

American Studies 102 / History 133B / Legal Studies 141

## Wall Street / Main Street

Second Semester 2018-19  
Tuesday, Thursday 9:30-11  
Kroeber 160



### Professors:

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### **COURSE DESCRIPTION**

As longstanding symbols in American history and culture, “Wall Street” and “Main Street” typically refer to streets that intersect at right angles and places that represent the antithesis of each other. In this rendering, Wall Street is home to nefarious big banks run by greedy financiers with deep pockets, while Main Street is home to unassuming “mom-and-pop” shops patronized by ordinary people of modest means who live in the

surrounding wholesome small towns. What's good for one is not good for the other. This course, which will be co-taught by a historian and corporate law professor, will examine critical junctures in the intersection of Wall Street and Main Street in American history and culture over the course of the twentieth century, how and why Wall Street and Main Street have been understood to point in opposite directions, the extent to which that understanding makes sense, and how and why the relationship between Wall Street and Main Street has evolved over time.

### REQUIRED READINGS AND iCLICKER+

The Cal Student Store has the following books (and iClicker+ device). They will be read in the order they appear here, and the iClicker+ will be put to use in class from early in the semester:

- Julia Ott, *When Wall Street Met Main Street: The Quest for an Investor's Democracy* (2011) – also available for free electronically at <http://oskicat.berkeley.edu/record=b20219449~S1>
- Eric Rauchway, *The Money Makers: How Roosevelt and Keynes Ended the Depression, Defeated Fascism, and Secured a Prosperous Peace* (2015)
- Jefferson Cowie, *Capital Moves: RCA's Seventy-Year Quest for Cheap Labor* (1999)
- Marc Levinson, *The Great A&P and the Struggle for Small Business in America* (2011)
- Michael Lewis, *Liar's Poker* (1989)
- iClicker+ – for getting started, see: <https://www.ets.berkeley.edu/services-facilities/clickers/students-getting-started>

Additional required readings for some weeks (as indicated in the weekly schedule of classes and assignments below) will be posted as PDF's in the "Files" section of the course bCourses site.

### REQUIRED FILMS

Be sure to screen the following films (in order to be watched) **before** class/section in the week they are assigned. They are available in the Media Resource Center at Moffitt Library, as well as via streaming through the links provided in "Films (links to).docx" posted in the "Files" section of the course bCourses site.

- *Wall Street* (1987)
- *It's a Wonderful Life* (1946)
- *Blue Collar* (1978)
- *The Business of America* (1984)
- *Roger and Me* (1989)
- *The Big Short* (2015)

### COURSE WEB SITE

See bCourses (<http://bCourses.berkeley.edu>) for the course website.

### GRADING

Your course grade will be determined as follows:

<u>Due Date</u>	<u>% of final grade</u>	<u>Assignment</u>
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weekly	see →	
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**Attendance in lectures** – Attendance is absolutely essential, as the exams will require you to draw heavily on evidence and interpretations advanced in the lectures. In addition, there will be some opportunity to participate during

lectures. Doing so on a consistent and informed basis will serve to ratchet borderline final grades upward.

weekly    see →    **Readings/Films** – Readings and Films will supplement, complement, and reinforce the lectures and prepare you for sections. *You should plan on completing the weekly assigned readings by the beginning of each week.* Completing the readings is absolutely essential, as the exams will require you to draw on evidence and interpretations advanced in the readings.

weekly    15%    **Attendance in both lecture and section and active and informed participation in section, including weekly reading/viewing response writing assignments** – A successful section depends on the active and informed participation of all students, with the discussion going through one another and not simply through the GSI. To facilitate class discussions and guide your reading/viewing, GSIs will post questions about the weekly reading/film in the “Discussions” section of the class bCourses site. They will also indicate which one (or more) of those questions you are to write a weekly ½ **page** (circa 150 words) response to post in the “Discussions” section of the class bCourses by 10 pm the night before your section.

2/28    15%    **Paper #1**

3/7    15%    **Midterm** – There will be one, and only one, midterm exam given.

5/2    30%    **Paper #2**

5/15    25%    **Final** – There will be one, and only one, final exam given.

### **LATE PAPER, EXTENSION, AND COURSE INCOMPLETE POLICIES**

Hard copies and electronic copies of paper assignments are due on the date and time given in the syllabus and paper assignment prompts. Requests for paper extensions and/or an incomplete grade for the course must go through the professors and will be granted only under the most extenuating of circumstances. These generally involve last minute family or health problems and do not include conflicts with other academic, athletic, work, etc. commitments. Late papers will be penalized 1/3rd of a letter grade (e.g., A- to B+ or B+ to B) beginning immediately after they are due and another 1/3<sup>rd</sup> of a letter grade for every 24 hours of lateness thereafter. No late papers will be accepted a week past their assigned due date. Plan ahead.

