

**Economics 136: 20<sup>th</sup> Century Economic History**  
Spring 2006

William A. Sundstrom

Office: Kenna Hall 300N

Phone and voice-mail: 408-554-6892

E-mail: [wsundstrom@scu.edu](mailto:wsundstrom@scu.edu)

Office hours: Mon. 2-3, Tues. 3:30-4:30, and by appointment

*Overview:* Over the past century the United States economy emerged as the richest and most technologically advanced in human history. Yet as the 21<sup>st</sup> century begins, the economy also faces serious challenges and unsolved problems. This course combines insights from economics and history to shed light on the sources of past successes and failures as well as the roots of current dilemmas. In part this involves “telling the story” of the U.S. economy since the late 1800s: the pace of economic growth, the changing structure of the economy, and the impact of the two World Wars and the Great Depression. Using basic economic theory, we will identify the sources of economic growth during the century, such as rising education levels and technological progress. We will also examine the evolution of the *institutions* of the economy, including how markets function, how business firms operate, and the interaction between markets and other important social institutions, such as the family. A special emphasis will be placed on understanding the changing role of government. This will provide important insights and perspectives on current policy debates over such issues as Social Security, taxation, education, income inequality, and immigration.

*Prerequisites:* ECON 1 or 11, ECON 2 or 13, and OMIS 41 or BUSN 41.

*Readings:* There are *two* required books for this course, available at the bookstore:, Douglas Massey et al, *Beyond Smoke and Mirrors*, and David Moss, *When All Else Fails*. (Wait before buying the recommended book, *Wal-Mart*, which we may not get to.) Additional *required* readings are available on-line through ERes: The link is <http://eres.scu.edu/eres/coursepage.aspx?cid=2891> and the password is **sinatra06**. Most weeks there will be a background reading from the U.S. State Department’s *Outline of U.S. History*: these readings are required, and are especially important if you are rusty on your basic facts of U.S. history. Some of the other ERes readings can only be viewed from the campus network. A schedule of topics and readings is attached. Please read all assignments *in advance* and come to class prepared to discuss them. Comments and questions during lecture are strongly encouraged.

*Class time:* Mix of lectures, discussion, and student presentations on readings. Given the small class size, I hope to maintain a fairly informal, “seminar” atmosphere. Your attendance and participation are the key to making the course a success.

*Assignments and grading:* Your grade will be based on three (3) take-home essay exams, class presentations of readings, and participation. There are no in-class exams. The exams will be based on readings and lectures, and will be worth a total of 75% of your grade. Presentations and participation account for the remaining 25%. You will be assigned to present the day’s reading assignment twice during the quarter. I will hand out study questions on the readings in advance to aid in preparation. You are welcome to work together with one or two other students on your presentations, but you are personally accountable for your assigned days.

## Schedule of topics and reading assignments

(subject to revision)

Week 1: The big picture: American economic growth and trends

April 4: Growth, cycles, living standards, and inequality in the U.S. economy

April 6: Accounting for economic growth over the last century: theory and measurement

Week 2: The economic, legal, and political setting

April 11: **No class meeting.** A PowerPoint lecture on the development of the U.S. economy in the 19<sup>th</sup> century will be posted to ERes: please view it and bring questions to next class.

April 13: Perspectives on government in the economy

*Reading:* Moss, *When All Else Fails*, ch. 1-3

Week 3: The industrialization of America: technology, business management, and finance

*Background:* Outline of U.S. History, ch. 8

April 18: American industrial success: technology, mass production, and resource abundance

*Reading:* Wright, "The Origins of American Industrial Success, 1879-1940";

Flink, *The Automobile Age*, ch. 4, 5

April 20: The Managerial Revolution, business finance

*Reading:* DeLong, "Did J.P. Morgan's Men Add Value?"

Week 4: Labor and government in the Progressive Era

*Background:* Outline of U.S. History, ch. 9

April 25: Immigration, labor markets, and labor management

*Reading:* Slichter, "The Current Labor Policies of American Industries"

April 27: The Progressive movement and the expanding role of government

*Reading:* Moss, *When All Else Fails*, ch. 6; Weinstein, "The National Civic Federation"

Week 5: "Normalcy" and the onset of the Great Depression

*Background:* Outline of U.S. History, ch. 10

May 2: World War I and the 1920s

*Readings:* Goldin, "America's Graduation from High School"; Miron, "Alcohol Prohibition"

May 4: The crash, the contraction, and the human toll of the Depression

*Reading:* Fearon, "The People in Depression"

Week 6: The Great Depression and the New Deal

*Background:* Outline of U.S. History, ch. 11

May 9: The Great Depression: Is there an explanation?

*Reading:* Romer, "The Nation in Depression"

May 11: The New Deal

*Reading:* Moss, *When All Else Fails*, ch. 7

Week 7: The wartime and postwar economies

*Background:* Outline of U.S. History, ch. 12

May 16: World War II and its aftermath

*Readings:* Higgs, "Wartime Prosperity?"; Rhode, "After the War Boom"

May 18: The Baby Boom, and the changing economic role of women

*Readings:* Goldin, "The Quiet Revolution"

Week 8: Government and the macroeconomy, 1950-2000

*Background:* Outline of U.S. History, ch. 13

May 23: Regulation and deregulation

*Reading:* Moss, *When All Else Fails*, ch. 8-9

May 25: Growth, stagflation, and productivity change

*Reading:* David and Wright, "General Purpose Technologies and Productivity Surges"

Week 9: Economics of race and ethnicity: historical perspectives

May 30: The changing economic status of African-Americans

*Reading:* Wright, "The Civil Rights Revolution as Economic History"

June 1: The new immigration and immigration policy

*Reading:* Massey et al, *Beyond Smoke and Mirrors*, the whole book!

Week 10: Historical roots of recent issues

*Background:* Outline of U.S. History, ch. 14

June 6: TBA

June 8: TBA