Unlike many of the upper level economics courses, the major goal of this course is not to increase your understanding of economic theory. Instead, we will use many things you already know to make sense of historical events. Most economists do economic history by using econometrics and other fancy statistical techniques. That will not be the approach we take. Rather, we will attempt to understand American economic history and use economic theory to make the big events American economic history, especially in the 20th century, intelligible. We will explore both the “big picture” and the “big story,” and we will discuss both “the facts” and the “moral of the story.” It is often said that those who ignore history are doomed to repeat it. We will take that seriously and explore how a solid understanding of American economic history can help us make sense of current issues and policy debates. Economic policy should be informed by good history, and one goal of this course is to help you become a better citizen by enhancing your understanding of how the US economy got to where it is today.

The major theme of our discussions will be the role of government in the US economy. One of the clear trends of the economic history of the 20th century is the growth in the size and scope of the government’s involvement in economic activity. We will both trace the history of this growth and offer some explanations for why it has occurred. More important, however, is asking the question of whether this growth has been a beneficial change. What can an understanding of the history of that growth add to our understanding of current policy debates over the size of government, and over what exactly government should or should not do? And how might it be relevant for the current economic mess we find ourselves in?

If you have trouble reading complex material, coming to class regularly, or writing papers, you may want to think twice about this course. This class will also involve more reading and writing than most other economics courses, and I take writing seriously and my standards are high and firm.

ASSIGNMENTS AND GRADES

Your grade will be based on two medium-length papers, a short library assignment, a comprehensive open-book, essay-based final exam, an interactive electronic journal, and class participation/attendance. The two papers will be about 5-7 pages in length and will cover one topic each. You will have a choice, though limited, as to the exact question you will address, but you all will be working on the same general topics at the same time. Topics will be distributed at least one week before the papers are due. Before the first paper is due, I will post
to Sakai a guide for writing papers that will indicate what I expect in terms of content, documentation, and presentation. You should read that guide. I will assume that you have read and understood it, and I reserve the right to lower grades for failure to comply with what is there.

You will also be required to rethink one, and only one, of the two papers. Keep in mind that I expect significant work on a second draft. If you decide to rethink the first paper, you must do so before the second paper is due. In other words, you can’t decide after the second paper to rewrite the first one. As part of your process of rethinking you must schedule a writing conference with me, outside of class, to talk about your plans for the second draft. These papers will be worth 15% and 20%, with the one with the higher grade getting the greater weight.

The library assignment will involve finding a journal article on the subject matter we are discussing in class and providing a careful and thorough summary of it. We will talk more about this as the first chance to do so gets closer. This precis will be worth 15%. This cannot be “rethought.”

The interactive electronic journal will require you to create a Word file that includes your reactions/responses to one of the readings or to the class discussion and send me that file at least four times in each half of the semester. I will comment on your responses and pose some questions and issues of my own. Over the course of the semester, this file will grow and will, by the end, be an intellectual journal of your experience in this course, as well as a way for us to interact one-on-one and talk about specific things of interest to you. See the separate assignment sheet for more details. This will count for a total of 15% of your grade.

The final exam (20%), which will be open books and notes, is a chance for you to address some of the term’s major topics in a more structured way. Finally, this class simply will not work if you do not participate. It is small enough for serious discussion and the ideas and topics are ones that you should find engaging. I expect you to be here every day and to have something substantive to contribute. Class participation and attendance are worth 15% of your final grade.

Grading breakdown:
<table>
<thead>
<tr>
<th>Assignment</th>
<th>Date/Time</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Topic Paper #1</td>
<td>Thurs Feb 14th 5:00pm</td>
<td>15% or 20%</td>
</tr>
<tr>
<td>Topic Paper #2</td>
<td>Friday April 19th 5:00pm</td>
<td>15% or 20%</td>
</tr>
<tr>
<td>Journal article precis</td>
<td>(various)</td>
<td>15%</td>
</tr>
<tr>
<td>Interactive electronic journal</td>
<td>(2 x 7.5%)</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>4 due by Fri March 8th at 4:00 pm and 4 due by Wed May 8th at 8:00am</td>
<td></td>
</tr>
<tr>
<td>Class participation and attendance</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>Final exam</td>
<td>Wed May 8th 8:30am</td>
<td>20%</td>
</tr>
</tbody>
</table>

TREAT THIS SYLLABUS AS A CONTRACT - IT IS THE FINAL COURT OF APPEAL FOR ALL DISPUTES. Late papers are subject to a maximum penalty of .25 on a 4.0 scale per day. All requests for extensions must be made at least 48 hours before the paper is due. Please also note that there are eight class days on which we will extend class by 45 minutes or so.
### NARRATIVE OUTLINE AND SCHEDULE

(H-Higgs; B-Bryson; VG-Vedder and Gallaway; CA-Cox and Alm)

All other readings are available on Sakai.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Reading</th>
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<tbody>
<tr>
<td><strong>A FRAMEWORK FOR ANALYSIS</strong></td>
<td></td>
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<tr>
<td>M 1/21:</td>
<td>Introduction/syllabus</td>
</tr>
<tr>
<td>W 1/23:</td>
<td>The growth of government</td>
</tr>
<tr>
<td>M 1/28:</td>
<td>Ideas and events</td>
</tr>
<tr>
<td>W 1/30:</td>
<td>An intellectual framework</td>
</tr>
</tbody>
</table>

We begin the semester with some of the general themes we will pursue. The most central of these themes will be the question of the growth of government. The Higgs book sets out the issues and begins to explore the interpretive frameworks involved. In particular, we need to understand Higgs’s concept of the “ratchet,” which is central to his discussion of the role of crises in leading to a growth in the scope of government. Vedder and Gallaway give us a framework for understanding one of the key economic variables of the 20th century: unemployment. In addition, I will bring in some other core ideas in economics that will inform our conversations.

