

ISSUES IN AMERICAN ECONOMIC HISTORY SINCE 1900

SUNY-OSWEGO

SPRING 2013

ECO 327-800

MW 3:00-4:20, IN MAHAR 220

FINAL VERSION, 4 APRIL 2013

In this course you will gain a fuller understanding of modern-day America by exploring America's economic and social development since the turn of the twentieth century. Rather than march our way from 1900 to the present, we will tackle just three big, timely issues: The Great Depression, Inequality and Mobility, and Prohibitions. The U.S. economy enters this year mired in a severe slump and with heightened attention to economic inequality. Learning about the causes and consequences of America's greatest slump, as well as the factors that ended it, can give us a better understanding of our present predicament. Meanwhile, the War on Drugs enters its fifth decade and, despite frequent comparisons to our short-lived experiment with alcohol prohibition, shows few signs of ending. We will gain insight into these issues by studying them in depth from the dual perspectives of economics and history. We will hear other perspectives as well, notably interviews with individuals who were there for some of the great historical changes of the past century. Since this is an upper-level expository writing class, you will have many opportunities to work on and improve your writing.

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(*or by appointment if you can't make those times)

The course has an ANGEL site that is indispensable for getting the outside readings, turning in your weekly discussion-preparation papers, and other purposes. The old course website (<http://www.oswego.edu/~dighe/ae2.htm>) is no longer essential, but it does contain some potentially useful data sources and economic history articles and books for your research papers.

You'll never learn where it's at until you learn where it's from.

— Coleman Hawkins

For every complex problem there is an answer that is clear, simple, and wrong.

— H. L. Mencken

Good questions outrank easy answers.

— Paul Samuelson

Required texts

- Studs Terkel. *The Studs Terkel Reader: My American Century*. The New Press, 2007. (The original edition is fine, too: Studs Terkel, *My American Century*, New York: The New Press, 1997.)
- Diana Hacker. *Rules for Writers*. 6th edition. New York: Bedford / St. Martin's, 2010. (You might own this already. Other editions are fine, too.)
- Various articles and book chapters, available through the ANGEL site for this course.

Optional text that I cannot recommend strongly enough

William Strunk, Jr., & E.B. White. *The Elements of Style*. Any edition. This slim, inexpensive paperback is packed with valuable insight about writing, from basic to advanced. It's the best-known book about writing, and for good reason: it's quick and painless to read, and it will almost surely improve your writing.

Two things you should not be without for this course: A good college dictionary and a stapler.

Prerequisites

ECO 101 (introductory microeconomics) and ECO 200 (introductory macroeconomics); also, ENG 102 (Composition II) or ENG 204 (Writing About Literature) or passage of exemption examination.

Learning objectives: Upon completion of this course, you should be able to:

- Offer explanations of major crises such as the Panic of 1907, the Great Depression, and the post-2007 slump.
- Distinguish between competing explanations of these events.
- Apply microeconomic concepts such as asymmetric information, cost-benefit analysis, and human capital to historical phenomena.
- Apply macroeconomic concepts such as aggregate supply, aggregate demand, fiscal policy, and monetary policy to historical phenomena.
- Identify changes in the economic status of women, African Americans, and blue-collar workers since 1900.
- Compare and contrast the methodologies of economic historians and traditional historians.
- Write about these phenomena in clear and concise English.

Assessment

Since this course is an expository writing class, (short) papers and exam essay questions will constitute an important part of your grade, and the clarity of your writing will have some bearing on how they are graded. Your course score will be a weighted average of the following:

Short research paper			30%
	Preliminaries: Topic paper (3%), Data appendix (2%), Sample pages and outline (5%)	10%	
	First draft (6-7 pages, 11-point font)	10%	
	Final draft (6-7 pages, 11-point font)	10%	
Discussion and preparation			60%
	Weekly discussion-preparation papers (two or three solid paragraphs, \geq 300 words total, submitted via ANGEL, beginning Feb. 4)	30%	
	Weekly one-sentence summaries (submitted in class, beginning Feb. 4)	20%	
	Class participation, including trailing comments and questions on the ANGEL bulletin board	10%	
Midterm exam			10%
<i>Final exam (optional)</i>			<i>10%</i>

The grading scale is basically the standard one:

93-100% A;	90-92% A-;	88-89% B+;	83-87% B;	80-82% B-;
78-79% C+;	73-77% C;	70-72% C-;	67-69% D+;	63-66% D;

60-62% D-; 0-59% E.

