

# **U. S. Economic History**

## **HIUS 141/ECON 159**

### **Spring 2013**

Instructor: Dr. Mark Hendrickson  
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Office Hours: Thursday 1:15 to 3:15, and by appointment

Lecture: CENTR 113  
TTH 9:30-10:50

#### Course Description

The history of the United States version of capitalism is in part the story of natural resources, stock of capital, and labor, but it is also a narrative of the choices made by capitalists, managers, workers, financiers, policymakers, and citizens. Sometimes laboring together and at other times at cross-purposes, they worked to promote economic growth and opportunity while at the same time wrestling with what constitutes a “fair” set of economic, political, and social arrangements. This course will consider the development of the United States economy from WWI to the present.

#### Required Readings

\*Gary M. Walton and Hugh Rockoff, *History of the American Economy* (10<sup>th</sup> or 11<sup>th</sup> edition) For online options go to [www.cengage.com/southwestern](http://www.cengage.com/southwestern) or see link on Webct.

Jefferson Cowie, *Capital Moves: RCA's Seventy-Year Quest for Cheap Labor*  
Reader available at University Readers

#### Requirements

There will be two lectures per week. Students are required to write one paper (5-8 pages) due on 5/23. Late papers will be docked 3% for each day the paper is late. To receive credit for the paper, you must turn in both a hard copy and an electronic version to Turnitin.com—details to follow. The paper will be worth 35% of your course grade. The midterm (5/9) will be worth 30% of your course grade; the final exam (6/11) will be worth 35% of your course grade.

### Extra Credit

You can earn extra credit for this course by way of participation in a short debate. In your coursepack and in the syllabus, you will notice mention of several “Debate Documents.” You can earn extra credit by assuming the identity of one of these individuals and giving the class a summary of your background and thoughts on various issues related to the topic at hand. For instance, in Week 9, you could be either Milton Friedman or the CEO of Alcoa and explain your position on the relationship between private industry and the public good. You can work in groups of up to four. Some details on the extra credit assignment:

- On the night before the presentation, each group should turn in a PowerPoint presentation to me as an attachment to an email.
- Presentations should be approximately 10-15 minutes per group and include background information concerning the individual or group you represent as well as your position on the issue outlined in the document. Your group will need to conduct some modest research on the individual or organization you represent. Nothing too taxing—an Internet search should be sufficient.
- Each group will meet with me prior to the debate to discuss their presentation.
- The whole class will have read these documents and there will be an opportunity for the class to ask your group questions following the presentation.
- Successful completion of the assignment will result in a ONE STEP INCREASE in your final grade for the course—i.e. if you end up with an 88% (a B+) for the course and complete the extra credit assignment, your course grade would go from a B+ to an A-.

### *Debate Topics and Dates*

- The Open Shop Debate: The National Association of Manufacturers versus Organized Labor (Lecture #4)
- The Tariff Debate: Herbert Hoover versus the Economists (Lecture #8)
- The New Deal Debate: Hoover versus FDR (Lecture #11)
- Business and the Public Interest Debate: Milton Friedman versus Alcoa CEO (Lecture #16)

**This is the only extra credit assignment available for the course. No exceptions.**

## Course Schedule

### **Lecture #1: Course Introduction (4/2)**

Walton and Rockoff, Chapter One

### **Lecture #2: The Legacy of Progressive Reform (4/4)**

Walton and Rockoff, Chapter 20

### **Lecture #3 WWI and the Post-War Return to the Gold Standard (4/9)**

Walton and Rockoff, Chapter 21

### **Lecture #4 Post-WWI America: A Society in Turmoil (4/11)**

William M. Tuttle, Jr., "The Red Summer and the Red Scare," *Race Riot: Chicago in the Red Summer of 1919*, University of Illinois Press, 1996, pp. 3-31.

The Open Shop Debate

### **Lecture #5 Hoovering in the 1920s (4/16)**

Walton and Rockoff, Chapter 22

Ellis Hawley, "Herbert Hoover, the Commerce Secretariat and the Vision of the 'Associative State,' 1921-1928," *Journal of American History*, 61, 1974, pp. 116-140.

### **Lecture #6 New Era, New Capitalism (Part II) (4/18)**

Martha Olney, "A Changed Economy," *Buy Now, Pay Later: Advertising, Credit, and Consumer Durables in the 1920s*, The University of North Carolina Press, 1991, pp. 182-189.

Roland Marchland, "A 'Corporation Consciousness': General Motors, General Electric, and the Bruce Barton Formula" in *Creating the Corporate Soul*, 130-163.

### **Lecture #7 Wrap Up New Era, New Capitalism (4/23)**

### **Lecture #8 The Great Depression: Causes, Impact, and Initial Response (Part I) (4/25)**

Walton and Rockoff, Chapter 23

Michael A. Bernstein, "Why the Great Depression was Great: Toward a New Understanding of the Interwar Economic Crisis in the United States," *The Rise and Fall of the New Deal Order, 1930-1980*, Steve Fraser and Gary Gerstle, eds., Princeton University Press, 1989, pp. 32-54.

