

## **ECONOMICS 113—AMERICAN ECONOMIC HISTORY**

Course website: <http://www.econ.berkeley.edu/~olney/spring13/econ113>

Lecture: Tu Th 2:00 p.m. - 3:30 p.m., 1 Le Conte

This syllabus is the contract between you and me. Please read it carefully. "I didn't read the syllabus" is not an acceptable excuse for missing an exam or paper, overlooking a reading, and so on. Prof. Olney

Economics 113 is an upper-division course in the study of the history of the U.S. economy. We will survey over three hundred years of history but, of necessity, will focus more intensely on some periods and incidents in U.S. history than on others. The emphasis will be on economic events, factors, and explanations. One goal for this course is to demonstrate the applicability of the study of history to the analysis of present-day economic events. An equally important goal is to demonstrate the applicability of the study of economics to the understanding of historical events.

Economics 113 must be taken for a grade if it is to be used toward the requirements for the major.

As part of Berkeley's Undergraduate Student Learning Initiative (USLI), the Economics Department has developed learning goals for the Economics major. See <http://econ.berkeley.edu/undergrad/home/learning-goals>. The specific learning goals which this course aims to achieve are: CT1, understand everyday economics problems; CT2, use economic theory to understand and evaluate policy proposals; CT3, compare arguments; CT4, role of assumptions; QT1, understand the role of empirical evidence in evaluating economic problems; QT2, interpret results; SP1, specialized knowledge in fields; CS1, communicate effectively about economic issues; CS2, formulate and support written argument.

### **Professor's Office Hours**

Professor Martha Olney, 691 Evans Hall, 510-642-6083, [Olney@econ.berkeley.edu](mailto:Olney@econ.berkeley.edu)

Drop-in: Mondays 1:00 - 2:00, Tuesdays 3:45 - 5:00, 691 Evans. Other times by appointment.

### **Prerequisite**

Economics 1 (Introduction to Microeconomics and Macroeconomics) is the only official prerequisite for this course. Some familiarity with the broad outlines of U.S. history will be presumed. We emphasize statistics, graphs, and economic theory, and put some emphasis on the ability to interpret econometrics results (which we'll teach you how to do). Non-economics majors who have only taken Economics 1 will find the course difficult.

### **Adding the Course**

The course is nearly full. The department relies completely on TeleBears for enrollment purposes. To add the course, first check the online schedule of classes (<http://schedule.berkeley.edu>). Find a section in which the number of available seats exceeds the number on the waitlist. Then access TeleBEARS. If you are already on the wait list but want to change your section choice, use the change section option. Do not drop yourself from the course wait list; simply change sections. See GSI Coordinator Alisa Tazhitdinova (548 Evans, [HeadGSI@econ.berkeley.edu](mailto:HeadGSI@econ.berkeley.edu)), Econ Undergrad Advisors Ginnie Sadil or Christina Yasi (539 Evans, [Gsadil@econ.berkeley.edu](mailto:Gsadil@econ.berkeley.edu) or [Cyasi@econ.berkeley.edu](mailto:Cyasi@econ.berkeley.edu)) for assistance.

### **Required Textbook and Reader**

Gary M. Walton and Hugh Rockoff, *History of the American Economy*, 11th edition, South-Western, 2010.

Economics 113 Reader. Order online at <http://www.copycentralreaders.com> and then pick up at Copy Central, 2576 Bancroft (510-848-8649). Or download & print from the library's resources. See the [course website](#) for full citations for reader articles.

### **Optional Textbook**

For those unfamiliar with U.S. history, you may also wish to purchase any U.S. history textbook. A favorite of mine is John Faragher et al, *Out of Many*. You can find old editions online for a reasonable price.

### ***Responsibilities and Requirements***

My responsibilities are to come to class prepared, respond to and encourage questions and other appropriate class participation, oversee grading of assignments and exams, be available during scheduled office hours and as possible for scheduled appointments, and to stimulate an enthusiasm for economics and for learning.

