

**Politics 173A**  
**U.S. Foreign Economic Policy**  
Spring 2009  
Wednesdays 2:10-5 (Block S3)  
Golding 104

<b>Instructor</b>	<b>E-mail</b>	<b>Office Hours/Location</b>
Prof. Kerry A. Chase	<a href="mailto:chase@brandeis.edu">chase@brandeis.edu</a>	Friday 12:30-2:30 in Golding 120

<b>Teaching Fellows</b>	<b>E-mail</b>	<b>Office Hours/Location</b>
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### **Description**

In 1776, the United States was a small, developing country seeking to establish its independence by limiting its economic interactions with the European great powers. As the United States has grown larger, richer, and more powerful, however, it has become more closely integrated with the outside world economy. This research seminar examines how the United States has managed its foreign economic relations since its founding, with a focus on domestic political factors in economic policymaking.

The seminar is designed for students with interests in one or more of three subjects. One focus of the course is **International Relations and Foreign Policy**, as we will study the foreign economic relations of the United States in the context of the country's level of relative power and exposure to global markets. A second focus is **American Politics**, as we will examine the interaction of domestic institutions (the presidency, Congress, and executive branch agencies) and private actors (organized interest groups) in the policymaking process. A third focus is **Political Economy**, as we will consider three main policy areas: the management of the dollar, international trade, and international finance.

### **Requirements the Course Fulfills**

This course satisfies the seminar requirement and the international relations subfield distribution requirement for [Politics majors and minors](#). The course also satisfies the university's [Writing Intensive](#) (WI) and [Oral Communication](#) (OC) requirements. The course is [cross-listed in Economics](#), which means that it may fulfill the elective requirement for Economics majors (though questions about this should be directed to a faculty advisor in the Economics department).

## **Prerequisites**

Prior coursework in International Relations (POL 15A) and/or American Politics (POL 14B) is likely to help your comprehension of the course readings. First-year students are strongly discouraged from enrolling.

## **Course Requirements**

The requirements for the course and the calculation of final grades are as follows:

- 1). Class presentation (10%)
- 2). Research paper prospectus (10%)
- 3). Research paper presentation (15%)
- 4). Completed research paper (40%)
- 5). In-class midterm examination (25%)

### **Class Presentation (10%)**

Everyone will give one class presentation during the semester; this means that generally four or five students will present at each course meeting. Presentations must use PowerPoint. Each of you will choose the date and content of your presentation from a [list of assigned questions](#). A sign-up sheet to schedule class presentations will be posted on my office door in Golding 120 on Thursday, January 15 at 9am.

### **Research Paper Prospectus (10%)**

Research paper topics must satisfy the following requirements:

- 1). Papers must include a **clear research question** that seeks to explain some political outcome or anomaly related to U.S. foreign economic policy.
- 2). Papers must include a **political economy component**. You should focus on U.S. policy toward at least one type of economic activity or its effects.
- 3). Papers must involve **outside research**. You should consult scholarly articles and books, official government publications and websites, and other sources of information and data.

Everyone will [submit their research question](#) in no more than one sentence at the start of class on February 11. The purpose is to encourage you to focus your topic around a clear research question. You will not be graded on your research question.

A [prospectus of your research paper](#) is due at the start of class on March 4. In about 5 pages, the prospectus should present your research question, review academic work relevant to that question, and describe the sources you will consult in your research and the evidence you will use to substantiate your proposed answer to the research question.

### **Research Paper Presentation (15%)**

[Research paper presentations](#) will be scheduled for the end of the term. In about 15 minutes, you will discuss your research question, scholarly debates on the topic, and your findings using PowerPoint. Presentations will be held during the last course session on April 29. Due to the large size of the class, some presentations will be scheduled for an alternative time, most likely April 30.