Short research paper: See handout, “Guidelines for Short Research Papers”

Discussion and preparation:

- **Prep papers:** Each week you will write a discussion “prep” paper, containing questions and comments regarding all of the assigned readings for the current week. Each week’s prep paper is due before the start of class on Monday and will be submitted online via ANGEL. These should be written as coherent short papers with two or three paragraphs and an interesting title. About 300 words ought to do it. Keeping in mind that the purpose of these papers is to prepare you for the class discussions, try to write about things you find interesting or which spark your curiosity. The prep papers should *not* contain much summary.
- **One-sentence summaries:** Each week you will write a set of one-sentence summaries, one for each of the readings for the current week. Each set of summaries is due at the start of class on Monday, typed and printed. These are separate from the prep papers. They are designed to sharpen your reading comprehension and writing skills and further prepare you for class discussion. Be sure to include the author’s name and the reading’s title with each summary, so that it’s clear which reading is being summarized.
- **Class participation:** Since this class thrives on discussion, class participation will be 10% of your final grade. Bringing your prep paper to class will help you remember what you had to say. (I will weight participation a bit more heavily for people whose participation is better than their prep papers.) On a typical day we will devote about the first 30 – 40 minutes to discussion. I will be counting on you to initiate at least some of the discussion. Students can also participate online, by leaving trailing comments, questions, web links, and various tangents in the online Discussion Forum.
- **Extra credit:** I don’t offer emergency extra credit, but there will be some extra-credit opportunities, including attending certain talks or events on campus. And in Week 1 and Week 11, in which prep papers and one-sentence summaries are not required, you can do them for extra credit. Late extra credit work will not be accepted, though Week 1’s extra credit work is due Wed., Jan. 30.

Exams:

- The exams will be part essay, part short-answer questions, and part multiple-choice.
- The final exam is optional. If you take it, your overall course score will be a weighted average on a 110-point scale instead of a 100-point scale. (In other words, the final is not extra credit.) The scoring on the exams will be asymmetrically cumulative in that if you take both exams and do better on the final than on the midterm, your final exam score will replace your midterm score. If you do worse on the final than on the midterm, then the midterm and final will count equally.
- Make-up exams will be an option only for students who have a valid, documented excuse for missing an exam.

Writing and other help

The College Writing Center can offer valuable help in organizing, writing, and revising your papers. It is now located in Penfield Library, rooms 302 – 306, and is reachable online: <http://www.oswego.edu/academics/support/OLS/wc.html>.

Students who have a disability that might interfere with their ability to complete this course successfully are encouraged to speak, confidentially, to me or to contact the Office of Disability Services.

Can’t we have a little chuckle once in a while? Yes, but classroom etiquette is still important.

Classroom etiquette includes arriving on time and not leaving early, avoiding bathroom breaks, keeping one’s cell phone silent and not texting, not eating noisily or blowing bubbles, and not having private conversations. Breaches of any of these things are distracting, disruptive, and disrespectful to me and your fellow classmates.

Crime does not pay!

Per College policy, students who are caught cheating on either of the exams or the research paper will have their offense reported to the college authorities. Except in rare cases that seem to require a disciplinary penalty such as suspension, students who are caught cheating will typically receive an academic penalty. Students who are caught cheating on either exam, or on either draft of the research paper, will automatically fail the course. Students who are caught cheating on a prep paper or another item will receive a zero for the item in question, as well as zeroes for two other, equivalently weighted items (e.g., two other prep papers; think of it as a “treble damages” policy).

For a full statement of the College’s policy on Intellectual Integrity, see the College catalog, or go to http://www.oswego.edu/administration/registrar/policy_text.html#cpii

Eco 327 Spring 2013 course outline and schedule

Week	Dates	Coverage
1	Jan. 28, 30	<p><i>What Is Economic History? What Is “Economical Writing?”</i></p> <p>What to read:</p> <ul style="list-style-type: none"> • Course syllabus (every word!) • Sidney Ratner, James H. Soltow, & Richard Sylla. “Introduction: The Study of Economic Growth, Welfare, and Decision Making.” Pages 3-7 of <i>The Evolution of the American Economy</i> (New York: Basic Books, 1979). • Sam Dillon. “What Corporate America Cannot Build: A Sentence.” <i>The New York Times</i>. December 7, 2004, page A23. Internet: http://www.writingtrainers.com/timesnew.html • Hacker, “How to Use This Book and Its Web Site,” pp. xv-xxii. Reading the Table of Contents is also highly recommended. • Deirdre N. McCloskey. Chapters 1-4 of <i>Economical Writing</i>. Prospect Heights, Ill.: Waveland Press, 2000. (12 pages total.) <p>There is no prep paper or one-sentence-summaries paper due this week, unless you want to earn extra credit. The readings to cover are the non-reference ones: Ratner, et al.; Dillon; McCloskey. The due date is Wed., Jan. 30.</p> <p>NOTE: Starting Mon., Feb. 4, prep papers and one-sentence-summaries papers are due every Monday. See ANGEL Course Announcements and earlier parts of syllabus for details.</p>
2	Feb. 4, 6	<p><i>Research Topics and Debates in American Economic History</i></p> <ul style="list-style-type: none"> • Robert Whaples. “Where Is There Consensus Among American Economic Historians? The Results of a Survey on Forty Propositions,” <i>Journal of Economic History</i>, Volume 55, Number 1 (March 1995; edited to include 20th-century issues only; 7 pp.). <p><i>The Great Depression – Prologue</i></p> <ul style="list-style-type: none"> • Gene Smiley, “Prosperity Gives Way to the Great Depression” (excerpt, 9 pp.), from <i>Rethinking the Great Depression</i>. • Studs Terkel interview: “Arthur A. Robertson, mogul” <p style="text-align: right;">Wed., Feb. 6: last day to add a class</p>

