

**ECON 412-WI**  
Economic Development of the U.S.  
Fall, 2005

Instructor: Professor James Mak  
Meeting Time: TTh 12 noon – 1:15 p.m in Saunders Rm. 637  
Instructor's Office: Rm 532, Saunders Hall  
Office Hours: TTh 10:30 – 11:30 and by appointment  
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Email Address: jmak@hawaii.edu (I encourage you to communicate with me via email.)

Prerequisites: Econ 130

Course Content:

This course has two parts. The first part is an economic history of the U.S. economy from colonial days until today. The second part will focus on the U.S. economy today and selected economic issues of public interest.

Objectives:

The course has several objectives:

- (1) To help you apply the theory learned in the core theory courses.
- (2) To help you read technical research articles (in addition to the texts) published in professional journals.
- (3) To help you make oral presentations before groups of your peers.

Text: Jeremy Atack and Peter Passel, *A New Economic View of American History*, 2<sup>nd</sup> edition.

Council of Economic Advisors, *The Economic Report of the President (2005)* accessible at <http://www.gpoaccess.gov/eop/index.html>

Other readings will be supplied .

Course Requirements: Short-writing assignments on assigned readings, a mid-term (essay type), a final (essay type), a 5 minute oral presentation and a research paper will comprise the major requirements of the course. Attendance is expected and roll will be taken each class.

Oral Presentation: We will begin each day with a student presentation and discussion of a newspaper or magazine article (on-line articles are o.k. too) related to some aspect of the U.S. economy. Each student is expected to make at least one oral presentation during the semester lasting no more than 10 minutes. Oral presentations are typically assigned one week in advance, and will be counted as a homework assignment. Presentations are not to be read, although you may carry notes with you. The purpose of these presentations is to encourage students to participate in class. Classmates may

ask questions at the conclusion of the presentation, but only on the facts contained in the article. The presentations are not intended to be research reports. Discussion follows the presentations.

**Paper:** You are expected to write a term paper of about 10-12 pages in length. We will all work on a common topic to allow us time to discuss your writing in class, but each student will be expected to submit his/her share of the research to everyone else and to submit a separate paper. The writing will be broken down into pieces; each piece will count as a homework assignment. Each assignment will require that you revise your previous work (all the way back to the beginning) and then make new progress. You can expect to rewrite your paper 5 to 6 times before the final version is accepted.

**Grading:** Oral presentation and short writing assignments (25%), mid-term and final (25% each), and term paper (25%) All assignments are due in class; not turned into my mailbox or under my office door at mid-night. I accept no late assignments and give no make-ups unless there is a compelling University approved excuse. Attendance will be used to decide grades on the borderline (those who miss more than 3 classes during the semester will get no benefit of the doubt). I will use + and – grading.

**Final Exam:** Tuesday, December 13 at 12 noon. Check your travel and work schedules to make sure that you're able to make the exam. No early or late exams will be given.

## Readings

1. American Economic Growth: A Long Run Perspective
  - Atack and Passel, Chapter 1.
  - (1) Douglass C. North, "Economic Performance Through Time," The American Economic Review, vol. 84 (June, 1994), pp. 359-368.
  - (2) Robert Fogel, "Catching Up with the Economy," The American Economic Review, vol. 89 (March, 1999), pp. 1-21.
  - (3) Moses Abramovitz, "The Search for the Sources of Growth: Areas of Ignorance, Old and New," Journal of Economic History, 53 (1993), pp. 217-243.
  - (4) Nancy Folbre and Barnet Wagman, "Counting Housework: New Estimates of Real Product in the United States, 1800-1860" Journal of Economic History, 53 (1993), pp. 275-287.
  - (5) Peter Temin, "Is It Kosher to Talk About Culture," Journal of Economic History, vol. 57, no. 2 (June, 1997), pp. 267-287.
  
2. The Colonial Economy
  - Atack and Passel, Chapter 2
  - (1) David Galenson, "The Market Valuation of Human Capital: The Case of Indentured Servitude," Journal of Political Economy, 89 (1981), pp. 446-67.
  
3. The American Revolution: Some Causes and Consequences
  - Atack and Passel, Chapter 3
  - (1) Peter McClelland, "The Cost to America or British Imperial Policy," American Economic Review, 59 (1969), pp., 370-81.
  
4. Money and Banking Before the Civil War
  - Atack and Passel, Chapter 4
  - (1) Richard Sylla, "American Banking and Growth in the 19th Century: A Partial View of the Terrain," Explorations in Economic History 9 (1971-72), 197-227.
  
5. Foreign Trade and Commercial Policy
  - Atack and Passel, Chapter 5
  - (1) James Shepherd and Gary Walton, "Economic Change After the American Revolution: Pre and Post War Comparisons of Maritime Shipping and Trade," Explorations in Economic History 13 (1976), pp. 397-422.
  
6. The Transportation Revolution and Domestic Commerce
  - Atack and Passel, Chapter 6
  - (1) Erik Haites, James Mak, and Gary Walton, Western River Transportation: The Era of Early Internal Development, (Baltimore: Johns Hopkins University Press, 1975), Chapters 5 and 8.

