POLSC 121 / Introduction to American Government

LECTURE / DISCUSSION / DEBATE
ECONOMIC POLICY

Terms and concepts to know:

The "politics" of economics
Keynesian fiscal policy
Supply-side policy
Deficit and debt
Council of Economic Advisors (CEA)
Treasury Department
Gramm-Rudman-Hollings Act
"Laissez-faire" policy
Monetary policy
Privatization
Federal Reserve (the "Fed")
Office of Mgmt. and Budget (OMB)
Military spending
The 1993 Deficit Reduction Act

Study and discussion questions:

1. Discuss the four types of economic policy utilized in the United States (and most of the world). What are the advantages and disadvantages to each? Are there other policies that Heineman does not mention that might work?
2. Discuss why balancing the budget is such a politically difficult policy. How important do you think it is to balance the budget?
3. Discuss the politics of the budgetary process. Which should take priority: military spending, entitlement payments to individuals, or paying off interest on the national debt?
4. Referring to the issue of income and wealth disparities in the United States, at one point Krugman observes that "even bringing up the subject exposes you to charges of 'class warfare' the 'politics of envy' and so on." Given the importance he assigns to it, why do you think that class inequality is such a non-issue within American political culture?
5. According to Ehrenreich, in what ways have class differences among women complicated feminism since its revival in the 1970s?
6. How would you interpret Ehrenreich's comment that "the problem is not classism, the problem is class itself"?
7. In an interview with Charlie Rose, Pete Peterson asks Americans to focus on the deficit as a major piece to solving our economic crisis. Would you agree that this should be a major factor to examine as the economic crisis evolves?

Readings:

Heineman. *American Government*, Chapter 13.
WEB – Enrenreich, Krugman, Rose.

Video:

Heist: Who Stole the American Dream?