

Economics 1740 Section 2: US Economic History
Spring 2014 T-Th 10:45-12:05
BUC 203
(3 Credits, Fulfills American Institutions (AI) Requirement)

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Office Hours: M 1:00 - 2:30, T 12:15-1:45, other times by appointment

This course examines the economic and social history of the United States from the colonial period to the present day. While the course is broad in scope, we will direct special attention to particular topics. These topics include changes in sources of economic growth, the evolution of US labor markets, and changes in living standards (and their measurement). Part of our purpose is to improve our understanding of current economic issues by studying the historical patterns that have shaped them.

Course objectives:

By the end of the semester, a student who is successful in this course

- (1) will gain a more detailed knowledge of US history, particularly in terms of developments in living standards, demography (population growth, immigration, and migration), technological change, and economic policy,
- (2) will acquire new insight into how economic concepts and measurements can be used to study history,
- (3) will have a sense of how understanding history makes us better able to understand the present.

Texts and Other Materials:

There are two texts that you should purchase:

- Walton and Rockoff, History of the American Economy, 12th Edition. OH: Cengage, 2014. (Referred to as “W + R” below.) **This book is not available at the bookstore. It is available directly from Cengage at <http://www.cengagebrain.com/shop/search/978111822927>.** I encourage you to use the e-book or book rental options in order to save money. Older editions are available and will be cheaper, but there are some differences in content.
- De Graaf and Batker, What's the Economy For, Anyway? Why It's Time to Stop Chasing Growth and Start Pursuing Happiness. NY: Bloomsbury Press, 2011. This book should be available in the bookstore, but you can get it through Amazon and other book sources as well.

Note also that there will also be additional “Current Issues” readings posted to the course Canvas site. These are described below.

We will discuss a good deal of material that is not covered in the readings. To help you organize this material, I will periodically place short outlines on Canvas. Even if you make use of these outlines, it will still be necessary for you to come to class and to take good notes in order to keep up with the material. In addition to lecture outlines, I will post copies of graphs and tables used in class, occasional announcements about the class, and other material on Canvas.

The University of Utah seeks to provide equal access to its programs, services, and activities for people with disabilities. If you will need accommodations in this class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Union Building, 581-5020 (V/TDD). CDS will work with you and with me to make arrangements for accommodations.

Requirements and Grading:

1. Quizzes

There will be five quizzes during the term. Each quiz will be worth 15% of your grade, I will drop the lowest quiz grade, so the full set of quizzes will account for 60% of your grade. These will be multiple choice quizzes based on both the Walton and Rockoff text material and additional material from the lectures.

2. Essays on Current Issues Readings:

One theme of this class is that the past remains relevant in our lives, both because specific historical events have long-lasting impacts and because many of our contemporary challenges appeared in similar forms earlier in our history. The “Current Issues Readings” linked on the Canvas site contain recent newspaper and magazine articles that will help us make some of these connections between historical topics and contemporary issues. Everyone is responsible for reading all of these articles and contributing to our discussion of this material. In addition, everyone will write short essays (about 3 to 5 pages or so) based on the readings for two of the five topics. More details on this assignment are given below. Each essay is worth 10% of your grade. You will be asked to sign up for your preferred topics during the first few class sessions. The number of students who can write on each topic will be capped to make sure that we get at least few students writing on every topic so let me know by Tuesday Jan. 21 which two topics you want to write on. Students who do not submit their requests by Tuesday, Jan. 21 will be assigned topics. You must be present in class on the day we discuss the relevant material in order to receive full credit for your essay. If you turn in an essay but are not present for the related discussion, you will lose 3 of the 10 points for that assignment.

