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Farewell to the “Party Period”: Political Economy in Nineteenth-Century America

Historians of the United States have long contended that the study of governmental institutions, including the history of public policy, is no longer central to the teaching and writing of American history.¹ Some lament this development; others hail it as a sign that other worthy topics are finally getting the attention they deserve. Yet is it true? The recent outpouring of scholarship on the relationship between the state and the market, or what an earlier generation would have called political economy, raises questions about this venerable conceit. Indeed, if one were to pick a single word to characterize the state of the field in the history of American political economy, it might well be “robust.”

Consider, for example, the recent publication by Norton of *Inventing America*—a major new U. S. history textbook co-authored by four highly regarded senior scholars—Pauline Maier, Merritt Roe Smith, Alexander Keyssar, and Daniel J. Kevles. The theme of *Inventing America* is innovation, including political innovation. In deliberate contrast to previous textbooks, it places “renewed emphasis” on national and state governments in the conviction that these institutions have “often acted as powerful agents of social and economic change.”²

This article surveys recent scholarship on the history of political economy in the United States. Its focus is on work published since the mid-1990s on the long nineteenth century that opened with the adoption of the federal Constitution and closed with World War I. In no sense is it intended to be comprehensive; rather, it seeks merely to highlight some of the most important recent trends.

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A similar essay could be written for the twentieth century and for the colonial era. Yet it is particularly notable that so much innovative work has been published, and is soon to appear, on a period during which it has long been assumed that the American state was weak and unimportant. According to this view, which has been endorsed by historians as well as political scientists, the nineteenth-century American state was a "state of courts and parties" in which few governmental institutions *other than* courts and parties had a major influence on American life. Even courts and parties were typically assumed to have reflected changes originating in the wider society, rather than the other way around.³ Courts were treated as agents of commercial development, parties as reflections of changing social trends. To highlight the centrality of the political party to nineteenth-century politics, proponents of the courts-and-parties school dubbed the decades between the 1830s and the 1880s the "party period" in American political history, a periodization that Richard L. McCormick popularized in his influential *Party Period and Public Policy* (1986), and that Joel H. Silbey relied on in his *American Political Nation* (1991).⁴

The scholarship surveyed in this article suggests that the party-period paradigm is under assault. Though no new paradigm has yet gained widespread acceptance, it points to the rapid emergence of what one might call the political economy synthesis.

Perhaps the best way to appreciate this historiographical sea change is to highlight the variety of recent scholarship that can fit under the rubric of political economy. Such works range from the detailed investigation by Sven Beckert and Robert Johnston of the New York bourgeoisie and the Portland, Oregon, middle class to the synthetic exploration by Richard Franklin Bense and Elizabeth Sanders of the Gilded Age Republican party and the Progressive Era farmers' movement.⁵ The relationship of the state and market has long been a focus for scholarship in legal history, and it draws much of its inspiration from the well-known books and articles of Willard Hurst and Harry Scheiber. Among the recent scholarship in this tradition are books on state government by Ballard C. Campbell and Colleen A. Dunlavy; on regulation by William J. Novak, Barbara Young Welke, and Victoria Saker Woeste; and two essays (and a forthcoming book) on fiscal policy by Robin L. Einhorn.⁶ Closely related is the burgeoning literature on the political preconditions of economic innovation. This topic has been explored for transportation, communications, and banking by Steven W. Usselman, Richard R. John,

and Richard Sylla; for manufacturing by Mark R. Wilson, Charles W. Calhoun, and Thomas J. Misa; and for mining by Sean Patrick Adams.⁷ Also worth highlighting is the continuing stream of scholarship on the cultural dimensions of economic development, a central concern for Peter S. Onuf, James L. Huston, Heather Cox Richardson, Rebecca Edwards, Nancy Cohen, and James Livingston.⁸

This representative listing of authors suggests what is perhaps the most distinctive feature of recent scholarship on American political economy, and that is the extent to which its practitioners hail from a variety of fields. Political historians, political scientists, economic historians, historians of technology, legal historians, social historians, and even cultural historians are all exploring the relationship of the state and the market in inventive and imaginative ways.

