
ECN 111B: United States Economic History since the Civil War

Winter 2011

Instructor: Christopher M. Meissner, PhD

E-Mail: cmmeissner@ucdavis.edu

Class location and time: Storer, Room 1322, TR 12:10- 1:30 P.M.

Course website and information:

SMARSITE (<https://smartsite.ucdavis.edu:8443/portal>)

Instructor's Office: 1104 SSH

Office Hours: Tuesdays 2:30-4:00 P.M., Wednesdays 2:00-3:30 P.M. and by appointment. Subject to change but should be finalized by the 2nd week of the quarter.

<p>TA: Gabe Mathy</p>	<p>TA: Kevin Shih</p>
<p>E-mail: gpmathy@ucdavis.edu</p>	<p>E-mail: kyshih@ucdavis.edu</p>
<p>Section locations and times:</p>	<p>Section locations and times:</p>
<p>Monday 6:10-7PM Wellman 25</p>	<p>Wednesday 6:10-7pm Hoagland 108</p>
<p>Monday 7:10-8PM Wellman 25</p>	<p>Wednesday 7:10-8m Hoagland 108</p>
<p>Office Hours: Th 10AM-12PM</p>	<p>Office Hours: M 10AM-12PM</p>
<p>Office: SSH 111</p>	<p>Office: SSH 135</p>

This course introduces topics in the economic development of the United States since the Civil War. Getting familiar with the economic history of the US will make you more comfortable in understanding the current economic situation of the US and it will aid your understanding of the process of economic development.

What is the current situation of the United States?

1. The US is the world's largest economy.
2. One of the world's most productive economies in terms of output per hour.
3. An economy emerging (very) slowly from the largest recession since the Great Depression.
4. An economy where the market works fairly well in allocating resources with a healthy dose of help from the government by way of judicial rulings, regulation, and government spending, taxing and transfers.

The course requires no prior knowledge of U.S. history but does require econ 1A or the instructor's approval to enroll.

This is not solely an exercise in narratives and descriptive economic history, but rather is oriented to providing an empirical basis on which to understand how the US gained, then lost, the title of the world's leading industrial economy, how the economy has reacted to instability over time and what the past tells us about the immediate challenges of the future.

Important Dates

First day of Class: Tuesday January 4th

10th day of instruction or **Last Day to Drop**: Friday January 14th

First in class midterm: Thursday January 27th

Second in class midterm: Tuesday February 22nd

Last Class: Thursday March 10th

Final Exam: Saturday March 19th 3:30-5:30 P.M.

The final exam will be partially cumulative but 2/3 of it (roughly) will focus on information after mid-term 2. Likewise, the two mid-term exams will cover the material just prior to the exam not including any information prior to a previous midterm.

There will be no make-up exams!

You can miss an exam in an emergency situation. However, the penalty for doing this is that your grade will be based the points attempted from 2 equally weighted exams rather than 3 exams weighted 30%, 30% and 40% each. The percentage of these attempted points will be where you are re-inserted into the curve.

If you miss more than one exam then you will also need a valid excuse for why you missed the exam. In any case, you must be physically unable to take the exam or have another valid reason that is documented by a medical doctor etc. The set of valid excuses is extremely small and anything but a medical emergency that occurs at the exact time of the exam must be discussed with the instructor well before the date of the exam. In the case you miss an exam and it is not excused by the instructor for the reasons above, you will have to face the grading consequences of missing this exam. This means you receive zero points on this exam.

The course is organized according to the following issues:

1. Growth and development of the USA: Economic growth and the American experience
2. Demographics, immigration, human capital, innovation and economic growth
3. Banking, Money and Finance: From local banking to global financial center
4. International trade and development: tariffs and industrial structure

5. Industrialization and agricultural modernization
6. Macroeconomic policy, the role of the government in the economy and political economy

Textbooks that include all “essential reading”

Rockoff, Hugh and Walton, Gary M., *History of the American Economy*. New York: Thomson. 10th or 11th ed.

Atack, Jeremy and Passell, Peter (1994) *A New Economic View of American History: From Colonial Times to 1940* New York: W.W. Norton and Company.