Your responsibilities are to attend and participate in lecture three hours per week, attend and participate in section one hour per week, complete the assigned readings in a timely manner, participate in section discussions and small group activities, and complete the papers, problem sets, two midterms and a final examination.

### ***Letter of Introduction***

For your second section meeting, please write a one-page letter of introduction of yourself to your GSI. Include your name and anything about yourself that you would like to share. Please include or embed a photo of yourself, as this will help your GSI learn your name. The paper will not be graded nor returned. Turn in a hard copy at your second section meeting.

### ***E-mail Between You and the Instructors***

Prof. Olney and the GSIs will use email to contact you. Be sure your email address registered in the University's CalNet directory is correct, your spam filters are not set too tight, and that your inbox is not full. Emails sent by Prof. Olney are archived at the Econ 113 lecture tab at <http://bspace.berkeley.edu>. Emails from your own GSI will be archived at your Econ 113 section tab on bspace.

Emails sent to Prof. Olney must have "Econ 113" plus a descriptor in the subject line. Emails must use appropriate grammar and spelling (no txtng) and must be signed with both first and last names. Emails that don't meet these minimums are deleted without being read.

Prof. Olney sends announcements by email. Some announcements contain links to additional readings from current news sources. If so indicated in the email, these readings are to be considered *required* assigned readings for the course. In that case, links will be added to the "additional required readings" folder at bspace/resources tab.

### ***Piazza***

We will use Piazza for questions and so on. The sign-up page is <http://piazza.com/berkeley/spring2013/econ113>. The system is designed to get you help fast and efficiently from classmates, the GSIs, and Prof. Olney. Rather than emailing questions to Prof. Olney or your GSI, we encourage you to post your questions on Piazza. Use the search feature first to see if your question has already been asked and answered. If you have any problems using Piazza, email [team@piazza.com](mailto:team@piazza.com).

### ***Announcements Policy***

No announcements are made in lecture. All announcements are sent by email and archived at bspace. If you would like to submit a written announcement that can be emailed to all Econ 113 students, you should send it to Prof. Olney. Include a student name and contact info in the announcement. Prof. Olney reserves the right to edit all submitted announcements and to determine whether the announcement is relevant to Econ 113.

### ***Laptop, Cell Phone, and etc. Policy***

Because of the negative externalities associated with activities other than note taking, no laptops are allowed in lecture unless required to accommodate disability. Tablet PCs and iPads flat on the desk and in use for note-taking are ok. Phones, iPods, and so on should be turned off and put away in your backpack or bag, not left out on your desk or lap. You may use the calculator function on your smart phone in lecture during group work.

### Discussion Section

Attendance and participation in section enhances your understanding of the material and counts toward your grade. Section meets one hour per week. **You must attend the first section meeting or your space in this course will be given to another student.**

There are six discussion sections associated with this course. As of January 18, the section information is as shown below. Check the online schedule of classes (<http://schedule.berkeley.edu>) for updates. If you wish to change GSI, you must go through TeleBEARS. Because of space concerns, you **cannot** attend your GSI's other section.

GSI and email address	Sections (Locations correct as of Jan. 18)
Erik Johnson <a href="mailto:eajohnson@econ.berkeley.edu">eajohnson@econ.berkeley.edu</a>	103: Mon 10-11, 5 Evans 104: Wed 8-9, 106 Wheeler
Andrew Kenny <a href="mailto:akenny@berkeley.edu">akenny@berkeley.edu</a>	102: Thurs 8-9, 5 Evans 105: Wed 4-5, 81 Evans
Rachel West <a href="mailto:rachel.west@berkeley.edu">rachel.west@berkeley.edu</a>	101: Tues 12-1, 101 Wheeler 106: Thurs 1-2, 2066 VLSB

### Course Grades

There are 500 points possible during the term. Your course grade will depend upon your performance on the following, with possible points as indicated:

<b>NON-EXAM ASSIGNMENTS</b>	
Section participation	14 points
Response Papers (3 @ 15 points each)	45 points
Problem Sets (2 @ 10 points each)	20 points
Term Paper: Connecting the Past & the Present	<u>60 points</u>
<b>Maximum points for the non-exam assignments</b>	135 points (139 possible; 135 max)
<b>EXAMS</b>	
Midterm #1 (Thursday, February 21)	100 points
Midterm #2 (Thursday, April 4)	100 points
Final Exam (Monday, May 13, 11:30 - 2:30 p.m.)	<u>165 points</u>
<b>Maximum points for the exams</b>	365 points

### Regarding the Non-Exam Assignments

135 of the 500 possible points in the term are based on your performance on the following non-exam assignments. Note that there are 139 possible points but the maximum number of points you can count toward your grade is 135. We won't drop assignments; we just won't count any points in excess of 135.

#### SECTION PARTICIPATION (14 POINTS POSSIBLE)

We expect you to attend section and to participate in group activities. Your GSI's section syllabus will provide detail on how these points will be earned.

#### RESPONSE PAPERS (45 TOTAL POINTS POSSIBLE; 15 POINTS PER PAPER)

For each of the following 3 articles, you will write a response paper. The first paragraph should summarize the article. The rest of the paper should be a critique of the article. In your critique, use the methodology that Prof. Olney presented in lecture on January 24. The grading rubric for the response papers is on the course website; check it before writing your paper.

Response papers should be 300-500 words (1-2 pages typed). The response paper should have 1"-1.25" margins on all sides, double-spaced, with nothing smaller than an 11 pt font. It must be in .doc, .docx, or .pdf format. Other formats are not acceptable. Put your name, your GSI's name, the date, and your section number at the top of the first page. **Submit papers electronically on bspace, assignments tab.** You are responsible for ensuring you have attached your paper properly and completed the bspace submission process.

Late penalty: Late papers lose 3 points for every day (or partial day) they are late. Submit 0-24 hours late, and you lose 3 points; submit 24-48 hours late, you lose 6 points; and so on.

Response papers are to be written on

1. Reader #3 by Wishart (due Friday February 8, 5 p.m.)
2. Reader #14 by Olney ("Avoiding Default") (due Friday, March 22, 5 p.m.)
3. Reader #19 by Rowthorn & Ramaswamy (due Friday, April 19, 5 p.m.)

**PROBLEM SETS (20 TOTAL POINTS POSSIBLE; 10 POINTS PER PROBLEM SET)**

There will be two problem sets during the term, due at 2:10 p.m. in lecture on February 14 and March 7. Submit papers in person at lecture on the due date. Problem sets will be posted on the course website (not bspace). Solutions will be posted there as well.

**TERM PAPER: CONNECTING THE PAST AND THE PRESENT (60 POINTS POSSIBLE)**

For this assignment, you will write an essay in which you connect the past to the present: identify a contemporary issue that can be better understood if we know the historical background which you provide in your paper. Clearly explain the ways in which the historical background can – and importantly cannot – inform our understanding of the contemporary issue. The grading rubric for this assignment is on the course website; check it before writing your paper. More information about the term paper is on the course website. The paper is due Thursday, April 25, 2 p.m.

Term papers should be 1,000-1,500 words (4-6 pages typed) with 1"-1.25" margins on all sides, double-spaced, with nothing smaller than an 11 pt font. The paper must be in .doc, .docx, or .pdf format. Other formats are not acceptable. Put your name, your GSI's name, the date, and your section number at the top of the first page. **Submit papers electronically on bspace, assignments tab.** You are responsible for ensuring you have attached your paper properly and completed the bspace submission process.

Late penalty: Late papers lose 5 points for every day (or partial day) they are late. Submit 0-24 hours late, and you lose 5 points; submit 24-48 hours late, you lose 10 points; and so on.

**HOW TO SUBMIT PAPERS ON BSPACE/ASSIGNMENTS TAB**

There are two steps to submitting an attached assignment.

[1] Attaching the word or pdf file. At the end of that process you click on a button labeled "Finish." But you are not finished!

