Econ 40413 U.S. Economic History I: The Founding Eras John Lovett

Code Name: ______________________

Part 1: (71 points. Answer on this paper. 2.5 pts each unless noted.)

#s 1 – 2: It’s 1660 and William has just inherited some land in one of the British colonies. This land is well-suited for growing sugar. It is also of the right size to grow sugar competitively.

1. Where is this land likely to be located? List two British, sugar producing colonies in the western hemisphere. ______________________ or ______________________

2. How many workers are likely needed to efficiently work this land?
   a. only 2 or 3.
   b. about 5 or 6
   c. several dozen or more

3. True or False “The basic argument of the staples thesis is that geography affects the disease environment which affects European migration to a colony. In turn, the amount of European migration affects the degree to which European property rights are transplanted, which affects later development.”

4. True or False “According to the staples thesis, the characteristics of the European founder is the primary determinant of a colony’s staple. For example, Spanish colonizers generally wanted to get rich quickly and therefore picked staples such as silver mining. English colonizers wanted to become gentried land owners, and therefore picked agricultural staples whenever possible.”

5. True or False “According to the staples thesis, colonies in which the population is spread out over a large land area (ex. rural colonies) will, ceteris paribus, tend to develop less rapidly than colonies in which the same # of people are concentrated in a smaller land area.”

6. Large deposits of natural gas have recently been discovered underneath the island of Mindanao in the Republic of the Philippines. Companies are starting to extract this natural gas. However, to get the natural gas to markets (Japan, China, Australia, U.S.A., etc), the gas needs to be compressed into liquefied natural gas and placed in pressure vessels. What, in the context of the Staples thesis, is the liquefaction and storage of natural gas an example of?
   a. a Staples externality
   b. Ricardian optimization
   c. Smithian optimization
   d. a local demand linkage
   e. a production linkage
   f. tertiary production
   g. geographic institutionalization
   h. institutional envelopment

7. Consider two little known British colonies; a) New Devon, and b) Kentland. New Devon’s primary export product is an agricultural product. Devon’s population is largely rural and spread out. Devon’s population is also made up of small, relatively poor, family farms. Kentland’s primary product is a mineral dug out of mines and then processed. Kentland’s population is relatively dense clusters. Kentland’s population is also made up of small, relatively poor, family mines. According to the Staples Thesis, which colony is likely to progress faster in the very long-run?
   a. New Devon (the aggies)
   b. Kentland (the miners)
   c. the Staples Thesis has little to say on this issue.

3 – 7 are not directly relevant for Fall ’17’s exam 2. We covered the Staples Thesis on Exam 1 in Fall ‘17.
Use this information to answer # 8 –10: Assume that Atlantis really existed. Further, in 500 BC the Phoenicians founded a colony on Atlantis. Assume:.

- The colony of Atlantis on Atlantis is very small compared to the Phoenician homeland. Only a few thousand are in the new colony and they are relatively spread out.
- It is 100 miles, by sea, from the new colony to the City of Phoenician homeland.
- The Phoenician unit of currency is the talent. It costs 2 talents per mile to ship 1 pound (lb) from the colony of Atlantis to the Phoenician homeland (or vice versa).

8. _____ 1 lb of Wheat can be produced for 350 talents in the Phonecian homeland. 1 lb can be produced for 200 talents in the colony of Atlantis. Which of the following is true?
   a. The colonists should produce Wheat both for export and local consumption.
   b. The colonists should produce Wheat for export but not for local consumption.
   c. The colonists should produce Wheat for local consumption but not for export.
   d. The colonists should not produce Wheat for either local consumption or for export.

9. _____ 1 lb of Frog Legs can be produced for 600 talents in the Phonecian homeland. 1 lb can be produced for 850 talents in the colony of Atlantis. Which of the following is true?
   a. The colonists should produce Frog Legs both for export and for local consumption.
   b. The colonists should produce Frog Legs for export but not for local consumption.
   c. The colonists should produce Frog Legs for local consumption but not for export.
   d. The colonists should not produce Frog Legs for either local consumption or for export.

10. _____ What point does the above exercise (#’s 8 and 9) illustrate?
    a. Most colonies had to be based on local markets for growth rather than basing their prosperity on trade with the Europe.
    b. The colonies were one of the few instances in a human history in which one region had a comparative advantage in the nearly all the goods traded.
    c. Early colonists needed to pick a staple that was both: 1) less costly to produce in the New World than in the Old and 2) had a high value per pound so it could bear the shipping costs.