3. Essays on *What's the Economy For, Anyway?*

Our supplemental book, *What's the Economy For, Anyway?*, questions some basic, unspoken assumptions about how we evaluate economic performance. In particular, it examines closely how economic growth and productivity are measured and whether those measurements are misleading, resulting in bad decisions and bad policy. Four times during the semester, we will discuss several chapters from this book that fit well with the historical material we will be examining. Everyone is responsible for reading all of these chapters and contributing to our discussion of this material. In addition, everyone will write short essays (about 3 to 5 pages or so) based on two of the reading assignments associated with this book. More details on this assignment are given below. Each essay is worth 10% of your grade. The number of students who can write on each WTEFA assignment will be capped to make sure that we get at least few students writing on each assignment, so let me know by Tuesday Jan. 21 which two WTEFA assignments you want to write on. Students who do not submit their requests by Tuesday, Jan. 21 will be assigned WTEFA chapters to write on. As with the Current Issues assignment, to get full credit for an essay you must be present in class to help lead discussion on the relevant day. If you turn in an essay but are not present for the related discussion, you will lose 3 of the 10 points for that assignment.

Some general rules apply to all of the writing assignments. First, all of these assignments should be “typed,” double-spaced, using standard font sizes and margins. Second, your grade will be based in part on whether or not you have expressed yourself clearly. Spelling, grammar, and organization matter. **Third, if you use material from any source other than the assigned reading, you must clearly indicate your source, and if you directly quote any material, including material from the assigned reading, you must clearly indicate what has been quoted (along with indicating your source).** If you violate either of these rules, this will be considered plagiarism and you will receive a 0 for the assignment. If you have any questions about this, please discuss them with me.

Finally, you may **not** turn assignments in late. If you already know that you are going to miss class on the day a writing assignment is due, simply choose one of the other options for that assignment. If you sign up

for a particular assignment and later have a substantial, unexpected conflict, contact me and I may allow you to switch to a different assignment. Similarly, because I am dropping one of your quiz grades, I will not schedule early or make-up quizzes. If you miss a quiz, that will be the one that drops. If you have an extreme, and documented, health care or other personal emergency that causes you to miss class for an extended period of time, so that you miss multiple quizzes or are somehow unable to turn in the required number of writing assignments on time, please contact me as early as possible so that we can discuss potential remedies for your situation.

Weighting of assignments:

| | |
|------------------------------------|---------------------------|
| Four quizzes (out of five offered) | Each worth 15%, 60% Total |
| <u>Two</u> Current Issues Essays | Each worth 10%, 20% Total |
| <u>Two</u> WTEFA Essays | Each worth 10%, 20% Total |

(There will be one extra credit opportunity on Feb. 20, related to a conference that I am helping to organize. Details to come.)

Grade Scale

Note that I do not round grades, and I do not curve.

A: 92+
A-: 90 - 91.999
B+: 88 - 89.999
B: 82 - 87.999
B-: 80 - 81.999
C+: 75 - 79.999
C: 70 - 74.999
C-: 65 - 69.999
D+: 63 - 64.999
D: 57 - 62.999
D-: 55 - 56.999
E: < 55

More Detail on the Writing Assignments

Current Issues Assignments:

Again, every student must turn in a Current Issues essay for TWO of the following topics (so if you choose topic 1 for one of your essays, that essay must incorporate both readings listed under that topic, etc.). The due dates are listed. You must also plan to be in class on the day that your Current Issues topics is covered, to help lead discussion. If you are not present to help lead discussion, your grade for the assignment will be reduced by 3 points (out of a total of 10).

Topic 1: The effects of international trade (essay due/discussion on Jan. 28)

Reading 1.1: Reinsch, Bill, "Congress Finally Gets It: Free Trade is Good for America," Christian Science Monitor 10/12/2011.

Reading 1.2: Trumbull, Mark, "How Much Does US-China Trade Hurt American Workers: Slowly, A Clearer Picture," Christian Science Monitor 5/10/2011.

We will discuss debates over trade and tariff policy in the context of pre-Civil War industrialization. Tariff policy was also central to the conflict between the North and South prior to the Civil War. These issues remain important today. These two articles provide somewhat differing views on the impact of free trade on the US economy. Summarize and comment on these articles. Your essay should address the following issues:

- Why does Bill Reinsch support new "free trade agreements" with Colombia, Panama, and South Korea? Why does he think the public often opposes these agreements?
- Mark Trumbull's piece discusses a recent attempt to measure the impact of imports from China on the US economy. What do these measurements indicate - are there positive effects? negative effects? some of both?
- Do these readings, and our class discussion of trade in the early US, persuade that we should, or should not, seek to expand trade with other countries? What additional policies might we want to consider if we decide to promote greater trade?