### **Research Paper (40%)**

The completed research paper is due by 4pm on Wednesday, May 6. Research papers must present a clear research question; a thesis statement; evidence to substantiate the thesis, drawn from course readings and outside research; and thorough citations to outside sources from which you obtained ideas and information. Research papers should be at least 20 pages; this may include revised material from your prospectus.

### **Midterm Examination (25%)**

A midterm examination will be held in class on April 8. The exam covers course materials addressed in the assigned readings and class discussions. It will include some combination of the following types of questions: 1). **Identification**, which involves identifying terms and concepts and explaining their significance for the course; 2). **Short answer**, which involves answering short conceptual questions; and 3). **Factual**, which are essentially “fill in the blank” questions.

### **Grading**

Assignments will be graded out of 100 points based on the following scale: A (93 and above); A- (90-92); B+ (87-89); B (83-86); B- (80-82); C+ (77-79); C (73-76); C- (70-72); D (65-69); F (less than 65). Final scores and grades will be computed in Microsoft Excel using the following formula:  $SCORE = 0.1 * CLASS/PRESENTATION + 0.1 * PROSPECTUS + 0.4 * RESEARCH/PAPER + 0.15 * RESEARCH/PRESENTATION + 0.25 * MIDTERM$ .

### **Attendance and Class Participation**

You are expected to attend class regularly and be prepared to discuss the assigned readings. While class attendance and participation are not explicitly factored into the final grade, the consistency of your attendance and the quality of your participation will be deciding factors in cases where the final score borders two grades.

### **Course Policies**

A statement of [course policies on absences and late papers](#) can be found on Latte. Please be sure to consult this handout if you cannot complete an assignment on time, or if you have an illness or family emergency that interferes with your participation in the course.

## **Disability Statement**

If you need academic accommodations because of a documented disability, please make sure that I receive your letter of accommodation as soon as possible. For questions about documenting a disability or requesting academic accommodations, please contact Beth Rodgers-Kay in Academic Services at 6-3470.

## **Student athletes**

If your participation in intercollegiate athletic competition conflicts with any of the requirements for the course, please provide me with a letter from the Director of Athletics stating the dates of these conflicts no later than January 28.

## **Course Readings**

There are no books for the course; all of the course readings are available in electronic form. Electronic readings are uploaded to Latte: follow the hyperlinks in the online syllabus or find them listed individually underneath the relevant course module. While these readings are distributed electronically, you should **print all of them**. You are expected to complete the assigned readings **in advance** of the respective course meeting.

## **Discussion Questions**

Uploaded on Latte are discussion questions to accompany the weekly course readings. You should consult these questions before starting the reading assignments. For most course meetings there also are optional handouts such as timelines which you may find useful (note that for some unknown reason these .html files may not open in Mozilla; if you experience problems, please try Internet Explorer).

## **Course Schedule**

**January 14**                    **Introduction: The U.S. in a Global Economy**

**January 21**                    **Historical Foundations: Trade and the Tariff**

- [\*Constitution of the United States\*](#), excerpts from Articles I-II.
- *The Federalist Papers*, No. [11](#), [12](#), and [75](#).
- Robert O. Keohane, [\*Associative American Development, 1776-1860: Economic Growth and Political Disintegration\*](#), *The Antinomies of Interdependence*, John G. Ruggie, ed. (Columbia University Press, 1983): 43-90.
- David A. Lake, [\*The State and American Trade Strategy in the Pre-Hegemonic Era\*](#), *International Organization* 42 (Winter 1988): 33-58.

**January 28                      Historical Foundations: Finance and the Dollar**

- *The Federalist Papers*, No. [44](#).
- Kathleen R. McNamara, [State Building, the Territorialization of Money, and the Creation of the American Single Currency](#), *Governing the World's Money*, David M. Andrews et al., eds. (Cornell University Press, 2002): 128-147.
- Lawrence Broz, [Origins of the Federal Reserve System: International Incentives and the Domestic Free-Rider Problem](#), *International Organization* 53 (Winter 1999): 39-70.
- Jeff Frieden, [Sectoral Conflict and U.S. Foreign Economic Policy, 1914-1940](#), *International Organization* 42 (Winter 1988): 59-90.

