

Dr. Ray Cohn  
Spring 2001

**ECONOMICS 360**  
**HISTORY OF THE AMERICAN ECONOMY**

**OFFICE:** Stevenson 428  
**OFFICE HOURS:** Mon, Weds: 3:00–4:00; Tues: 10:00–12:00; or When Available  
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**Course Prerequisite: 6 hours of 200–level Economics**

**COURSE DESCRIPTION**

Economics 360 is a course in economic history concerned with the long–run development of the economy of the United States. The course is concerned with analyzing economic growth and various problems, situations, and controversies that have occurred over time in the U.S. economy. For example, how fast has the U.S. economy grown over time and how have workers been affected? Why has the agricultural sector declined so much? How is government more important now than historically; and why and in what ways? Why has the American banking system developed differently from that in other countries? These are a few of the questions that we analyze during the course of this class.

I consider this course to be an applied economic theory course; it is an economics course concerned with history and not a history course concerned with economics. This means that the historical problems, etc., are analyzed using economic theory.

**COURSE ORGANIZATION**

The course is divided into four parts. The course begins with a brief history of U.S. economic growth; the rest of the course examines the development of the American economy using a chronological approach.

1. The first section is the shortest of the sections. The theory of economic growth is discussed and a broad overview is provided of the course of growth in the U.S. since the colonial period. We examine the factors that lead to economic growth in general and the importance of the factors to long–run growth in the United States.
2. The second section discusses the U.S. economy up to the outbreak of the Civil War in 1861. The factors that constrained and led to growth as a colony and an independent nation are examined. The effects of British colonial policy and the new American government are investigated. Finally, events in the various economic sectors – agriculture (including the slave economy), transportation, manufacturing, and banking – are discussed during both the colonial and antebellum time periods.
3. The third section discusses the period from 1861 to 1933. We first investigate the effect of the Civil War on long–run growth in the North and the South. Then, economic developments in the various sectors are examined – particularly the rise of large firms in

manufacturing and transportation. Immigration, urbanization, and the growth of federal regulation are also investigated. The section ends with a discussion of events from the outbreak of World War I to the causes of the Great Depression of 1929 to 1933.

4. The fourth section discusses the period since 1933. The "recovery" from the Great Depression and the effects of the New Deal policies are investigated. The consequences of World War II are examined, as are macroeconomic developments since then, in particular economic growth and business cycles. Various trends over the 20th century are discussed, such as the continuation of agricultural problems, the increasing importance of science, the rise of the service sector, changes in the labor force, and the changing role of government in the economy.

The COURSE OUTLINE below provides a more complete idea of the topics covered in the course.

### TEXTS

1. Gary M. Walton and Hugh Rockoff, History of the American Economy, Eighth Edition.
2. Also, a required Packet of readings is available at PIP in the Student Union. It is Packet #72.

### GRADES

Semester grades are determined based on your performance on a variety of tasks. The breakdown is as follows:

Task	Points	Percent of Grade
Exam 1	35	6%
Exam 2	100	17%
Exam 3	100	17%
Exam 4	100	17%
Class Project	200	33%
All Homework	<u>65</u>	11%
 TOTAL POINTS	 600	

Grades are based completely on the work listed above. NO extra credit work is given under any circumstances.

My cutoff for an "A" is 501 points; for a "B," 436 points; for a "C," 369 points; for a "D," 313 points. For your convenience, current point totals and scales will be posted by the last four digits of your social security number on a regular basis.

### EXAMS

One short and three hourly exams are given; the last hourly exam is given during the final exam period. The short exam covers the material in Section 1; the other exams cover the material in Sections 2, 3, and 4. None of the tests are comprehensive.

The exam format is short essay. The questions come from the lectures and the reading. You are forewarned that we may not have time to cover all the reading in class; you are responsible, however, for the reading listed in the Course Outline for each exam.

Make-up exams won't be given. If, for some reason, you can't take the exam on the day and at the time scheduled, see me before the exam and other arrangements will be made. Students who don't take an exam and don't see me until after it is over may receive a zero on it.

