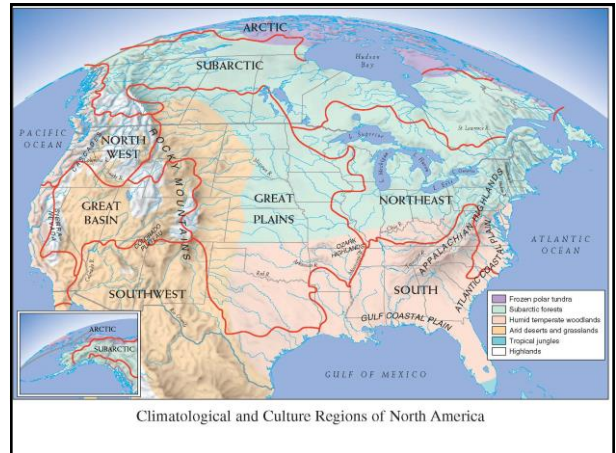
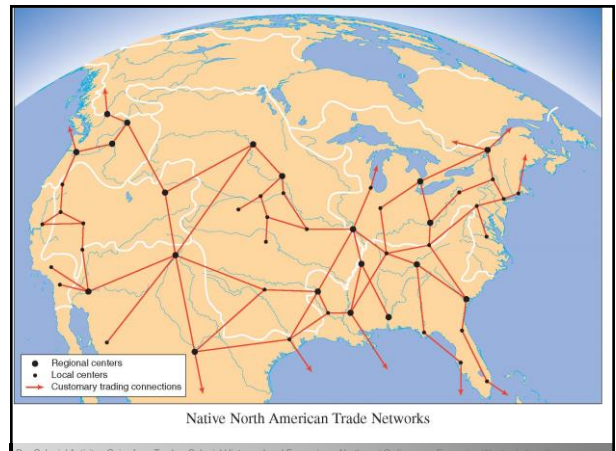


## Econ 113: January 27, 2015

- Pre-colonial economic activity, continued
- Model: Gains from Trade – what are the assumptions?
- Colonial History, really quickly
- Land Expansion
- Northwest Ordinances
- Westward Expansion
- [Indian Removal](#)

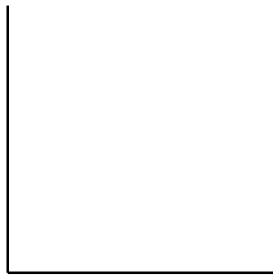


- ARCTIC: fishing; sea-mammal hunting
- SUB-ARCTIC: subsistence hunting
- NORTHWEST COAST: salmon fishing
- FAR WEST: salmon fishing, small game hunting, & gathering
- SOUTHWEST: irrigated farming; pottery making, weaving
- GREAT PLAINS: farming; then, bison hunting
- EASTERN WOODLANDS
  - North: hunting, gathering, limited agriculture
  - South: settled agriculture; trade in crafts



## Gains from Trade

- Production Possibilities Frontier



## Gains from trade exist if . . .

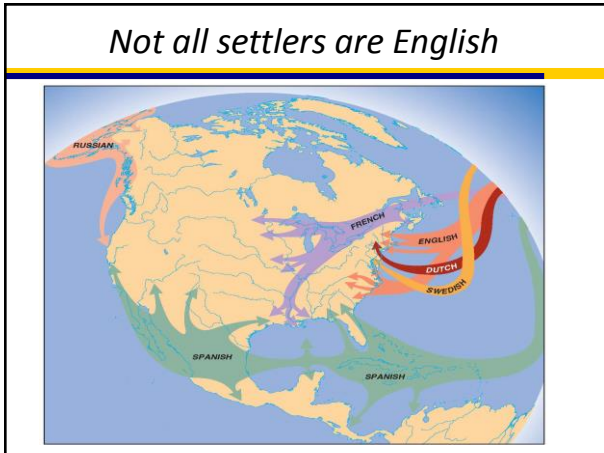
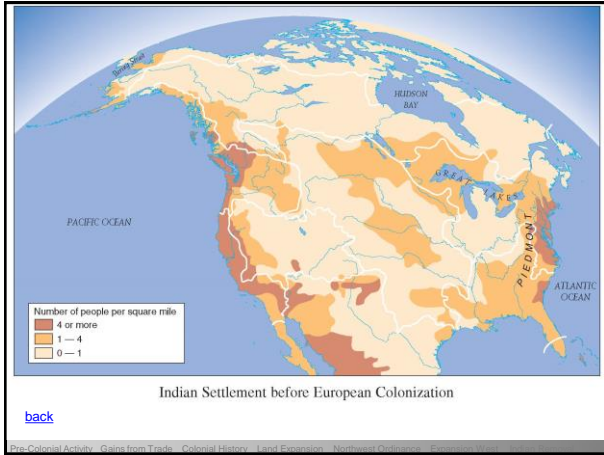
1. opportunity costs differ
  - If natural endowments differ, then opportunity costs differ
2. transportation network exists
3. information flows occur
4. markets for trade exist (with property rights scheme)

