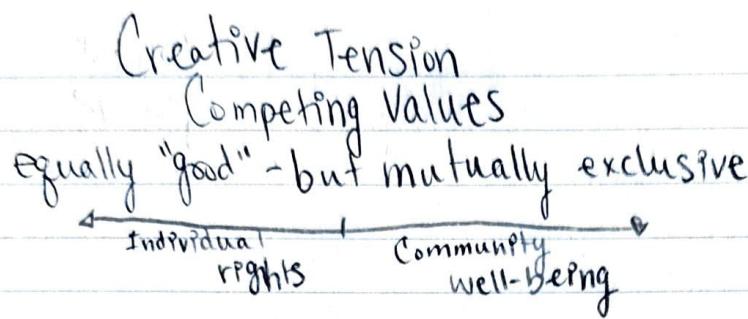


American Heritage

Stan Kivett



Words:

Stanton → who.
economic stimulus
foreign policy realism
ethnocentrism

Notes on Chapter 1

- The U.S. has given more freedom to the most people for the longest time.
- Mental capital - a knowledge of terms that allows intellectual conversation
- Government - a monopoly given the use of force
 - Politics - the changing power of society, to change government
 - Economics - exchange of scarce resources
 - Culture - traditions, beliefs, perspectives, religion

If you love the U.S., criticize it. (John Steinbeck)

Patriotism = good if loving what is lovable, = bad if loving what is yours.

Chapter 2

Political ideas & systems depend → What does it mean to be human?

• Alexander Hamilton defined Social Science!

Parents died → poor → worked book shop sweeping → read business → sent to U.S. for school • Always lit a candle when others frolicked

• Became Washington's top aide

Most nations newly freed → hyperinflation, anarchy, military dictatorship

• He fell to adultery

• Humans are defined by the capacity to choose.

Things to be acted upon → what we do and become is completely determined by the forces that surround them.

Response-able beings → only God and us

• My will, like God's, is uncursed. The buck stops with me. (I cause the chain of events, like the wind example.)

• We are natural beings with inbuilt programming, but also spiritual with the ability to overcome it.

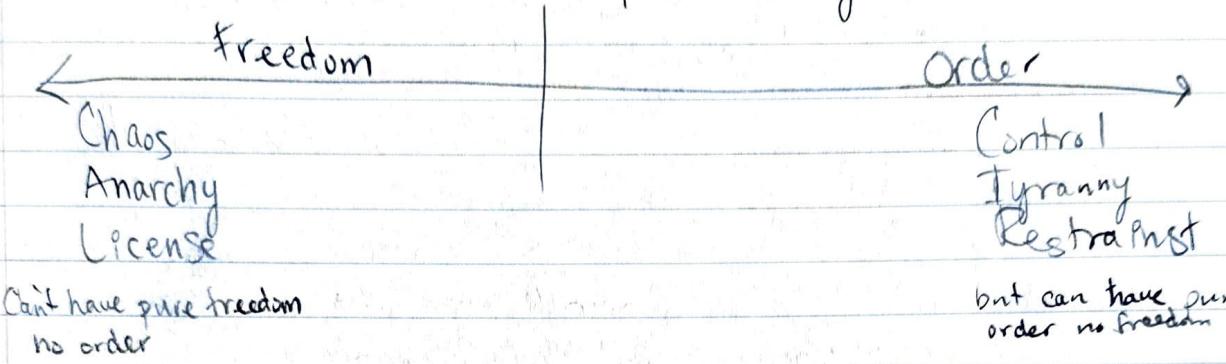
• We can choose our environment AND our DNA! (Israel)

DNA is not a program that controls us, but more like a library of books to choose.

* Robert Wood discussed

Agency → power to choose

Freedom → power to carry it out



Lesson 2

Dogmatism - "positiveness in assertion of opinion especially when unwarranted or arrogant" or
"a viewpoint or system of ideas based on insufficiently examined premises"

Principles for productive discourse (argument/debate)

- Deep analysis of issues

- Alex. Ham. → York ^{new} Packet identified weakness

- ↳ Studied Europe for clues to establish America

- Ways to conduct balanced research

- * 1 current events

- * Identifying & defining problems

- * Studying the issues from diverse perspectives

- * Proposing logical, organized, real solutions

- * Engaging in the process of resolution

- Constitutional convention was prod. dis.

- Thomas Paine → "common sense", "the crisis"

- Pay the price to be a credible voice!

- Civil Analysis and Interaction

on the test → - Robert Wood discussed

- * We live in an era where speaking w/out listening, emotional

not thoughtful

- * Beware those who stir up anger and suppress reflection & charity

- * Are we negative about those who are different, or try to

seek common ground?