**THE INDUSTRIAL REVOLUTION**

| M 2/4: | What was the Industrial Revolution? | McCloskey (1994); B (4, 6, 7) |
| W 2/6: | What were the results? | McCloskey (2010); B (10, 16, 18) |

**Note:** both class days this week will be 1:40 to 3:55

No course in economic history would be complete without some discussion of the Industrial Revolution and its effects – and the myths that surround it. The context of the Industrial Revolution is largely Western European, but understanding what happened there is crucial to making sense of events across the ocean in the US. First we will get an overview of exactly what the Industrial Revolution was and how it affected various parts of the economy, then we’ll look at McCloskey’s work on the longer-run consequences of the Industrial Revolution and what she has to say about its causes. The Bryson chapters will provide some context for all of this economic change by looking at its effects on the social world and the world of the household more specifically.
THE PROGRESSIVE ERA
M 2/11: The old regime H (5)
W 2/13: Progressive Era overview H (6)
M 2/25: Monopolies, mergers, and industry Kolko (1963a)
W 2/27: Antitrust/Regulation Kolko (1963b)
M 3/4: The creation of the Fed Horwitz (1990)

Note: classes on 2/25 and 2/27 will be 1:40 to 3:55

No class on: Monday, February 18th; Wednesday, February 20th; Wednesday, March 6th; and Monday, March 18th

The first of the three major US historical episodes we will explore is the Progressive Era, roughly 1870 to 1914. The period was one in which the size of government grew enormously, as both the public’s ideology and the institutional incentives facing various actors aligned in such a way as to promote more government intervention. The three major areas we will look at are: 1) antitrust law; 2) general economic regulation, especially the railroads; and 3) the origins of the Federal Reserve System. What we will find is that rather than the frequently heard story that the private sector was out of control and needed the firm and public-spirited hand of government, guided by wise and noble leaders, to straighten it out, it was more that various interest groups saw opportunities to use state intervention to improve their relative positions in the economy. It would be more accurate to say that big business asked to be regulated, rather than regulation being forced upon them due to problems in the private sector. If we have time, I’ll say a few words about World War I as well.

THE GREAT DEPRESSION
W 3/20: The 1920s VG (4)
M 3/25: Chronology/Hoover VG (5); Horwitz (2013)
W 3/27: The New Deal Higgs (2006); VG (7)
M 4/1: Did WWII end the Depression? H (9); Horwitz & McPhillips (2013)

Note: classes on 3/25 and 3/27 will be 1:40 to 3:55

After the Progressive Era and World War I, the next period where the size of government became a major issue was the Great Depression and World War II. In this section we will look at the events of the Great Depression, and the way it fed back to people’s beliefs about the benefits of the private sector and government intervention. Our interest here is in both what caused the Great Depression and what its legacy has been. Once again, we will see that the causes of the Great Depression lay largely within the political process, rather than unfettered markets, and that the government intervention that ensued was, again, largely unnecessary and mostly generated by the self-interest of various actors. We will conclude this section with an examination of the wartime economics of World War II and critically assess the often heard claim that World War II got us out of the Great Depression.
THE POST-WAR ECONOMY

W 4/3: Social Security and the Welfare State
     (Guest: Sheldon Richman)
M 4/8: Women and work in the 20th century  Goldin (2006); B (15)
W 4/10: Women and work in the 20th century

Note: classes on 4/8 and 4/10 will be 1:40 to 3:55

No class on Monday, April 15th and Wednesday, April 17th

One of the Economics Department’s guest speakers for the semester will join us to talk about Social Security’s origins in the New Deal and expansion into the 1940s. We will then turn to the most important demographic and economic fact of the 20th century: the growth in the labor force participation of women, especially married women with children. The growing role of women in the labor force was not just an economic change of significant proportions, it also had immense consequences for social issues surrounding gender, children, and family. The reading by Claudia Goldin provides an accessible overview of that complex set of issues.


M 4/15: An overview  VG (11-13)
W 4/17: Are US living standards declining?  CA (1-4)
M 4/22: Inequality  CA (6-7)
     (Guest: Professor Rob Garnett)
W 4/24: Labor market changes  CA (8-9)
W 5/1: The Great Recession

The third of our three major periods is the last 40 years, which includes the period in which you have been alive. The goal here is threefold. First, what are the facts and figures? What has the US economy done in this period? In particular, are things getting worse in the way many commentators seem to argue? Second, how does this period fit in the context of the broader historical trends we’ve been examining all semester? Third, what does the last 40 years imply about the increasing size of government? Is it necessary? Is it counterproductive? Does it really even matter? Having explored the economic history of the US in some detail, we can see the last 40 years in a much richer way. We’ll conclude the semester with a brief discussion of the Great Recession, which has become the signal event of the economic history of the very young 21st century. Our goal will be to see how it does or does not fit into the framework we’ve used throughout the semester, especially with respect to the issues of crisis and government growth.

Final Exam  Wednesday, May 8th from 8:30am to 11:30am
BIBLIOGRAPHY

Books:


Articles:


