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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.
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. 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).

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 Bensel and Elizabeth Sanders of the Gilded Age Republican party and the Progressive Era farmers’ movement. 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. 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,
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and Richard Sylla; for manufacturing by Mark R. Wilson, Charles W. Calhoun, and Thomas J. Misa; and for mining by Sean Patrick Adams. 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.

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. “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.” Yet the current generation is far less reluctant to identity winners and losers than McCormick was in his Party Period. Bensel 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—Bensel 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.” Not everyone will find Bensel’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.”

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.” 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.

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.”

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

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-


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.


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12. Ibid., 178, 181.

13. Ibid., 291.