Though these works differ in many respects, several themes do stand out. The first is the extent to which American industrialism is best understood as a political and cultural project as well as an economic and technological phenomenon. Few recent students of nineteenth-century political economy endorse Charles Sellers's now notorious claim that the market revolution was the quasi-conspiratorial project of a tiny cabal; indeed, several challenge him directly.⁹ "The pleasing rhetoric of Jackson's moralizing fables notwithstanding," declared John Lauritz Larson in a recent monograph on nineteenth-century public works, "Americans demanded the market revolution long before they understood it."¹⁰ Yet the current generation is far less reluctant to identify winners and losers than McCormick was in his *Party Period*. Benseel is perhaps the most explicit in linking the industrialization of the north and east with the immiseration of the south and west. The "extreme disparity" in regional economic development *within* the United States—Benseel postulated, in a passage he italicizes to underscore its centrality to his argument—"gave rise to government policies and through them, political party coalitions that made intersectional redistribution the most important factor in American politics."¹¹ Not everyone will find Benseel's sectional determinism persuasive. Yet he is by no means alone in discerning systemic biases in the legislative process. Einhorn discovered similar patterns in eighteenth-century fiscal policy; Sanders in Progressive Era economic legislation.

While the cultural dimensions of policymaking have been by no means neglected, few presume economic issues mere proxies for ethnocultural conflict—as, for example, proponents of the party-

period paradigm sometimes contended. Bensel is particularly forthright on this point. Having systematically examined every state party platform for the period between 1877 and 1900, he found that, in almost every election, party leaders regarded nationally oriented economic issues to be *relatively* more significant than locally oriented cultural issues: "Ethnocultural issues colored much of the politics of the late nineteenth century, but the paint never reached very deep."¹²

Notwithstanding the renewed interest in winners and losers, few recent students of American political economy presuppose economic imperatives to be the primary engine of change. On the contrary, outcomes once assumed to have been exclusively economic and technological are now explained to have been shaped in fundamental ways by political conventions and cultural norms. To put it bluntly: inevitability and determinism are out; contingency and path-dependency are in. The national market, Bensel posited, summarizing a widely shared view, was a "political construction" and, as such, a product of "politics and blood."¹³ The political economy—to borrow a phrase from Michael F. Holt, who used it in a somewhat different context—was regarded by contemporaries as "plastic" in the sense of being open to radical refashioning by legislators, judges, and government administrators.¹⁴

Among the most characteristic and revealing of the new works to make political economy a central theme is Steven W. Usselman's prize-winning *Regulating Railroad Innovation*. If one were to read only one book on American history in the nineteenth century, declared Naomi Lamoreaux in a dust-jacket blurb, she would "unhesitatingly pick this one." Among the many contributions of Usselman's study is his unusually capacious conception of political economy. Initially, Usselman explained in his introduction, he conceived of his study as an exploration of what historians of technology call the "social construction" of technological systems, a genre that typically explores the consequences for a discrete technological artifact of a relatively narrow range of contextual factors. Eventually, however, Usselman recast it as an exploration of the political economy of technological innovation. The management of technical innovation, Usselman concluded, was an "absolutely central element of the American experience" that grew out of the determination of several generations of Americans to reconcile dynamic technological change with their "revolutionary political inheritance."¹⁵

Few themes have engaged more interest among recent students of American political economy than the relationship between po-

litical democracy and economic development. Thomas Friedman and Francis Fukuyama notwithstanding, none presuppose the inevitable triumph of market liberalism. For Bensel, the conjunction of political democracy and economic development is a problem to be explained; for Cohen, it is an illusion to be exposed; for Richardson and Beckert, it is a promise betrayed. Calhoun is more hopeful, seeing the roots of the Great Society in Republican industrial policy. Yet all find the tension between capitalism and democracy worth pondering and not easily resolved.

