

ECONOMICS 337

ECONOMIC HISTORY OF THE UNITED STATES:
America and the Evolution of the Global Economy

<i>Professor:</i>	Jason Long
<i>Email:</i>	jason.long@colby.edu
<i>Office:</i>	Buchanan Tower 1002
<i>Phone:</i>	3866
<i>Lecture time and location:</i>	M,W,F 12-1 pm, Chemistry 300
<i>Office hours:</i>	Wednesday, 2-4 pm
<i>Course Web page:</i>	www.colby.edu/economics/faculty/jmlong/ec333

The rise of the modern U.S. economy is inextricably linked to the rise of the larger global economy. In this course, we will study the rise and development of the U.S. economy from a particular perspective: its unique role in the creation and evolution of the first truly global economy. When and how did people, technology, goods, and capital—both physical and financial—begin to flow so extensively and so far across national borders, and in particular from the “Old World” to the “New”, and what was the impact of these flows on U.S. and global economic development? These questions will be at the center of our study. In that sense, this is not a “traditional” American economic history course. We will focus on the nineteenth and twentieth centuries, during which time the size and scope of trade, migration, finance, and other forms of market integration between the U.S. and Europe increased dramatically. The course is organized chronologically. We will begin by studying the beginnings of the Atlantic economy and large-scale globalization during the period 1800 to 1913; then move on to the inter-war period from the First to the Second World Wars, a time of U.S. and global depression and economic *disintegration*; and finish with the time of growth and reintegration from the end of World War II to the present.

Prerequisites: This course relies heavily on basic micro- and macroeconomic principles; Econ 101 and 102 are required. A basic knowledge of simple regression analysis (such as from Econ 325 and 326) is helpful but is *not* required.

Texts: Peter Temin, *Lessons from the Great Depression* (Cambridge: MIT Press, 1989). **Required.**
A.G. Kenwood and A.L. Lougheed. *The Growth of the International Economy, 1820-2000*, 4th ed (London: Routledge, 1999). **Optional.** (On reserve.)

Course Requirements: This class meets three times per week, Monday, Wednesday, and Friday. You should be aware of the university’s policies on attendance. Check them out at the UBC Calendar: www.calendar.ubc.ca/vancouver/index.cfm?tree=3,36,0,0. This course will follow these policies. Bottom line: you must attend class. You should also be aware of the University’s policies on academic honesty, which are available at: www.calendar.ubc.ca/vancouver/index.cfm?tree=3,286,0,0. Incidents of academic dishonesty (cheating, plagiarism, etc.) will be penalized to the maximum extent allowable under university guidelines.

The most important reading in the course will come not from the Kenwood and Lougheed textbook, but from outside sources—typically either journal articles or excerpts from books. These are found online through the course Web page, on reserve in the library, or in the Temin book. Generally, one such article or excerpt will be assigned per lecture; occasionally, I may assign two. The readings from the textbook will support the more analytical articles and book excerpts by providing an overview of the relevant material. My lectures will cover what I consider to be the most important aspects of the textbook reading, and will try to facilitate class discussion based on the analysis presented in the articles and excerpts; therefore, it is important that all students read, and read carefully, at least the article or excerpt assigned for each lecture before coming to class—that’s why I’m generally going to assign only one. The Kenwood and Lougheed book serves as a good overview, as the chronological and organizational structure of the course will mirror that of this text. The readings from this book are useful, but are *not* required.

Evaluation: Grades will be based on three exams. The first exam will be on **Friday, October 15**, the second on **Friday, November 19**, and the third on the date set by the University for the final. The second and third exams will *not* be cumulative. Each of the three exams will count for one third of your grade, with one exception: if it would improve your final grade, I will re-weight the exams so that the first counts for only 25 percent and the other two count for 75 percent. Only the first exam may be re-weighted in this fashion. Exams are a mix of short-answer and essay questions.

Course Outline and Reading List

All the required readings (except Temin) are available online through the course Web page. Except where noted, the readings from the Kenwood-Lougheed textbook ("KL" below) are optional; the book is on reserve at the library. All other readings are required. This schedule is tentative; I may make changes as the semester progresses.

I. Introduction

Micklethwait, J. and A. Wooldridge. "From Sarajevo to September 11" *Policy Review* 117 (February, March 2003).

II. 1000–1800: Pre-History of the U.S./Global Economy – The Rise of Europe

Jones, E. L. *The European Miracle*. Cambridge: Cambridge University Press, 1981. Chs 1 and 2.

