Purpose. This course surveys the economic history of the United States from the Colonial period to the present day. The central purpose is to show how economic analysis illuminates past trends and events; and how, at the same time, an understanding of economic history illuminates current economic problems.

Learning Outcomes: This course aims to help students achieve two of the stated learning goals of the graduate program in Economics: (1) attain marked ability, scholarship, research, and leadership skills in economics with specialization in sub-disciplines; and (2) engage in and conduct research. These learning goals apply to both doctoral and masters students.

The specific goals for the course are:
• Introduce students to the major topics and debates in American economic history.
• Introduce students to the methods and materials of economic history.
• Help students develop research proposals that may be used for 2nd year papers or masters’ theses.

Textbook. We do not require that you read a textbook, but you may want to consult Hugh Rockoff and Gary Walton, History of the American Economy, for more background. An older edition is fine for this purpose.
Method of Evaluation: Course grades will be determined as follows:

- Presentations of readings: 30%
- In-class exam, Tuesday, April 8: 30%
- Research proposal due May 12: 30%
- Class participation: 10%

Presentations: Each student will be required to present one or two of the assigned readings. These presentations should be 15-to-20 minutes and should be aimed at promoting further discussion of the paper. They should include the following:

- A clear statement of the research question and the motivation for studying it.
- A discussion of the empirical methodology and data used.
- The highlights of the empirical results.
- A statement of the authors’ conclusions.
- A discussion of the problems or limitations of the paper.

Exam: There will be an in-class exam on Tuesday, April 8. This exam will cover all assigned readings, lectures, and class discussions from prior to that date.

Research proposal: Students will be required to write a research proposal containing the following:

- A clear statement of the research question.
- A discussion of why this is a question worthy of study.
- A review of previous studies on the topic or related topics.

Some questions to consider in this review:

- What questions have been addressed by other scholars and how do they relate to the proposed research?
- What are the problems or limitations of the previous research?
- What key questions are still unanswered?
- How will the proposed project contribute to the existing literature?
- A discussion of the theoretical and empirical challenges to addressing the research question.
- A discussion of the proposed empirical methodology.
- A presentation of the data to be used including tables with descriptive statistics.

It is expected that the proposed research project will contribute to knowledge in economic history by examining new evidence, or reexamining existing evidence. Papers that compare the American experience with the experience of some other country are welcome. Some suggestions on how to find a good topic are in the appendix at the end of the syllabus.

During the first three weeks of the semester it is your job to stop by Professor Rockoff’s and/or Professor Moehling’s office hours to get acquainted and to begin discussing your paper topic. A one-page abstract is due on Friday, March 7.

Students will be asked to give the “elevator version” presentation (2 or 3 minute summary of research question and plan) in class on Friday, April 11.
The written proposal is due on Monday, May 12. Late papers will be assessed a 2 percent penalty for each day they are late up to 15 percent.

**Class Participation:** Students are expected to attend all class meetings and actively participate in class discussions by asking and answering questions. Students are expected to come to each class having done the assigned reading and being prepared to discuss it.

**Course website:** We have set up a website for this course on Sakai ([http://sakai.rutgers.edu](http://sakai.rutgers.edu)). This website will be used to make announcements and post course materials. You should check the website regularly.

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tr>
<td>1. Tuesday, January 21</td>
<td>Scope and Methodology of Economic History and the Salient features of</td>
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<td>American Economic History</td>
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<td>2. Friday, January 24</td>
<td>Inequality in the American Economy</td>
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<td>3. Tuesday, January 28 &amp; Friday, January 31</td>
<td>Building the American Labor Force – Indentured Servitude and Immigration</td>
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<td>4. Tuesday, February 4 &amp; Friday, February 7</td>
<td>Money Banking and Finance before the Civil War</td>
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<td>5. Tuesday, February 11 &amp; Friday, February 14</td>
<td>Slavery</td>
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<td>6. Tuesday, February 18 &amp; Friday, February 21</td>
<td>The South after the Civil War</td>
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<tr>
<td>7. Tuesday, February 25 &amp; Friday, February 28</td>
<td>Railroads and American Economic Growth</td>
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<td>8. Tuesday, March 4 &amp; Friday, March 7</td>
<td>Banking Panics and the Founding of the Federal Reserve</td>
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<td><strong>Abstract of Research Project due Friday, March 7</strong></td>
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<td>Date</td>
<td>Topic</td>
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<td>Tuesday, March 11 &amp; Friday, March 14</td>
<td>The Progressive Era and the Development of U.S. Social Programs</td>
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<td>March 15 to March 23</td>
<td>Spring Break</td>
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<td>10. Tuesday, March 25 &amp; Friday, March 28</td>
<td>The Great Depression</td>
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<td>11. Tuesday, April 1 &amp; Friday, April 4</td>
<td>The New Deal</td>
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<td><strong>Tuesday, April 8</strong></td>
<td><strong>Exam</strong></td>
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<td><strong>Friday, April 11</strong></td>
<td><strong>Brief presentations of research project ideas.</strong></td>
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<td>12. Tuesday, April 15 &amp; Friday, April 18</td>
<td>War and the American Economy</td>
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<td>13. Tuesday, April 22 &amp; April 25</td>
<td>Racial Inequality in the American Economy</td>
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<tr>
<td>14. Tuesday, April 29 &amp; May 2</td>
<td>The Changing Role of Women in the American Economy</td>
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<tr>
<td><strong>Monday, May 12</strong></td>
<td><strong>Research Proposal due</strong></td>
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The readings for each week are divided into starred readings and supplementary readings. You must read the starred readings. The supplementary readings are intended for students who wish to pursue a topic in greater depth, especially for students whose research paper will be related to that topic.

