Fall 9-1-1996

PSC 365.01: Government and the Economy

William J. Chaloupka

University of Montana, Missoula

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Instructor: Bill Chaloupka (office Jeannette Rankin Hall 101A, inside EVST, under mezzanine stairs) 243-6111. I check my voice-mail regularly. Also, I welcome E-mail: billc@selway.umt.edu

Office Hours: 2:10-3 Tues., 10:10-11 Weds., 11-noon Thurs., or by appointment. If these office hours are not convenient, please call for an appointment, or just stop by.

Catalog Description: 3 credits. Prereq. PSc 200 or consent of instructor. The politics of governmental involvement in the economy, and its role as regulator, promoter, and participant in economic activity.

Further Description: This is an economic policy course which presumes that politics counts more than economics. Accordingly, no economics is required to enroll. We will establish several typical political positions on the economy, then will apply that framework to a variety of issues, both recent and longstanding. Emphasis will be on domestic issues, but some international and Montana issues will also be considered.

Requirements: Students are required to read all assigned material (prior to the date listed below), follow a daily newspaper, attend all class sessions, take two exams, and turn in occasional written assignments, announced in class. There is no extra credit. Exams count 35% each, written assignments total 20%, participation and attendance 10% total. Part of that last 10% is determined by a class presentation (each student will give one very brief intro of the issues and major points in the day's reading). There will be no major research paper requirement for undergraduates. Instead, I will insist that students remain current in reading and participate in the class. Students taking the course for graduate credit will be required to write a research paper and make a presentation.

TEXTS:
Milton Friedman, *Capitalism & Freedom (rev.)* ("F" on the schedule)
Robert B. Reich, *The Work of Nations* ("R"")
Eisner, Robert, *The Misunderstood Economy* ("E")
Woodward, Bob, *The Agenda: Inside the Clinton White House* ("W")

(more)
Assignment Schedule

NOTE: Assignments should be read before the class session on the line where they are listed.

<table>
<thead>
<tr>
<th>WEEK</th>
<th>DAY</th>
<th>DATE</th>
<th>DATE</th>
<th>DAY</th>
<th>TOPIC</th>
<th>READING</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>3-Sep</td>
<td>TUE</td>
<td>Introduction</td>
<td></td>
<td>E ch. 1, 2</td>
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<tr>
<td>2</td>
<td>3</td>
<td>5-Sep</td>
<td>THU</td>
<td>&quot;Misunderstanding&quot; and politics; prices, incomes, costs</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;Problems&quot; and &quot;Solutions&quot;; Rhetoric &amp; Economics (Edelman)</td>
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<td></td>
<td>4</td>
<td>10-Sep</td>
<td>TUE</td>
<td>Saving, investment; international comparisons, trade deficits</td>
<td>E ch. 3, 4</td>
<td></td>
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<tr>
<td></td>
<td>4</td>
<td>12-Sep</td>
<td>THU</td>
<td>The Case FOR Deficits</td>
<td>E ch. 5</td>
<td></td>
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<tr>
<td>3</td>
<td>5</td>
<td>10-Sep</td>
<td>TUE</td>
<td>Saving, investment; international comparisons, trade deficits</td>
<td>E ch. 3, 4</td>
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<tr>
<td>3</td>
<td>5</td>
<td>17-Sep</td>
<td>TUE</td>
<td>Intergenerational politics, inflation, more on deficits</td>
<td>E ch. 6, 7</td>
<td></td>
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<tr>
<td>3</td>
<td>6</td>
<td>19-Sep</td>
<td>THU</td>
<td>Unemployment, Keynes and post-Keynes</td>
<td>E ch. 8</td>
<td></td>
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<tr>
<td>4</td>
<td>7</td>
<td>24-Sep</td>
<td>TUE</td>
<td>Taxes, supply side; more on Keynes</td>
<td>E finish</td>
<td></td>
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<tr>
<td>4</td>
<td>8</td>
<td>26-Sep</td>
<td>THU</td>
<td>The Idea of a National economy; more New Deal</td>
<td>R Intro, to p. 42</td>
<td></td>
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<tr>
<td>5</td>
<td>9</td>
<td>1-Oct</td>
<td>TUE</td>
<td>National Bargain, NAFTA and GATT</td>
<td>R to p. 77</td>
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<tr>
<td></td>
<td>10</td>
<td>3-Oct</td>
<td>THU</td>
<td>High value, global webs, diffusion of control, the small business myth; Hamilton, Jefferson (values and econ. politics)</td>
<td>R to 135</td>
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<tr>
<td>6</td>
<td>11</td>
<td>8-Oct</td>
<td>TUE</td>
<td>National unity, service sector, welfare</td>
<td>R to 184</td>
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<td></td>
<td>12</td>
<td>10-Oct</td>
<td>THU</td>
<td>Disincentives (Charles Murray, Piven &amp; Cloward)</td>
<td>R to 233</td>
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<td>Market incentives, regulation</td>
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<td>The Anaconda Company (Tolchins)</td>
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<td></td>
<td>S&amp;L's, Whitewater, and Deregulation</td>
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<td>7</td>
<td>13</td>
<td>15-Oct</td>
<td>TUE</td>
<td>Flat Incomes, Inequality, and Economic Arguments</td>
<td>Finish R</td>
<td></td>
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<td></td>
<td>14</td>
<td>17-Oct</td>
<td>THU</td>
<td>Montana Government and Economy Issues</td>
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<tr>
<td>8</td>
<td>15</td>
<td>22-Oct</td>
<td>TUE</td>
<td>REVIEW (For a part of the class, I will answer review questions; come prepared. A review sheet will be distributed at the end of class.)</td>
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<td></td>
<td>16</td>
<td>24-Oct</td>
<td>TUE</td>
<td>EXAM ONE</td>
<td></td>
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<tr>
<td></td>
<td>17</td>
<td>29-Oct</td>
<td>TUE</td>
<td>Reaganomics: liberals, conservatives, libertarians; monopoly; Tax policy</td>
<td>F to 36</td>
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<td>18</td>
<td>31-Oct</td>
<td>THU</td>
<td>The wisdom of markets; monetarism, money supply, the Fed; gold bugs; Trade; &quot;Strong&quot; dollar/&quot;Weak&quot; dollar</td>
<td>F to 84 (chpt 4, emph 71-74)</td>
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<tr>
<td>10</td>
<td>5-Nov</td>
<td>TUE</td>
<td>HOLIDAY - NO CLASS</td>
<td>F to 160</td>
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<td>19</td>
<td>7-Nov</td>
<td>THU</td>
<td>Education, discrimination, labor; Review regulation</td>
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<tr>
<td>11</td>
<td>20</td>
<td>12-Nov</td>
<td>TUE</td>
<td>Social Welfare, income distribution; The Market Idea</td>
<td>F to Finish</td>
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<td></td>
<td>12-Nov</td>
<td>TUE</td>
<td>Phone Preregistration for Spring Semester begins</td>
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<td></td>
<td>14-Nov</td>
<td>THU</td>
<td>Video</td>
<td></td>
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<tr>
<td>12</td>
<td>21</td>
<td>19-Nov</td>
<td>TUE</td>
<td>Recent econ. politics history; New Dems, tax cutting politics, anti-politics, trade, New Deal, cowboy capitalism</td>
<td>W 12-71</td>
<td></td>
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<td>PAPER TWO DUE IN CLASS</td>
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<tr>
<td></td>
<td>22</td>
<td>21-Nov</td>
<td>THU</td>
<td>Fed, interest rates, bond market politics, jobs politics</td>
<td>W to 145</td>
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</tbody>
</table>