**February 4                      Trade Institutions: Legislation and Negotiation**

- Douglas A. Irwin, [From Smoot-Hawley to Reciprocal Trade Agreements: Changing the Course of U.S. Trade Policy in the 1930s](#), *The Defining Moment: The Great Depression and the American Economy in the Twentieth Century*, Michael D. Bordo et al., eds. (University of Chicago Press, 1998): 325-352.
- Barry Eichengreen, [The Political Economy of the Smoot-Hawley Tariff](#), *Research in Economic History* 12 (1988): 1-18, 35-43 (excerpts).
- Stephan Haggard, [The Institutional Foundations of Hegemony: Explaining the Reciprocal Trade Agreements Act of 1934](#), *International Organization* 42 (Winter 1988): 91-119.
- David M. Andrews, [Trade and Money in the Roosevelt Administration: Toward the Bretton Woods Agreement, 1933-1944](#), *Orderly Change: International Monetary Relations since Bretton Woods*, David M. Andrews, ed. (Cornell University Press, 2008): 25-35.

**February 11                      The Bretton Woods System**

- G. John Ikenberry, [A World Economy Restored: Expert Consensus and the Anglo-American Postwar Settlement](#), *International Organization* 46 (Winter 1992): 289-321.
- Helen V. Milner, [The Bretton Woods Monetary Agreement and the International Trade Organization, 1943-1950](#), Ch. 5 in *Interests, Institutions, and Information: Domestic Politics and International Relations* (Princeton University Press, 1997): 135-157.
- Stephen D. Krasner, [U.S. Commercial and Monetary Policy: Unraveling the Paradox of External Strength and Internal Weakness](#), *International Organization* 31 (Autumn 1977): 635-671.

**February 18                      Midterm Recess (No Class)**

## **February 25                    The Gold-Dollar Standard**

- C. Randall Henning, [Monetary and Exchange Rate Policymaking in the United States](#), Ch. 6 in *Currencies and Politics in the United States, Germany, and Japan* (Institute for International Economics, 1994): 253-270.
- John S. Odell, [The U.S. and the Emergence of Flexible Exchange Rates: An Analysis of Foreign Policy Change](#), *International Organization* 33 (Winter 1979): 57-81.
- Burton A. Abrams, [How Richard Nixon Pressured Arthur Burns: Evidence from the Nixon Tapes](#), *Journal of Economic Perspectives* 20 (Fall 2006): 177-188.
- Jeffrey A. Frieden, [Economic Integration and the Politics of Monetary Policy in the United States](#), *Internationalization and Domestic Politics*, edited by Robert O. Keohane and Helen V. Milner (Cambridge University Press, 1996): 108-136.

## **March 4                            The Dollar in a Global Capital Market**

- C. Randall Henning, [Central Banks, Governments, and Policy Processes](#), Ch. 3 in *Currencies and Politics in the United States, Germany, and Japan* (Institute for International Economics, 1994): 101-114.
- Richard N. Cooper and Jane Sneddon Little, [U.S. Monetary Policy in an Integrating World: 1960 to 2000](#), *New England Economic Review* 3 (2001): 33-56.
- C. Randall Henning, [Monetary and Exchange Rate Policymaking in the United States](#), Ch. 6 in *Currencies and Politics in the United States, Germany, and Japan* (Institute for International Economics, 1994): 271-308.
- Gary Clyde Hufbauer and Claire Brunel, [The U.S. Congress and the Chinese Renminbi](#), *Debating China's Exchange Rate Policy*, Morris Goldstein and Nicholas R. Lardy, eds. (Institute for International Economics, 2008): 219-233.

