

**Economics 1740 Section 2: US Economic History**  
Spring 2010 T-Th 10:45-12:05  
(3 Credits, Fulfills American Institutions (AI) Requirement)

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Office Hours: T 12:15-1:45, W 9:30-11:00, 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 US labor markets, changes in living standards (and their measurement), the history of female and minority labor, and the recent growth of income inequality in the US.

**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 government 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, CUSTOM EDITION. OH: Cengage, 2009. (Referred to as “W + R” below.)
- Frank and Cook, The Winner-Take-All Society: Why the Few at the Top Get So Much More Than the Rest of Us. NY: Penguin Books, 1996.

Note that the Walton and Rockoff text is an abridged version of their full 10<sup>th</sup> edition. It contains only the chapters we are most likely to cover and costs much less than their standard text, but it has some quirks. I will have more to say about the book in class. Note also that there will also be additional “Current Issues” readings posted to the course WebCT 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 WebCT. 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 WebCT.

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. Exams

There will be three exams: two mid-terms and a final. **The first mid-term exam will be held on Thursday, February 11. The second mid-term will be held on Thursday, March 18. The final exam will be held on Thursday, May 6, at 10:30 a.m. in our regular room.** Each exam will be worth 25% of your grade. All exams will consist of a mix of “multiple choice” and short essay questions. In very rare cases of extreme, unavoidable, and documented scheduling conflicts, individual students may arrange to take exams early, and these arrangements must be made well in advance of the scheduled exam time. Late exams may be given in cases of documented medical or other emergency. Otherwise, failure to take an exam at the scheduled time will result in a 0 for the exam.

### 2. W+R Reaction Essays:

Everyone is responsible for reading all of the assigned readings. In addition, everyone will write THREE short essays summarizing and reacting to three of the assigned chapters from Walton and Rockoff. These essays should include two or more substantial paragraphs summarizing the material in the chapter, and at least one substantial paragraph indicating your reaction to the chapter: Was there anything that surprised you? Are there issues or ideas raised in the chapter that you would like to know more about? Do you have any criticism of the chapter? Due dates are given below. You must turn in at least one of the essays due on or before February 23 (that is, you must turn in at least one of the essays covering chapters 2 through 8). These three essays are each worth 5% of your final grade (so this assignment is worth 15% total).

### 3. 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” posted on the WebCT 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. In addition, everyone will write one short essay (about 3 pages or so) based on the readings for one of the six topics. More details on this assignment are given below. This essay is worth 10% of your grade.

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, you must clearly indicate your source, and if you directly quote any material, you must clearly indicate what has been quoted (along with indicating your source).** If you quote material without clearly indicating so, 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 know that you are going to miss class on the day an assignment is due, please make some arrangement for getting the work to me before class.

Weighting of assignments:

Two Mid-Term Exams	Each worth 25%
Final Exam	25%
<u>Three</u> W+R Reaction Essays	Each worth 5%
<u>One</u> Current Issues Essay	10%

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 - 87.9999
B-: 80 - 81.9999
C+: 75 - 79.9999
C: 70 - 74.9999
C-: 65 - 69.9999
D+: 63 - 64.9999
D: 57 - 62.9999
D-: 55 - 56.9999
E: < 55

### More Detail on the Writing Assignments

#### Walton and Rockoff Assignments:

As noted above, everyone will write **THREE** short essays summarizing and reacting to **THREE** of the assigned chapters from Walton and Rockoff (that is, each essay you turn in will cover one chapter). These essays should include two or more substantial paragraphs summarizing the material in the chapter, and at least one substantial paragraph indicating your reaction to the chapter: Was there anything that surprised you? Are there issues or ideas raised in the chapter that you would like to know more about? Do you have any criticism of the chapter? Due dates are given below. Everyone must turn in at least one of these assignments by February 23 (that is, everyone must turn in one of these assignments covering chapters 2 to 8). These **THREE** essays are each worth 5% of your final grade.

Due Dates: (Chapter numbers refer to the numbering in our abridged version of the text. Numbers in parenthesis refer to the numbering in the full 10<sup>th</sup> edition of the book.)

