

**ECON 455: US ECONOMIC HISTORY, Spring 2012, Dr. Duggan
Tu/Th 10-11:45**

Location: **Morrison 103**
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Office Hours: **Monday 2-3, Tu 6-7 pm, Wednesday 12-1**

I. Course Description

For US economic history this semester, students and professor will apply economic theory to explore deindustrialization and reindustrialization in our community between 1970 and 2010. This course will be hands-on research, and students will interview a person connected to local manufacturing, step inside a manufacturing concern to watch the production process, and create graphs to compare our town's experience with national and international tendencies. How did our town manage to retain a vibrant manufacturing base in a period better known nationally for deindustrialization? Why does town business have such a positive relationship with the community, and will that change as ownership ceases to be local? We will apply to our findings the concepts of productivity, innovation, and social capital gained from reading Adam Smith, Robert Putnam, and Annalee Saxenian. We will also read a novel by the late John Hackett, who was a PhD economist, a manager of a heavy manufacturing concern, and the epitome of Adam Smith's virtuous businessman with his concern for community.

II. Course Outcome

The class will put together a narrative about our town's changing industrial structure to donate to the community. Each student will describe the industrial process at one firm from an on-site visit (two pages), contribute by interviewing one person who either worked at or managed a manufacturing concern in our community between 1970 and 2010 (3 pages), and also make and explain two graphs with quantitative data for at least ten years of the period (two pages). Students will answer bi-weekly questions on the readings, and at the end of the semester will apply economic theory in a five-page essay to answer one of the questions listed above. The culmination of the course will be a report that the class will create jointly on our community's industrial evolution between 1970 and 2010 which we will donate to the community, and present publicly in an oral presentation.

REQUIRED TEXTS:

Robert Farrant, **Metal Fatigue: The Rise and Precipitous Decline of the Connecticut River Valley Industrial Corridor**, Baywood Publishers, 2009.
John Hackett, **Race to the Bottom**. Lightning Source, 2004
Max Holland, **When the Machine Stopped**. 1989.
Annalee Saxenian, **Regional Advantage**. Harvard University Press, 1996.

Dr. John Hackett taught here after he retired from managing a heavy-equipment manufacturer in the mid-west. He was an exceptional person: well-grounded in economic theory, steeped in practical business experience, and dedicated to the communities in which he lived. I had hoped we could co-teach this course, but he died one year ago. To bring his spirit into the room, we will read his novel about the decline of a manufacturing company in the 1980s. Though he mentions the threat of wages in Mexico, the chief villain is the chief financial officer, the plot thickens.

The concept of productivity is going to be central to manufacturing, and so we turn to the economists of the industrial revolution to get some grounding in it. We will use excerpts from Adam Smith (1759, 1776) and Karl Marx (1867) to stimulate our thinking about productivity. Smith also writes about social cohesion, and a more modern perspective is provided by Robert Putnam and Edward Glaeser. Annalee Saxenian’s book explains why some parts of the US have become centers of high-tech innovation, while others have not.

In addition to these texts, I expect everyone in the class to read technical things on local economics, such as the PSNH annual economic outlook and any other technical reports which we come across because these will give you the local facts to use to talk to people.

Grading:

This is a hands-on course completing a group research project. Each person will contribute by means of writing up one on-site visit to a plant, interviewing one local businessperson or worker in manufacturing, and creating two graphs in Excel, with a page describing what the graphs tell us. These will count for 40% of your grade, with 50% coming from more traditional in-class assignments including a midterm and a five-page essay applying economic theory to one of our themes. The class will present its findings to the community in an oral presentation Tuesday April 24. You will make a portfolio of the bolded parts of the table below which we will donate to the community. A truly polished portfolio will bump up your final grade.

Assignment	Percentage of Overall Grade
1. Take-Home Reading Questions and In-Class Assignments	20% or 10%
2. Observation of a manufacturing process 2-3 pages (think Pin Factory)	10%
3. Collect data, and make two graphs, explaining why they are relevant to the discussion (2 graphs plus 1 page describing what they say)	15% Substitute: articles.
4. Interview of a local businessperson/worker in the manufacturing process (the best part—as long as seems appropriate 3-10 pages)	15%
5. Second Interview	15%
6. Final essay applying economic theory to one of the core questions (5 pages)	15%
7. Oral Presentation to Community (sweat	10% or 20%

buckets)	
8. Portfolio: Make it Look Good	A 5% Bonus

The portfolio includes items 2 through 4, plus 6. This should be Times New Roman font, 12 point, 1.5 spaced, no cover sheet, 1 inch margins, have your name and the date on the first page. Remove ALL the typos, and spell the name of any firm or person mentioned 100% accurately. Make it look nice (but no folder around it, just a staple, please).

