
Contents



Part 1

The Colonial Period 1607–1780

1

Chapter 1

Overseas Empire

5

European Expansion and Colonization

5

England Overseas: Export of Institutions

9

Land Acquisition and Tenure

13

Population Sources and Growth

17

The Colonial Labor Contract

21

The Legacy

24

Chapter 2

Colonial Development

27

Seaports and Towns

27

Regional Specialization

31

The Common-Law Heritage

36

Expansion and the Western Lands

43

■ *Photo Essay: Fur Trappers and Traders* 40–41

Chapter 3

The End of British Rule

48

On the Eve of Revolution

48

Conflict and Revolution

50

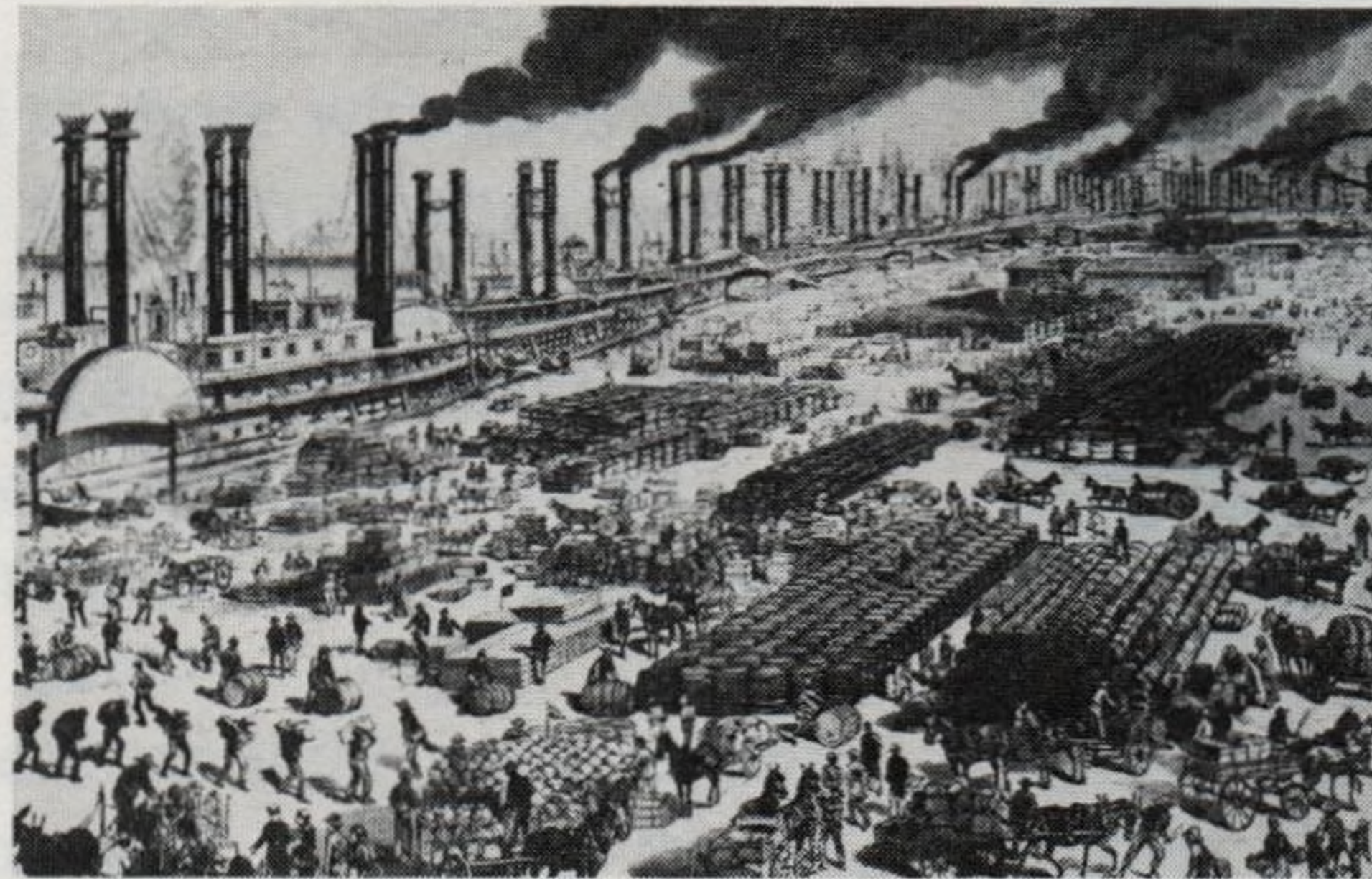
1763–74: The Final Drama

57

Retrospect: Wealth and Income Again

59

Chapter 4	
<i>Special Topics in American Colonial History</i>	65
How Did Britain Affect American Economic Growth?	65
How Much Did It Cost to Belong to Britain?	69
Was There a Money Shortage?	72
In Conclusion	78