- * Before criticism, present a strong case the opposed can accept

- * Don't make a "straw man" (accusing outside of argument)

- * Don't try to find fault in others

- * Be instruments of the Lord's peace

- Gordon B.H. → Political differences ≠ hatred

- Elder Quentin L.C. → Love & respect, not ever violent

- Elder Oaks

- The IS good and bad.

- Today we are seeing everybody deciding their own morals, which leads to public evil

- We NEED tolerance. If you believe in nothing, you tolerate everything! Christ tells us to tolerate.

- See the good in people

- Cohabitation ≠ bad (Kinda random but Okay)

- Professor Menachem Fisch → Hartman Institute

- Tolerance = being willing to suffer and not take negative action

- ↳ Pluralism = rejoicing in cultural diversity

- Real trick to religious understanding = Holy Envy

- ↳ there is something in them that isn't yours. It's different!

- Holy envy → exact opp. of finding middle ground

- ↳ finding the unique & special

- ↳ finding how we are lacking

- To know another church

- Ask someone knowledgeable

- Compare their best

- Always leave room for Holy Envy

Wining an argument is not as important as winning a friendship

- The Mormon Ethic of Civility

- be civil (thanks 😊)

- BOM peeps fell because they didn't cooperate

- Appreciating Creative Tension & Collective Reasoning

- Capitalize on Complementary Tensions

- Good people can disagree, and forcing isn't agreeing!

- "Right" is only found in creative tension, making a complementary difference.

- Being of "one heart & one mind" doesn't mean that we think the same, but that we love.

Dysfunctions leading to Societal breakdown

1. Breaking into tribes/groups
2. Thinking what people think is better than the truth, so we decide them.
3. Not interacting with other groups
4. Not looking for evil on the other side

• Pragmatic and Purposeful Engagement

- be realistic & willing to sacrifice

(different document) Repairing the Breach

- Joseph Addison - We can NOT be divided! It will be the end of us!
- Families that thrive - 1.) Relationships > Issues 2.) inspire > require
 - Demagoguery - holds to emotional rather than rational
 - argue w/out justify, - don't try to understand, - teardown
 - argue, not learn - unqualified, unreasoned opinion
 - Tribalism - Stick to our own group.
 - View other tribes as faulty

Political Ideas:

- Small vs. big government
 - Capitalism vs. Socialism
 - Self-reliance vs. Public assistance
 - Opportunity vs. Outcomes
 - Isolation vs. Intervention
 - Rule of law vs. Compassion
 - Strict constructionism vs. Loose constructionism
 - Freedom vs. Order
 - Taxing vs. Spending
 - Freedom of thought & Speech vs. Conformity / Watch?
- everybody paid same
vs. based on skill
- People who are disadvantaged are
making gains vs. fair choice, or equal
opportunity
- letter vs. Spirit
of the law

Ryan Anderson V=JKzT-OSKggE

Who was Thomas Sharp?

Stephen Covey : Seek first to understand, and then to be understood.

Robert S. Wood: Before launch into criticism, present opposing perspective.

Krister Stendahl :

- what believe, ask them not enemies
- Compare best w/ best, not best with worst
- Holy Fury

Lesson 3: practicing convicted civility

Religious freedom: Including the right to display it?

Gay marriage adoption

For it:

- Same-Sex couples are 7x more likely to adopt children
- 20% of foster children are LGBTQ, and many can't find homes.
- 5.3 million LGBTQ adults in the U.S. are religious.
- Being LGBTQ does not restrict their social or intellectual competence.
- Every child deserves to have a family.
- A man or a woman may have the good desire to raise children, but maybe unable to do so because of adoption restrictions upon LGBTQ people.
- Current studies show no significant difference in psychological development.

Against it: (or kinda)

- Many believe that same-sex marriage is immoral, and that the child adopted should not be forced into the belief that it is otherwise.
- Adoption Services or agents should not be forced to agree something they don't believe in.
- Marriage is between man and woman
- Family proclamation

Chapter 3 & other documents

Rights & equality

How does our free will translate into a theory of government •
what do we mean when we speak of liberty, rights + equality?
↑ (exercise of conscience)

John Locke: practiced medicine but liked philosophical questions.

School of philosophy → empiricism

Knowledge comes through the senses

(Liberalism - a political system, govern. exist to protects the rights of individual citizens)

- What is freedom/liberty - able to use free agency
- Natural human rights: right to life, liberty, property.

Property.