[2] Submitting the assignment: After finishing attaching your file, you still need to "Submit" the assignment. You do this by clicking on "submit" on the page you land at after attaching the file.

Always double check to be sure the Assignments home page says "Submitted" after you think you're done. You should also receive an email from bspace confirming your submission.

***Regarding the Exams***

The midterm exams will be held on Thursday, February 21 and Thursday, April 4 during the lecture period. Each exam will cover the material presented in class, section, and the assigned readings through and including the lecture or section before the exam. You will be provided with exam booklets. The exams will be closed book, closed note exams. No calculators, laptops, phones, or other electronic devices allowed during exams. Each exam will consist of several short-answer or essay-type questions and map or graph or table identification question(s). There will be no true/false or multiple choice questions. Old exams are on the course website.

No make-up exams are scheduled. If you miss an exam, you must contact **both** your GSI and Professor Olney immediately by **both** e-mail and phone message. If your GSI and Professor Olney do not both hear from you by 3:30 p.m. the day of the exam, you will definitely receive a zero (0) on the exam. Depending upon why you missed the exam, you may still receive a zero on the exam even if they do hear from you.

The final exam will be on Monday, May 13, 11:30 a.m. - 2:30 p.m. **If you have or anticipate a conflict with the final exam, you should DROP THIS COURSE NOW.** Conflicts include nonrefundable tickets, weddings, and other commitments that require that you leave campus before May 13. Military commitments will be accommodated. Having 3 or 4 finals back-to-back is (crazy &) not an excuse to miss or reschedule the final. Regardless of your grade going into the final, if you do not take the final you will receive an "F" in this course.

On the final, some questions will deal with just the material presented since the second midterm, and some questions will span the entire course. The last question of the exam will be a comprehensive essay question that is designed to have you pull together the material from the entire term. At the last class, we will distribute the comprehensive essay question that will be on the final. You must write your answer during the final exam period, but you will have the advantage of being able to think ahead about how you will organize your essay. You will be allowed to bring one hand-written 4x6 card into the final. Old finals are available on the course website.

No extra credit options are available. We do however reward improvement by, essentially, increasing the weight on later exam(s) if your exam grades show steady improvement.

### ***Grading of Exams***

All exams are short answer, problems, and essay questions. Answers are graded solely upon their content and not upon their intent. This means that we don't grade what you "mean to say" but what you actually write (even if you "knew the answer but just couldn't put it into words"). This also means that answers that are illegible, rambling, or poorly organized will not receive high marks.

Your work will be graded by the graduate student instructors. There is no pre-set or common scale whereby a certain number of points corresponds to a certain letter grade. There is also no fixed curve for this course dictating what share of students will receive what letter grade. As we begin the term, it is theoretically possible for everyone to earn an A. It is equally possible for everyone to earn a C. Even though there is no fixed curve, grade distributions are reasonably stable over time (as the Law of Large Numbers would suggest). Past performance of students in Economics 113 suggests that about 30-35 percent of the class will receive an A of some sort, about 40-45 percent will receive a B of some sort, and the remainder will receive C's or below.

This course can be taken Pass/Not Pass if you are otherwise free to do so. You can not take this course P/NP if you are fulfilling a requirement for the economics major. P/NP students are expected to do the same work as other students and will receive scores on all assignments. If the course grade is a C- or better, a P/NP student will receive a Pass. P/NP students must pass the final in order to pass the course.

### ***Special Accommodations***

If you require special accommodations due to learning or other disability, you should speak with Professor Olney **no later than January 31**. You will eventually need to obtain an evaluation form from Disabled Students' Program (230 César Chávez Student Center), but don't wait until then to talk with Prof. Olney.

### ***Fire Alarm Policy***

A truly annoying bad habit at UCB is the pulling of fire alarms by ill-prepared and selfish students who foolishly think their entire future rests on the grade on one midterm. This is a crime, punishable by a fine and time in jail. In addition, anyone caught pulling the alarm will fail the course and is subject to expulsion from the University. If the alarm is pulled during an exam, the class will move outside and finish the exam in the allotted time. In this event, follow the instructions of the GSIs.