Part 2

<i>The National Period and Constitutional Crisis: 1791–1861</i>	83
--	-----------

Chapter 5	
<i>Westward Expansion</i>	85

The Constitutional Settlement of 1789–91	85
The Land Ordinances of 1785, 1787, and 1790	88
Territorial Gains, 1790–1853	92
Disposal of the Public Lands	92

Chapter 6	
<i>Population and Labor Force</i>	100

Size and Natural Increase	100
Immigration Before 1860	103
The End of White Servitude and Continuation of Black Slavery	107
Labor in American Society Before 1860	109
Population Expansion and Overall Economic Growth	113
Income and Wealth Distribution by 1860	114

Chapter 7	
<i>Law and the Rise of Classical American Capitalism</i>	121

The Colonial Property Rights Heritage	122
Real Property Rights	122

Basic Legal Developments	124
Law, Income, and Wealth Transfers	127
Eminent Domain	130
Incorporation	130
The Supreme Court and Economic Growth Before 1860	131

Chapter 8

The Early Industrial Sector 137

The Direction of Change in Manufacturing	137
Energy Sources	144
Industrial Location	148
Contrasts Between the North and the South	151
Manufacturing and the Tariff Question	153

| ***Photo Essay:*** Towns and Cities 146–147

Chapter 9

Transportation, Internal Improvements, and Urbanization 161

The Internal Improvement Era	162
Roads, Canals, Steamboats, and Railroads	163
Urbanization	174

| ***Photo Essay:*** Early Roadways 166–167

| ***Photo Essay:*** Early Waterways 168

Chapter 10

Agricultural Expansion: The Conflict of Two Systems on the Land 182

Settlement and Population	183
Cotton as a Foreign–Exchange Earner	188
Agricultural Labor: Dependence on Slavery	189
Western Expansion of Northern Agriculture	192
The Compromise Fails	197

| ***Photo Essay:*** Two Agricultural Cultures 195

Chapter 11

The Financial System and the International Economy 202

Currency and Banking Developments	202
The Financial Link: U.S. and World Economics	211
The Financial System and the Business Cycle	216

The Balance of Payments and the Cycle	220
Retrospect	222
<i>Photo Essay: The California Gold Rush</i>	214–215
<i>Photo Essay: The China Trade</i>	219

Chapter 12

Special Topic: The Debate Over Slavery 227

Why the Controversy?	227
The Slave Family	228
Was Slavery Doomed Without Civil War?	231
Why Did Slavery Persist?	236
Problems of the Slave “Business Firm”	237
Retrospect	239



Part 3

Extended Growth and Development: Achievement and Problems, 1861–1914 245

Chapter 13

Economic Effects of the Civil War 247

Measures of the War’s Cost	247
Who Paid?	249
Did the War Aid Industrialization?	252
Comparative Recovery: The North and South After the War	254
Conclusion	262
<i>Photo Essay: The Real and Financial Costs of War</i>	248

Chapter 14

Railroads and Economic Development 267

Completion of the Rail Network	268
Railroads and Economic Growth	271

Railroads and the Attack on Big Business	274
<i>Photo Essay: Railroad Expansion</i>	278–279

Chapter 15

Post-Civil War Agriculture 285

The Homestead and the End of the Frontier Era	285
Expanding Agriculture and the Price Dilemma	292
The Farmers' Complaints	294
Closing the Frontier: A Glimpse of the Far Future	296
<i>Photo Essay: Farm Technology Moves West</i>	298–299

Chapter 16

Population Growth and the Atlantic Migration 305

Trends	305
Immigration and Growth	307
The Urban Magnet	315
<i>Photo Essay: Immigration and the Urban "Magnet"</i>	310–311

Chapter 17

Industrialization and Urban Growth 320

Preliminary Observations	320
The Rise of Heavy Industry	321
Expansion of the Market	331
Urban Growth	333
Industrial Growth Under Capitalism	335
<i>Photo Essay: Factories and Mass Production</i>	326–327
<i>Photo Essay: Scale Economics in the Retailing Revolution</i>	330
<i>Photo Essay: Early Urban Mass Transit</i>	336–337
<i>Photo Essay: Boom Town</i>	340–341

Chapter 18

Big Business and Government Intervention 347

Legal Changes: Corporations	348
The Pivotal Point: <i>Munn v. Illinois</i>	350
The Antitrust Acts	353
Remarks on Government Intervention	356

Chapter 19	
<i>Financial Developments: 1863–1914</i>	361
Creating Financial Intermediation	361
Investment Banking and the Capital Market	368
The Currency Question	371
The Major Crises and the Poor	375

Chapter 20	
<i>The Giant Economy and Its International Relations</i>	379
Trends in Trade and Payments	379
The Tariff Question Again	383
The Gold Standard in 1900	388
International Capital Flows	390

Chapter 21	
<i>Labor and the Law</i>	394
Labor's Social Position	394
The Emergence of the AFL	399
Antitrust Law and the Unions	404
The Wartime Gains of Labor	407
<i>Photo Essay: Women and Children in the Labor Force</i>	397
<i>Photo Essay: Labor Unrest</i>	400–401

Chapter 22	
<i>Special Topics: The Post-Civil War Era</i>	411
The Entrepreneurial Factor	411
The Changing Social Environment	416
What Did the Populists Really Want?	421
Retrospect	423
<i>Photo Essay: The “Gilded Age”</i>	413
<i>Photo Essay: Invention and Innovation</i>	418–419



Part 4

The Climacteric of American Capitalism: Expansion of the Federal Power, 1914–45

427

Chapter 23

The Command Economy Emerges: World War I

429

The Income Tax Amendment of 1913

429

World War I: The Numbers

430

The Command Economy

438

The Legacy of Wartime Control

440

| *Photo Essay: Modern War* 431

Chapter 24

“Normalcy”: 1919–30

444

Income Distribution

444

The Expansion of the 1920s

446

The Financial Sector

450

The Great Crash

454

Explanations

460

| *Photo Essay: The New Leisure* 445

| *Photo Essay: Location by Automobile* 456–457

Chapter 25

The Great Depression and the New Deal

465

Perspective

465

1929–41: The Statistical Bare Bones

467

The New Deal Reforms

472

The Depression Lingers

478

Why So Long?