- W/out property, you can't protect your rights.
- If gov. can take property, they can take any rights.
 - Mao's everything but property → destruction.
 - Chiang's nothing but property → freedom

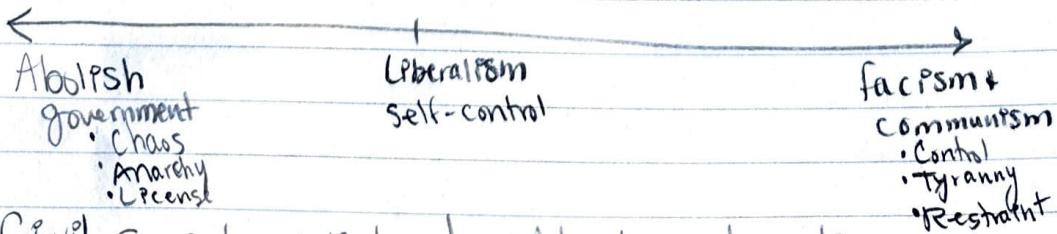
Socialism ≠ law of Consecration

- Still have property
- by Church not government
- preserves agency not destroy it

If Gov. isn't protecting natural rights, invalidates social contract + fails

Natural equality - everyone has natural rights

Political equality - government should protect everyone's natural rights equally



Civil Society - natural rights have bounds

Artificial rights - civil & pseudo

civil - human creations to protect natural rights

pseudo - false rights people invent to take away natural rights
("right" to own a slave)

D&C 134: government = good

Natural rights (inherent, unalienable):

- from God
- Exist before government
- God's purpose: protect them.
- Somewhat broad/vague
- Relatively few in number

Civil, legal, constitutional:

- from human negotiation
- restrains & involves gov.
- more concretely defined
- More numerous?

Martha's island?

Day 4 : History of Liberty & political philosophers

(Document)

Also, I'm sorry, I didn't have a pencil, okay?

Zakaria, a brief history of human liberty

Ancient liberty meant that the men had a right to participate in the government.

Greece → national independence "a free people"

Rome → citizens equal under law

Roman concepts: Senate, republic, constitution, prefecture

Rome's republican years fell into monarchy

I'm not getting much from this. It's too hard to read.

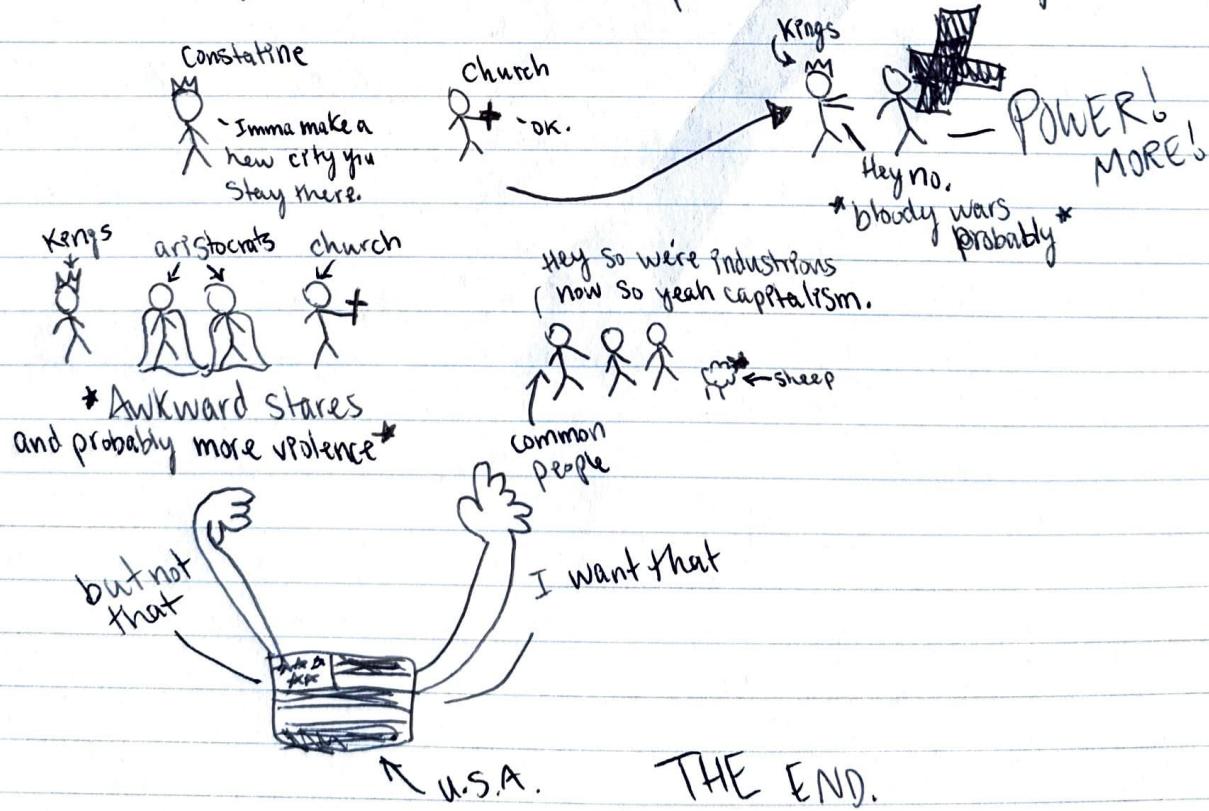
Magna Carta — first written limitation on royal authority in Europe

Montesquieu → observed the "separation of powers"

↳ quoted a lot by founding fathers

Nothing has shaped the modern world more than capitalism

That document was stupid. Here's what I got.



