

PRINCETON UNIVERSITY
DEPARTMENT OF ECONOMICS
ECONOMICS 350 AMERICAN ECONOMIC HISTORY
SPRING 2001- COURSE OUTLINE

PROFESSOR BOGAN
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office hours: Tuesdays and Thursdays 2-5pm
Wednesdays 3:30-4:15

Preceptor: Aaron Sparrow, email: asparrow@princeton.edu

Required Text:

Jonathan Hughes and Louis Cain (P '63), **American Economic History** 5th edition

This text may be used in Firestone Library or purchased from the bookstore.

There is also a Packet available from Pequod, 6 Nassau Street.

Other assignments in the course outline are on reserve at Firestone Library.

Black and white copies of the Powerpoint slides used in lecture will be distributed in class. The colored slides without animation will be added to the course page on the WEB after classes.

COURSE REQUIREMENTS AND GRADING:

Each student will be asked to present an economic analysis and lead a discussion in precept on an approved topic. An annotated bibliography must be submitted at the time of the precept.

There will be a midterm and a final exam.

The parts of the course will be weighted as follows:

Final Exam 40%

Midterm 30%

Presentation and Bibliography 15%

Participation in Precept 5%

LECTURE TOPICS AND READING ASSIGNMENTS FOR LECTURES

Please read the assignments **before** lectures

Week 1 METHODOLOGY OF ECONOMIC HISTORY

Fogel, Railroads and American Economic Growth pp. 234-237 (p.6 in packet)

THE THEORY OF ECONOMIC GROWTH

Bernanke, Ben and Robert Franks, Principles of Economics, Chapter 20

"Economic Growth, Productivity, and Living Standards," pp. 513-538 (on reserve in Firestone)

Hagen, E.E., On the Theory of Social Change, Chapter 3 Inadequacy of Economic Theories of Economic Growth", pp. 36-52 (p.8 in packet)

Denison, Edward, "United States Economic Growth" in Economic Growth edited by Peter Gutman (p.17 in packet)

Wright, Gavin, "The Origins of American Industrial Success, 1879-1940."

American Economic Review 80(4) pp. 651-668 (p.22 in packet)

DeLong, J. Bradford, "Cornucopia: The Pace of Economic Growth in the Twentieth Century," NBER Working Paper 7602 (p.41 in packet)

Week 2 THE COLONIAL PERIOD

Hughes and Cain, Chapters 1-3

Barrington, Linda, The Other Side of the Frontier, pp.1-12 (p.56 in packet)

Galenson, David, "The Rise and Fall of Indentured Servitude in the Americas: An Economic Analysis," Journal of Economic History 1984 pp.13-26 reprinted in

Whaples and Betts, Historical Perspectives on the American Economy, pp. 110-137 (p.63 in packet)

Optional: Carr, Lois, "Emigration and the Standard of Living in the 17th century Chesapeake", Journal of Economic History, Vol. 52 #2 June 1992, pp. 271-291 (better nutrition than England; fewer consumer goods)

Optional: Grubb, Farley, "Fatherless and Friendless: Factors Influencing the Flow of English Emigrant Servants" Journal of Economic History, Vol. 52 #1 March 1992, pp. 85-108 (logit regressions showing when England provided support for widows and orphans fewer young people went to America as indentured servants.)

Optional: Coelho and McGuire, "African and European Bound Labor in the British New World" Journal of Economic History, Vol. 57 #1, March 1997 pp. 83-115 (Biological consequences of choices-the effects of disease)

Week 3 THE REVOLUTION AND THE CONFEDERACY

Hughes and Cain, Chapter 4

Atack and Passell, A New Economic View of American History 2d edition, Chapter 3, "The American Revolution Some Causes and Consequences" (p. 78 in packet)

Gunderson, Gerald, A New Economic History of America, Chapter 4, Economic Shocks and Growth, pp. 103-113 (p.91 in packet)

Bryan, Michael, Bruce Champ, and Jennifer Ransom, "Who Is That Guy on the \$10 Bill?" Federal Reserve Bank of Cleveland, Economic Commentary, June 2000 (p.97 in packet)

Optional: Walton, Gary, "The New Economic History and the Burdens of the Navigation Acts" Economic History Review, Vol. 24 1971 pp. 533-542

Optional: Egnal, Marc and Joseph Ernst, "An Economic Interpretation of the American Revolution" in Whaples and Betts, Historical Perspectives on the American Economy, pp. 42-67

Optional: McGuire, Robert and Robert Ohsfeldt, "An Economic Model of Voting Behavior of the Constitutional Convention of 1787" Journal of Economic History, Vol. 46 March 1986, pp. 79-112

WESTWARD EXPANSION, IMMIGRATION

Hughes and Cain, Chapters 5 - 7

Hansen, M. The Atlantic Migration 1607-1806 Chapter XIII, pp. 280-306 (p.101 in packet)

Barrington, Linda, The Other Side of the Frontier, pp.12-28 (p.115 in packet)

Optional: Wishart, David, Could the Cherokee Have Survived in the Southeast? The Other Side of the Frontier, pp.165-185