(2) Roger Ransom, "Social Returns from Public Transport Investment: A Case Study of the Ohio Canal," Journal of Political Economy, vol 70 (1970), pp. 1041-64.

7. The Beginnings of Industrialization  
-Atack and Passel, Chapter 7
8. Population Growth and Redistribution  
-Atack and Passel, Chapter 8  
-Larry Neal and Paul Uselding, "Immigration: A Neglected Source of American Economic Growth, 1790 to 1912" Oxford Economic Papers 24 (1972), pp. 68-88.  
-Timothy Hatton, "The Immigrant Assimilation Puzzle in Late Nineteenth-Century America," Journal of Economic History, vol. 57 (March, 1997), pp. 34-62.
9. Westward Expansion and Public Land Policy  
-Atack and Passel, Chapter 9
10. Northern Agricultural Development Before the Civil War  
-Atack and Passel, Chapter 10
11. Economics of Slavery  
-Atack and Passel, Chapters 11-12  
-(1) Alfred Conrad and John Meyer, "The Economics of Slavery in the Antebellum South," Journal of Political Economy 66 (1958), pp. 95-130.
12. Economics of the Civil War  
-Atack and Passel, Chapter 13.  
-(1) Claudia Goldin and Frank Lewis, "The Economic Cost of the American Civil War: Estimates and Implications," Journal of Economic History 35, (1975), 294-326.
13. U.S. economy after the Civil War.  
-Atack and Passel, Chapters 14 and 15.  
-(1) Joseph Reid, "Sharecropping as an Understandable Market Response, The Postbellum South," Journal of Economic History 33, (1973), pp. 106-30.
14. Railroads and Nineteenth Century U.S. Economic Growth  
-Atack and Passel, Chapter 16  
-(1) Robert Fogel, "Railroads and American Economic Growth," Robert Fogel and Stanley Engerman (eds), Reinterpretation of American Economic History (N.Y.: Harper & Row, 1971), pp. 187-204.
15. The Changing Structure of American Industry  
-Atack and Passel, Chapter 17.  
-(1) Nathan Rosenberg, "American Technology: Imported or Indigeneous," American Economic Review 67 (1977), pp. 21-26.

16. Structural Change in America's Financial Markets  
-Atack and Passel, Chapter 18
17. Market for Labor in Historical Perspective  
-Atack and Passel, Chapter 19  
-(1) Stanley Engerman, "Human Capital, Education, and Economic Growth," The Reinterpretation of American Economic History, pp. 241- 256.  
-(2) Claudia Goldin, Understanding the Gender Gap: An Economic History of American Women (N.Y.: Oxford University Press, 1990).  
-(3) Claudia Goldin and Lawrence Katz, "Technology, Skill, and the Wage Structure: Insights from the Past," American Economic Review, Papers and Proceedings (May, 1996), pp. 252-262.
18. America Comes of Age  
-Atack and Passel, Chapter 20  
--\* (2) Gavin Wright, "The Origins of American Industrial Success, 1879-1940", American Economic Review (September, 1990), pp. 651-668.
19. The Great Depression  
-Atack and Passel, Chapters 21 and 22.  
-(1) Richard Cooper, "Fettered to Gold? Economic Policy in the Interwar Period," Journal of Economic Literature, vol. 30 (December, 1992), pp. 2120-2128.
20. Growth of Government Intervention  
-Atack and Passel, Chapter 23  
-(1) James Poterba, "Demographic Change, Intergenerational Linkages, and Public Education," American Economic Review, Papers and Proceedings (May, 1998), 315-319.  
-(2) Richard A. Musgrave, "Reconsidering the Fiscal Role of Government", American Economic Review, Papers and Proceedings (May, 1997), pp. 156-159.  
-(3) Lee E. Ohanian, "The Macroeconomic Effects of War Finance in the United States: WWII and the Korean War," The American Economic Review, vol. 87 (March, 1997), pp. 23-40.
21. U.S. Economic Growth: A Review of the Causes  
-(1) Paul Romer, "Why, Indeed, in America? Theory, History, and the Origins of Modern Economic Growth," American Economic Review, Papers and Proceedings (May, 1996), pp. 202-206. **However, read pp. 204-206.**  
-(2) Richard Nelson and Gavin Wright, "The Rise and Fall of American Technological Leadership: The Postwar Era in Historical Perspective," Journal of Economic Literature, vol XXX (December, 1992), pp. 1931-1964.
22. U.S. Economy in the Post War Era  
-(1) Douglas A. Irwin, "The United States in a New Global Economy? A Century's Perspective," American Economic Review, Papers and Proceedings, (May, 1996), pp. 41-46.

-(2) Jeffrey Sachs and Howard Shatz, " U.S. Trade with Developing Countries and Wage Inequality," American Economic Review, Papers and Proceedings (May, 1996), pp. 234-239.

-(3) Marcus Alexis, "Assessing 50 Years of African-American Economic Status, 1940-1990," American Economic Review, Papers and Proceedings (May, 1998), pp. 368-375.

-(4) Donald McCloskey and Arjo Klamer, "One Quarter of GDP is Persuasion", American Economic Review, Papers and Proceedings (May, 1995), pp. 191-195.