(1689-1755)

Montesquieu - french philosopher

- Separation of powers
- "The Spirit of Law" influenced founding fathers
- Came up w/ Executive, legislative & Judicial
- Each power only exercises its own functions

(1723-1790)

Adam Smith - Scottish economist & philosopher

- "Father of Capitalism"

Liberal Democracy notes

1. Protection of rights - conscience, speech, equality, rel.
2. Rule of law - equality of all under the law, limitation of authority
3. Protection of property
4. Separation of Power - checks & balances
5. Democratic Processes - elections, representatives, etc;

The execution of Socrates was democratic but not liberal.
- people decided unfairly against natural rights

Liberty from Rome

- Fair trial
- Everyone treated the same
- Social contract
- good stuffs

- Catholic Church was the first to challenge authority
- Investiture → pope "ordains" King
King secured, but pope overpowered
- Europe's geography → hard to influence if can't reach them
- Kings VS. lords = kings less power, people more liberty
- Protestantism → change and own beliefs
- people realize that don't have to follow church
- Capitalism → people started working for welfare, can move up & down in class

Prefers to freedoms

1. escape from econ. necessity
2. Social contract
3. citizens see self-restraint as a virtue

Fading of Feudalism

- Rule of law naturally developed → people wanted fairness
- Private property
- People learned the law

Niccolo Machiavelli (1469-1527)

- Man is individual, not just political beings
- private life > public life
- Idealism < realism, look at worst not best
 - be realistic
- let men pursue want
- Communities = security & survival
- fight nature & class, go seek more

Francis Bacon (1561-1626)

- Not moderation, engage in the world & seek perfection
- Progress! Not settle, conquer nature
- Not conquering nations, but overcome nature

Thomas Hobbes (1588-1679)

- Peace → political science
- Social contract theory
- Nature of man = bad
- No rule of law = Savages

John Locke (1632-1704)

- Popularized Machiavelli & Hobbes
- Private property, own fruit of labor
- Property = natural right & order
 - divine right NOT valid
- Govt comes from people
- rights come from God
- *People have right to rebel*

Montesquieu (1689-1755)

- "Spirit of law" - Separation powers
- Liberty → gov so no man fears another
- When people given power, they abuse it
- Juries, Speedy trials, rep gov.

Adam Smith (1723-1790)

- "An Inquiry into Wealth of Nations"
 - Capitalism!
- Economic advances = overcome obstacles to liberty
- Division of labor
- Free markets
- Gov. → protect Society
 - protect people
 - keep people from unrightful gain
- Aristotle (384 BC)
 - Man is political by nature
- Martin Luther (1483)
 - indiv judgement + local rule

Emigration → Ideas spread
→ diversity

Hobbes → Lots of gov
Locke → little gov.

Classical Republic - individual sacrificed for community
Commercial Republic - individualism + materialism

Rule of law

- Power used according to laws not will
- laws limit gov.
- makes game fair
- N. one above the law

Rule of law:

- Generality - no special treatment
- Prospective - future action not past
- Publicity - everyone knows the law
- Consent - accepted
- Due process - administered impartially

Mercantilism

1. Only so much wealth
2. Wealth → armies + navies
3. International competition to control wealth
4. Colonies → brings it to the mother country

Logic of Rebellion:

- Contract → basic rights
- Rebel → good cause
- people can tolerate evil
- All gov is a little evil

Chapter 4: The rule of law

John Adams: law over will

- Adams defended the British Soldiers @ the Boston Massacre because of the rule of law.

- Rule of will - will of one person over another

Anarchy - absence of gov.

Tyranny - ^{gov. has} complete

Against the rule of law

- outside forces

- internal forces → national leaders entice us to give freedom away

- misguided citizens

"Under the rule of law, we alone determine what happens to us.
That's how the law makes us free."