Topic 2: Measuring the Standard of Living (essay due/discussion on Feb. 4)

[Reading 2.1:](#) Leonhardt, David. "If Richer Isn't Happier, What Is?" New York Times (Late Edition (East Coast)), 5/19/2001.

[Reading 2.2:](#) Cohen, Patricia. "Forget Lonely, Life is Healthy at the Top." New York Times (Late Edition (East Coast)), 5/15/2004.

As we will discuss, tracking changes in living standards in the US in the 1800s and 1900s is a very complicated matter. These two articles on "measuring the standard of living" document that money does not necessarily buy "happiness" and health. Summarize and comment on these two articles. Your essay should deal with the following issues:

- Why have income and "happiness" not followed the same trend during the last 30 years or so, according to David Leonhardt's article?
- Why does health seem to vary with "status," rather than just with income, according to Patricia Cohen's article? That is, why might two individuals who both make a lot of money tend to exhibit differences in health?
- What kind of measure would provide the best indication of the standard of living? Do you think that government policy can have much effect on the standard of living as you think it should be defined?

Topic 3: Reparations for Slavery (essay due/discussion on Feb. 18)

[Reading 3.1:](#) "JPMorgan Apologizes for Predecessor Banks' Acceptance of Slaves as Collateral." Black Issues in Higher Education Vol. 21 Issue 26 (Feb. 10, 2005), p. 22.

[Reading 3.2:](#) Bialik, Carl, "No Accounting for Slavery's Cost," Wall Street Journal (Oct. 26, 2013), p. A2.

[Reading 3.3:](#) Jacoby, Jeff, "The Slavery Shakedown." Boston Globe 6/9/05, p. A15.

Though slavery ended in the US 150 years ago, there are ongoing debates about whether the descendents of the slaves should be compensated for the work and suffering of their ancestors. Read the three articles in this section and write an essay summarizing and commenting on them. Your essay should address the following issues:

- Why did JPMorgan Chase & Co. recently apologize for its historic links to slavery? How was this company linked to slavery?
- How have some researchers (and lawyers) attempted to measure the impact of slavery on succeeding generations, according to Carl Bialik?
- What does Jeff Jacoby (the author of "The Slavery Shakedown") think about recent efforts to get companies and other organizations to examine and publicize their historic ties to slavery?

- Do you think the federal government or individual companies should do anything on this issue (apologize, pay reparations, create institutions that offer education funds or small business loans to the descendants of slaves)? If not, why not? If so, what would be the best policy?

Topic 4: Immigration (essay due/discussion on March 20)

[Reading 4.1:](#) Barone, Michael, "Our Immigrants Always Melted Before." The American Enterprise Volume 11 Issue 8 (December 2000), p. 14-16.

[Reading 4.2:](#) Fonte, John, "It's Not 1900 Any More." The American Enterprise Volume 11 Issue 8 (December 2000), p. 15-17.

[Reading 4.3:](#) Davidson, Adam, "Do Illegal Immigrants Actually Hurt the US Economy?" New York Times Sunday Magazine, Feb. 12, 2013.

Throughout US history, Americans have expressed concern about the assimilation of immigrants into American society. The first two articles in this section, both from The American Enterprise, present two very different views regarding whether today's immigrants will assimilate in the same way that immigrants of the late 1800s and early 1900s did. The third article comments on the effect of the current recession on immigration patterns. Read these articles and write an essay summarizing and commenting on them. Your essay should address the following issues:

- Michael Barone is optimistic about the likelihood that today's "marginalized groups," including African Americans, Latino immigrants, and Asian immigrants, will become fully assimilated into American society. Why is he optimistic?
- John Fonte believes that assimilation, especially of Mexican immigrants, is a lot less likely than Barone claims. Why does he disagree with Barone?
- Adam Davidson traces the economic impact of undocumented immigrants. He says that the overall effect of immigration is almost certainly positive. Who benefits from immigration, and in particular from the recent flow of large numbers of low-skilled undocumented workers? Who suffers from this flow of immigrants?
- Based on class discussion and these readings, what sort of immigration policy would you like to see the US follow in the coming years?

