

Economics 4524 : Economic History of the United States

Fall 2021 • Econ 119 • Tuesday · Thursday • 2:20-3:35pm

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Office: Econ 14C • Office Hours: Tuesday • 3:45-5pm

Description

The United States has experienced sustained economic growth over most of its history. More recently growth has slowed and outcomes across space have diverged. Economists, policymakers, and pundits have strained for explanations. This course will look to the past to understand the sources of economic growth throughout US history, the integration of different groups into the economy over time, and the reasons for optimism or pessimism about future prospects. Course topics cover the history of the United States from the colonial times to the present.

Course Goals

Throughout this course you will:

- Learn to analyze real world (historical) data.
- Use economics to understand US history.
- Evaluate empirical evidence, causal arguments, and historical narrative.
- Put current economic policy debates in historical context.

This course will provide you with the theoretical and empirical tools to understand the development of the American economy over time, the past determinants of economic growth, and the challenges for the US economy.

Recommended Textbook and Required Readings

Required readings are listed on the **Course Outline** below and are available via Canvas. Additional readings with useful information are listed under *Background Readings* below; many of these readings come from the recommended textbook:

- Jeremy Atack and Peter Passell, *A New Economic View of American History from Colonial Times to 1940*, 1994. ("A&P" on the course outline.)

You must complete required readings before the week in which they are assigned. Class discussion will draw on your knowledge of the reading and you will be required to participate throughout the semester (i.e., I will call on students to answer questions and contribute to discussion).

Grading

- *Participation (10%)*: In-class attendance is required. You will have a namecard that you are required to pick up at the beginning of each class and this is how I will take attendance. You

are responsible for keeping track of your attendance record. If you miss three classes, each additional missed class will reduce your final grade by one percentage point.

- *Quizzes (25%)*: There will be four quizzes. The quizzes will cover the required reading and lecture material. The first quiz will be during class on **September 2**. The remaining quizzes will be online and due by 5pm on **September 23**, **October 14**, and **October 28** via Canvas. You may refer to notes, but are required to answer the questions on your own.
- *Exam (40%)*: There will be one in-class exam on **November 18**. The exam will cover material from the required readings and lectures from topics 1 through 12 on the course outline below. The exam will be closed book and closed notes.
- *Paper (25%)*: You will use historical data on the United States to propose a hypothesis and an empirical strategy to test your hypothesis. The aim is to examine patterns or trends in the data, present your findings clearly, and discuss the implications for understanding the US economy during the relevant period. I will provide a list of data sources that can be available to download via Canvas. You are encouraged to propose a research topic that uses data you have identified from outside sources. Most students work in groups of two or three, but you may also choose to work alone. A preliminary draft is due at 5pm on **November 4** (minimum 5 pages) via Canvas. Your group is encouraged to see me in office hours to discuss your preliminary draft and give feedback. The paper should be 10 typed pages (double-spaced, 12 point font), including all references, tables, and figures. The final paper is due at 5pm on **December 15** via Canvas.

Office Hours and Email

I encourage you to attend office hours or to setup a time to meet outside of office hours if the day/time listed above do not work for you. You should come to office hours prepared with questions or ready to discuss the course material. Office hours are the appropriate forum for addressing questions about course material or policies. Use email to setup a time to meet outside of office hours, if necessary.

Cell Phones, Laptops, Etc

Laptops, cell phones, and other devices are only to be used for course-related task (e.g., taking notes, looking at course readings). If you are using laptops, cell phones, and other devices for any other purpose you will be asked to leave the class.

Course Outline

1. Introduction to the Course (Aug. 24, 26)

Background

- A&P, pp. xiii–xxi, 1–25.
- Jill Lepore, “The Nature of the Past,” *These Truths: A History of the United States* (WW Norton, 2018)

Required

- Max Roser, “What is economic growth? And why is it so important?” *Our World in Data*.
- Paul Romer, “Why, Indeed, in America? Theory, History, and the Origins of Modern Economic Growth,” *American Economic Review Papers and Proceedings* (1996).