Just as the consequences of economic development are receiving renewed emphasis, so too are its political preconditions. There is, in particular, a renewed interest in the economic consequences of the federal Constitution and, in particular, of the Federalists' vision of a mixed economy. In realms as otherwise diverse as banking, public works, social provision, and communications, a consensus is emerging that events set in motion *before* Jefferson's ascendancy cast a long shadow over American life.¹⁶

Recent scholarship has placed a similar emphasis on the formative influence of the Civil War. To highlight the significance of the Civil War in shaping the political economy might not at first seem to be particularly surprising—after all, Charles Beard proclaimed it long ago to be a “Second American Revolution” that fundamentally recast the American political economy. Yet Beard's thesis was widely derided in the 1950s and 1960s and has only recently been revived.¹⁷ The irrelevance of the Civil War for American economic development was implicit in the celebrated analysis of American business history that Alfred D. Chandler Jr. published in 1977.¹⁸ The limited influence of the Civil War on American politics was, similarly, an article of faith for McCormick and Silbey, two of the principal proponents of the party-period paradigm.¹⁹ The party-period paradigm, as Michael Holt observed in a perceptive critique of McCormick and Silbey, was predicated on the counterintuitive notion that the political history of the half century between the 1830s and the 1880s was fundamentally stable *even though* it had been bifurcated by a devastating civil war. The period *was* stable, if you accept a minimalist definition of stability: the victorious North permitted federalism to endure. Yet it was hardly stable for blacks, southern plantation owners, or the manufacturers who supplied the Union army. Though the influence of the war on the political economy remains a matter of no little dispute, it is, at least, once again being debated.

Whether or not the national government failed in the postwar period to meet the challenges it confronted is an intriguing question. Yet few would contend, with Wallace D. Farnham, that it had a "weakened spring."²⁰ Indeed, if there is a single conclusion that recent scholars share, it is the fallacy of characterizing the nineteenth-century American state as "weak." In the nineteenth century, Bensel observed, in articulating the new consensus, the central state was responsible for a pair of "truly stupendous achievements," namely, the suppression of southern separatism and the creation of a national market free of local constraints.²¹ Somewhat oddly, Bensel said little about the agency of the central state in the decades *before* the Civil War. This is particularly surprising, since specialists in the early republic have for several years been documenting the weighty role that governmental institutions at both the state and federal level played in the political economy during this period. The early American state may have been limited in size and centralization—declared political scientist Ira Katznelson, in summarizing this literature—yet it was "flexible, effective, and efficient."²²

In different ways, the scholarship I touch on in this article highlights the limitations of the party-period paradigm. Whether an alternative political economy synthesis will supplant it remains to be seen. Yet there is reason to suppose that the conditions are ripe. Now that the Cold War is rapidly becoming a distant memory, it is becoming increasingly possible to view the history of the American political economy through a prism that has not been decisively colored by the ideological struggle over the relative merits of the free market and central planning. It may, in short, be an unusually opportune moment to rise to the challenge of exploring in a nondogmatic and open-minded spirit the history of our governmental institutions and their influence within the United States and around the world. Given the undeniable centrality of the United States to the political economy of the contemporary world, is this not a challenge worth pursuing?

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Notes

1. The marginal status of political history was touched on in several influential literature surveys published in the 1970s and 1980s. These included Vincent P. De Santis, "The Political Life of the Gilded Age: A Review of the Recent Litera-

ture," *History Teacher* 9 (November 1975): 73–106; Theda Skocpol, "Social History and Historical Sociology: Contrasts and Complementarities," *Social Science History* 11 (Spring 1987): 17–30; and William E. Leuchtenberg, "The Pertinence of Political History: Reflections on the Significance of the State in America," *Journal of American History* 73 (December 1986): 585–600. For a recent, more optimistic assessment, see Brian Balogh, "The State of the State Among Historians," *Social Science History* 27 (Fall 2003): 455–64.

2. Pauline Maier et al., *Inventing America: A History of the United States* (New York, 2003), xxi.

3. For a more extended discussion of the courts-and-parties school, with a focus on the decades preceding the rise of the mass party, see Richard R. John, "Governmental Institutions as Agents of Change: Rethinking American Political Development in the Early Republic, 1787–1835," *Studies in American Political Development* 11 (Fall 1997): 347–80. On the relationship between the rise of the mass party and the early national state, see John, "Affairs of Office: The Executive Departments, the Election of 1828, and the Making of the Democratic Party," in *The Democratic Experiment: New Directions in American Political History*, ed. Meg Jacobs, William Novak, and Julian E. Zelizer (Princeton, 2003), 50–84.