## Gains from Trade

- Trade improves [every community's] social welfare
  - . . . Assuming what?
    - Explicit assumptions
    - Implicit assumptions

## Summarizing, pre-Columbus

- Very settled, especially along coasts and through South ([map](#))
- Native American Population
  - About 4 million circa 1500
  - Less than ½ million by 1700
- Many different tribes / nations ([map](#))
- Natural resources determined activity
- Trade existed



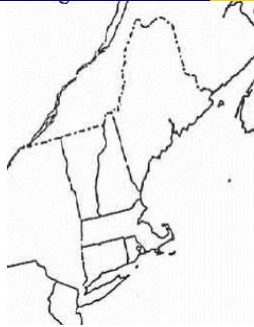
### Colonial History, quickly

- Exploration and settlement by many countries (map)
- British colonies are basis of new country: "United States"
- Activities of regions reflected natural endowments
  - Map: Regions
  - Map: Regional Activity

[back](#)

## Geography Reminder

- **New England**
  - Maine (part of Massachusetts until 1820)
  - New Hampshire
  - Vermont (part of New York until 1791)
  - Massachusetts;
  - Rhode Island
  - Connecticut



## Geography Reminder

- **Middle Colonies**
  - New York
  - New Jersey
  - Pennsylvania
  - Delaware



## Geography Reminder

- **Southern Colonies**
  - Maryland
  - Virginia
  - North Carolina
  - South Carolina
  - Georgia



## Regional Colonial Activity

- **New England:** fishing and whaling, subsistence farming, shipbuilding, timber, crafts
- **New York City, Philadelphia:** major shipping ports; insurance, finance
- **Middle Colonies:** wheat, ranching, ironmaking, crafts
- **Virginia, Maryland:** tobacco
- **North Carolina:** tobacco, rice, indigo, turpentine, pine lumber
- **South Carolina, Georgia:** rice, indigo
- **NOTE:** Cotton is not basis of southern economic activity until after 1793 and invention of the cotton gin

## Key dates: British Colonies become U.S.

- Fighting for independence from Britain
  - July 4, 1776 Declaration of Independence from Britain
  - April 1775 - August 1782 Revolutionary War
- Establishing a framework for a new country
  - 1777 Articles of Confederation
  - 1787 Constitutional Convention
  - 1788 Constitution Ratified
- The first years of the United States
  - 1789 Pres. Washington Inaugurated
  - 1791 Bill of Rights (Amendments 1-10) passed



## Property Rights

- System of property rights derived from British laws
  - “Free and common socage”; “fee simple”
- Applied to British colonies; included in US Constitution
- Six characteristics
  1. Perpetual ownership
  2. Obligations “fixed & certain”
  3. Right of waste
  4. Freely alienable (could be sold)
  5. Can be bequeathed
  6. Inheritance direct (not via Crown or government)