Many of the starred readings are available at JSTOR or other sites. We will make available copies of the other starred readings.

The readings indicated by double stars (**) are those eligible for student presentations.

You will notice something different about this reading list: There are a lot of "old" readings. Economic History is like that, we don't believe that only things written in the last few years are worth reading.

1. Tuesday, January 21

**Scope and Methodology of Economic History**


**Salient features of American Economic Growth**


### 2. Friday, January 24

**Inequality in the American Economy**


*Piketty, Thomas, and Emmanuel Saez. 2003. "Income Inequality in the United States, 1913-


3. January 28 & 31

Building the American Labor Force: Indentured Servitude and Immigration

Indentured Servitude


Immigration


**4. February 4 & 7**

Money, Banking and Finance before the Civil War


Cormac O’Grada and Eugene N. White, “The Panics of 1854 and 1857: A View from the

5. February 11 & 14

Slavery: the Great Debate


A number of papers attacked the evidence offered by Fogel and Engerman to show that slave agriculture was more efficient than free agriculture. These include the following four. Fogel and Engerman then replied to their critics


Slavery: the treatment of slaves and other issues.


6. February 18 & 21

**Southern Agriculture after the Civil War**


A number of important papers on the Ransom-Sutch thesis were published in a special issue of Explorations in Economic History, including the following three.


7. February 25 & 28

**Railroads and American Economic Growth**


8. March 4 & 7

**Banking Panics and the Founding of the Federal Reserve**

**** Abstract of Research Project due in class on Friday, March 7 ****


9. March 11 & 14

The Progressive Era and the Development of U.S. Social Programs


**10. March 25 & 28**

**The Great Depression**


11. April 4 & 7

The New Deal


12. April 15 & 18

**War and the American Economy**


13. April 22 & 25

**Racial Inequality in the American Economy**


### 14. April 29 & May 2

**The Changing Role of Women in the American Economy**


Myers, Caitlin Knowles"Power of the Pill or Power of Abortion? Re-examining the Effects of Young Women's Access to Reproductive Control" IZA working paper.
Finding a good topic for your paper will probably be the hardest thing you have to do in the course. Finding topics is also one of the most important skills you will need to develop as a professional economist. You will need to find a topic for your dissertation, and especially if you work in academia, you will need to find topics for research papers.

I do not expect a publishable paper or a Ph.D. dissertation. But the process of finding topics is much the same whatever the goal.

The search for a topic can follow many different paths. Often it begins with a policy question. How did things really work under the classical gold standard?" What happened to real wages when immigration was rapid at the turn of the century? In any case, one typically (although not always) begins by reading the frontier literature in the field. But at some point one has to find a way to add to what is already known.

With this in mind let us consider some of the ways that economic historians add to our store of knowledge.

(1) Explaining an "anomaly" in an existing study. In a famous study of hyperinflation Phillip Cagan showed that a monetarist model emphasizing the rate of inflation explained the data fairly well. But a number of points toward the end of the hyperinflations were "outliers." A number of papers have been written to explain these points, as the result for example, of anticipated monetary reforms.

Of course, it would be better (for your grade, for your career, and for the future of civilization) to come up with an entirely new theory that explains hyperinflation better than the monetary theory: Inflation rates are determined by the level of profit-dissonance, which can be measured by the coefficient of variation of profit rates. When the random walk in profit dissonance carries it above 2.05, hyperinflation results. This sort of thing is what Thomas Kuhn (The Structure of Scientific Revolutions) called a paradigm shift. But normal research doesn't work this way. Most of us are destined to be the economists who gradually extend and refine Cagan's model.

