13, as are essays on Morgan's "Slavery and Freedom." Essays on Hancock's "Commerce and Conversation in the Eighteenth-Century Atlantic" and Reid's "Economic Burden" are due on September 20, and so on. Students must write one essay on a reading assigned in September, one on a reading

assigned in October, and one on a reading assigned in November or December (essays on readings assigned for November 15 and 17 are due November 29).

Instructions and tips for writing the critical essays:

Each essay should begin with an introduction that lays out the topic and gives the reader a sense of what the argument is going to be. Then briefly summarize the article you are discussing, leaving the bulk of the paper for the development of your critique. The conclusion should summarize your critique and give the reader a sense of what can be learned from the article.

The essays should be based on your own assessment of the assigned reading. It is not necessary to consult other sources. Indeed, I would prefer that you do not. But if you do use additional sources, you must provide full citations in a bibliography. It is *never* okay to include in your paper verbatim passages from any source unless you set them off with quotation marks and provide citations in foot- or endnotes. Moreover, any time you take any information or ideas from a source, you must provide a citation, whether you quote the passage directly or not.

The summary should take up no more than two pages of the essay. Do not feel that you need to cover all aspects of the article. 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 article?
- How does the author approach this issue? For example, how does s/he reformulate the problem to make it analytically tractable?
- What is the author's argument? What model (explicit or implicit) underpins the paper?
- What evidence/data does the author offer in support of his/her arguments. For quantitative papers, what techniques does s/he use to analyze the data.
- What are the main results/findings?
- What conclusions does the author draw from the results?

The best critiques first evaluate the author's argument on its own terms and then to take a step back and assess the author's approach more generally. The goal should be to determine where the author has improved upon the literature and where there is room to do things better. The best critiques do not ask the author to do the impossible or the impractical, but instead generate useful ideas about how our understanding of a problem might be further advanced. They also help the reader understand what conclusions to take away from the reading.

Questions to help you evaluate the author's argument on its 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 bring appropriate evidence to bear on the problem? Does the author use appropriate methods?

Does s/he interpret his/her results or evidence correctly? Do the conclusions grow out of the evidence?

Questions to help you assess the author's approach:

If the author narrows or changes 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 evidence or results be explained in other ways? That is, are they consistent with alternative hypotheses?

Can you think of additional ways to explore the question or test alternative hypotheses?

Writing tips:

Most writing problems result either from thinking problems or failures to communicate.

Thinking problems can be reduced by working out in advance what you want to argue and by developing an outline that indicates how you will demonstrate your argument—the order of the points you will make and the kinds of evidence you will muster in support of each point.

Papers should go through at least two drafts. No matter how carefully you outline, you will most likely discover new ideas in the process of writing and may even change your argument. You must go back and revise your paper to make it intellectually coherent.

Before you write your second draft, it is useful to make a reverse outline. That is, look at each paragraph, summarize the point that each paragraph actually makes, and lay out these summaries in outline form. Then revise the outline so that it fits what you now want to argue, and rewrite the paper accordingly.

Always, when you are writing, put yourself in the reader's place. Ask yourself questions such as: Have I provided the reader with enough information to understand my point? Have I provided sufficient evidence to convince the reader of my argument? Are there objections that a reader might raise to the argument I am making? Revise your paper so as to provide sufficient information and evidence and to counter potential objections in advance.

Make sure to write clear topic and transition sentences that guide the reader through your argument. Such sentences play a critical role in helping the reader follow the order of your points and understand how they build on one another.

Some additional tips:

Write in formal English. Do not use slang, contractions, abbreviations, or text-message acronyms.

Write in complete sentences. Keep the structure of your sentences simple. Avoid overly long, complex sentences.

Write in the active rather than the passive voice. (For example, write "Congress passed legislation ..." instead of "Legislation was passed by Congress")

When writing about the past, use the past tense.

Check to make sure that pronouns have clear referents. Do not use plural pronouns such as "they" when referring to a singular noun such as a committee or a company. Avoid beginning sentences with the word "this" unless it is modifying a noun.

Avoid turning nouns into adjectives. (For example, write "gains from internalization," not "internalization gains.")

Avoid block quotes, especially from secondary sources. If you must include a block quote, it is important to interpret it in your own words in the body of the paper.

Proofread your paper carefully. Review the paper on your computer, looking for words and phrases flagged by your programs that check spelling and grammar. Then print the paper out and read it through again.