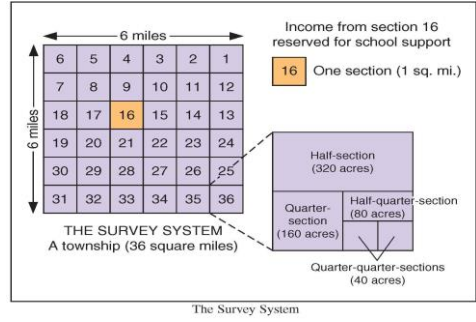
### Northwest Ordinance, 1785 & 1787



State Claims to Western Lands

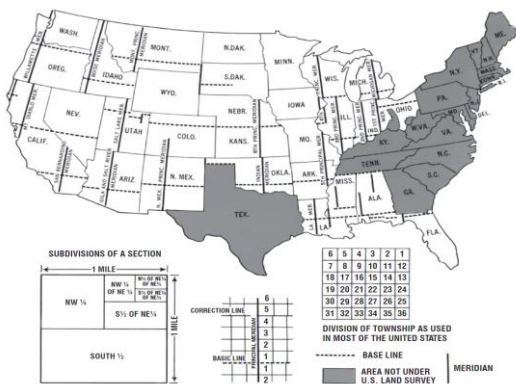
### Northwest Ordinance 1785, 1787

- Land surveyed into 36 square mile townships



The Survey System

Dr. Colonial Activity, Maps from Trade, Colonial History, Land Expansion, Northwest Ordinance, Political Geography



Map 8-2 from Walton & Rockoff

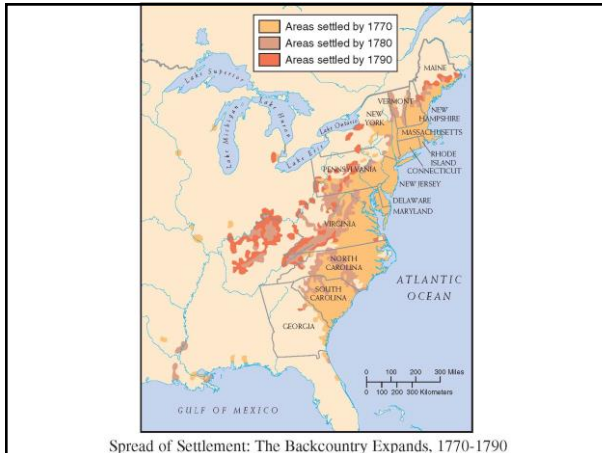
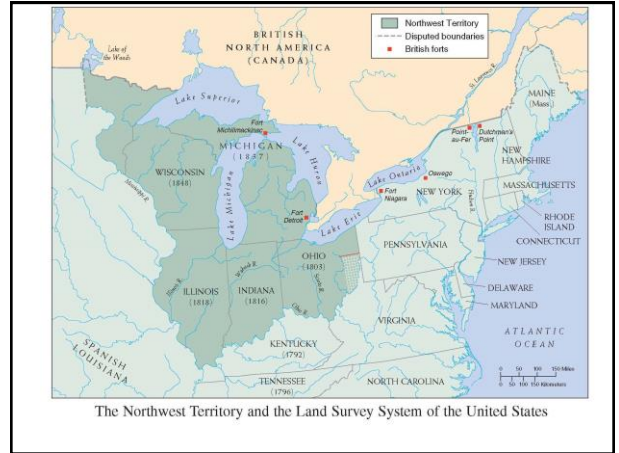
### Why would "surveying the land" ↑A?

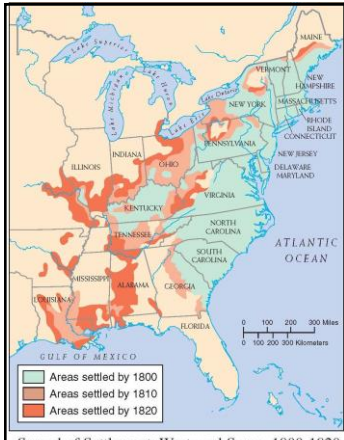
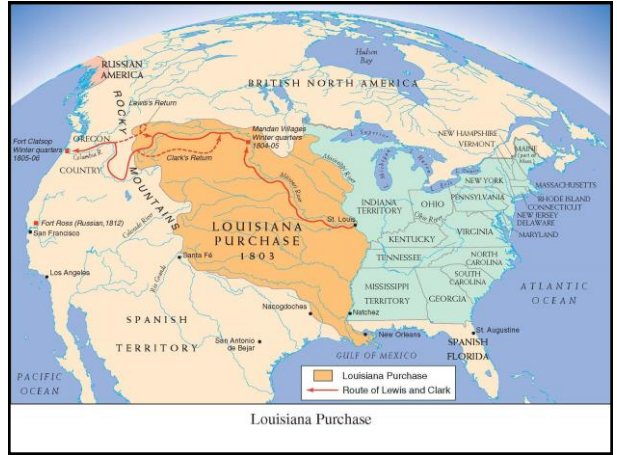
Dr. Colonial Activity, Maps from Trade, Colonial History, Land Expansion, Northwest Ordinance, Political Geography



