

**From Safety to Where? Economic History of the United States II
(HIUS 141/Econ 158b UC/San Diego Spring 2007)**

Lecture: TTh 8-9.20am, Center Hall 115
Office Hours: Grove Caffé, W 9.30-10.30ish
and by appointment

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The Course:

HIUS 141/Econ 158b covers the American economy and its role in American life from approximately the end of World War One to the present day. We will focus on the growth and maintenance of this economy, and the role (or lack thereof) of ideology and public policy. We will also study the cultural and social consequences of this economy. Students are not expected to have training in economics, statistics, or history, although elements of all three will be used in class and in the readings; students *are* expected to have skills in writing and reading.

*What does it cost to create and maintain an artificial ownership class?
Who pays?
Who benefits?
What happens when that class stops being useful?*

Joan Didion

Readings:

The following books are available at the University Bookstore in the Price Center:

Required: (*Rise and Fall*) Steve Fraser and Gary Gerstle, eds. *The Rise and Fall of the New Deal Order, 1930-1980*.

Optional: Gary Walton, Hugh Rockoff: *History of the American Economy*, 10th ed.

Required: HIUS 141/Econ 158b Course Reader, available at Soft Reserves.

Copies of the textbooks and of the course reader will be placed on reserve at the Geisel Library.

Requirements and Recommendations:

There will be two lectures per week. Students should complete the readings by the beginning of each lecture. Students are required to write two essays, each at least four pages long, due *in section* during the week listed in the schedule. Any alteration of this deadline must be made between you and your TA. Essays must be typed and double-spaced, with all quoted material cited. I strongly recommend that you submit a draft of your essay to your TA and get feedback before you turn in your final draft.

There will be one midterm and one final examination, both of which will consist of short objective questions and longer essay questions. A curve will be used for grading the exams, however, the structure of this curve has not been determined. The essays and exams will be graded on a letter scale and be weighted as follows: **15% First Essay, 25% Midterm, 20% Second Essay, and 40% Final.** (The final exam will be comprehensive but slightly weighted towards material after the midterm.) Students must complete all assignments to receive a final grade in this class.

In accordance with UCSD policy, please note that the grade "A" is assigned to *outstanding* work only. Showing up on a semi-regular basis and answering questions adequately, by definition, gives you a C. Doing less than that gets you a D. Plan your quarter accordingly.

Sections:

Sections are not required, although they are strongly recommended. Section leaders will guide students through the production of two essay assignments and assist them in preparing for the midterm and final exam. Section meetings will begin in the second week. TAs will be introduced and times and locations of sections will be announced in lecture.

Grade Appeals and Make-Up Examinations:

Students who wish to appeal the grading of examinations and/or essays may do so *in writing* within two weeks of the return of the examination or essay. This should include an explanation of the specific reasons why the appeal is being made. Make-up examinations will not be offered except under extraordinary circumstances or medical emergencies. Such circumstances will need to be documented appropriately by a physician.

First Essay Question (due 5th week):

What is the difference between "social Keynesianism" and "commercial Keynesianism"? What policies follow from these ideologies, and how were they implemented between 1933 and 1960? This is an *explanatory* and *historical* essay; you will have to comprehend and use several of the arguments presented by the authors (and lecturer) in this course. You will also need to understand how events, policies, and definitions can change over time. (Yes, I will explain this further in lecture.)

People who denounce incitements to wastefulness as absurd or dangerous in a society of economic abundance do not understand the purpose of waste. It is distinctly ungrateful of them to condemn, in the name of economic rationality, those faithful (albeit irrational) guardians without whom the power of that same economic rationality would collapse.

Guy Debord

COURSE SCHEDULE
(subject to minor revision)

Material not from *Rise and Fall* is in the course reader.

- 3 Apr Disciplines of History and Economics; the Story So Far
5 Apr (1927) Boomtown; reading: *The Prize*
- 10 Apr (1929) Crash and Burn: the Great Depression Opens;
reading: *Rise and Fall*, "Why the Great Depression Was Great"
12 Apr (1933) Keynesianism; *Rise and Fall*: Introduction and
"Industrial Conflict and the Coming of the New Deal"
- 17 Apr (1936) Establishing the New Deal; reading: *Rise and Fall*,
"The New Deal and the Idea of the State"
19 Apr (1943) "A Specifically Commercial Enterprise"; reading: *Rise and Fall*:
"The 'Labor Question'"
- 24 Apr (1950) Agriculture; reading: *California: the Great Exception*
26 Apr (1953) Automation and American Industry; reading: *Forces of Production*
- 1 May (1956) The Postwar Order; reading: *Rise and Fall*,
"From Corporatism to Collective Bargaining"; *Fortress California*
3 May **MIDTERM**
- 8 May (1961) Guest Lecture (Dr. Michael Bernstein); reading: *A Perilous Progress*
10 May (1968) Investments and Institutions; reading: "Financial Institutions and
Contemporary Economic Performance"
- 15 May (1973) Fragmentation; reading: *Rise and Fall*,
"Was the Great Society a Lost Opportunity?"
17 May (1981) Free-market Theology; reading: "Chickens Come Home to Roost:
from Prosperity to Stagnation in the Postwar Economy";
Rise and Fall, "The Changing Shape of Power"
- 22 May (1989) The Society of the Spectacle; reading: really, this is obvious
24 May (1991) Going Transnational; reading:
Alternatives to Economic Globalization
- 29 May (1997) Drug Economies; reading: "Reefer Madness"
31 May (2001) Hypereconomics; reading: *The Smartest Guys in the Room*
- 5 Jun (2006) Before and After Money; reading: "The Entrepreneur"
7 Jun Inevitable catch-up and pretentious conclusion

Final Exam Monday 11 June 8-11am

Things that can't last forever, don't. Paul Krugman

Your New Deal Fact Sheet

Pre- and non-New Deal Organizations

AFL (or AF of L)	American Federation of Labor; largest union in US at time of New Deal
UMW	United Mine Workers, led by John L. Lewis
CIO	Breakaway union led by Lewis in 1935
RFC	Reconstruction Finance Corp.; formed 1932 (under Hoover), made loans to banks, railroads, and life insurance companies
EPIC	End Poverty in California; Upton Sinclair's campaign of "production for use," which he used to try to become governor of California in 1934

the First New Deal (the 100 days, 1933)

CCC	Civilian Conservation Corps; employed men in public works projects
TVA	Tennessee Valley Authority; constructed dams and power systems in a nine-state area
Emergency Banking Act	(or Glass-Steagall Act); reorganized American banks and created FDIC (Federal Deposit Insurance Corp.)
NIRA	National Industrial Recovery Act; set up codes for fair business competition, guaranteed worker's right to form unions, later declared unconstitutional
PWA	Public Works Administration; constructed (mostly completed) roads and buildings
AAA	Agricultural Adjustment Act; attempted to regulate prices and decrease surpluses
FERA	Federal Emergency Relief Act; paid out relief to unemployed
National Housing Act (1934)	Created Federal Housing Administration (FHA); insured loans for new houses (and repair of old houses)
Rural Electrification Administration	Wired farms in poor areas

the Second New Deal (1935)

WPA	Works Progress Administration; employed over 8 million people in construction
FWP	Federal Writers' Project; employed artists and writers
RA/FSA	Resettlement Administration/Farm Security Act; created a <i>few</i> cooperative farms for displaced sharecroppers
Social Security Act	Established unemployment compensation and pensions
Wagner Act	National Labor Relations Act; established worker's right to join union, established National Labor Relations Board
FLSA (1937)	Fair Labor Standards Act; established minimum wage, maximum workweek, and overtime pay