### **Academic Honesty Policy**

In fairness to students who put in an honest effort, cheaters will be harshly treated. Any evidence of cheating will result in a score of zero (0) on that assignment. Cheating on the term paper, a midterm, or the final results in an “F” for the course. Cheating includes but is not limited to bringing unauthorized written or electronic materials into an exam, using unauthorized written or electronic materials during an exam, copying off another person’s exam or assignment, allowing someone to copy off of your exam or assignment, and having someone take an exam or assignment for you. Incidences of cheating are reported to Center for Student Conduct, which administers additional punishment.

Academic honesty also applies to the papers. You **must** properly cite any source that you use. Do not copy from another source; that is plagiarism and is a violation of the University’s Code of Student Conduct. But plagiarism doesn’t end there! You also cannot rephrase what someone else has written without giving them credit, and you can’t use someone else’s idea without giving them credit. To give someone credit, include a footnote or an imbedded reference.<sup>1</sup> If you are unsure if what you are about to write (without attribution) is plagiarism, ask Prof. Olney or your GSI and consult <http://www.lib.berkeley.edu/instruct/guides/citations.html>. We’re happy to help.

### **Course Outline and Reading Assignments**

The reading assignments are either from the textbook (shown below as “Walton & Rockoff, Chapter . . .”) or the Economics 113 Reader (shown below as “Reader # . . .”). Class discussion will generally supplement (not duplicate) the material in the readings.

Tuesday, January 22	Introduction to Course; The Study and Relevance of Economic History; Framework: Economic Growth READ: Walton & Rockoff, Chapter 1 Reader #1 (Eichengreen, “Economic History and Economic Policy”) Reader #2 (Gould & Ruffin, “What Determines Economic Growth?”)
Thursday, January 24	Methodology: Critiquing an Argument; Sources of Productivity Growth; Native American Activity in and before the Colonial Period; Gains from Trade READ: Walton & Rockoff, Chapter 5 (pp. 75-86 only)
Tuesday, January 29	Land Expansion; Northwest Ordinances; Westward Expansion; Indian “Removal” READ: Walton & Rockoff, Chapter 8 Reader #3 (Wishart, “Evidence of Surplus Production”)
Thursday, January 31	Methodology: Reading Regression Results; Transportation; Early Industrialization READ: Walton & Rockoff, Chapter 9 and pp. 166-178 of Chapter 10
Tuesday, February 5	Population Growth; Fertility Decline READ: Reader #4 (Sundstrom & David, “Old-Age Security Motives”)
Thursday, February 7	Immigration Patterns; Nineteenth-Century Labor; Poor Relief READ: Walton & Rockoff, Chapter 11 Reader #5 (Hannon, “Poverty in the Antebellum Northeast”)
<b>Friday February 8, 5:00 p.m.</b>	<b>Response Paper #1 (re: Wishart) due via bspace</b>
Tuesday, February 12	Banking and Finance Before the Civil War READ: Walton & Rockoff, Chapter 12 (read pp. 201-205, and 215-end only) Reader #6 (Lamoreaux, <i>Insider Lending</i> )

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<sup>1</sup>Note that footnote numbers go at the end of the sentence, not in the middle.