(2) Extending an existing study backwards or forwards in time. Howard Bodenhorn (a successful Rutgers Ph.D from a few years past) and I did a paper in which we extended Lance Davis's study of regional interest rates, which covered the period from the Civil War to the turn of the century, to the pre-civil war period. We had a reason for doing so: we suspected that the Civil War had significantly disrupted the capital market. And it wasn't easy to find the data. If it had been, Lance Davis and many others who have studied the postbellum period, would have extended the data backwards themselves. But it was worth doing, we found considerable evidence of capital market integration in the antebellum period.

(3) Repeating a study with data from a different country. When asked why he was touring New Zealand, the balladeer Tom Lehrer said that it was easier to find a new country than a new song. Milton Friedman and Anna J. Schwartz in their book Monetary Trends repeated all of the regressions they ran for the United States for the United Kingdom. The reason being that they had
already reached numerous conclusions about the United States from previous studies; the United Kingdom provided an important new test of their ideas.

(4) Repeating a study done for one particular market with data from another market. For example, Robert Fogel, a winner of the Nobel Prize in economics, estimated the "social savings" created by U.S. railroads in the interregional transportation of agricultural products. Gary Walton later extended this to passenger traffic on the railroads. Similar calculations could be made for other forms of transportation and for other technological innovations. Stanley Engerman later performed a similar calculation for the Second Bank of the United States. Of course, Fogel's study was more significant than most repetitions are likely to be. The railroad was considered by historians to be one of the most important technological innovations of the nineteenth century, and Fogel showed that its impact was rather small.

(5) Repeating a study done for one government regulation for another regulation. Recently, Charles Calomiris and Eugene White studied the political economy of the adoption of Deposit Insurance in the 1930s. Their choice was motivated by current policy considerations. But I would guess that almost any piece of federal legislation would repay careful study. At the very least a reading of the Congressional Record and of the Congressional hearings would reveal which economic interest groups promoted and opposed a particular piece of legislation.

(6) Discovering a body of unexploited data. Frequently, the order of things is reversed -- a researcher finds the data and then looks for interesting questions the data can answer. Lance Davis and Robert Gallman completed a massive study of the U.S. whaling industry in the nineteenth century. This project has yielded a large number of research papers and has drawn considerable attention. It began when Gallman stumbled on the remarkably complete records of the American whaling industry while searching for something else in the library. (Considerable detail is available on every whale caught by an American vessel including length, weight, oil content, marital status, and previous arrest record.)

As an experiment I tried opening the Historical Statistics of the United States, the most important compendium of historical data, randomly. I landed on page 690 which gives annual data on cigar and cigarette production from 1870 to 1970. It naturally brought to mind certain questions -- Is price data available in the primary sources cited in the Historical Statistics?; did cigarette consumption rise at the expense of cigar consumption, or did total consumption of tobacco products increase?; when have there been changes in the federal tax on cigarettes?; can Gary Becker's theory of rational addiction be tested with this data; etc. etc. And, of course, the sobering thought that if the data is this good, someone has probably already done the study.

(7) Reexamining older studies using new statistical or theoretical models. Econometrics is constantly changing, some would say progressing. Often new statistical techniques can show that conclusions drawn previously by using more primitive techniques are in error. New theories can also provide a basis for reexamining old data. Cagan's study of hyperinflations is again a good example. As new theories were developed in macroeconomics, such as rational expectations, they were tested on Cagan's data.

(8) Following up published suggestions for future research. Many books and journal articles contain
suggestions for future research. These are sometimes worth considering. Naturally, you have to ask yourself why the author is willing to share a valuable idea with strangers. But there are circumstances when it appears that useful suggestions have been made.

(9) Reexamining one of the "myths" of economics. The classic example in this genre is Ronald Coase, "The Lighthouse in Economics," Journal of Law and Economics, 1974, 357-76. Economic theorists since John Stuart Mill have used the lighthouse as an example of a public good: a valuable service, but one the private sector would not produce since there is no way to charge the ships that benefit from the lighthouse. Coase examined the actual history of lighthouse finance, and showed that the true story is far more complicated.

(10) Surveying the literature on a particular question. This is usually what students think of as research, and I would like you to stay away from survey articles if you can. I would prefer that you get some empirical data and try to analyze it. Most survey articles don't add to knowledge. But some do, by generalizing from various studies, or by developing a framework that brings various pieces of work together. So I don't want to make a blanket statement that survey articles are unacceptable, but you will have to persuade me that your survey will add to knowledge, and won't simply be a summary of what other people have said.

(11) Asking someone for a topic. It's perfectly acceptable to ask people to suggest a topic.

You can ask me. I have a list of topics you can choose from, although I would like you to at least make an effort to find a topic on your own. I can also help you turn a general question or interest into a paper topic.

You can ask one of the other professors in the Department. Of course, you need to be polite. Make an appointment, realize that the professor is mostly interested in his or her own research. Perhaps you can help the professor by exploring an aspect of a question in which they are interested.