## **March 11                         The U.S. in International Finance**

- Sidney Weintraub, [As Mexico Imploded: Action and Inaction in the United States](#), *North-South Agenda Papers #28*, University of Miami, July 1997.
- C. Randall Henning, [The Mexican Peso Crisis and Its Aftermath; and Global Financial Crises](#), Ch. 6 and Ch. 7 in *The Exchange Stabilization Fund: Slush Money or War Chest?* (Institute for International Economics, 1999): 61-80.
- Mary Locke, [Funding the IMF: The Debate in the U.S. Congress](#), *Finance and Development* 37 (September 2000): 56-59.
- Eric Helleiner, [The Strange Story of Bush and the Argentine Debt Crisis](#), *Third World Quarterly* 26 (September 2005): 951-969.
- Benjamin J. Cohen, [International Debt and Linkages Strategies: Some Foreign-Policy Implications for the United States](#), *International Organization* 39 (Autumn 1985): 699-727.

### **March 18**                      **Congressional Delegation of Trade Authority**

- Lael Brainard and Hal Shapiro, [Fast Track Trade Promotion Authority](#), *Brookings Policy Brief #91*, December 2001.
- Sharyn O'Halloran, [Fast Track Procedures and Policy Outcomes](#), Ch. 6 in *Politics, Process, and American Trade Policy* (University of Michigan Press, 1994): 139-175.
- Michael J. Hiscox, [The Magic Bullet? The RTAA, Institutional Reform, and Trade Liberalization](#), *International Organization* 53 (Autumn 1999): 669-698.
- G. John Ikenberry, [Manufacturing Consensus: The Institutionalization of American Private Interests in the Tokyo Trade Round](#), *Comparative Politics* 21 (April 1989): 289-305.
- I.M. Destler, [American Trade Politics in 2007: Building Bipartisan Compromise](#), *Institute for International Economics Policy Brief 07-5*, May 2007.

### **March 25**                      **The U.S. and the World Trade Organization**

- John Odell and Barry Eichengreen, [The United States, the ITO, and the WTO: Exit Options, Agent Slack, and Presidential Leadership](#), *The WTO as an International Organization*, Anne O. Krueger, ed. (University of Chicago Press, 1998): 181-209.
- Judith Goldstein, [International Institutions and Domestic Politics: GATT, WTO, and the Liberalization of International Trade](#), *The WTO as an International Organization*, Anne O. Krueger, ed. (University of Chicago Press, 1998): 133-152.
- Judith L. Goldstein and Richard H. Steinberg, [Negotiate or Litigate? Effects of WTO Judicial Delegation on U.S. Trade Politics](#), *Law and Contemporary Problems* 71 (Winter 2008): 257-282.

### **April 1**                         **Administered Trade Remedies**

- Robert E. Baldwin, [Imposing Multilateral Discipline on Administered Protection](#), *The WTO as an International Organization*, Anne O. Krueger, ed. (University of Chicago Press, 1998): 297-327.
- I.M. Destler, [Executive-Congressional Collaboration for Trade Liberalization, or Games Legislators Play](#), *The Political Economy of Policy Reform*, Douglas R. Nelson and J.M. Finger, eds. (Elsevier B.V., 2004): 155-169.
- Judith Goldstein, [International Law and Domestic Institutions: Reconciling North American "Unfair" Trade Laws](#), *International Organization* 50 (Autumn 1996): 541-564.
- Robert J. Read, [The Political Economy of Trade Protection: The Determinants and Welfare Impact of the 2002 US Emergency Steel Safeguard Measures](#), *World Economy* 28 (August 2005): 1119-1137.

<b>April 8</b>	<b>Midterm examination in class</b>
<b>April 15</b>	<b>Spring Recess (No Class)</b>
<b>April 22</b>	<b>Brandeis Thursday (No Class)</b>
<b>April 29</b>	<b>Research paper presentations</b>
<b>April 30</b>	<b>Research paper presentations (alternative date)</b>
<b>May 6</b>	<b>Research papers due by 4pm</b>