Respect in the Classroom

You will be representing Our community State in the community, please dress as if you were going to work on those days. Arrange the interview by phone, and arrive on time, and provide plenty of time to talk to the person. When we work in the computer lab, please refrain from surfing the net and checking your emails during class. Please refrain from texting during class, and keep cell phones tucked out of sight with ringer off. I often have to make an important point to sum up our class at the end of the time period, please do not start to pack up until class is over. I prefer hard copies of assignments, but if you are ill, email me the assignment; slipping an assignment under my office door is the best way to get it to me if you don't give it in class. Keep copies of your assignments.

We do not meet at noon. Feel free to bring coffee and a snack, but please refrain from eating anything overly aromatic or with crunchy paper, because these are distracting for all concerned.

Schedule

Week	Date	Readings (see blackboard)	In-class Ex.	Homework Due By Today
1: 1850-2010 Our community and the Nation	Tu., Jan. 17		Sentinel.	
	Th., Jan. 19	1. 1850-1870 history of Our community. 2. Smart Manufacturing and High Technology from NH Center for Public Policy Studies.		On blackboard under "assignments."
2:	Tu., Jan. 24	<i>Meet in Rhodes 270 computer lab.</i>	Make Excel graphs re manufacturing.	
<i>Visit a community Firm.</i>	Th. Jan. 26	Read Forrant and Holland.		On blackboard under "assignments."

3: Competition, innovation, and productivity.	Tu. Jan. 31 Th. Feb. 2	Read handout on productivity (blackboard)	Handout on productivity.	Bruce Norland at 10:00. Mechanical engineer working in our community since 1965. History of precision manufacturing in our community.
4: Unit labor cost and international division of labor	Tu. Feb. 7 Th. Feb. 9	Tu. Feb. 7: <i>Meet in Rhodes 270 Computer Lab.</i> Th. Feb. 9: <i>Meet at SPDI lab on Ralston street.</i>		Work on graphs. Th. Feb. 9. Th: Meet to walk to machine shop for demonstration by professor.
5 Interview	Tu. Feb. 14 Th. Feb. 16			Due Feb. 16: Interview of a person connected to manufacturing in our community (15% of grade).
6	Tu. Feb. 21 Th. Feb. 23	Meet in computer lab to make graphs. Visit Factory.		(Public schools closed)
7 Social capital	Tu Feb. 28 Th. Mar 1	Read Forrant, Ch. 6. Read Hackett, pp. 50-100		Feb. 28: 2 Graphs due with writeup explaining them. 15% of overall grade.
8	Tu Mar 6	Read Putnam, The Prosperous Community.		See blackboard website for link.
	Th Mar 8			
9	Tu Mar 13	Spring Break		
	Th Mar 15	Spring Break		
10: Finance and the Corporate - Community Tie	Tu Mar 20	Hackett, 100-150 <i>Meet at local business center.</i> Three managers or owners of manufacturing firms will be present.		Presentation today. 10% of overall grade.

	Th Mar 22	Hackett 150-200		Midterm: 20% of grade
11: Innovation and Competition in High Tech	Tu Mar 27	Saxenian		
	Th Mar 29	No class, Dr. Duggan at a conference.		
12	Tu Apr 3	Saxenian		Write thank you letters to people interviewed.
	Apr 5			<i>Draft essay due. 5% off overall grade.</i>
13: Pulling it all together.	Tu Apr 10	Essay due.		Essay Due. 15% of overall grade.
	Th Apr 12			
14	Tu Apr 17			
	Th Apr 19			
15	Tu Apr 24	Presentation business community		Presentation today. 10% of overall grade.
	Th Apr 26	Last day of class		Portfolio due. Bonus possible.
16	Tu May 1			Final exam, if necessary.