Topic 5: Labor Market Discrimination (essay due/discussion on April 10)

[Reading 6.1:](#) Hamilton, Kendra, "What's in a Name?" Black Issues in Higher Education vol. 20 issue 9(6/19/2003), p. 28.

[Reading 6.2:](#) Greenhouse, Steven, "Going for the Look, but Risking Discrimination," New York Times (late edition (East Coast)), 7/13/2003, p. 1.12.

We will talk in class about the economic analysis of discrimination and about the measurement of discrimination along standard lines (skin color, ethnicity, and gender). The two articles in this section consider discrimination along somewhat different dimensions. Read the two articles in this section of the reader and write an essay summarizing and commenting on them. Your essay should address the following issues:

- Is the study on "name effects" (described in the article from Black Issues in Higher Education) persuasive regarding the persistence of discrimination against African Americans in the labor market? In particular, how do you interpret the final paragraph in the article, which indicates that employers are interested in using this study as a training tool?
- The New York Times article on Abercrombie and Fitch discusses what some people view as a different form of discrimination, based on physical appearance. Do you think that firms like Abercrombie and Fitch should be allowed to hire on this basis? Is there a point at which such a practice becomes discrimination? Is it possible to legally regulate such a practice?

“What’s the Economy For, Anyway?” Assignment:

In addition to our main economic history text (Walton and Rockoff), we will read De Graaf and Batker's What's the Economy For, Anyway? Why It's Time to Stop Chasing Growth and Start Pursuing Happiness (referred to as "WTEFA" below). In this book, the authors argue that our standard measures of economic performance, especially Gross Domestic Product, cause us to focus on the wrong things and promote a pursuit of one kind of "growth" which can be ultimately destructive, both to our well-being and to the planet. The authors clearly have a point of view, and they're trying to persuade you to agree with them. You might end up agreeing with them, or you might not (or you might agree with only some of what they say). My purpose in having you read this book is not to persuade you that these authors are right. Rather, I want us to use this material as a way to ask some more fundamental questions about the nature and purposes of economic activity.

We will discuss this book four times during the term. You should be prepared to contribute to all of these discussions. For two of these discussions, you must write up a three to five page essay discussing the material. Some questions are provided below to help you think about this material. You can answer these questions (in essay form) in your two write-ups, or you can discuss other material from the given chapters of the book.

WTEFA Assignment 1: The Measurement and Pursuit of Economic Growth (essay due/discussion on Feb. 6)

Read: WTEFA Chapters 1, 2, and 3

In these chapters, the authors point out some shortcomings of Gross Domestic Product as a measure of "well-being." They also consider other ways of thinking about "good" economic performance (beyond just GDP growth). Consider these questions:

- What's wrong with GDP as a measure of economic performance, according to these authors? What does GDP count as "good" which maybe shouldn't be counted as good? What kinds of "goods" does GDP fail to include?
- What are some alternative measures of economic performance or societal well-being that might be superior to GDP, according to these authors?
- What arguments and evidence in these chapters did you find most persuasive? What parts were least persuasive?

WTEFA Assignment 2: Work and Well-Being (essay due/discussion on March 25)

Read: WTEFA Chapters 4, 5, and 6

In these chapters, the authors argue that the system of labor in the US, involving long hours, few mandated benefits, and little security, may have negative impacts on health and on other aspects of well-being. Consider these questions:

- How do US labor market practices, such as long working hours, limited security, and limited medical and child care leaves, harm health and other aspects of the quality of life in the US, according to these authors?
- Why do they think that focusing on labor productivity (output per worker hour) might be misleading measure of "good economic performance"?
- What policies do they think might have beneficial effects for workers and reduce some of the problems caused by current practices in the US?
- What arguments and evidence in these chapters did you find most persuasive? What parts were least persuasive?