3	Feb. 11, 13	<p><i>The Great Depression – The Great Contraction of 1929-33</i></p> <ul style="list-style-type: none"> Martha L. Olney. "Avoiding Default: The Role of Credit in the Consumption Collapse of 1930." <i>Quarterly Journal of Economics</i> 114: 319-335 (February 1999). Randall Parker. "An Overview of the Great Depression". EH.Net Encyclopedia, edited by Robert Whaples. March 16, 2008. Internet: http://eh.net/encyclopedia/article/parker.depression <p style="text-align: right;">WED., FEB. 13: TOPIC PAPER DUE IN CLASS Fri., Feb. 15: last day to drop a class</p>
4	Feb. 18, 20	<p><i>The Great Depression – The New Deal Years, 1933-41</i></p> <ul style="list-style-type: none"> Peter Fearon. Chapter 10 ("The New Deal: An Introduction") of <i>War, Prosperity & Depression: The U.S. Economy 1917-45</i>. Lawrence, KS: University Press of Kansas 1987 (10 pp.). Peter Fearon. Chapter 15 ("The New Deal: A Conclusion") of same (4 pp.). David M. Kennedy. "What the New Deal Did." <i>Political Science Quarterly</i> 124 (2): 251-268 (2009). Terkel interviews: "Jane Yoder" and "Tom Yoder, Jane's Son" and "Peggy Terry and Her Mother, Mary Owsley" Terkel interviews: "Ed Paulsen, freight-train rider" and "Oscar Heline, farmer"
5	Feb. 25, 27	<p><i>The Great Depression – Lessons</i></p> <ul style="list-style-type: none"> Greg Ip. "Long Study of Great Depression Has Shaped Bernanke's Views." <i>The Wall Street Journal</i>. December 7, 2005, page A1+ (7 pp.). Jon Hilsenrath. "Bernanke's Fed, Echoing FDR, Pursues Ideas and Action." <i>The Wall Street Journal</i>. December 15, 2008, page A2 (2 pp.). Robert Higgs. "The Mythology of Roosevelt and the New Deal." The Independent Institute. Posted September 1, 1998. Internet: http://www.independent.org/printer.asp?page=%2Fnewsroom%2Farticle%2Easp?id=176 David F. Weiman. "Imagining a World Without the New Deal." <i>The Washington Post</i>. August 12, 2011. <p style="text-align: right;">WED., FEB. 27: DATA APPENDIX DUE IN CLASS</p>
6	March 4, 6	<p><i>The Great Depression – What Ended It?</i></p> <ul style="list-style-type: none"> Peter Fearon. "World War II: The End of the Depression." Chapter 16 of <i>War, Prosperity & Depression: The U.S. Economy 1917-45</i>. Lawrence, KS: University Press of Kansas, 1987 (28 pp. total). Robert Higgs. "Wartime Prosperity? A Reassessment of the U.S. Economy in the 1940s." <i>Journal of Economic History</i> 52(1): 41-60 (March 1992). Terkel interview: "Peggy Terry, 'hillbilly'"