11. _____ (2 pts each) In class, we examined attempts by Euro-Americans to gain access to (what is now) Ohio at the expense of Native Americans in the region. We examined this campaign to illustrate that:
    a. the numerical advantage Europeans held was arguably more important than any European advantage from military technology.
    b. most of the actual fighting to defeat native Americans was done by other Native Americans in the pay of first the British, then the American.
    c. European diseases killed Native Americans quickly. Often disease spread from European military forces to Native Americans on the eve of battle and reduced native forces by 50% within 48 hours.
    d. European medical technology was the crucial that gave Europeans a better chance of surviving viscous diseases.
    e. Both c and d are correct

12. _____ Which disease was most responsible for discouraging European settlement in colonial areas?
    a. syphilis    b. measles    c. smallpox    d. malaria
13. _____ What is a “crowd disease”?
   a. A disease which causes people to seek the care of others.
   b. A disease which spreads better in crowded areas because it uses reactions of the human body to spread. For example, whooping cough causes a person to cough out whooping cough bacteria. The bacteria spreads to persons nearby.
   c. A disease that not only attacks humans, it also attacks other disease causing bacteria (viruses, etc.) in humans. It directly crowds out other diseases.
   d. 20,000 screaming fans at a Justin Beiber & Selena Gomez concert.

14. _____ Native Americans and Euro-Americans clashed many times in U.S. history. What was the worst Euro-American military defeat? In which battle did Native Americans kill the most Euro-Americans?
   a. Travesty at Waco, 11 Oct 2014
   b. Little Bighorn, 1876
   c. Horseshoe Bend, 1812
   d. Tippicanoe, 1811
   e. Fallen Timbers, 1794
   f. St. Claire’s Defeat, 1791
   g. The Misistuck Massacre, 1637
   h. Saint Augustine, 1599

15. _____ Which of the following was true of the French system of land tenure (ownership and use) in French Canada?
   a. Farmers can sell (the right to use) their land. However, the process is not as efficient and easy as in the English system.
   b. Farmers are bound to their land for life. While this protected French farmers in Europe from losing access to land, in the new World it mainly benefited the local baron.
   c. Land was owned and farmed communally. A village group, or seignior, would be assigned a plot. The seignior’s plot would change each year.
   d. Land was owned and farmed communally. A village group, or seignior, would be assigned a plot. The seignior’s plot stayed the same from year to year.

16. _____ What is the “seigniorial system”?
   a. a system of land ownership in which farmers have great difficulty in selling title to their land.
   b. a system in which colonies are governed by a for profit company. The company consists of private shareholders, faces few restrictions, and only owes the government a small annual fee.
   c. a system in which colonies are governed by a for profit company. The crown (i.e. government), however, appoints the company director and receives a large share of the profits.
   d. a system designed to encourage colonization by providing “free” land to any who pays for their own passage.
   e. a system of land ownership in which land can easily be sold or inherited

17. _____ Where was the “seigniorial system” used?
   a. in French Canada
   b. in British North America
   c. in Spanish Meso-America (Mexico) and Peru
   d. among hunter gathering Indian tribes in North America
   e. among largely agricultural Indian tribes in North America
18. According to your lecture and notes, which of the following best describes why the North American colonies eventually were all British and not French?

a. The British eventually pushed their government subsidized trading posts west. These posts outcompeted the French private firms trade and gained almost all the trade with Native Americans.
b. British government subsidies encouraged British settlers to undertake investments spanning several generations. The French “annuaire” or “yearbook” system only encouraged investments that paid off very quickly.
c. The British did a much better job at incentivizing people to settle in their colonies.
d. Military technology. Although England was only a few years ahead of France in terms of military technology and theory, this British lead made the difference.

19. It’s 1700. In which British colonial area is indentured servitude more common? In which area was a higher % of the population indentured servants?

a. the British Caribbean  
b. the Chesapeake  
c. The % of the population that was indentured servants varied little from region to region.

20. What best explains the answer to the above question?

a. If mortality rates (death rates) are very high, there will be few who live long enough to have children. A large % of the population will be recent immigrants rather than native-born.
b. Because of trade winds and currents, it cost nearly three times as much to ship slaves to the Caribbean as it did to the mainland British colonies.
c. Because of trade winds and currents, it cost nearly three times as much to ship slaves to the mainland British colonies as it did to the mainland British colonies.
d. Indentured servitude was, in part, voluntary. Europeans could choose whether or not to enter into and IS contract. They chose NOT to go to the Caribbean largely due to the high mortality there.

