

**UNIVERSITY OF CALIFORNIA, SAN DIEGO**  
**Department of History/Department of Economics**

**HISTORY HIUS 141/ECONOMICS 158B**

Winter 2004

Professor Michael A. Bernstein  
6024 H&SS [Muir Campus]  
534-1070/534-1996  
<mbernstein@ucsd.edu>  
<http://ucsd.edu/history/>

Teaching Assistants  
Ms. Carmel Finley  
Mr. Chris Nekarda

Reader  
Mr. Jorge Garcia

**ECONOMIC HISTORY OF THE UNITED STATES II**

Course Description:

The second part of a two-quarter course sequence. The United States as a modern industrial nation. Emphasis on the logic of the growth process, the social and political tensions accompanying expansion, and twentieth century transformations of American capitalism. There is no presumption that students have had previous training in either economics or statistics, although elements of both disciplines will be used in class and in some of the readings.

Course Readings:

The following books have been ordered at the University Bookstore in the Price Center:

Michael A. Bernstein, David Adler (eds.);  
Understanding American Economic Decline  
Gary M. Walton, Hugh Rockoff; History of the  
American Economy (9<sup>th</sup> edition).

These works have also been placed on reserve in the Social Sciences and Humanities Library Reserve Unit. Other starred readings are on reserve at that library. With the exception of those books ordered at the Bookstore, xeroxes of starred readings are available for purchase at Soft Reserves in the Student Center (Revelle College campus).



### Course Requirements:

There will be two lectures per week. Those readings starred (\*) on the reading list are especially important. Optional readings are left to the student's discretion. A midterm and a final examination will be given during the specified examination periods. There will also be an additional writing assignment -- that the student may waive by attending optional discussion sessions throughout the quarter. The exact grading-weights of the examinations, the writing assignment, and the discussion section work will be announced in class. Students must complete all the assignments in order to receive course credit. All course requirements are subject to revision at the instructor's discretion.

### Policy on Grade Appeals and Make-Up Examinations:

Students who wish to appeal the grading of examinations and/or writing assignments may do so in writing within two weeks of the return of an examination or assignment. Those students seeking a reconsideration of a grade should submit a memorandum to the instructor outlining the specific reasons why the appeal is being made. Make-up examinations will not be offered except under extraordinary circumstances involving medical difficulties or family emergencies. Such circumstances will need to be documented appropriately by a physician.

## Course Themes and Lecture Topics

### I. Introduction and Analytical Overview

- 1) Growth and Accumulation: Theory
- 2) Growth and Accumulation: Evidence, Institutions, and Ideology

### II. Imperial Economy

- 3) Labor Force Migration and Economic Growth
- 4) Capital Expansion and External Markets
- 5) Science, Technology, and Corporate Liberalism
- 6) War and Economic Dominion I

### III. Global Economy

- 7) The "New Era" and Modern Material Life
- 8) Problems of Prosperity in the 1920s
- 9) Instability and Depression in the 1930s

- |   |                              |
|---|------------------------------|
| 10) Statist Economic Intervention: The New Deal |                              |
| 11) War and Economic Dominion II                | 12) International Prosperity |
| Reconstruction and Post-War                     |                              |

IV. Hegemonic Economy

- 13) The Corporate Commonwealth and Foreign Investment
- 14) Military-Industrial Complexes
- 15) Fiscal Activism and Compensatory Demand Management
- 16) Redistributive Politics, Social Welfare, and the New Federalism

V. Interdependent Economy

- 17) Economic Internationalization, Stagflation, and Industrial Retardation
- 18) Reaction and Retrenchment
- 19) Contemporary Political Economy I: Supply-Side Economics, the "Reagan Revolution," and the End of the "American Century"
- 20) Contemporary Political Economy II: "Sophisters, Economists, and Calculators"

Reading List

- 1) Growth and Accumulation: Theory  
No reading assignment.
- 2) Growth and Accumulation: Evidence, Institutions, and Ideology  
\*Joseph A. Schumpeter, Capitalism, Socialism and Democracy, 61-120.  
Robert A. Gordon, Economic Instability and Growth, preface,  
ch.1.  
S. Kuznets, "Notes on the Pattern of U.S. Economic Growth," in (R. Fogel, S. Engerman; eds.), The Reinterpretation of American Economic History,



17-24.

William G. Sumner, Social Darwinism, ch. IX.

### 3) Labor Force Migration and Economic Growth

\*Walton and Rockoff, ch. 18.

H. Gutman, "Work, Culture and Society in Industrializing America, 1815-1919," American Historical Review, 1973.

F. Thistlethwaite, "Migration from Europe Overseas," in (S. Katz, S. Kutler; eds.), New Perspectives on the American Past.

R.A. Easterlin, "Influences in European Overseas Emigration Before World War I," in The Reinterpretation of American Economic History, 384-95.

### 4) Capital Expansion and External Markets

\*Walton and Rockoff, chs. 19-20.

William A. Williams, The Contours of American History, 343-71.