Optional: Grubb, Farley, "The End of European Immigrant Servitude in the U.S.: An Economic Analysis of Market Collapse 1772-1835," Journal of Economic History, Vol. 54 #4 December 1994, pp. 794-824

Optional: Grubb, Farley, "Educational Choice in the Era Before Free Public Schooling: Evidence from German Immigrant Children in Pennsylvania, 1771-1817", Journal of Economic History, Vol. 52 #2, June 1992 pp. 363-375

Week 4 1815-1860

BANKING, TRANSPORTATION, AGRICULTURE

Hughes and Cain, Chapters 8,9

Hammond, Bray, Banks and Politics in America from the Revolution to the Civil War, pp. 351-368 and 443-445. An enjoyable and non-technical book showing how much economic institutions are a matter of politics. (p.125 in packet)

Goodrich, Carter, Government Promotions of American Canals and Railroads 1800-1890 Chapters 1 and 2 (p.138 in packet)

Fishlow, Albert, American Railroads and the Transformation of the Ante-Bellum Economy, pp. 301-311 (p.154 in packet) Optional: Chapters IV and V.

Rousseau, Peter and Richard Sylla "Emerging Financial Markets and Early U.S. Growth," Working Paper 7448 NBER, pp. 4-12 and 40 (p.160 in packet)

Optional: Lamoreaux, Naomi, "Banks , Kinship and Economic Development: The New England Case" Journal of Economic History, Vol. 46 Sept. 1986 pp. 647-668

Optional: Majewski, Baer, and Klein, "Responding to Relative Decline: The Plank Road Boom of Antebellum New York" Journal of Economic History, Vol. 53 #1 March 1993 pp.106-122 (easy article on funding roads from civic pride)

Week 5 SLAVERY AND THE CIVIL WAR

Hughes and Cain, Chapters, 10-13

Fogel, Robert, Without Consent or Contract, Chapters 3 and 4 (p.165 in packet)

Optional "The Moral Problem of Slavery" pp. 388-417

Ransom, Roger, Conflict and Compromise Chapter 6 (p.192 in packet)

Week 6 RECONSTRUCTION

Ransom, Roger, Conflict and Compromise, Chapter 8 (p.214 in packet)

Brinkley, Garland, "Decline in Southern Agricultural Output 1860-1880" Journal of Economic History, March 1997, Vol.57 #1, pp. 116-133 (note bottom of p118 should be increase not "decline") (p.233 in packet)

MIDTERM EXAM

Thursday-- THE THEORY OF BUSINESS FLUCTUATIONS

Bogan and Kiernan, Macroeconomics, Chapter 15 (p. 251 in Packet)

Week 7 THE THEORY OF BUSINESS FLUCTUATIONS-continued

AGRICULTURE, TRANSPORTATION AND INNOVATION, 1865-1914,
IMMIGRATION

Hughes and Cain, Chapters 14,-16

Fogel, Robert "A Quantitative Approach to the Study of Railroads in American Growth," Journal of Economic History, Vol. 22, 1962, pp. 163-197 (p. 6 in packet)

Jones, Maldwyn, American Immigration, pp. 177-206 (p. 42 in packet)

Week 8 URBANIZATION, INDUSTRIALIZATION AND

ANTITRUST, LABOR

MONETARY CHANGES AND CYCLES 1865-1914

Hughes and Cain, Chapters 17-21

Reference: Fels, R. "American Business Cycles 1865-79" in Clark and Cohen, editors, Business Fluctuations, Growth, and Economic Stabilization

Optional: Irwin, Douglas, "How Did the U.S. Become a Net Exporter of Manufactured Goods?" Working Paper 7638 NBER

Optional: Libecap, Gary, "The Rise of the Chicago Packers and the Origins of Meat Inspection and Antitrust," Economic Inquiry, Vol. 30 April 1992 pp. 242-262

Optional: Irwin, Douglas, "Higher Tariffs, Lower Revenues? The Great Tariff Debate of 1880," Journal of Economic History, Vol. 58, #1, March 1998, pp. 59-71

Optional: Rosenbloom, Joshua, "Strikebreaking and the Labor Market in the US 1881-1894," Vol. 58 #1, March 1998, pp. 183-205 (nice use of probit model)

Optional: Alack and Bateman, "The Workday in 1880," Journal of Economic History, Vol. 52 #1 March 1992, pp. 129-160 (about 2/3 of industrial workforce had 10 hour days)

Optional: Sylla, Richard, "Federal Policy, Banking, Market Structure, and Capital Mobilization in the United States, 1863-1913," Journal of Economic History, Vol. 29 December 1969, pp. 657-686; reprinted in Whaples and Betts pp. 482-508

Optional: Snowden, Kenneth, "Historical Returns and Security Market Development, 1872-1925," Explorations in Economic History, Vol. 27, October 1990, pp. 381-420

Week 9 WORLD WAR I

THE 1920s

THE ONSET OF THE GREAT DEPRESSION

Hughes and Cain, Chapters 22-23

Smiley, Gene, and Richard Keehn, "Federal Personal Income Tax Policy in the 1920s" Journal of Economic History, Vol. 55, #2, June 1995, pp. 285-303