(more)
WEEK | DAY | DATE | TOPIC | READING
--- | --- | --- | --- | ---
13 | 23 | 25-Nov | MON | Phone Preregistration for Spring Semester ends | W to 200

14 | 24 | 3-Dec | TUE | Post-94 politics, inflation politics, Clinton & Republicans, realignment | W to 271
25 | 5-Dec | THU | Clinton since 93; Gingrich's Contract; Repub Revolution in 94 | FINISH W

15 | 26 | 10-Dec | TUE | Conclusions | REVIEW, Student Evaluations, and study guide
27 | 12-Dec | THU | | |

3:20-5 pm 19-Dec THURS FINAL EXAM

**FINAL EXAM:** This is the official time for the PSc 365 final, as designated by university policy. If you have a conflicting final, consult the teacher of that class—they are in violation of the schedule. University rules permit make-ups for finals only if you have three finals on one day. In a class this size, that is a rule we have to follow. Please plan your travel accordingly.

Grades will be posted Monday Dec. 23, at JRH 101A. Please don't try to inquire before then. Bring a self-addressed envelope (to class, or to the instructor's mailbox in EVST) to receive your test and grade by mail. Or you can get your exam at the start of Spring term. There is no extra credit, but improvement will be taken into consideration.

Other useful readings (These are not assigned, except that graduate students will use the list to propose their projects. Keep this list for further reading on the issues in this class. Books listed here have some special relationship to the political themes discussed in this class. Obviously, there is a huge literature in economics; the purpose of this list is not to list that literature. It is, instead to represent some of the available, general literature.)

**CASES (mostly journalistic accounts of recent pol-econ events and institutions)**


(more)
The LEFT (critiques and theories from the left)

Bluestone and Bluestone, *Negotiating the Future*. An unabashed labor point of view on current economic and workplace issues.


Robert Heilbroner and Richard Bernstein, *The Debt and the Deficit*. Now outdated (1986), but still a clear statement of the left's position on deficits—arguing that they shouldn't be a major issue.


Susan and Martin Tolchin, *Deregulating America*

The RIGHT (critiques and theories from the right)


Richard McKenzie, *The American Job Machine*


Charles Murray, *Losing Ground*.

Kevin Phillips, *Boiling Point*. An early 90s Republican take on economic issues, from a highly visible analyst.


CLINTON


THEORY


WORKPLACE


Studs Terkel, *Working*.

(more)
NEW DEAL/ Pre-Reagan


John Kenneth Galbraith, *A Life in Our Times*  
________, *The Affluent Society*  
________, *The Great Crash, 1929*

SURPRISES and REVISIONS