2. US Economic Growth in Long Run (Aug. 31, Sept. 2)

Background

- Peter Lindert & Jeffrey Williamson, *Unequal Gains: American Growth and Inequality Since 1700* (Princeton University Press, 2016).

Required

- Sam Enright, “Notes on Persistence and Economic Development” (2021).
- Robert Allen, Tommy Murphy, and Eric Schneider, “The Colonial Origins of the Divergence in the Americas: A Labor Market Approach,” *Journal of Economic History* (2012).

Quiz #1 in class on September 2.

3. The Colonial Economy and Indentured Servitude (Sept. 7, 9)

Background

- A&P, pp. 26–53.

Required

- David Galenson, “The Rise and Fall of Indentured Servitude in the Americas: An Economic Analysis,” *Journal of Economic History* (1984).
- Ran Abramitzky & Fabio Braggion, “Migration and Human Capital: Self-Selection of Indentured Servants to the Americas,” *Journal of Economic History* (2006).

4. The American Revolution and US Constitution (Sept. 14, 16)

Background

- A&P, pp. 54–80.

Required

- Robert McGuire & Robert Ohsfeldt, “Economic Interests and the American Constitution: A Quantitative Rehabilitation of Charles A. Beard,” *Journal of Economic History* (1984).
- Thomas Sargent, “United States Then, Europe Now,” *Journal of Political Economy* (2012).
- Douglas Irwin, “The Welfare Cost of Autarky: Evidence from the Jeffersonian Trade Embargo, 180709,” *Review of International Economics* (2005).

5. The Civil War (Sept. 21, 23)

Background Reading

- A&P, pp. 355–375.
- Claudia Goldin & Frank Lewis, “The Economic Cost of the American Civil War: Estimates and Implications,” *Journal of Economic History* (1975).

Required Readings

- Charles Calomiris & Jonathan Pritchett, “Betting on Secession: Quantifying Political Events Surrounding Slavery and the Civil War,” *American Economic Review* (2016).

Quiz #2 due on September 23 at 5pm via Canvas.

6. Slavery (Sept. 28, 30)

Background

- A&P, pp. 299–354.
- Eric Hilt, “Revisiting Time on the Cross After 45 Years: The Slavery Debates and the New Economic History,” *Capitalism and History* (2020).
- Suresh Naidu, “American Slavery and Labour Market Power,” *Economic History of Developing Regions* (2020).

Required

- Joseph Francis, “King Cotton, the Munificent Slavery and (Under)development in the United States, 1789–1865,” Working Paper (2021).
- John Clegg, “Credit Market Discipline and Capitalist Slavery in Antebellum South Carolina,” *Social Science History* (2018).
- Treb Allen, “The Price of Freedom: Fertility Decisions and the Escape from Slavery,” *Review of Economics & Statistics* (2015).

7. Agriculture (Oct. 5, 7)

Background

- A&P, pp. 274–298, 376–426.

Required

- Alan Olmstead & Paul Rhode, “The Red Queen and the Hard Reds: Productivity Growth in American Wheat, 1800-1940,” *Journal of Economic History* (2002).
- Alan Olmstead & Paul Rhode, “Biological Innovation and Productivity Growth in the Antebellum Cotton Economy,” *Journal of Economic History* (2008).

8. Transportation (Oct. 12, 14)

Background

- A&P, pp. 427–456.

Required

- Dave Donaldson & Richard Hornbeck, “Railroads and American Economic Growth: A Market Access Approach,” *Quarterly Journal of Economics* (2016).
- Richard Hornbeck & Martin Rotemberg, “Railroads, Market Access, and Aggregate Productivity Growth,” Working Paper (2021).

9. Industrialization (Oct. 19, 21)

Background

- A&P, pp. 143–211, 427–492.

Required

- Claudia Goldin & Kenneth Sokoloff, “Women, Children, and Industrialization in the Early Republic: Evidence from the Manufacturing Censuses,” *Journal of Economic History* (1982)
- Naomi Lamoreaux, “Banks, Kinship, and Economic Development: The New England Case,” *Journal of Economic History* (1986).

Quiz #3 due on October 14 at 5pm via Canvas.

10. Immigration (Oct. 26)

Background

- Ran Abramitzky & Leah Boustan, “Immigration in American Economic History,” *Journal of Economic Literature* (2017).
- Edward Kosack & Zachary Ward, “Who Crossed the Border? Self-Selection of Mexican Migrants in the Early 20th Century,” *Journal of Economic History* (2014).

- Claudia Goldin, “The Political Economy of Immigration Restriction in the United States, 1890 to 1921,” *The Regulated Economy: A Historical Approach to Political Economy* (University of Chicago Press, 1994).

Required

- Daniel Parent & Mary MacKinnon, “Resisting the Melting Pot: The Long Term Impact of Maintaining Identity for Franco-Americans in New England,” *Explorations in Economic History* (2012).
- Ran Abramitzky, Leah Boustan & Katherine Eriksson, “Europe’s Tired, Poor, Huddled Masses: Self-Selection and Economic Outcomes in the Age of Mass Migration,” *American Economic Review* (2012).

Quiz #4 due on October 28 at 5pm via Canvas. No class on October 28.

11. The Great Depression and World War II (Nov. 2, 4)

Background

- A&P, pp. 583–647.
- Christina Romer, “The Great Crash and the Onset of the Great Depression,” *Quarterly Journal of Economics* (1990).
- Robert Higgs, “Wartime Prosperity? A Reassessment of the U.S. Economy in the 1940s,” *Journal of Economic History* (1992).

Required

- Joshua Hausman, “Fiscal Policy and Economic Recovery: The Case of the 1936 Veterans’ Bonus,” *American Economic Review* (2016).
- Peter Thompson, “How Much Did the Liberty Shipbuilders Learn? New Evidence for an Old Case Study” *Journal of Political Economy* (2001).

Preliminary paper draft due on November 4 at 5pm via Canvas.

12. Education and Human Capital (Nov. 9, 11)

Background

- Claudia Goldin & Lawrence Katz, *The Race Between Education and Technology* (Belknap Press, 2008).
- Daron Acemoglu & David Autor, “What Does Human Capital Do? A Review of Goldin and Katz’s *The Race between Education and Technology*” *Journal of Economic Literature* (2012).

Required

- Celeste Carruthers & Marianne Wanamaker, “Separate and Unequal in the Labor Market: Human Capital and the Jim Crow Wage Gap,” *Journal of Labor Economics* (2017).
- Claudia Goldin & Lawrence Katz, “The Origins of Technology-Skill Complementarity,” *Quarterly Journal of Economics* (1998).

13. Review (Nov. 16) and in-class midterm (Nov. 18)

14. Inequality, Mobility, and Happiness (Nov. 30, Dec. 2)

Background

- Daron Acemoglu, “Technical Change, Inequality, and the Labor Market,” *Journal of Economic Literature* (2002).
- Gabriel Zucman & Emmanuel Saez, “The Rise of Income and Wealth Inequality in America: Evidence from Distributional Macroeconomic Accounts,” *Journal of Economic Perspectives* (2020).
- Raj Chetty et al, “The Fading American Dream: Trends in Absolute Income Mobility since 1940,” *Science* (2017).
- Avner Offer, *The Challenge of Affluence: Self-Control and Well-Being in the United States and Britain since 1950* (Oxford University Press, 2006).

Required

- Elisa Jácome, Ilyana Kuziemko, & Suresh Naidu, “Mobility for All: Representative Intergenerational Mobility Estimates over the 20th Century,” Working Paper (2021).

15. The Future of US Economic Growth (Dec. 7, 9)

Background

- Alexander Field, “Technological Change and US Productivity Growth in the Interwar Years,” *Journal of Economic History* (2006).
- Peter Christensen, Kenneth Gillingham, & William Nordhaus, “Uncertainty in Forecasts of Long-Run Economic Growth” *Proceedings of the National Academy of Sciences* (2018).

Required

- Robert Gordon, “The Ascent and Descent of Growth,” *The Rise and Fall of American Growth: The U.S. Standard of Living Since the Civil War* (Princeton University Press, 2016).
- Patrick Collison & Michael Nielsen, “Science Is Getting Less Bang for Its Buck,” *The Atlantic* (November 16, 2018).