

## Economics 129: American Economic History

Rather than teach American economic history as a list of topic through time, we will look at the record of American economic performance through two lenses: Technical change and financial development. You can all read a text book, but you have analytical skills that should make a conversation more interesting around topics that are more technical (both in content and form)

The reading assignments are research articles. Should you want more background you can consult two text books (XX and XX) or the Cambridge Economic History of the U.S all of which are on reserve.

If you have data questions, the Historical Statistics of the U.S. are a wonderful on line resource

<http://hsus.cambridge.org/HSUSWeb/HSUSEntryServlet>.

Each class will be organized as follows, we will discuss the assigned reading during the first half hour, you are encouraged to seek out connections across the readings (both those assigned for the day and those that we have seen before). In the second half of the section I will lecture on the material to come.

### Work expectation

*Reading:* each class meeting has one or two readings. You must complete at least of these and respond to the relevant queries. This task should require an hour or an hour and half of your time.

*Writing:* To insure that you are able to participate, you must turn in a paragraph of writing with each class, on one of the readings for the day. It must answer one of the questions for that day.

*Examinations:* beyond the class assignments, there will be a mid term (handed out at the end of the section of technology) and a final at the end of the class.

## READING LIST

### Introduction to Growth over the long term.

#### Day 1: Introduction to growth

No reading

#### Day 2: Markets and Inequality

Engerman, Stanley, and Kenneth Sokoloff, 1997. Factor Endowments: Institutions, and Differential Paths of Growth Among New World Economies: A View from Economic

Historians of the United States,” in S. Haber ed. *How Latin America Fell Behind: Essays on the Economic Histories of Brazil and Mexico, 1800-1914*. {pdfme}

David, Paul and Rosenberg Nathan, Chapter 1 Vol 3 of Cambridge Economic History of the United States

### Day 3: Social Savings

Fogel, Robert: “Notes on the Social Saving Controversy” *The Journal of Economic History*, Vol. 39, No. 1, (Mar., 1979), pp. 1-54, Stable URL: <http://www.jstor.org/stable/2118909>

Summerhill, William, 2005, Big Social Savings in a Small Laggard Economy: Railroad-Led Growth in Brazil. *The Journal of Economic History*.

### Technological change

A. Agricultural productivity and Biological technology

#### Day 1: Plants and People

Olmstead, Alan and Paul Rhode, 2008, *Creating Abundance Biological Innovation and American Agricultural Development*. Cambridge University press.

Fogel, Robert, and Engerman Stanley, 1977. “Explaining the Relative Efficiency of Slave Agriculture in the Antebellum South” *The American Economic Review*, Vol. 67, No. 3 pp. 275-296

#### Day 2: Animals and Public Policy

Olmstead, Alan and Paul Rhode, 2008. *Creating Abundance Biological Innovation and American Agricultural Development*. Cambridge University press.

Gary Libecap. "The Rise of the Chicago Packers and the Origins of Meat Inspection and Antitrust," Economic Inquiry, April 1992.

B. Technology as embodied in machines

#### Day 1: Speed

Landes, David, 1979, “Watchmaking: A Case Study in Enterprise and Change” *The Business History Review*, Vol. 53, No. 1, (Spring, 1979), pp. 1-39. Stable URL: <http://www.jstor.org/stable/3114685>

Knick Harley, Ocean Freight Rates and Productivity, 1740-1913: The Primacy of Mechanical Invention Reaffirmed “ *The Journal of Economic History*, Vol. 48, No. 4 (Dec., 1988), pp. 851-876 Stable URL: <http://www.jstor.org/stable/2121620>

## Day 2: Cotton

Sandberg, Lars, 1969. "American Rings and English Mules: The Role of Economic Rationality" *The Quarterly Journal of Economics*, Vol. 83(1):25-43.  
URL:<http://www.jstor.org/stable/1883991>

Clark, Gregory, "Why Isn't the Whole World Developed? Lessons from the Cotton Mills" *Journal of Economic History* (pp. 141-173) Stable URL: <http://www.jstor.org/stable/2121943>

Saxonhouse, Gary and Gavin Wright, "National Leadership and Competing Technological Paradigms: The Globalization of Cotton Spinning, 1878-1933," December 2007.

### C. Technical change, skills and education

#### Day 1: Learning by markets

Ross Thomson, forthcoming, Chapters 2 and 8 of *Structures of Change in the Mechanical Age: Technological Innovation in the United States, 1790 to 1865*.

Sokoloff, Kenneth. 1984 "Was the Transition from the Artisanal Shop to the Nonmechanized Factory Associated with Gains in productivity?" Volume 21, Issue 4, October 1984, Pages 351-382. {pdf me}

#### Day 2: Education, Skills and race

Goldin, Claudia, 2001 "The Human-Capital Century and American Leadership: Virtues of the Past" *The Journal of Economic History*, Vol. 61, No. 2: 263-292 Stable URL: <http://www.jstor.org/stable/2698021>

Whatley, Warren C. "Getting a Foot in the Door: "Learning," State Dependence, and the Racial Integration of Firms" *The Journal of Economic History*, Vol. 50, No. 1 (Mar., 1990), pp. 43-66  
Stable URL: <http://www.jstor.org/stable/2123437>

### D. Patents and the market for ideas

#### Day 1: From Inventors to inventive firms

Sokoloff, Kenneth L. and B. Zorina Khan, 1990. "The Democratization of Invention During Early Industrialization: Evidence from the United States, 1790-1846" *The Journal of Economic History*, Vol. 50 (2):363-378 Stable URL: <http://www.jstor.org/stable/2123278>.