### **ACADEMIC INTEGRITY**

The student community at UC Berkeley has adopted the following Honor Code: “As a member of the UC Berkeley community, I act with honesty, integrity, and respect for others” (<http://teaching.berkeley.edu/berkeley-honor-code>). In this spirit, you must adhere to the highest standards of academic integrity. Anyone contemplating anything less should be forewarned: *any* plagiarizing on papers (as per the definition below) or cheating on exams will result in failure for the course and will be pursued to the fullest extent through the Center for Student Conduct as spelled out here: <http://sa.berkeley.edu/code-of-conduct>.

The Center for Student Conduct offers the following definition of plagiarism, the first part of which is also included in the Berkeley Campus Code of Student Conduct:

Plagiarism is defined as use of intellectual material produced by another person without

acknowledging its source, [including] for example:

Wholesale copying of passages from works of others into your homework, essay, term paper, or dissertation without acknowledgment [such as the use of quotation marks and proper citation in footnotes or endnotes].

Use of the views, opinions, or insights of another without acknowledgment [such as proper citation in footnotes and endnotes].

Paraphrasing of another person's characteristic or original phraseology, metaphor, or other literary device without acknowledgment [such as proper citation in footnotes and endnotes].

For more information about plagiarism (and how to avoid it), see: [sa.berkeley.edu/cite-responsibly](http://sa.berkeley.edu/cite-responsibly).

### COMPUTING DEVICES IN CLASS

With the exception of an iClicker, unless you have a formal accommodation that requires it and is presented to the professors, the use of **computing devices** (laptops, iPads, iPhones, etc.) is **forbidden**. They are temptations to students who use them to divert their attention elsewhere besides the educational task at hand, distractions to students who do not use them, and less effective as tools for assimilating information presented in class than old-fashioned note-taking and attention-paying.\*

\* See, for example, "Why You Should Take Notes by Hand – Not on a Laptop" (<http://www.vox.com/2014/6/4/5776804/note-taking-by-hand-versus-laptop>)

### NO COMMERCIAL USE

Do not forward or sell materials from this course to any individual or business, online or otherwise.

### SCHEDULE OF CLASSES AND ASSIGNMENTS

#### Week One

1/22 **Locating Main Street (and Connecting it to Wall Street)**

1/24 **Locating Wall Street**

Assignments:

- (1) Ott, 1-55 (intro, chs. 1-2)
- (2) Frank Partnoy and Steven Davidoff Solomon, "Frank and Steven's Excellent Corporate Raiding Adventure," *The Atlantic* (May 2017) (bCourses)
- (3) Watch *Wall Street* (bCourses)

#### Week Two

1/29 **Playing Monopoly: The Rise of – and Political Response to – Big Business in the Late 19<sup>th</sup> / Early 20<sup>th</sup> Century U.S.**

1/31 **The Corporation: A History**

Assignments:

- (1) Ott, 56-149 (chs. 3-6)
- (2) Excerpts from *Dartmouth College v. Woodward*, 17 U.S. 518 (1819) (bCourses)
- (3) 1/2 page response to last week's and this week's reading/viewing assignments (to be posted in bCourses by 10 pm the night before section)

**Week Three**

2/5 **“The Great Tax Wars”: The Rise, Fall, and Rise of the Federal Income Tax (16<sup>th</sup> Amendment) and the Idea of Progressive Taxation**

2/7 **Panics and Panaceas**

Assignments:

- (1) Ott, 150-225 (chs. 7-9, epilogue)
- (2) Excerpts from *Brushaber v. Union Pacific Railroad*, 240 U.S. 1 (1916) (bCourses)
- (3) 1/2 page response to weekly reading (to be posted in bCourses by 10 pm the night before section)

**Week Four**

2/12 **The 1920s Boom and 1929 Stock Market Crash**

2/14 **Bust: The Great Depression's Causes and President Hoover's Responses**

Assignments:

- (1) Rauchway, xv-54 (intro, chs. 1-3)
- (2) 1/2 page response to weekly reading (to be posted in bCourses by 10 pm the night before section)

**Week Five**

2/19 **All That Glitters Isn't Gold: The New Deal and the Gold Standard**

2/21 **New Deal, Raw Deal: New Deal Reforms to Promote Unionization and Homeownership (and their Racial Limits)**

Assignments:

- (1) Rauchway, 55-168 (chs. 4-9)
- (2) Excerpts from *Norman v. Baltimore & Ohio Railroad Co.* 294 U.S. 240 (1935) (bCourses)
- (3) 1/2 page response to weekly reading (to be posted in bCourses by 10 pm the night before section)

**Week Six**

2/26 **Saving Capitalism from Itself: New Deal Financial Reforms**

2/28 **Waging the “War of Machines” and Ending the Great Depression**

Assignments:

- (1) Rauchway, 169-245 (chs. 10-epilogue)
- (2) Paper #1 due on Thursday 2/28

- (3) 1/2 page response to this week's reading/viewing assignments (to be posted in bCourses by 10 pm the night before section)

### **Week Seven**

3/5 ***It's a Wonderful Life***

3/7 **Midterm Exam**

Assignments:

- (1) Watch *It's a Wonderful Life* (1946) (bCourses)
- (2) Study for midterm

### **Week Eight**

3/12 **Go-Go Years: Wall Street in the 1950s and 1960s**

3/14 **When America Bestrode the World Like a Colossus: The G.I. Bill and America's Post-World War II Economic Boom**

Assignments:

- (1) Cowie, 1-99
- (2) Watch *Blue Collar* (1978) (bCourses)
- (3) 1/2 page response to this week's reading/viewing assignments (to be posted in bCourses by 10 pm the night before section)

### **Week Nine**

3/19 **From Pensions to 401Ks and the Rise of Institutional Investors**

3/21 **Deindustrialization, Deunionization, the End of the Post-World War II Economic Boom, and the Rise of the New Gilded Age**

Assignments:

- (1) Cowie, 100-209
- (2) Watch *The Business of America* (1984) (bCourses)
- (3) Nelson Schwartz, "How Wall Street Bent Steel: Timken Bows to Institutional Investors, and Splits in Two," *New York Times*, December 6, 2014 (bCourses)
- (4) 1/2 page response to this week's reading/viewing assignments (to be posted in bCourses by 10 pm the night before section)

### **Week Ten**

4/2 **"A Great New Job Market"? The Rise of Silicon Valley and the High Hopes for High Tech in the Era of Deindustrialization**

4/4 **Deregulation**

Assignments:

- (1) Levinson, 3-12, 49-111 (chs. 1, 6-10)
- (2) Watch *Roger and Me* (1989) (bCourses)
- (3) Lewis Powell, Jr. "Confidential Memorandum: Attack on American Free Enterprise System," August 23, 1971

(<http://law2.wlu.edu/deptimages/Powell%20Archives/PowellMemorandumTypescript.pdf>)

- (4) Excerpts from *Professional Air Traffic Controllers Organization v. Federal Labor Relations Authority*, 685 F.2d 547 (1982) (bCourses)
- (5) 1/2 - 1 page response to weekly reading/viewing assignments (to be posted in bCourses by 10 pm the night before section)

### Week Eleven

4/9 **The Corporation as Person**

4/11 **Tax Revolt!**

Assignments:

- (1) Levinson, 112-193 (chs. 11-16)
- (2) Excerpts from *Burwell v. Hobby Lobby Stores, Inc.* 573 U.S. (2014) (bCourses)
- (3) 1/2 - 1 page response to weekly readings (to be posted in bCourses by 10 pm the night before section)

### Week Twelve

4/16 **Corporate Social Responsibility: Origins and Efficacy**

4/18 **From Redlining to the Racial Wealth Gap**

Assignments:

- (1) *Dodge v. Ford* 204 Mich. 459 (MI 1919) (bCourses)
- (2) Levinson, 194-270 (chs 17-epilogue)
- (3) 1/2 page response to weekly reading (to be posted in bCourses by 10 pm the night before section)

### Week Thirteen

4/23 **The Great A&P: The Rise of – and Small Business Resistance to – Chain Stores**

4/25 **From G.M. to Wal-Mart**

Assignments:

- (1) Start reading Lewis, chapters 1, 3 (skim to get flavor of Solomon's "corporate culture"), 4, 5 (key chapter on origins of mortgage-backed securities), 6 (key chapter on spread of mortgage-backed securities), 7 (until break around 179), and epilogue
- (2) 1/2 response to weekly reading/viewing (to be posted in bCourses by 10 pm the night before section)

### Week Fourteen

4/30 **The Great Recession: The Financial Crisis and its Causes (with a focus on one)**

5/2 **The Robots Are Coming: AI-Driven Automation, its Impact on Income Inequality and Median Wage Stagnation, and Some Possible Policy Prescriptions for Bridging the Growing Wall St. / Main St. Divide that (in part) Flow Out of Historical Diagnoses Provided in this Class**

Assignments:

- (1) Finish reading Lewis, chapters 1, 3 (skim to get flavor of Solomon's "corporate culture"), 4, 5 (key chapter on origins of mortgage-backed securities), 6 (key chapter on spread of mortgage-backed securities), 7 (until break around 179), and epilogue
- (2) Matt Taibi, "The Great American Bubble Machine," *Rolling Stone*, April 5, 2010 (bCourses)
- (3) Watch *The Big Short* (2015) (bCourses)
- (4) Paper #2 due in bCourses and in class on 5/2

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**\*\*\* Final exam – Wednesday 5/15, 11:30-2:30 \*\*\***