(Econometric argument for Laffer curve) (p.58 in packet)

Atack and Passell, A New Economic View of American History 2d edition, Chapter 21, "The Great Depression: Explaining the Contraction," pp. 583-622 (p.77 in packet)

Field, Alexander, "A New Interpretation of the Onset of the Great Depression," Journal of Economic History, June 1984 (p.98 in packet)

Friedman and Schwartz, A Monetary History of the United States 1867-1960 Chapter 13 (p.109 in packet)

Optional: Keynes, Economic Consequences of the Peace, London: Macmillan, 1920

Optional: Wicker, Elmus, "Federal Reserve Monetary Policy during the 1920-21 Depression," Journal of Economic History, 26 (1966) pp. 223-238

Optional: De Long and Shleifer, "The Stock Market Bubble of 1929: Evidence from Closed-End Mutual Funds," Journal of Economic History, Vol. 51 #2 June 1991, pp. 675-700

Week 10 THE GREAT DEPRESSION

Hughes and Cain, Chapters 24, 25

Bernanke, Ben "Nonmonetary Effects of the Financial Crisis in the Propagation of the Great Depression." American Economic Review, Vol.73, # 3, June 1983. (p.139 in packet)

Bernanke, Ben, "The Macroeconomics of the Great Depression: A Comparative Approach," Journal of Money, Credit and Banking, Vol.27, # 1, February 1995 (p.159 in packet)

Romer, Christina, "The Great Crash and the Onset of the Great Depression," Quarterly Journal of Economics, Vol.105, # 3, August 1990 (p.174 in packet)

Temin, Peter, "Transmission of the Great Depression," Journal of Economic Perspectives, Vol. 7 # 2, Spring 1993 (p.188 in packet)

Romer, Christina, "What Ended the Great Depression?" Journal of Economic History, Vol. 52 #4 December 1992, pp. 757-784 (p.197 in packet)

Optional: Eichengreen, Barry, Golden Fetters: The Gold Standard and the Great Depression 1919-1939, Oxford Press, 1995, Chapter 1 pp. 3-26 and Chapter 13, pp. 390-399

Optional: Wright, Gavin, "The Political Economy of New Deal Spending: An Econometric Analysis," Review of Economics and Statistics 56 (1974) pp. 262-281

Optional: Atack and Passell, A New Economic View of American History 2d edition, Chapter 22, The Great Depression, 1933-39: the Recovery? (text book type summary)

Optional: Temin, Peter, and Barry Wigmore, "The End of One Big Deflation," Explorations in Economic History, 27(1990) pp. 483-502

Optional: Lastrapes and Selgin, "The Check Tax: Fiscal Folly and the Great Monetary Contraction," Journal of Economic History, Vol. 57 #4, December 1997, pp. 859-878

Week 11 WORLD WAR II AND THE KOREAN CONFLICT

Hughes and Cain, Chapters 26, 27

BUSINESS AND GOVERNMENT REGULATION, THE WAR ON POVERTY, CIVIL RIGHTS, THE WOMEN'S MOVEMENT

Hughes and Cain, Chapters 28, 29

Sundstrom, William, "The Color Line: Racial Norms and Discrimination in Urban Labor Markets, 1910-1950" Journal of Economic History, Vol. 54 #2 June 1994, pp. 382-396 (p.226 in packet)

Goldin, Claudia and Lawrence Katz, "The Power of the Pill: Oral Contraceptives and Women's Career and Marriage Decisions," Working Paper 7527 NBER (p.242 in packet)

Optional: Sundstrom, William, "Last Hired, First Fired? Unemployment and Urban Black Workers During the Great Depression," Journal of Economic History, Vol. 52 #2, June 1992, pp. 415-429

Optional: Maloney, Thomas, "Wage Compression and Wage Inequality Between Black and White Males in US 1940-1960," Journal of Economic History, Vol. 54 #2, June 1994, pp. 358-381

Optional: Goldin, Claudia, "The Changing Economic Role of Women: A Quantitative Approach," pp. 549-572 in Historical Perspectives on the American Economy, edited by Robert Whaples and Dianne Betts, Cambridge University Press, 1995

Optional: "Women in the Labor Market Symposium" The Journal of Economic Perspectives: Winter 1989, pp. 3-59

Optional: Costa, Dora, "Unequal at Birth," Journal of Economic History, Vol.58 #4, December 1998 (more variation in weight from bad medical advice like 4 hour apart feedings than poverty)

Optional: Kossoudji and Dresser, "Working class Rosies: Women Industrial Workers during World War II," Journal of Economic History, Vol. 52 #2, June 1992 (study of Ford Motor Company)

Week 12 THE REAGAN REVOLUTION, THE COLD WAR AND ITS END,
GLOBALIZATION, THE NEW ECONOMY

Hughes and Cain, Chapter 30

"The New Economy," The Economist, September 23d 2000 Survey pages 5-40 (p.246 in packet)

A few articles may be added to this section

Optional: Philipson Tomas, and Richard Posner, "The Long Run Growth in Obesity as a Function of Technological Change", Working Paper 7423 NBER