WTEFA Assignment 3: Inequality and Redistribution (essay due/discussion on April 17)

Read WTEFA Chapters 7 and 8

In these chapters, the authors move from measuring "the greatest good" to thinking about how the economy serves "the greatest number." This is basically a question about distribution and inequality: What kind of distribution is "fair"? What level of inequality is appropriate or acceptable? Consider these questions:

- Why do these authors think that high levels of inequality can be harmful to people's well-being and to the functioning of the economy?
- What examples do they give for redistributive policies (perhaps in other countries) that improve the overall performance of workers and the economy?
- They cite another writer, Arthur Brooks, who argues that real happiness comes from "earned success," and that redistribution (welfare or minimum income policies, for example) makes it harder for people to "earn their own success." How do these authors respond to Brooks' argument?
- What arguments and evidence in these chapters did you find most persuasive? What parts were least persuasive?

WTEFA Assignment 4: An Economic Bill of Rights (essay due/discussion on April 22)

Read WTEFA Chapter 13

In this chapter, the authors build on Franklin Roosevelt's "Second Bill of Rights" to develop a longer and more specific "Economic Bill of Rights."

- For this essay, pick one of these "rights" that you think would be good for the US to try to adopt through policy and discuss why you think such a policy would be good. Also, pick one that you think would be improper or harmful for the government to try to enforce and discuss why you hold this view.

Course Outline:

Note that the precise schedule of topics may change slightly, but quiz dates and assignment due dates will not change.

T January 7

Introduction

Th January 9

Continue with introductory material

Read W+R chapter 1

T January 14

Colonial America

Read W+R chapters 3 and 5

Th January 16

More Colonial America

T January 21

Antebellum Economic Growth and Manufacturing

Read W+R chapter 10

Th January 23

QUIZ 1, and

More on Antebellum Economic Growth

T January 28

CURRENT ISSUES READINGS TOPIC 1, and
Growth of the Market and Rise of the Factory
Read W+R Chapter 11

Th January 30

More on Growth of the Market and the Rise of the Factory

T February 4

CURRENT ISSUES READINGS TOPIC 2, and
More on Growth of the Market and Rise of the Factory

Th February 6

The Measurement and Mismeasurement of Output and Growth
WTEFA ASSIGNMENT 1 (CHAPTERS 1 TO 3)

T February 11

Slavery and the South
Read W+R Chapter 13

Th February 13

QUIZ 2, and
More on Slavery and the South

T February 18

CURRENT ISSUES READINGS TOPIC 3, and
The Post-Civil War South
Read W+R Chapter 14

Th February 20

NO CLASS DUE TO TANNER HUMAN RIGHTS CENTER CONFERENCE
EXTRA CREDIT OPPORTUNITY – CONFERENCE SESSION ON “ECONOMIC INEQUALITY, PEACE, AND JUSTICE,” OFFICERS’ CLUB, FORT DOUGLAS, 10:15 AM.

T February 25

Westward Movement
Read W+R chapter 15

Th February 27

Industrial Expansion and Concentration
Read W+R chapter 17

T March 4

More on Industrial Expansion and Concentration

Th March 6

QUIZ 3, and
Demography and Labor after the Civil War
Read W+R Chapter 18

SPRING BREAK – NO CLASS T MARCH 11 OR TH MARCH 13

T March 18

More on Demography and Labor after the Civil War

Th March 20

CURRENT ISSUES READING TOPIC 4, and

More on Demography and Labor after the Civil War

T March 25

Work and Well-Being

WTEFA ASSIGNMENT 2 (CHAPTERS 4 TO 6)

Th March 27

From Boom to Crisis

Read W+R chapters 22 and 23

T April 1

More on From Boom to Crisis, and the New Deal

Read W+R Chapter 24

Th April 3

QUIZ 4, and

The Rise of the Public Sector

Read W+R chapters 25 and 26

T April 8

The Recent Economic History of African American and Female Labor

Th April 10

CURRENT ISSUES READING TOPIC 5, and

More on the Recent Economic History of African American and Female Labor

T April 15

Post World War II Economic Performance

Read W+R chapters 28 and 29

Th April 17

Inequality and Redistribution

WTEFA ASSIGNMENT 3 (CHAPTERS 7 AND 8)

T April 22

Challenges for the Future

Read W+R chapter 30

An Economic Bill of Rights

WTEFA ASSIGNMENT 4 (CHAPTER 13)

W APRIL 30 10:30 (FINAL EXAM TIMESLOT)

QUIZ 5