482

The Depression Legacy

486

| *Photo Essay: The Great Depression* 470–471

| *Photo Essay: Urban Growth* 479

Chapter 26

War Prosperity: The Keynesian Message Illustrated 493

The Scope of War Mobilization 493

Financing the War 498

The War, Labor, and Family Income 500

Consumption and Investment 502

The Keynesian Lesson 503

| **Photo Essay:** Modern War Again 496–497

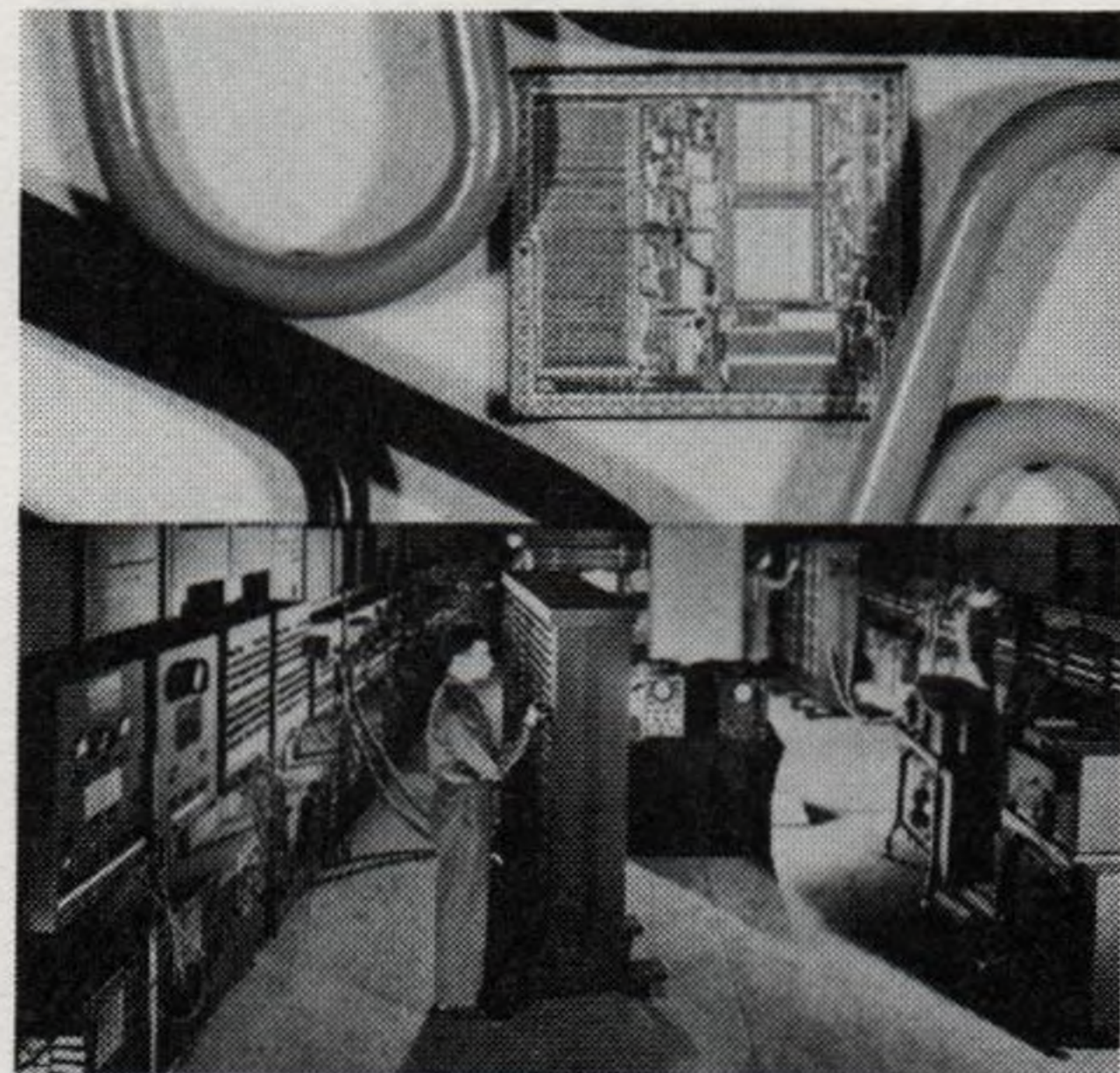
Chapter 27

Special Topic: The New Deal at a Distance 507

What Were They Doing? 507

The New Deal: A Social Revolution? 513

| **Photo Essay:** The New Deal Out of Doors 510–511



Part 5

Brave New World? 519

Chapter 28

From World War II to the New Frontier 521

The Short Peace 522

The Postwar International Reorganization 524

The Korean War and Eisenhower's Era of Stability 530

| **Photo Essay:** Prosperity Again 526–527

Chapter 29

The Tertiary Sector and the Labor Force 535

Rise of the Tertiary Sector 537

Opportunity Cost and the Tertiary Sector 544

Technological Change 549

Photo Essay: Facing The Environmental Crisis 536

Photo Essay: The Information Industry 548

Chapter 30

Modern Industrial Developments 553

Manufacturing Industry and Employment 553

Distribution of Employment and Value Added 553

Structure of Recent Industrial Growth 555

The Productivity Issue 556

Decline of American Preeminence in Steel and Motor Vehicles 558

A Note on Industrial Retardation 568

Addendum on Modern Agriculture 571

Photo Essay: The International Economy Intrudes 561

Chapter 31

From the New Frontier to the Supply Side: 1960–89 575

Some Background Considerations 575

Overview: 1960–80 578

The Long Peacetime Inflation 579

The New Wave of Controls 585

The Fiscal Legacy of Camelot 588

The Deluge: 1969–88 589

Chapter 32

Does This History Have a Future? 598

Assets 598

Liabilities 601

Net Worth 605

Glossary 607

Credits 611

Name Index 614

Subject Index 623