The Tariff Debate: Hoover and Congress versus the Economists

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**Lecture #9 The Great Depression: Causes, Impact, and Initial Response (Part II) (4/30)**

Walton and Rockoff, Chapter 24

**Lecture #10 The New Deal: Empowered Workers (5/2)**

Jefferson Cowie, *Capital Moves*, Chapter One [Note: You are responsible for the first chapter for the midterm; to complete the paper assignment, you will read the entire book.]

**Lecture #11 The New Deal (5/7)**

The New Deal Debate: Hoover versus FDR

**Mid Term (5/9)**

**Lecture #12 WWII and some final comments on New Deal reforms (5/14)**

Walton and Rockoff, Chapter 25

Alex F. Schwartz, "Housing Finance" in *Housing Policy in the United States*, Second Edition, 51-57

**Lecture 13: WWII and the Great Compression (5/16)**

Meg Jacobs, "'How About Some Meat?': The Office of Price Administration, Consumption Politics, and State Building From the Bottom Up, 1941-1946" *Journal of American History*, 84 (December 1997), 910-941

NOTE: We will get started on covering material in these two articles in this lecture, and then revisit these two articles in lecture #17.

Paul Krugman, "The Great Compression" in *The Conscience of a Liberal*, 37-56.

Claudia Goldin and Robert A. Margo, "The Great Compression: The Wage Structure in the United States at Mid-Century" *The Quarterly Journal of Economics* vol. 107, no. 1 (Feb 1992), 1-34

**Lecture 14: Economic Systems and Freedom: F. A. Hayek vs. John Maynard Keynes (5/21)**

**Lectures 15 and 16: The Changing Role of the Government in the Post-War Economy (5/23 and 5/28)**

**Scheduling Notes:**

Paper Due on 5/23

Milton Friedman (University of Chicago economist) versus Alcoa CEO Debate on 5/28 (lecture #16)

**Readings:**

Walton and Rockoff, Chapters 26-28

Nelson Lichtenstein, "A Labor-Management Accord?" *State of the Union: A Century of*

*American Labor*, Princeton University Press, 2002, pp. 98-140.

Alex F. Schwartz, "Housing Finance" in *Housing Policy in the United States*, Second Edition, 51-87.

### **Lecture 17: The Rediscovery of the Market (5/30)**

Elliot Brownlee, "Economic Policy of the First Reagan Administration: The Conflict Between Tax Reform and Countercyclical Management" in Richard W. Kopke, et al, *The Macroeconomics of Fiscal Policy* (Cambridge: MIT Press, 2006).

Recall: We started dealing with these two articles in Lecture #13

Paul Krugman, "The Great Compression" in *The Conscience of a Liberal*

Claudia Goldin and Robert A. Margo, "The Great Compression: The Wage Structure in the United States at Mid-Century" *The Quarterly Journal of Economics* vol. 107, no. 1 (Feb 1992), 1-34

### **Lecture 18: Recent Political Economy: The Housing Bubble and the Giant Pool of Money (6/4)**

Carmen M. Reinhart and Kenneth Rogoff, "The U. S. Subprime Crisis: An International and Historical Comparison," *This Time is Different: Eight Centuries of Financial Folly*, 203-222.

Joseph Stiglitz, "Mortgage Scam" from *Freefall*, pages 77-97

### **Lecture 19: Contemporary Political Economy: The Response to the Most Recent Crisis? (6/6)**

### **Academic Integrity**

Students are expected to complete the course in compliance with the instructor's standards. No student shall engage in any activity that involves attempting to receive a grade by means other than honest effort; for example:

- No student shall knowingly procure, provide, or accept any unauthorized material that contains questions or answers to any examination or assignment to be given at a subsequent time.
- No student shall complete, in part or in total, any examination or assignment for another person.
- No student shall knowingly allow any examination or assignment to be completed, in part or in total, for himself or herself by another person.
- No student shall plagiarize or copy the work of another person and submit it as his or her own work.
- No student shall employ aids excluded by the instructor in undertaking course work or in completing any exam or assignment.
- No student shall alter graded class assignments or examinations and then resubmit them for regrading.
- No student shall submit substantially the same material in more than one course without prior authorization.

For more information, please consult the UCSD Policy on Integrity of Scholarship (<http://www-senate.ucsd.edu/manual/Appendices/app2.htm>).

### **UCSD Principles of Community**

To foster the best possible working and learning environment, UCSD strives to maintain a climate of fairness, cooperation, and professionalism. These principles of community are vital to the success of the university and the well being of its constituents. UCSD faculty, staff, and students are expected to practice these basic principles as individuals and in groups.

- We reject acts of discrimination based on race, ethnicity, gender, age, disability, sexual orientation, religion, and political beliefs, and we will confront and appropriately respond to such acts.
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