Chapter 2 (3): January 14	Chapter 9 (17): March 2
Chapter 3 (5): January 14	Chapter 10 (18): March 4
Chapter 4 (10): January 21	Chapter 11 (22): March 16
Chapter 5 (11): January 28	Chapter 12 (23): March 16
Chapter 6 (13): February 4	Chapter 13 (24): March 30
Chapter 7 (14): February 16	Chapter 14 (25): April 1
Chapter 8 (15): February 23	Chapter 15 (26): April 1
	Chapter 16 (27): April 6
	Chapter 17 (28): April 6
	Chapter 18 (29): April 15

**At least one of your THREE Walton and Rockoff assignments must cover a chapter from 2 through 8.**

#### Current Issues Assignments:

Again, every student must turn in a Current Issues essay for **ONE** of the following TOPICS (so if you choose topic 1, your essay must incorporate all three 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 (Due Tuesday, February 2) – Trade and Protectionism:

[Reading 1.1](#): Manzullo, Donald A. “Goal is US Security.” USA Today 8/11/03, p. 10A.

[Reading 1.2](#): “Revival of Protectionism Puts US Economy Further at Risk.” USA Today 8/11/03, p. 10A.

[Reading 1.3](#): “Editorial: Grassley Looking Out for Iowa.” Waterloo-Cedar Falls Courier 8/9/09.

The effects of trade and tariff policy are addressed early in the semester, in our discussion of the rise of manufacturing before the Civil War. Trade policy was also an important point of conflict between the North and the South, leading into the Civil War. Trade policy continues to be a source of political contention. The three articles in this section describe some recent controversies regarding trade policy. Summarize and comment on these three articles. Your essay should deal with the following issues:

- Donald Manzullo argues that US government purchases should be from at least 65% “American” suppliers. Why does he think this is important?
- Why do the editors of the USA Today disagree with Manzullo’s position (in their editorial “Revival of Protectionism Puts US Economy at Further Risk”)? Which of these two positions do you find persuasive, and why?

- An editorial from a newspaper in Iowa, the Waterloo-Cedar Falls Courier, talks about tariffs on ethanol, a fuel additive that can be made from corn (which is grown in Iowa, among other places) and used in automobiles. Specifically, the editorial congratulates Senator Charles Grassley, of Iowa, on making sure that ethanol tariffs will be maintained. Who gains from this tariff? Who loses? What does this article suggest about the relative importance of political, as opposed to economic, arguments in forming policy?

**Topic 2 (Due Tuesday, February 9) - Measuring the Standard of Living:**

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 (Due Tuesday, February 23) - Reparations for Slavery:**

Reading 3.1: Belluck, Pam. "Brown University to Examine Debt to Slave Trade." New York Times (Late Edition, East Coast) 3/13/04, p A10.

Reading 3.2: "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 3.3: Jacoby, Jeff, "The Slavery Shakedown." Boston Globe 6/9/05, p. A15.

Though slavery ended in the US nearly 150 years ago, there are ongoing debates about whether the descendants 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:

- What role might slavery have played in the history of Brown University?
- Why did JPMorgan Chase & Co. recently apologize for its historic links to slavery? How was this company linked to slavery?
- 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 (Due Tuesday, March 16) - Immigration:**

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:](#) Swift, Mike and Ken McLaughlin, "Recession Seen Deterring Illegal Immigration." San Jose Mercury News 7/22/09.

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?
- The article from the San Jose Mercury news ("Recession Seen Deterring Illegal Immigration") talks about the effects of the current economic crisis on the volume of immigration to the US. Summarize the effects of the crisis on the relative costs and benefits of migrating to the US, as they are discussed in this article.
- 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 (Due Thursday, April 8) – The Current Crisis and Government Policy:**

[Reading 5.1:](#) Grier, Peter, "First Sign of Stimulus? Probably Your Paycheck." Christian Science Monitor 2/18/09, p. 1.

[Reading 5.2:](#) Samuelson, Robert J., "The Stunted Economic Stimulus." Newsweek 3/2/09, p. 28.

[Reading 5.3:](#) Theo, Francis and Craig Elise, "Stimulus: Where's the \$787 Billion?" Businessweek Online 7/8/09, p. 3.