## Northwest Ordinances 1785, 1787

- Land surveyed into 36 square mile townships
  - See the effect on [google earth](#)
  - Compare Waukon IA, Lebanon PA and Stanford KY
- Sold by federal government to private parties
- Slavery prohibited in Northwest Territory
- Territories could become states





Settlement, 1800 - 1820

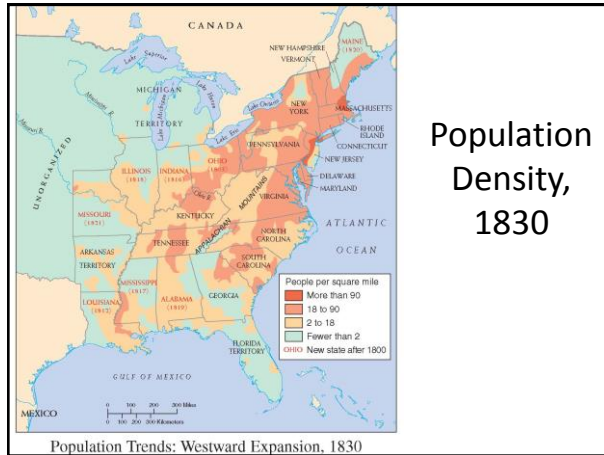


Migration Routes, 1800-1820

Spread of Settlement: Westward Surge, 1800-1820

Major Migration Routes, 1800-1820





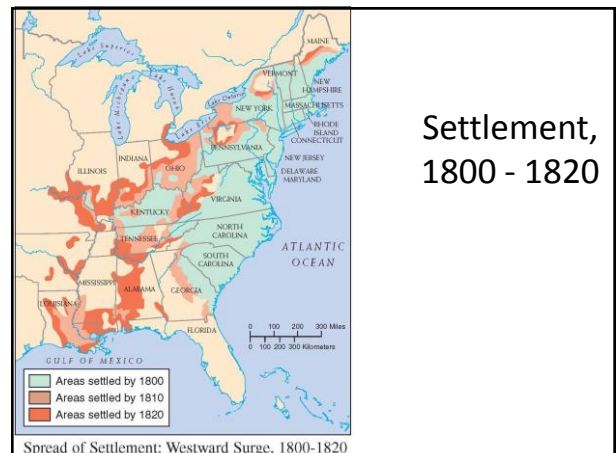
### Westward Expansion

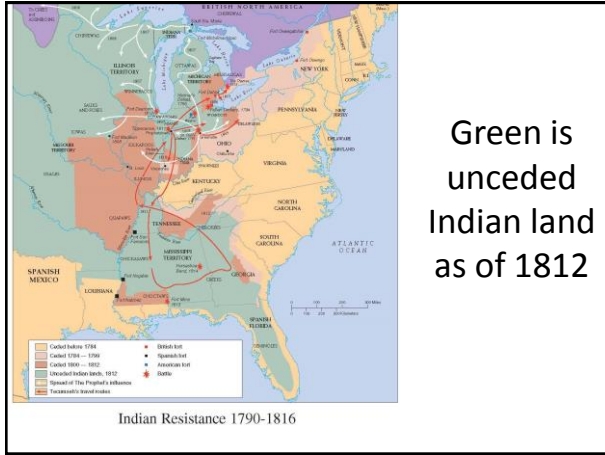
**Table 5. Movement of Population West**

	% of U.S. population living in west of Appalachians
1810	15
1830	29
1850	43
1860	49

Source: Derived from U.S. Bureau of the Census (1975), *Historical Statistics*, Series A7, A195.