7	March 11, 13	<p><i>Does a Rising Tide Lift All Boats? Introduction</i></p> <ul style="list-style-type: none"> Paul Krugman. "Income Distribution." Chapter 2 of <i>The Age of Diminished Expectations</i>. Cambridge: MIT Press, 1997. (7 pp.) Daron Acemoglu. "Economic Power Begets Political Power." (A response to "How Does Inequality Matter?") <i>The Economist.com</i>. January 21, 2011. Internet: http://www.economist.com/economics/by-invitation/guest-contributions/economic-power_begets_political_power (3 pp.) Terkel interview, "Mike Lefevre, steelworker" (1972) <p style="text-align: right;">MON., MARCH 11: MIDTERM</p>
MON. - FRI., MARCH 18 – 22: SPRING BREAK		
8	March 25, 27	<p><i>Does a Rising Tide Lift All Boats? African Americans</i></p> <ul style="list-style-type: none"> Robert Margo. "What Is the Key to Black Progress?" Chapter 8 (pp. 65-69) of <i>Second Thoughts: Myths and Morals of U.S. Economic History</i>, edited by Donald McCloskey. New York: Oxford University Press, 1993. William Sundstrom. "African Americans in the U.S. Economy Since Emancipation." Working Paper WP# 11-09, Santa Clara University, July 22, 2011 (24 pp. including tables and charts. Available for download at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1895596). Terkel interviews: Vernon Jarrett, Joseph Lattimore <p style="text-align: right;">WED., MARCH 27: OUTLINE AND SAMPLE PAGES DUE IN CLASS Fri., March 29: Last day of course withdrawal period</p>
9	April 1, 3	<p><i>Does a Rising Tide Lift All Boats? Women</i></p> <ul style="list-style-type: none"> Francine D. Blau & Lawrence M. Kahn. "The Gender Pay Gap." <i>The Economists' Voice</i>. Volume 4, Issue 4 (June 2007). Claudia Goldin. "The Quiet Revolution That Transformed Women's Employment, Education, and Family." <i>American Economic Review</i> 96(2): 1-21 (May 2006). Terkel interview: "Judith Vladeck, 70." From Terkel's book <i>Coming of Age</i> (6 pp.; not in the Terkel book you have for this course, but on ANGEL).
10	April 8, 10	<p><i>Does a Rising Tide Lift All Boats? Inequality</i></p> <ul style="list-style-type: none"> Heather Boushey & Christian E. Weller. "What the Numbers Tell Us." Pages 27-40 of <i>Inequality Matters</i>, edited by James Lardner & David A. Smith. New York: The New Press, 2005. Robert H. Frank. "How the Middle Class Is Injured by Gains at the Top." Pages 138-49 of <i>Inequality Matters</i>. "Interview with Emmanuel Saez," by Kathleen Maclay. Pages 311-16 of <i>The Occupy Handbook</i>, edited by Janet Byrne. New York: Back Bay Books, 2012. "Government as Tough Love: Sitting Down with Robert Shiller," by Brandon Adams. Pages 132-38 of <i>The Occupy Handbook</i>. <p style="text-align: right;">WED., APRIL 10: RESEARCH PAPER DUE IN CLASS</p>

11	April 15 (Mon.)	<p><i>Prohibitions (I): Early Enactment and Enforcement of Alcohol Prohibition</i></p> <ul style="list-style-type: none"> David E. Kyvig. "Adopting National Prohibition." Chapter 1 of <i>Repealing National Prohibition</i>. Kent, OH: Kent State University Press, 2000 (15 pp.). <p style="text-align: right;">Wed., April 17: Quest – no classes</p> <p>Prep papers and one-sentence summaries are not required this week, but may be done for extra credit.</p>
12	April 22, 24	<p><i>Prohibitions (II): The Twilight and Repeal of Alcohol Prohibition</i></p> <ul style="list-style-type: none"> Jack S. Blocker, Jr., "Did Prohibition Really Work? Alcohol Prohibition as a Public Health Innovation," <i>American Journal of Public Health</i>, Volume 96, Number 2 (2006): 233-243. Ranjit S. Dighe. "Reversal of Fortune: The Rockefellers and the Decline of Business Support for Prohibition." <i>Essays in Economic and Business History</i> 24 (2006): 69-88.
13	April 29, May 1	<p><i>Prohibitions (III): Marijuana and the Drinking Age</i></p> <ul style="list-style-type: none"> Richard J. Bonnie & Charles H. Whitebread II. "The Alien Weed." Chapter II of <i>The Marihuana Conviction: A History of Marihuana Prohibition in the United States</i>. Charlottesville: University Press of Virginia, 1975 (21 pp.). Christopher Carpenter & Carlos Dobkin. "The Minimum Legal Drinking Age and Public Health." <i>Journal of Economic Perspectives</i>. Spring 2011. Pages 133-156.
14	May 6, 8	<p><i>Prohibitions (IV): Conclusions</i></p> <ul style="list-style-type: none"> Jeffrey A. Miron. "Is Prohibition Good Policy?" and "Conclusion." Chapters 5 and 7 of <i>Drug War Crimes: The Consequences of Prohibition</i>. Oakland: The Independent Institute, 2004 (18 pp.). Dan Savage. "Sloth: I Am Not a Pothead." From <i>Skipping Towards Gomorrah</i>. New York: Dutton, 2002 (35 pp.). <p style="text-align: right;">WED., MAY 8: REVISED RESEARCH PAPER DUE IN CLASS</p>

WED., MAY 15, 2:00-4:00: FINAL EXAM (OPTIONAL)

The final exam is comprehensive, with extra weight on material after the midterm.