4. Richard L. McCormick, *The Party Period and Public Policy: American Politics from the Age of Jackson to the Progressive Era* (New York, 1986); Joel H. Silbey, *The American Political Nation, 1838–1893* (Stanford, 1991). In an influential formulation, McCormick characterized nineteenth-century policymaking as "distributive," by which he meant that it was localistic and unsystematic. "Policy," McCormick famously declared, was "little more than the accumulation of isolated, individual choices, usually of a distributive nature" (206). Such a characterization discouraged historians from considering the existence of systemic bias in public policy and the extent to which any such bias may have shaped contemporary assessments of the course of events.

5. Robert D. Johnston, *The Radical Middle Class: Populist Democracy and the Question of Capitalism in Progressive Era Portland, Oregon* (Princeton, 2003); Sven Beckert, *The Monied Metropolis: New York City and the Consolidation of the American Bourgeoisie, 1850–1896* (Cambridge, 2001); Richard Franklin Bensel, *The Political Economy of American Industrialization, 1877–1920* (Cambridge, 2000); Elizabeth Sanders, *Roots of Reform: Farmers, Workers, and the American State, 1877–1917* (Chicago, 1999).

6. Ballard C. Campbell, *The Growth of American Government: Governance from the Cleveland Era to the Present* (Bloomington, 1995); Colleen A. Dunlavy, *Politics and Industrialization: Early Railroads in the United States and Prussia* (Princeton, 1994); William J. Novak, *The People's Welfare: Law and Regulation in Nineteenth-Century America* (Chapel Hill, 1996); Barbara Young Welke, *Recasting American Liberty: Gender, Race, Law, and the Railroad Revolution, 1865–1920* (New York, 2001); Victoria Saker Woeste, *The Farmer's Benevolent Trust: Law and Agricultural Cooperation in Industrial America, 1865–1945* (Chapel Hill, 1998); Robin L. Einhorn, "Slavery and the Politics of Taxation in the Early United States," *Studies in American Political Development* 14 (Fall 2000): 156–83; idem, "Species of Property: The American Property-Tax Uniformity Clauses Reconsidered," *Journal of Economic History*, forthcoming.

7. Steven W. Usselman, *Regulating Railroad Innovation: Business, Technology, and Politics in America, 1840–1920* (Cambridge, 2002); Richard R. John, "Recasting the Information Infrastructure for the Industrial Age," in *A Nation Transformed by Information: How Information Has Shaped the United States from Colonial Times to the Present*, ed. Alfred D. Chandler Jr. and James W. Cortada (New York, 2000), 55–105; Richard Sylla, "Experimental Federalism: The Economics of American Government, 1789–1914," in *The Cambridge Economic History of the United States*, vol.

2, ed. Stanley L. Engerman and Robert E. Gallman (Cambridge, 2000), 483–541; Mark R. Wilson, "The Business of Civil War: Military Enterprise, the State, and Political Economy in the United States, 1850–1880" (Ph.D. diss., University of Chicago, 2002); Wilson, "The Extensive Side of Nineteenth-Century Military Economy: The Tent Industry in the Northern United States During the Civil War," *Enterprise and Society* 2 (June 2001): 297–337; Charles W. Calhoun, "Political Economy in the Gilded Age: The Republican Party's Industrial Policy," *Journal of Policy History* 8, no. 3 (1996): 291–309; Thomas J. Misa, *A Nation of Steel: The Making of Modern America, 1865–1925* (Baltimore, 1995); Sean Patrick Adams, "Different Charters, Different Paths: Corporations and Coal in Antebellum Pennsylvania and Virginia," *Business and Economic History* 27 (Fall 1998): 78–90; Adams, *States of Energy: The Political Economy of Coal in Antebellum America* (Baltimore, forthcoming).

8. Peter S. Onuf, *Jefferson's Empire: The Language of American Nationhood* (Charlottesville, 2000); James L. Huston, *Securing the Fruits of Labor: The American Concept of Wealth Distribution, 1765–1900* (Baton Rouge, 1998); Heather Cox Richardson, *The Death of Reconstruction: Race, Labor, and Politics in the Post-Civil War North, 1865–1901* (Cambridge, Mass., 2001); Rebecca Edwards, *Angels in the Machinery: Gender in American Party Politics from the Civil War to the Progressive Era* (New York, 1997); Nancy Cohen, *The Reconstruction of American Liberalism, 1865–1914* (Chapel Hill, 2002); James Livingston, *Pragmatism and the Political Economy of Cultural Revolution, 1850–1940* (Chapel Hill, 1994).