We will discuss the Great Depression and the federal government's response to it. Of course, we are now in the midst of perhaps the most severe economic crisis since the Great Depression. The federal government is again acting to limit the effects of the crisis and promote recovery. The three readings in this section focus on the "fiscal stimulus" policies enacted in February of 2008. Read all three articles and write an essay summarizing and commenting on them. Your essay should address the following issues:

- Readings 5.1 and 5.2 are both from the weeks immediately after the stimulus bill was passed. They describe the details of the bill and (especially in the case of the Newsweek piece) raise some criticisms of it. What are the important components of the stimulus bill? Do they resemble, roughly, the kinds of jobs and incomes programs that were enacted during the Great Depression? How do they differ from the programs of that era?
- What are the major criticisms of the bill raised in the Newsweek article?
- Reading 5.3 was published in July and discusses how these programs had been carried out to that point. To what degree had these programs been carried out as planned? What problems were encountered in carrying them out? Why is it so hard to measure the economic effects of these kinds of programs?

**Topic 6 (Due Tuesday, April 20) - Labor Market Discrimination:**

[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?

### Course Outline:

Note that the precise schedule of topics may change slightly, but exam dates and assignment due dates are very unlikely to change. Any change in exam dates or due dates will be announced well ahead of time. Also note that the W+R readings are listed by their chapter number in our “custom” book, and their original chapter number (in the full 10<sup>th</sup> edition) is given in parentheses.

#### T January 12

Introduction

Read W+R chapter 1 (1)

#### Th January 14

Colonial America

Read W+R chapters 2 (3) and 3 (5)

#### T January 19

More Colonial America

#### Th January 21

Antebellum Economic Growth

Read W+R chapter 4 (10)

#### T January 26

More on Antebellum Economic Growth

#### Th January 28

Growth of the Market and Rise of the Factory

Read W+R Chapter 5 (11)

#### T February 2

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

Read articles in Current Issues Readings, Topic 1 (Trade Policy)

**ESSAY ON CURRENT ISSUES READINGS TOPIC 1 DUE**

Th February 4

Slavery and the South

Read W+R chapter 6 (13)

T February 9

More on Slavery and the South

Read articles in Current Issues Readings, Topic 2 (Living Standards)

**ESSAY ON CURRENT ISSUES READINGS TOPIC 2 DUE**

Th February 11

**FIRST MID-TERM EXAM**

T February 16

The Post-Civil War South

Read W+R chapter 7 (14)

Th February 18

More on the Post-Civil War South

T February 23

Westward Movement and Early Utah

Read W+R chapter 8 (15)

Read articles in Current Issues Readings, Topic 3 (Reparations for Slavery)

**ESSAY ON CURRENT ISSUES READINGS TOPIC 3 DUE**

Th February 25

More on Westward Movement and Early Utah

T March 2

Industrial Expansion and Concentration

Read W+R chapter 9 (17)

Th March 4

Demography and Labor after the Civil War

Read W+R chapter 10 (18)

T March 9

More on Demography and Labor after the Civil War

Th March 11

More on Demography and Labor after the Civil War

T March 16

From Boom to Crisis – the Onset of the Great Depression

Read W+R chapters 11 (22) and 12 (23)

Read articles in Current Issues Readings Topic 4 (Immigration)

**ESSAY ON CURRENT ISSUES READINGS TOPIC 4 DUE**



Th March 18

**SECOND MID-TERM EXAM**

**T March 23 and Th March 25: SPRING BREAK**

T March 30

More on the Onset of the Great Depression, and the New Deal  
Read W+R chapter 13 (24)

Th April 1

The Rise of the Public Sector  
Read W+R chapter 14 (25) and 15 (26)

T April 6

Post-World War II Economic Performance  
Read W+R chapters 16 (27) and 17 (28)

Th April 8

More on Post-World War II Economic Performance, and the Recent Economic History of Women in the Labor Market  
Read articles in Current Issues Readings Topic 5 (The Current Crisis and Government Policy)  
**ESSAY ON CURRENT ISSUES READINGS TOPIC 5 DUE**

T April 13

The Recent Economic History of African Americans

Th April 15

Challenges for the Future, and The Winner-Take-All Society  
Read W+R chapter 18 (29)  
Read Frank and Cook, The Winner-Take-All Society

T April 20

More on The Winner-Take-All Society  
Read articles in Current Issues Readings Topic 6 (Discrimination)  
**ESSAY ON CURRENT ISSUES READINGS TOPIC 6 DUE**

Th April 22

More on the Winner-Take-All Society

T April 27

Catch up, review

**THURSDAY MAY 6, 10:30 – FINAL EXAM  
NOTE SPECIAL TIME**