Chapter 5 : Independence I

Thomas Paine - "common sense"

- persuaded the people to rebel against Britain

- British legacy of freedom

- in 1215 King John forced to sign Magna Carta

- those taxed must give consent

- common law → due process + trial by jury

- Bill of Rights

The Great Awakening - Jonathan Edwards + religious

sermons "Sinners in the Hands of an Angry God"

- George Whitefield

- helped Americans start to distrust human authority

1760 - relationship w/ Britain changed

- forbade expanding more west

- began taxing

- Boston Tea Party

Chapter 6 : Independence II

There is no freedom w/out virtue,
& no virtue w/out freedom.

Creators of the document:

- Ben Franklin
- Thomas Jefferson
- John Adams

Opponents

- John Dickinson

↳ We owe England

↳ source of our liberty

↳ Correct the imperfections not
burn the house down

↳ will make it easy for civil war

British - advantages

- larger military
- quality troops
- greatest navy in the world
- Economic advantage

America - advantages

- deeper reserves of militia
- home field
- Fighting for a cause they believed in ("Rocky" factor)
- George Washington → kept it together
- British blundering → didn't understand democracy

War in the north : Boston

- Bunker Hill
- Henry Knox retrieved cannons
- British retreated

War in the middle

- Washington crossed the Hudson
- Darkest hour of the war
- Re-crossed on Christmas & won the battle
- "The Crisis" by Thomas Paine
 - ↳ hearts of the fathers turned to the children. Malachi 4:5
- Washington had been divinely protected for this moment
 - Turning point of the war: Saratoga
 - convinced France to join

War in the south

- Washington chose Nathaniel Greene
- made a diversion, & Washington took Yorktown, ending the war.

Monday hw > wed hw

Forces producing individual liberty

- church
- Lords
- Protest
- Capitalism

Elements of a liberal society

- shout it out
- Rules
- are not the property of one person

Elements of the Rule of law

- Generally
- prospective
- publicists
- consent
- to dues.

Chapter 7 + 8

Montesquieu → "The Spirit of the Laws"
- The Division of Power

Four divisions of power in European history:

1.) Church & state

- Constantine moved

2.) State & state

- geography

- Aristocracy

- Magna Carta

3.) church & church

- Renaissance

- Gutenberg's Printing Press

- Martin Luther

- John Calvin

- The church of England

4.) Economy & state

- Capitalism

- birth of banking (Jew + not under Catholic authority)

Reinhold Niebuhr - protestant theologian

- The world is evil because of sin

Preserve freedom → limit power → dividing power
= constitution!

Examples of constitutions:

King Mosiah

Montesquieu → checks & balances

George Whitefield?

Chapter 9

James Madison - Father of the constitution

Articles of Confederation = bad

- only one branch of Gov (legislature)
- poorly represented the people
- no power to tax (only states could)
- no valid national currency
- no united foreign policy

2 close calls:

- Newburgh Conspiracy → angry ex-military (Washington saved it)
- Daniel Shays → made army to overthrow taxation (Massachusetts militia stopped it)

3 debates of the constitutional / convention

#1.) Large vs. Small states - representation

- Great Compromise Senate (2) H.o.R (population)

#2.) North vs. South - slaves a part of population?

- 3/5 Compromise → slave = $\frac{3}{5}$ of a person

#3.) Federal vs. States

"Divinely Inspired Constitution"

- miraculous content

- created the first and more enduring liberal democracy in history

- miraculous participants

- miraculous compromises

Checks & balances

Legislative - makes laws

- overrides prez. veto w/ $\frac{2}{3}$ vote
- powers over funds of executive actions
- remove prez. through impeachment
- Senate approves treaties
- approves prez. appointments

- Create lower courts
- Remove Judges through impeachment
- Senate approves appointments of judges

Executive - carry out laws

- Veto powers
- Call Special Sessions of Congress
- recommend legislation
- Appeal to people concerning legislation
- Pres. appoints Supreme Court & Fed. judges

Judicial branch - power to interpret the laws

- judge executive actions to be unconstitutional
- judge legislative acts to be unconstitutional

Bill of Rights

1. Speech
2. Bear arms
3. Against quartering Soldiers
4. Against unreasonable Search & Seizure
5. Due process
6. Speedy trial
7. Trial by Jury
8. Cruel and unusual punishment
9. Constitution doesn't restrain other rights not listed
10. Power not in Fed. belongs to states & people

Remembering the Constitution

Articles: 7 pieces

Ammendments:

Legs
Execute
Judicious
Shots to
Amend
Debts and
Ratify the Score

1	Sun	6	sticks
2	Shoe	7	heaven
3	tree	8	gate
4	door	9	line
5	hive	10	hen

- 11 - One person can't sue one state
- 12 - 12" in a ruler, how to pick Prez.
- 13 - unlucky. Lucky, abolish Slavery.
- 14 - teens "that's not fair"
 - Slaves get due process
 - automatic citizens
 - 21 to vote odd, but
- 15 - odd number. Slaves can vote.
- 16 - teens, income taxes
not two step process
- 17 - direct elections of senators

18 - liquor abolish
- eighteen "hat ping" alcohol

19 - Woman nineteen knitting ... We want more!
- Woman can vote

20 - twenty is plenty of time
- 20th Jan, old prez. leaves, new comes in

21 - 21 can drink alcohol, no prohibition

22 - TWO terms in office TWO!!