Mokyr, J. *The Lever of Riches*. New York: Oxford University Press, 1990. Ch 9.

North, D. "Institutions," *Journal of Economic Perspectives* 5 (Winter 1991): 97-112.

Olson, M. "Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor?" *Journal of Economic Perspectives* 10 (Spring 1996): 3-24.

III. 1800–1913: Rise of the American and Atlantic Economies

A. Integration Overview

Irwin, D. "The United States in a New Global Economy? A Century's Perspective" *American Economic Review* 86 (May 1996): 41-46.

Lewis, W. A. *The Evolution of the International Economic Order*. Princeton: Princeton University Press, 1977. Chs 1 and 2.

KL, Introduction, Ch 1.

B. Technology

Clark, G. "Why Isn't the Whole World Developed? Lessons from the Cotton Mills." *Journal of Economic History* 47 (March 1987): 141-73.

KL, Ch 8.

C. Migration

Meier, G. M. and J. E. Rauch. "How to Read a Regression Table," in *Leading Issues in Economic Development* (8th ed), New York: Oxford University Press, 2005: 633-38.

Hatton, T. J., and J. G. Williamson. "What Drove the Mass Migrations from Europe in the Late Nineteenth Century?" *Population and Development Review* 20 (September 1994): 533-59.

KL, Ch 3.

D. Capital Movement

Taylor, A. M., and J. G. Williamson. "Capital Flows to the New World as an Intergenerational Transfer." *Journal of Political Economy* 102 (April 1994): 348-71.

KL, Ch 2.

E. Political Economy

Rogowski, R. "Political Cleavages and Changing Exposure to Trade" *American Political Science Review* 81 (December 1987): 1121-1137.

Williamson, J. "Globalization, Labor Markets, and Policy Backlash in the Past," *Journal of Economic Perspectives* 12 (Fall 1998): 51-72.

KL, Ch 4.

F. International Payments and the Rise of the Gold Standard

Hume, D. "On the Balance of Trade." In *The Gold Standard in Theory and History*, edited by B. Eichengreen. New York: Methuen, 1985.

KL, Ch 7. **This chapter is required.** It is available online.

KL, Ch 6. This chapter is optional.

G. International Trade

O'Rourke, K. & J. G. Williamson, "Late Nineteenth-Century Anglo-American Factor-Price Convergence," *Journal of Economic History* 54 (December 1994): 892-916.

KL, Ch 5.

H. The Core and the Periphery

Acemoglu, D., S. Johnson, and J. A. Robinson. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91 (December 2001): 1369-1401.

IV. The Interwar Period: Depression and Disintegration

A. Disintegration Overview

Lewis, W. A. *Economic Survey: 1919–1939*. London: George Allen and Unwin, 1949. Chs 2 and 3.
KL, Ch 11.

B. War and Its Aftermath

Keynes, J. M. "The Capacity of Germany to Pay Reparations." In *Essays in Persuasion*. New York: W. W. Norton, 1919.

KL, Ch 12.

C. The World in Depression

Temin, P. *Lessons from the Great Depression*. Cambridge: MIT Press, 1989. Lecture 1.
KL, Ch 13.

D. Deepening Depression

Kindleberger, C. *The World in Depression, 1929–1939*. University of California Press, 1986, Ch 14.
Temin, P. *Lessons from the Great Depression*. Lecture 2.

E. Recovery and the Legacy of the World Depression

Temin, P. *Lessons from the Great Depression*. Lecture 3.
KL, Chs 15 and 16.

V. 1945–Present: Growth and Reintegration

A. Technology, Growth, and American Leadership

Abramovitz, M. "Catching Up, Forging Ahead, and Falling Behind," *Journal of Economic History* 46 (June 1986): 384-406.

Baumol, W. "Productivity Growth, Convergence and Welfare: What the Long-Run Data Show." *American Economic Review* 76 (December 1986): 1072-85.

KL, Ch 17.

B. Trade and International Organizations

Irwin, D. "The GATT in Historical Perspective." *American Economic Review* 85 (May 1995): 323-328.

C. International Capital Markets

Obstfeld, M. "The Global Capital Market: Benefactor or Menace?" *Journal of Economic Perspectives* 12 (Fall 1998): 9-30.

KL, Ch 18.

D. Globalization and Equality

Lindert, P. and J. G. Williamson. "Does Globalization Make the World More Unequal?" NBER Working Paper Series. Paper 8228.