### **CLASS PROJECT**

The Class Project consists of a paper completed by you (and graded by me) in four stages; it is worth 200 points, one-third of your semester grade. The paper is centered on two or three articles or chapters on a particular topic. A Topic List (and starting articles) is provided by your instructor, though if you have an interest in a particular topic and wish to do your paper on it, please discuss your ideas with me. While the Class Project Assignment contains complete instructions concerning the project, I note here that the completed paper should be about 13–15 pages. Graduate students are expected to write a longer and more intensive paper. **YOU MUST SIGN UP FOR A TOPIC BY FRIDAY, JANUARY 26.**

For the first stage, you are expected to write a 3–4 page review of one of the articles listed for your topic. The due date for this part is Friday, February 9 and it is worth 40 points. The second stage involves writing a 4–5 page prospectus telling me what your completed paper is going to say. This stage is due the Thursday before Spring Break and is also worth 40 points. The third stage involves the writing of the entire paper. The due date for this part is Tuesday, April 10 and it is worth 60 points. For the last stage, you revise your paper on the basis of my comments. The due date for this part is Friday, May 4 and it is worth 60 points.

Complete instructions for the Project are given in the Class Project Assignment.

### **HOMEWORK**

Homework Problems are distributed at various times during the course of the semester. The purpose of these problems is to get you to (a) review basic economic concepts outside of the classroom, and (b) consider how to use economics to analyze historical problems.

### **ECON 300 STUDENTS**

Anyone in the class also taking Econ 300 (the one-hour capstone course) in conjunction with this course should briefly see me after class to set up a time to discuss the additional requirements.

### **ADDITIONAL ADVICE AND ASSISTANCE**

1. Attendance is particularly important in this class. Most economic history textbooks do not include much explicit economics. The text we use includes economics more than others; however, explicitly explaining the economics is one of the main purposes of the class sessions. Exams mainly test your understanding of the economics used as it applies to the history.
2. Since much of the economics is done in class, reading the assigned material before class is important. Doing so will provide you background material and enhance your understanding of what we do in class.
3. At the top of the syllabus, I have listed office hours when I will be in my office except in cases of emergencies. If you need to see me other times, please call or just stop by. I will be happy to help you unless I am working on something with a critical deadline. Please make use of this open-door policy.
4. At the start of each section, I will distribute three pieces of information that will assist you in understanding the course material. The first is a Lecture Outline that provides an outline of all the material in that section of the class. The second is a Study Objectives sheet that gives a list of concepts and ideas that you should know for each exam. The third is a list of Important Dates that summarizes when various events occurred that we discuss in class.

### **CONTACTING ME BY E-MAIL**

You are encouraged to contact me with questions about the class or just general conversation at my e-mail address given on the first page. Just remember that it may take a little bit of time for you to receive a reply from me, so don't use e-mail to ask questions for which you need a quick answer.

### **IMPORTANT DATES**

Jan.	26	(Fri)	–	Project Sign-up Deadline is 3:00 P.M.
Jan.	29	(Mon)	–	Homework #1 Due In Class
Jan.	31	(Wed)	–	Exam #1
Feb.	9	(Fri)	–	Article Review Due by 3:00 P.M.
Feb.	16	(Fri)	–	Last Day to Drop Any Class
Feb.	19	(Mon)	–	Homework #2 Due In Class
Feb.	26	(Mon)	–	Exam #2
Mar.	8	(Thur)	–	Paper Prospectus Due by 4:00 P.M.
Mar.	21	(Wed)	–	Homework #3 Due In Class
Apr.	4	(Wed)	–	Exam #3
Apr.	10	(Tues)	–	Completed Paper Due by 4:00 P.M.
Apr.	23	(Mon)	–	Homework #4 Due In Class
May	4	(Fri)	–	Revised Paper Due by 3:00 P.M.
May	8	(Tues)	–	Exam #4 (Final Exam Period – Exam at 8:15 A.M.)