23 - 23 rhymes w/ DC, DC can vote

24 - two four nobody's too poor to vote

25 - 25 give ya old! DPsabled prez.

26 - ten + 2 + 6 = 18 , you picks, two spx, ya can
vote

27 - died and gone to heaven, 2 Seven, can't give
pay raises

Articles

legislative

Executive

Judicial

States

Amendments

Debt

Ratification

27 amendment

Speech

Arms

Quartering

Searches + seizures

due process

Speedy trial

Jury trial

Bail

Personal rights not listed

State rights not listed

one person can't go against state

how appoint Pres. + V. Pres.

Slavery Abolish

Blacks ^{blocks} due process

Blacks vote

income taxes

direct election for Senators

Alcohol

Women vote

Jan 20th inauguration

prohibition abolished

2 terms max

DC votes

Nobody too poor to vote

If Pres. gets old or sick

18 to vote

Can't change salary in same term

Chapter 10

Alexis de Tocqueville - wrote "Democracy in America"
- idea of "tyranny of the majority"

Federalists - in favor of ratification of the Constitution
Anti-Federalists - opposite

Hamilton - put together "Federalist Papers" from himself, James Madison, and John Jay

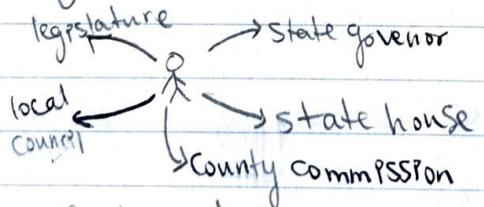
horizontal checks - Ex, legs, jud.

vertical checks - divide power from outside the national government

- States and local government
- Bill of rights → separates economic, cultural, and political power
- Consent of the governed

↳ Checks on democracy

- multiple layers of voting avoids "mob mentality"
(people - electoral college - president)
- dispersing representation



- diluting factional power
(multiply number of factions through a large republic)

Declaration - ends of government

Constitution - means

Auxiliary precautions:

- #1.) Established laws, limited governmental power
- #2.) Direct and indirect elections
- #3.) Continental size, no tyranny of a faction
- #4.) Power to govern divided (Fed., State, local)
- #5.) Separated branches
- #6.) Checks + balances

Chapter 11

enlightenment
Newton → physics

Economics - science of decision-making regarding scarce resources. (Could be time, energy, or mental commitment)

Opportunity cost - whatever we give up in exchange for something. Sleep < study

The secret to wealth is: Free Exchange

- 1st → freedom of property
- freedom to trade

Specialization → making lots lowers cost

Capital investment → investing in something that pays off

Everytime an exchange happens, the economy grows.

The invisible hand - supply and demand. Prices

Law of Demand → less cost, buy more. More cost, buy less.

Law of Supply → More cost, supply more. Less cost, supply less

Every time we buy, we are "voting" on a price.

Price ceiling - put max price (by govt.) → causes shortage

Price floor - opposite → causes surplus

Mao - intervention caused 50 million deaths in famine

Specialization and trade - lowers the marginal opportunity cost (the more we make, the cheaper it is).

Comparative advantage - best at producing it

Crusoe & Friday → Division of labor and free trade?

Chapter 12: Market morality

Andrew Carnegie: Rose to the top working railroad
- accused of being a selfish capitalist

Arguments against capitalism:

- 1.) self-interest
- 2.) profit-seeking
- 3.) competition

Self-interest:

- Adam Smith - self-interest → collective well-being
≠ selfishness
 - pursuing one's own interest (may not be monetary)
 - bad self-interest → selfishness
 - good " " → "enlightened self-interest"
 - ↳ Just Pursuit (right way) → how
 - ↳ Just Intent (right reasons) → why
- Market doesn't fight over a bigger slice of pie, but expand it so everyone gets more.
- Joseph Smith → only if serving others

Competition:

→ BAD, poor service, high prices

- By competing, monopolies aren't possible
 - checking power
- Why is the DMV terrible? Because there's no competition
- Business cooperation would hurt consumers
- Cooperation does exist, but between the buyers and sellers.
- "Social Darwinism" is wrong

Profits:

- 1.) seen as a signal and incentive to produce goods
- 2.) value neutral → morality depends on what you do with them

The ability to choose evil is in the heart, not the economic system.