- ### Removal of Indians
- Battles and treaties and battles
    - 1780s: series of treaties
    - 1790s: battles and treaties
    - 1794: U.S. Army defeated Western Indian Confederacy
      - Confederacy = group of tribes from Northwest Territory
  - 1830s: Removal of Southern Indians along the "Trail of Tears"





### Cherokee Nation

- President Jackson's claim:
  - uneducated: *"Most of your people are uneducated. . ."*
  - poor: *"... a large portion of your people have acquired little or no property in the soil itself. . ."*
  - not agriculturally skilled or equipped: *"... or in any article of personal property which can be useful to them."*
- Wishart: Does the evidence support Jackson's claim?

### Uneducated?

**Table 1. Cherokee Literacy Rates, 1835**

	# of Cherokee households	% of all Cherokee households	
		literate in Cherokee	literate in English
GA	1,350	53	13
NC	650	48	5
TN	424	57	40
ALA	245	57	38
<b>Overall</b>	<b>2,669</b>	<b>53</b>	<b>18</b>

Source: Wishart, David, "Evidence of Surplus Production," Tables 1 and 2.

### Poor?

**Table 2. Cherokee Slave Ownership, 1835**

	Of all Cherokee households, % that owned African slaves	Of slave-owning Cherokee households, mean # of slaves owned
GA	7	8.0
NC	2	2.3
TN	13	8.4
ALA	16	7.5
<b>Overall</b>	<b>8</b>	<b>7.6</b>

Source: Wishart, David, "Evidence of Surplus Production," Tables 1 and 2.

## Not agriculturally skilled?

**Table 3. Percentage of Cherokee Households Achieving Self-Sufficiency in Corn Production**

	% of all households	% of corn-producing households
NC	46.1	48.4
GA	46.4	52.1
AL	59.1	76.7
TN	63.9	74.0

Source: Wishart, Table 4.

## Evidence of Crop Diversification

- No direct evidence, but can estimate

$$\text{Yield per acre} = \frac{\text{Output}}{\text{Acres}}$$

## Crop Diversification

- Result:

$$A = 3.72^{***} + 0.0591^{***} \times Q_{corn}$$

$$\frac{1}{0.0591} = 16.92$$

## Diversification Evidence

**Table 4. Estimates of Yields & Acreage in Other Crops**

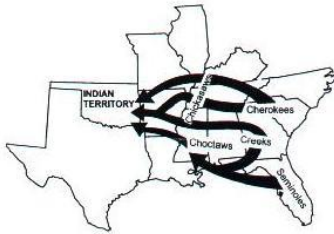
	Yield per acre	Acreage in other crops
TN	17.7 <sup>***</sup>	6.2 <sup>***</sup>
AL	15.0 <sup>**</sup>	5.3 <sup>***</sup>
NC	18.6 <sup>***</sup>	4.2 <sup>***</sup>
GA	17.9 <sup>***</sup>	3.3 <sup>***</sup>
Overall	16.9 <sup>***</sup>	3.7 <sup>***</sup>

<sup>\*\*\*</sup>significant at 1 percent level.

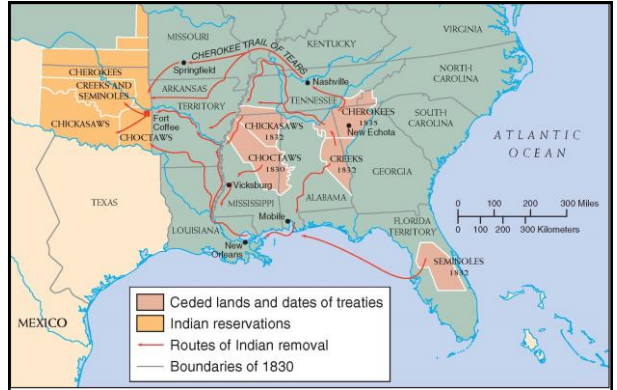
<sup>\*\*</sup>significant at 5 percent level

Source: Wishart, Table 7. Reported results are based on data for just corn output.

# Removal: Trail of Tears



<http://www.rosecity.net/tears/trail/removal.gif>



Southern Indian Cessions and Removals, 1830s

<http://www.youtube.com/watch?v=mCGH1YZ6rgU>

From: Colonial America - Essays from Yards - Colonial History - Lord Empress - Northwest Conquest - Colonization - World History