**COURSE OUTLINE** (\*\* = Date Homework is Due)

NOTE: All "Packet" readings are from the PIP packet, while all "Chapter" readings are from the textbook.

<b>CLASS DAY</b>	<b>TOPIC</b>	<b>READING</b>
<hr/> <b>SECTION 1: U.S. ECONOMIC GROWTH</b>		
Jan. 17	Measuring Economic Growth	Packet (1–8), Ch. 1(1–8)
Jan. 22	Theory of Economic Growth	Ch. 1(8–17), Packet (8–27)
Jan. 24	Long Run U.S. Growth	Packet (27–38)
<b>**** PROJECT SIGN-UP REQUIRED BY 3:00 P.M. on FRI., JAN. 26 ****</b>		
<hr/> <b>SECTION 2: THE U.S. ECONOMY TO 1861</b>		
Jan. 29 – **	The Colonies: Settlement & Population	Chs. 2(27–44)
Jan. 31 (WED)	<b>EXAM #1;</b> Colonial Economic Activities	Chs. 3(49–65), 5
Feb. 5	British Colonial Policy; U.S. Constitution	Chs. 6, 7(139–146)
Feb. 7 200)	Transportation Changes	Chs. 7(146–150), 9(183–
<b>**** ARTICLE REVIEW DUE BY 3:00 P.M. on FRIDAY, FEB. 9 ****</b>		
Feb. 12 260)	The Westward Movement and Agriculture	Ch. 9(202–203,204–206), Chs. 8(167–178), 12(257–
Feb. 14	Antebellum Manufacturing, Labor, and Banking	Chs. 12(260–261), 10(211–227), Ch. 11(235–236,240–249)
Feb. 19 – **	The Slave Economy	Ch. 13(279–292)
Feb. 21	The Slave System	Packet (39–55), Ch. 13(292–298)
Feb. 26 (MON)	<b>EXAM #2</b>	
<hr/> <b>SECTION 3: THE U.S. ECONOMY: 1861 TO 1933</b>		
Feb. 28	Effects of Civil War	Ch. 14(303–315,317–324)
March 5	Postbellum Agriculture and Railroads	Chs. 15(327–342), 16(351–356)

March 7 Railroad Regulation; Ch. 16(357–367),  
Manufacturing Growth Ch. 17(373–386)

**\*\*\*\* PAPER PROSPECTUS DUE BY 4:00 P.M. on THURSDAY, MARCH 8 \*\*\*\***

March 12–16 **SPRING BREAK**

March 19 Manufacturing Regulation Chs. 17(386–395), 20(448–  
449), and Wealth Packet(56), Ch. 19(438–440)

March 21 – \*\* Incomes of Workers; Chs. 18(402–412), 19(421–  
438) Money and Banking

March 26 Federal Reserve System; The 1920s Chs. 19(440–443), 22

March 28 The Great Depression Ch. 23(515–529)

April 2 Causes of the Depression Ch. 23(529–530)

April 4 (WED) **EXAM #3**

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**SECTION 4: THE U.S. ECONOMY SINCE 1933**

April 9 The "Economic Recovery" Ch. 24  
and the New Deal

**\*\*\*\* COMPLETED PAPER DUE BY 4:00 P.M. on TUESDAY, APRIL 10 \*\*\*\***

April 11 1937 Recession; World War II Chs. 23(530–538), 25

April 16 Growth of the Federal Government Ch. 26

April 18 Transportation Ch. 27(625–635)

April 23 – \*\* Postwar Agriculture and Manufacturing Chs. 27(613–621), 29(669–681)

April 25 The Service Sector and Chs. 29(681–689), 30  
Labor Force Changes

April 30 Business Cycles Since 1950 Ch. 28(641–663)

May 2 Postwar Banking; Ch. 28(663–666),  
Economic Growth Since 1900 Ch. 31, Packet(57–85)

**\*\*\*\* REVISED PAPER DUE BY 3:00 P.M. on FRIDAY, MAY 4 \*\*\*\***

TUESDAY, May 8 – 8:15 a.m.: FINAL EXAM PERIOD    **EXAM #4**