Lamoreaux, Naomi R., Kenneth L. Sokoloff, and Dhanoos Sutthiphisal, "The Reorganization of Inventive Activity in the United States in the Early Twentieth Century" Mimeo {pdf}

Day 2: patents and the creation of knowledge

Lo Shih-Tse and Dhanoos Sutthiphisal, "Crossover Inventions and Knowledge Diffusion of General Purpose Technologies? Evidence from the Electrical Technology" (with Shih-tse Lo) NBER Working Paper No. 14043, May 2008

Khan Zorina, 2008 Premium Inventions: Patents and Prizes as Incentive Mechanisms in Britain and the United States, 1750-1930. {pdf}

## Section II Financial development

### A. Financial markets in international perspective

Day 1: Capital markets

Davis and Cull Chapter 2 of Volume 2 CEHUS

Rajan, Raghuram and Luigi Zingales 2003. "The Great Reversals: The Politics of Financial Development in the 20th Century" (joint with R.) *Journal of Financial Economics*, Vol. 69 Issue 1, 5-50 , July 2003.

Day 2:

Charles Calomiris

J Bradford DeLong

### B. Financing Growth and Crises

Day 1:

Snowden, Kenneth L, "The Evolution of Interregional Mortgage Lending, 1870-1940: The Life Insurance-Mortgage Company Connection," in N. Lamoreaux and D. Raff (eds.), *Coordination and Information: Historical Perspectives on the Organization of Enterprise*, Univ. of Chicago, 1995, 209-47.

Snowden, Kenneth L, and Gray Kimbrough, The Spatial Character of Housing Depression in the 1930s.  
[http://www.uncg.edu/bae/people/snowden/Snowden\\_Kimbrough\\_EHA.pdf](http://www.uncg.edu/bae/people/snowden/Snowden_Kimbrough_EHA.pdf)

## Day 2: Insider lending

Naomi R. Lamoreaux, 1986 "Banks, Kinship, and Economic Development: The New England Case." *The Journal of Economic History*, Vol. 46, No. 3 (Sep., 1986), pp. 647-667 Stable URL: <http://www.jstor.org/stable/2121478>

Maurer, Noel, and Stephen Haber. "Related Lending and Economic Performance: Evidence from Mexico." *Journal of Economic History* 67, no. 3 (September 2007): 551-581.

## C. The political economy of Financial market regulation

### Day 1: banks

Sylla, Richard, 1969. Federal Policy, Banking Market Structure, and Capital Mobilization in the United States, 1863-1913. *The Journal of Economic History*, Vol. 29, No. 4 (Dec., 1969), pp. 657-686. Stable URL: <http://www.jstor.org/stable/2115705>.

Haber, Stephen H., 1991, "Industrial Concentration and the Capital Markets: A Comparative Study of Brazil, Mexico, and the United States, 1830-1930." *The Journal of Economic History*, Vol. 51, No. 3 (Sep., 1991), pp. 559-580. Stable URL: <http://www.jstor.org/stable/2122936>

### Day 2: firms and markets

Hilt, Eric, 2007 When did Ownership Separate from Control? Corporate Governance in the Early Nineteenth Century <http://www.wellesley.edu/Economics/hilt/hiltwp13093.pdf>.

Becht, Marco and J. Bradford DeLong "Why Has There Been So Little Blockholding in America?" <http://delong.typepad.com/pdf/Blockholding.pdf>, [http://delong.typepad.com/pdf/Blockholding\\_figures.pdf](http://delong.typepad.com/pdf/Blockholding_figures.pdf)

## D. Financing industrialization

### Day 1: Firms

Lamoreaux and Rosenthal

Day 2: The capital market

Mary O'Sullivan, LIVING WITH THE US FINANCIAL SYSTEM: THE EXPERIENCES OF GENERAL ELECTRIC AND WESTINGHOUSE ELECTRIC IN THE LAST CENTURY. Business history review 2006  
<http://www.econ.barnard.columbia.edu/~econhist/papers/LivingWithCol0206.pdf>

MUSACCHIO, ALDO. *Can Civil Law Countries Get Good Institutions? Lessons from the History of Creditor Rights and Bond Markets in Brazil* *The Journal of Economic History*, Volume 68, Issue 01, March 2008, pp 80-108.  
[http://www.people.hbs.edu/amusacchio/downloads/musacchio\\_JEH\\_2008.pdf](http://www.people.hbs.edu/amusacchio/downloads/musacchio_JEH_2008.pdf)

The American economy at 400:

Pope, Clayne, "Measuring the Distribution of Well-Being" 2003

Piketty, Thomas and Saez Emmanuel, "[Income Inequality in the United States, 1913-1998](#)" with [Thomas Piketty, Quarterly Journal of Economics, 118\(1\), 2003, 1-39](#)