Chapter 13

Max Weber: Capitalist Condition

Why are some nations richer than others?

• Belief determines economics
(Karl Marx → economics determine belief)

→ "The Protestant Ethic and the Spirit of Capitalism"

Marshmallow experiment → "deferred gratification"

- Willing to invest instead of spend

Deferring grat. → allows capital accumulation

Gross Domestic Product (GDP)

- the value of all the stuff a nation produces in one year

Per capita GDP - annual wealth per person

Congressional Budget Office - "the people in every income group have been better off than their parents"

Economic mobility - able to move to another class

Growing inequality → the poor get richer, but the rich get rich way faster

Secret to American wealth:

- - Free Market
- - Favorable culture → high values, habits, and virtues
- - Abundance of natural resources

Trade softens hostility

Wired PDF document

"The success of an idea"

The technology boom happened somewhere between 1820 and 1830...

"Though shall not steal" implies you have property

Pilgrims were socialists at first

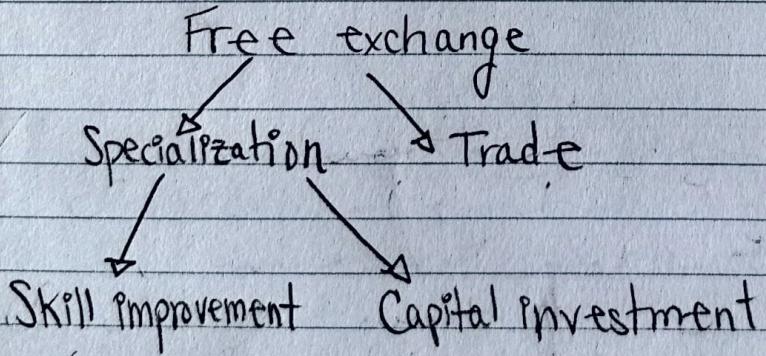
- caused starvation and injustice

Leonard Reed - no one person knows how to make a pencil

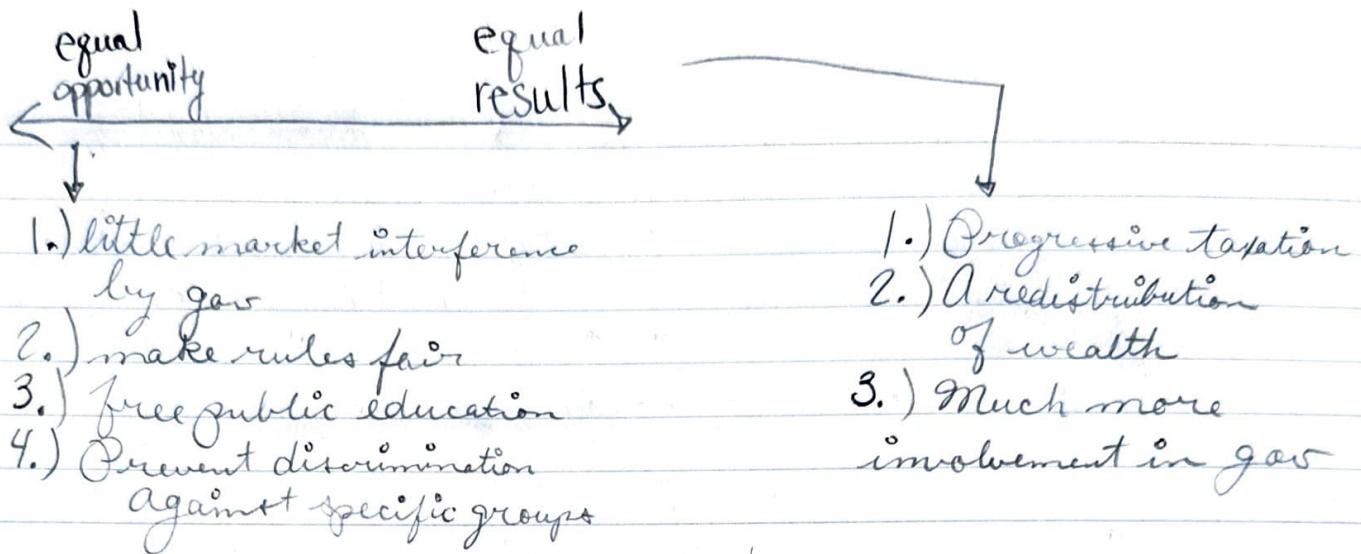
The question isn't whether economy should be planned, it is who should plan it.

Economic freedom - where ^{entrepreneur} can flourish

Prices have gone down, and the value of labor has gone up.