R. Sylla, "Federal Policy, Banking Market Structure, and Capital Mobilization in the United States," Journal of Economic History, 1969.

Walter LaFeber, The New Empire, ch. IV.

V.I. Lenin, Imperialism: The Highest Stage of Capitalism, chs. V-VII.

### 5) Science, Technology, and Corporate Liberalism

\*James Weinstein, The Corporate Ideal in the Liberal State, introduction, ch. 1.

Adolf Berle, Gardiner C. Means; The Modern Corporation and Private Property, Book

I, chs. III-IV, VI.

Daniel Nelson, Managers and Workers, chs. 3-4, 7.

### 6) War and Economic Dominion I

\*Walton and Rockoff, ch. 21.

Robert A. Gordon, Economic Instability and Growth, ch. 2.

George Soule, Prosperity Decade, chs. I-V.

A.S. Link, "What Happened to the Progressive Movement in the 1920s?," American Historical Review, 1959.

7) The "New Era" and Modern Material Life

George Soule, Prosperity Decade, chs. VI-VIII, XV.

Winifred D. Wandersee, Women's Work and Family Values, introduction, chs. 1, 6.

Daniel Horowitz, The Morality of Spending, ch. 8.

8) Problems of Prosperity in the 1920s

\*Walton and Rockoff, ch. 22.

George Soule, Prosperity Decade, chs. IX-XIV.

Frederick Allen, Only Yesterday, chs. 7, 11-14.

9) Instability and Depression in the 1930s

\*Walton and Rockoff, ch. 23.

Robert A. Gordon, Economic Instability and Growth, ch. 3.

Broadus Mitchell, Depression Decade, chs. I-III.

Milton Friedman, Anna Schwartz; A Monetary History of the United States, ch. 7.

10) Statist Economic Intervention: The New Deal

\*Walton and Rockoff, ch. 24.

Frances Piven, Richard Cloward; Regulating the Poor, chs. 2-3.

Broadus Mitchell, Depression Decade, chs. VI-IX.

Herbert Stein, The Fiscal Revolution in America, chs. 3-7.

E.C. Brown, "Fiscal Policy in the Thirties," American Economic Review, 1956.

**[MIDTERM EXAMINATION: IN CLASS, WEEK 6]**

11) War and Economic Dominion II

\*Walton and Rockoff, ch. 25.

\*Robert A. Gordon, Economic Instability and Growth, ch. 4.

Broadus Mitchell, Depression Decade, ch. XI.



136. Seymour Harris, The Economics of America at War, pp. 51-

12) International Reconstruction and Post-War Prosperity

Robert A. Gordon, Economic Instability and Growth, ch. 5.

Herbert Stein, The Fiscal Revolution in America, chs. 8-9.

Alan Milward, The Reconstruction of Western Europe, chs. II-

W.W. Rostow, "The Dynamics of American Society," in (R.

Freeman, ed.), Postwar Economic Trends in the United States.

III.

13) The Corporate Commonwealth and Foreign Investment

\*Harry Magdoff, The Age of Imperialism, ch. 5.

Herbert Stein, The Fiscal Revolution in America, chs. 11-

S. Miller, et al., "Does the U.S. Economy Require

Imperialism?," Social Policy, 1970.

R. Griffith, "Dwight D. Eisenhower and the Corporate Commonwealth," American Historical Review, 1982.

14.

14) Military-Industrial Complexes

\*Seymour Melman, Pentagon Capitalism, chs. 1-2, 8.

Paul Baran, Paul Sweezy; Monopoly Capital, ch. 7.

Dwight D. Eisenhower, "Memorandum for Directors and Chiefs of War Department" (1946)

"Farewell to the Nation" (1961)

both reprinted in Seymour Melman, Pentagon Capitalism, pp. 231-39.

15) Fiscal Activism and Compensatory Demand Management

\*Walton and Rockoff, ch. 26.

\*Robert A. Gordon, Economic Instability and Growth, ch.

Herbert Stein, The Fiscal Revolution in America, chs. 15-

James Tobin, The New Economics One Decade Older, chs. 1-

2.

6.

18.

... and the Great Stagnation,  
ch. 3.

Barry Bluestone, Bennett Harrison: The Deindustrialization  
of America ch. 5

Barry Bluestone, Bennett Harrison; The Deindustrialization of America, ch. 6.  
 Susan Tolchin, Martin Tolchin; Dismantling America, chs. 3, 7.

20) Contemporary Political Economy II: "Sophisters, and Calculators"

Economists,

\*Bernstein and Adler, chs. 10-11.

John Maynard Keynes, The General Theory, ch. 24.

Friedrich A. von Hayek, The Road to Serfdom, chs. III, VII.

Tibor Scitovsky, The Joyless Economy, chs. 6-7.

Marshall Sahlins, Stone Age Economics, ch. 1.

T. Veblen, "Why is Economics Not an Evolutionary Science?,"  
Quarterly Journal of Economics, 1898.

**[FINAL EXAMINATION: FRIDAY, 19 MARCH 2004, 3:00PM-6:00PM]**  
**(In Class)**