Thursday, February 14 <b>PS #1 due in lecture</b>	Antebellum Agriculture; Slavery; Regional Conflict and War READ: Walton & Rockoff, Chapter 13 & 14 Reader #7 (Wright, <i>Political Economy of the Cotton South</i> )
Tuesday, February 19	Postbellum Southern Development; 19 <sup>th</sup> Century Northern Agriculture READ: Walton & Rockoff, Chapter 15 (pp. 261-272 only)
<b>Thursday, February 21</b>	<b>EXAMINATION #1</b>
Tuesday, February 26	Railroads; Industrialization; Labor READ: Walton & Rockoff, Chapters 16, 17 (pp. 298-307), & 18 (pp. 319-330)
Thursday, February 28	Banking and Finance; Federal Reserve Act; Marketing and Distribution READ: Walton & Rockoff, Chapters 19 and pp. 358-368 of Chapter 20 Reader #8 (Wheelock, "Regulation and Bank Failures")
Tuesday, March 5	Education in the Early Twentieth Century READ: Walton & Rockoff, Chapter 22 (pp. 403-404 only) Reader #9 (Goldin & Katz, "Human Capital and Social Capital") Reader #10 (Goldin & Katz, "Shaping of Higher Education")
Thursday, March 7 <b>PS #2 due in lecture</b>	Late 19 <sup>th</sup> and Early 20 <sup>th</sup> Century Immigration. Guest lecturer: Prof. Richard Sutch ( <a href="mailto:Richard.Sutch@ucr.edu">Richard.Sutch@ucr.edu</a> ) READ: Reader #11 (Sutch, "The General Custom in this Country")
Tuesday, March 12	Race and Economics in the early 20 <sup>th</sup> Century: Credit Markets; 1920s READ: Walton & Rockoff, Chapter 22 Reader #12 (Olney, "When Your Word Is Not Enough")
Thursday, March 14	The 1930s: Poverty, Unemployment, Despair FILM: "Brother Can You Spare a Dime?" (VIDEO/C 2465) READ: Walton & Rockoff, Chapter 23
Tuesday, March 19	Explanations of the Great Depression READ: Reader #13 (Romer, "The Nation in Depression") Reader #14 (Olney, "Avoiding Default")
Thursday, March 21	Explanations of the Great Depression: The Recovery READ: Reader #15 (Romer, "What Ended The Great Depression?")
<b>Friday, March 22 at 5 p.m.</b>	<b>Response Paper #3 (re: Olney, "Avoiding Default") due via bspace</b>
Tuesday, March 26 Thursday, March 28	Spring Break Spring Break
Tuesday, April 2	New Deal; 1930s Federal Policy READ: Walton & Rockoff, Chapters 24 Reader #16 (Fishback et al, "Births, Deaths, and New Deal Relief")
<b>Thursday, April 4</b>	<b>EXAMINATION #2</b>
Tuesday, April 9	WWII; Government Growth, Policy, Deficits, and Debt READ: Walton & Rockoff, Chapters 25 (pp. 462-470), 26 (pp. 486-498) & 27 (all) Reader #17 (CBO, "2012 Long-Term Budget Outlook")

Thursday, April 11	From the S&L Crisis to the 2007-8 Financial Crisis READ: Reader #18 (Mian & Sufi, "House Prices")
Tuesday, April 16	Rise of the Service Sector READ: Walton & Rockoff, Chapter 28 (pg. 543 only) Reader #19 (Rowthorn & Ramaswamy, "Deindustrialization")
Thursday, April 18	Productivity Growth: Slowdown and Resurgence READ: Walton & Rockoff, Chapter 28 (pp. 533-540 only) Reader #20 (Stiroh, "Information Technology & Productivity Revival")
<b>Friday, April 19, 5 p.m.</b>	<b>Response Paper #3 (re: Rowthorn &amp; Ramaswamy) due via bspace</b>
Tuesday, April 23	Demographic Changes; Women in the Labor Force READ: Walton & Rockoff, Chapter 28 (pp. 544-end) and 29 (pp. 562-566) Reader #21 (Bailey, "More Power to the Pill")
<b>Thursday, April 25, 2:10 p.m.</b>	<b>Term Paper (Connecting the Past &amp; the Present) due via bspace</b>
Thursday, April 25	Immigration Trends & Effects READ: Reader #22 (Feliciano, "Skill & Performance of Mexican Immigrants")
Tuesday, April 30	Evaluations; Distribution of Final Essay Question; Saving; Education; Economic Growth READ: Walton & Rockoff, Chapter 29 Reader #23 (Swartz, "Challenges in an Aging Society")
Thursday, May 2	Synthesis, Review, and Concluding Remarks
<b>Monday, May 13</b>	<b>FINAL EXAM, 11:30 a.m. - 2:30 p.m., place to be announced</b>