9. Charles Sellers, *The Market Revolution: Jacksonian America, 1815–1846* (New York, 1991).

10. John Lauritz Larson, *Internal Improvement: National Public Works and the Promise of Popular Government in the Early United States* (Chapel Hill, 2001), 224; William E. Gienapp, "The Myth of Class in Jacksonian America," *Journal of Policy History* 6, no. 2 (1994): 232–59.

11. Bensel, *Political Economy*, 526.

12. *Ibid.*, 178, 181.

13. *Ibid.*, 291.

14. Michael F. Holt, "Change and Continuity in the Party Period: The Substance and Structure of American Politics, 1835–1885," in *Contesting Democracy: Substance and Structure in American Political History, 1775–2000*, ed. Byron E. Shafer and Anthony J. Badger (Lawrence, Kan., 2001), 106. Holt used the phrase "plasticity" to refer to the malleability of the existing political parties.

15. Usselman, *Regulating Railroad Innovation*, xiii. See also *idem*, "Patents, Engineering Professionals, and the Pipelines of Innovation: The Internalization of Technical Discovery by Nineteenth-Century American Railroads," in *Learning by Doing in Markets, Firms, and Countries*, ed. Naomi Lamoreaux, Daniel Raff, and Peter Temin (Chicago, 1999), 61–101.

16. Sylla, "Experimental Federalism"; Larson, *Internal Improvement*; Laura Jensen, *Patriots, Settlers, and the Origins of American Social Policy* (Cambridge, 2003); Richard R. John, *Spreading the News: The American Postal System from Franklin to Morse* (Cambridge, Mass., 1995).

17. Among the many critiques of Beard's "Second American Revolution" thesis were Stanley Coben, "Northeastern Business and Radical Reconstruction: A Re-examination," *Mississippi Valley Historical Review* 46 (June 1959): 67–90, and Peter Kolchin, "The Business Press and Reconstruction, 1865–1868," *Journal of Southern History* 33 (May 1967): 183–96. For its revival, see James M. McPherson, *Abraham Lincoln and the Second American Revolution* (New York, 1991), and Steven Hahn, "Class and State in Postemancipation Societies: Southern Planters in Comparative Perspective," *American Historical Review* 95 (February 1990): 75–98.

18. Alfred D. Chandler Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass., 1977).

19. McCormick, *Party Period and Public Policy*; Silbey, *American Political Nation*. See also Silbey, "The State and Practice of American Political History at the Millennium: The Nineteenth Century as Test Case," *Journal of Policy History* 11, no. 1 (1999): 1–30. For a penetrating critique of Silbey's assumptions about nineteenth-century American political history, see Mark E. Neely Jr., *The Union Divided: Party Conflict in the Civil War North* (Cambridge, Mass., 2002), 187–88, and Holt, "Change and Continuity," 96–99, 106, 110. For a more skeptical analysis of the mass parties, see Glenn C. Altschuler and Stuart M. Blumin, *Rude Republic: Americans and Their Politics in the Nineteenth Century* (Princeton, 2000).

20. Wallace D. Farnham, "The Weakened Spring of Government: A Study in Nineteenth-Century American History," *Journal of American History* 68 (April 1963): 662–80. Farnham is sometimes glossed as positing that the nineteenth-century American state was irrelevant. In fact, he hypothesized that its weakness might well be the "central fact" in the history of the United States in the nineteenth century (680). Political corruption and the predatory business behavior associated with the "robber barons," Farnham concluded, were both "creations" of an "ungoverned people" (679). To document the relationship of public policy to social change, Farnham urged historians to undertake the "minute-by-minute investigations" of the origins and operation of every branch of the government (679). For a distinct, yet related approach to the complex relationship of politics and entrepreneurship in the Gilded Age, see Richard White, "Information, Markets, and Corruption: Transcontinental Railroads in the Gilded Age," *Journal of American History* 90 (June 2003): 19–43.

21. Bensel, *Political Economy*, 526.

22. Ira Katznelson, "Flexible Capacity: The Military and Early American Statebuilding," in *Shaped by War and Trade: International Influences on American Political Development*, ed. Ira Katznelson and Martin Shefter (Princeton, 2002), 89.