21. According to lecture and the Galenson reading, what caused the decline of indentured servitude in the American colonies?

a. The primogeniture system, a system in which colonial governments gave land to settlers who paid their costs of passage  
b. The headwright system, a system in which colonial governments gave land to settlers who paid their costs of passage  
c. A Parliamentary bill banning the coercive ownership of an Englishman’s labor.  
d. Rising English incomes and falling costs of passage  
e. Typhoid, yellow fever, and other diseases.

22. The year is 1640. A laborer has just arrived in colonial Virginia from overseas. According to our lectures and readings, this person is most likely a(n):

a. slave from Africa  
b. Native American slave from the Carolinas  
c. indentured servant from Europe  
d. free laborer from Europe

23. The year is 1720. A laborer has just arrived in colonial Virginia from overseas. According to our lectures and readings, this person is most likely a(n):

a. slave from Africa  
b. Native American slave from the Carolinas  
c. indentured servant from Europe  
d. free laborer from Europe
24. ____ The colony of Anglia has a very unhealthy climate. The colony of New Britannia’s climate is very healthy.
   a. Anglia is the more likely to have slavery.
   b. New Britannia is the more likely to have slavery.
   c. There is likely to be no difference between the two when it comes to slavery. Climate is likely to have no effect on the prevalence of slavery.

25. ____ Which of the following best explains why British North America and the Caribbean adopted slavery, but, for the most part, the Spanish colonies of Mexico and Peru did not?
   a. Since the colonies were not represented in the British parliament. As a result, Britain generally let each colony make its own economic decisions. Spanish colonies were represented in the Cortes (Spanish parliament). As a result, Spain’s colonies were bound by the laws of European Spain.
   b. There was plenty of low wage labor in European Spain, but not in Britain. The Spanish colonies could import this cheap Spanish labor. The British colonies, in contrast, turned to slaves.
   c. Spain’s colonies were governed based more on religious decisions than on economic ones. Spain’s King and the Catholic Pope banned most forms of slavery.
   d. British North America and the Caribbean had very large native populations. Slaves were seen as a way of expanding the British footprint in the colonies and reducing that of natives. In the Spanish colonies, native populations were much lower as a result of the early epidemics.
   e. Mexico and Peru had very large native populations. As a result, Spanish colonizers had lot so of cheap native labor and therefore had less incentive to import African slaves.

26. - 27. (3 pts each) Indicate the relative rankings of the 4 settlement regions of colonial British North America shown below. The first row has been done for you.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>New England</th>
<th>Chesapeake</th>
<th>Lower South</th>
<th>Caribbean</th>
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</thead>
<tbody>
<tr>
<td>25 ½. Northernmost</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>(1 = most north, 5 = least)</td>
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<tr>
<td>26. Average farm size</td>
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<td>(1 = largest, 5 = smallest)</td>
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<tr>
<td>27. % of pop. that’s slave in 1700s</td>
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<td>(1 = most slave, 5 = least)</td>
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28. ____ Abel is wanting to migrate from England to the Americas. Able is a skilled iron worker (Blacksmith). Benjamin is wanting to migrate from England to the Americas. Benjamin has a strong back and good work ethic. He has no special skills, however, other than that of a common laborer. How, if at all, will their indentured servant contracts likely differ?
   a. Abel will likely have to pay the shipper less for passage to the Americas. Benjamin will pay more.
   b. Abel will likely have to pay the shipper more for passage to the Americas. Benjamin will pay less.
   c. Abel will likely have a shorter contract. Benjamin’s contract will be longer.
   d. Abel will likely have a longer contract. Benjamin’s contract will be shorter.
   e. While they will do different kinds of work once they arrive in the Americas, there is no reason to believe their contracts will be different.
Part 2: Answer 1 of the following 2 essays (30 points)

1. Why did the diseases Europeans brought to America prove so deadly to the Native Americans, while American diseases proved less deadly to Europeans? Was it just luck? Explain your answer.

2. About half a million from the British Isles and other parts of Europe immigrated to the English colonies in North America prior to 1750. How the heck did most of these Europeans get over here?
   a. Explain the economic problems faced by labor wanting to go to the colonies, and potential users of labor in the colonies. In particular, if going to the new world could be a win-win for both the worker and whoever in the new world hires him or her, why were there any problems getting people over.
      Note: I’m looking for more than just high passage costs. New world incomes were high enough relative to passage costs to make immigration a good “investment” or you wouldn’t have had people wanting to emigrate and planters wanting to hire them.
   b. What methods of overcoming this problem were tried, but were ultimately not successful? Why did they fail? What system ultimately succeeded at getting European labor to the new world? Explain why this method succeeded whereas others failed.

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