Further reading is for your enjoyment and edification only and is not necessarily required. Some lectures will be based on this material however and you can use these readings to help you better understand the lectures.

Course requirements & other information:

Handouts and other information will be posted to the web at **SMARTSITE**.

Exam questions will be a mix of multiple choice and short answers. Exam material will be based on textbook readings, additional readings, and issues covered in lectures.

Grading policy:

First Midterm: 30 %
 Second Midterm: 30%
 Final Exam 40%

Course Plan

Week 1	1.	T	4	Jan	Greetings, course mechanics, course overview Pre-Test
	2.	Th	6	Jan.	Economic Growth: Some basics “The New Colossus”: Economic Growth basics; Economic Growth in the US
Week 2	3.	T	11	Jan.	Economic Growth in the US cont. Growth and Inequality
	4.	Th	13	Jan.	Inequality and Growth cont., The Stagnant South
Week 3	5.	T	18	Jan.	Quantity and Quality: American Demography
	6.	Th	20	Jan.	The wretched refuse of your teeming shore: Immigration

Week 4	7.	T	25	Jan.	We're so smart! Human Capital and Education
		Th	27	Jan.	
Week 5	8.	T	1	Feb.	FIRST MIDTERM
	9.	Th	3	Feb.	The People's Ideas: Innovation, Invention and Technology
Week 6	10.	T	8	Feb.	Innovation, Invention and Technology cont.
	11.	Th	10	Feb.	The Combustible Laboratory: Development of the US financial system
Week 7	12.	T	15	Feb.	In the Hothouse: International trade
	13.	Th	17	Feb.	Quashing the Theorem of Indispensability: Railroads and Economic Growth
Week 8		T	22	Feb.	Battles for the Surplus: The Gilded Age and Agricultural Discontent
	14.	Th	24	Feb.	MIDTERM II
Week 9	15.	T	1	Mar.	World War I and The Roaring 1920s: Prelude to a Great Depression
	16.	Th	3	Mar.	Onset and Depths of the Great Depression
Week 10	17.	T	8	Mar.	Recovery from the Depression cont.
	18.	Th	10	Mar.	Leaving it to Beaver: The Depression Cont., the War Economy, post-war policy
					Boom and Bust: Great Inflation, Productivity Slowdown

Detailed Course Plan

1. Growth, Development and Well Being: Theory, Facts and Issues Lectures 1-3

***Note I have put page numbers for both the 11th edition and the 10th edition of Walton and Rockoff.

Essential reading:

Rockoff and Walton 10th and 11th ed. ch. 1

Atack and Passell, Ch. 1 (excluding Appendix A)

Further reading:

Costa,-Dora-L.; Steckel,-Richard-H. "Long-Term Trends in Health, Welfare, and Economic Growth in the United States" in Steckel,-Richard-H.; Floud,-Roderick, eds. *Health and welfare during industrialization*. NBER Project Report series. Chicago and London: University of Chicago Press, 1997, pp 47-58.

Available at <http://www.nber.org/papers/h0076.pdf>

Paul Romer, "Why Indeed in America? Theory, History and Economic Growth," *American Economic Review* (May 1996), pp.202-206.

Available at <http://www.jstor.org/stable/2118123>

2. The Economy of the South After the Civil War Lecture 4

Walton and Rockoff 10th ed. Ch. 14 pp. 270-282

Walton and Rockoff 11th ed. Ch. 14 pp. 247-260.

Atack and Passell ch. 14

Further reading

Ransom, R and Sutch, R. *One Kind of Freedom* (Cambridge University Press, 2001) chs. 3 parts of 4, 5, pp. 40-72, 81-105.

3. Demography, Population and Immigration Lectures 5-6

Essential reading:

Walton and Rockoff 10th ed. pp. 348-355

Walton and Rockoff 11th ed. pp. 319-326

Atack and Passell ch. 8

Further reading:

Steckel,-Richard H.. “The Fertility Transition in the United States: Tests of Alternative Hypotheses” In Goldin,-Claudia; Rockoff,-Hugh, eds. *Strategic factors in nineteenth century American economic history: A volume to honor Robert W. Fogel*. A National Bureau of Economic Research Conference Report, Chicago and London: University of Chicago Press, 1992, pp 351-74.

4. Human Capital and Education Lectures 7

Essential reading:

C. Goldin and L. Katz " The Shaping of Higher Education: The Formative Years in the United States, 1890 to 1940" *Journal of Economic Perspectives*, (Winter 1999), pp.37-62.

Goldin, Claudia; Katz, Lawrence F. "Why the United States Led in Education: Lessons from Secondary School Expansion, 1910 to 1940" National Bureau of Economic Research Working Paper: 6144, August 1997, pp 28.

Available at: <http://www.nber.org/papers/w6144>

5. Patents, Innovation and Invention Lectures 8-9

Essential Reading:

Khan, B. Zorina and Kenneth Sokoloff (2001) “History Lessons: The Early Development of Intellectual Property Institutions in the United States” *Journal of Economic Perspectives* vol. 15 (3) pp. 233-246

Lamoreaux, Naomi and Kenneth Sokoloff “Long-Term Change in the Organization of Inventive Activity” *Proceedings of the National Academy of Sciences* vol. 93 pp. 12686-12692.

Additional Reading:

Lamoreaux, Naomi R., Sokoloff, Kenneth L. “Inventors, Firms, and the Market for Technology in the Late Nineteenth and Early Twentieth Centuries” in Lamoreaux,-Naomi-R.; Raff,-Daniel-M.-G.; Temin,-Peter, eds. *Learning by doing in markets, firms, and countries*. NBER Conference Report series. Chicago and London: University of Chicago Press, 1999, pp 19-57.

6. The Combustible Laboratory: Finance and Development: Lecture 10

Essential reading

Walton and Rockoff 10th and 11th ed. ch. 19

Atack and Passell ch. 18

Further reading

J. Bradford DeLong, "Did J. P. Morgan's Men Add Value?: An Economist's Perspective on Financial Capitalism," in Peter Temin, ed., *Inside the Business Enterprise: Historical Perspectives on the Use of Information* (Chicago, IL: University of Chicago Press for NBER, 1991), pp. 205-36.

7. In the Hothouse: International Trade and Development Lectures 11

Essential reading

Walton and Rockoff. 10th ed. pp. 403-408

Walton and Rockoff. 11th ed. pp. 368-374

Gavin Wright "The Origins of American Industrial Success, 1879-1940," *American Economic Review*, (Sept. 1990), pp. 651-658.

Available at: <http://www.jstor.org/view/00028282/di971048/97p0060g/0>

J. Bradford DeLong, "Trade Policy and America's Standard of Living: An Historical Perspective," in Susan Collins, ed., *Trade and the American Worker* (Washington, DC: Brookings Institution, 1998).

Available at: http://www.j-bradford-delong.net/pdf_files/Trade_and_Worker.pdf

8. Quashing the Axiom of Indispensability: Railroads and Economic Growth + Battles for the Surplus: Industrialization and Agricultural Transformation Lectures 12-13

Essential reading

Atack and Passell, Chs. 15, 16 & 17

Walton and Rockoff 10th and 11th ed. Chs. 15, 16 & 17

Further reading

W. N. Parker, "Productivity Growth in American Grain Farming," in Fogel and Engerman (eds.) *The Reinterpretation of American Economic History*. (London, Harper and Row, 1971).

9. World War I & the Roaring 1920's Lecture 14

Walton and Rockoff 10th and 11th ed. chs. 21 & 22

10. The Great Depression: Onset, Depth and Recovery Lectures 15-16

Walton and Rockoff 10th and 11th ed. chs. 23, 24 & 25

Atack and Pass
ell ch. 21 & 22

11. Leaving it to Beaver: The Depression Cont., the War Economy, post-war policy + Boom and Bust: Great Inflation, Productivity Slowdown Lectures 17-18

Walton and Rockoff 10th and 11th ed. chs. 26, 27 & 28

J. Bradford DeLong "Fiscal Policy in the Shadow of the Great Depression"
http://www.j-bradford-delong.net/Econ_Articles/Econ_Articles.html