Margaret Thatcher



- Monopoly
 - Horizontal combinations
 - businesses combining
 - Vertical combinations
 - buying all the raw materials +

Chapter 14

Arthur M. Schlesinger

- historian/professor
- advisor to JFK
- argued that political problems come from extremism → book "the vital center" → moderation
→ "goldilocks" approach

"Political-Economic Problem"

- What economic system is the best?

Free market

- principle of liberty
- Myth → free market meant less government, but false because Rule of Law needed
- Myth → freemarket ≠ corporate scandal on government business corruption

Command Economy

- principle of force
- China → "special economic zones" led to prosperity
- India

Controlled Experiments

- North vs. South Korea
- West vs. East Germany

Market weakness

- imperfect information
- Monopoly
- externalities
 - negative ext. → when people are hurt by a transaction they're not a part of
 - Positive → opposite
 - "free rider problem" not necessarily good
- Poverty

- instability

- "only the best survive, "creative destruction"

- problem of inequality

- capitalism rewards smart, luck, virtue....

- some have more than others

- weakness of the business cycle

- experiences "recessions" and "depressions" + economy shrinks

Solutions:

Internal controls

- inspections, rules, regulations, licensing requirements

- Medical doctors must be licensed

- FDA checks Taco Bell

Provide Basic Welfare

- poor are less likely to revolt

- may cause people to become idle

- Arthur Laffer - kill the goose that lays the golden egg

External controls

- forbidding to trade outside country

- *BAD IDEA*

Chapters 18 & 19, and documents

"laissez faire" - let it be

Solving the problem of the business cycle

John Maynard Keynes → Keynesianism

Great depression

Hoover → did a lot but made things worse

FDR → "New Deal"

- "Agricultural Adjustment Act" (AAA)

- Given checks to set price

to crops and meat products so prices go up

- Wages artificially high

- Hired workers through government

Programs

- "National Recovery Administration"

(NRA) was going to control economy but congress struck it down

- Acts to prevent bank failure /

- FDIC

- Relief programs (social security)

- distributing money and resources

to the people is now the government's #1 job.

► Keynesianism - recession occurs because there is insufficient demand (too much supply = idle resources)

- get carried away by "animal spirits" (excessive greed)

- baseball glove example

- To solve → government fiscal policy (taxing & spending)

- ↳ man in / heart attack analogy

- ↳ tax cut (can now buy BB glove...)

- ↳ gov spending (paying workers)

- debt is okay
government

(Chapter 16)

Monetarism - Milton Friedman & Anna Schwartz

- Monetary policy (not fiscal policy) determines stuff

What does \$ do?

- medium of exchange
- unit of account (a measurement)
- store of value (holds value indefinitely)

The Federal Reserve → charged with monetary policy, or regulation of money supply

• increasing money supply

- good things - lower interest rates (the price of money)
- decreased risk of bank failure

BAD - Economic bubbles

↳ when \$ is cheap, people borrow heavily

- Monetarism - depression because of borrowing

- Fed should've increased \$ supply, but instead it ↑
↳ BAD - Inflation - more \$, things cost more

- confuses SSD curve because

people don't know what the \$ is worth

- causes money to "goil"

- punishes delayed gratification

(Friedman) Inflation + stagnation = stagflation

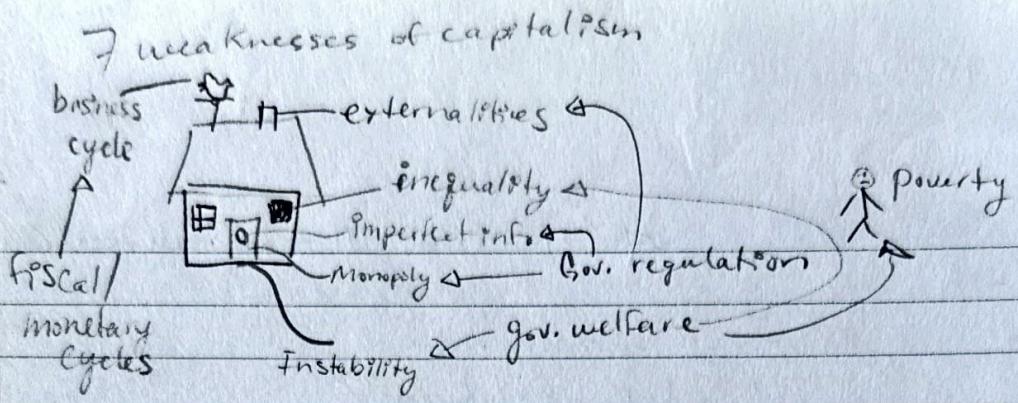
Fed chairman Paul Volcker fixed inflation in 1979 by reducing money supply

Alan Greenspan - "the Maestro" who flooded the market w/ \$ when it crashed and decreased it when it was stabilized to prevent a bubble

Summary: what caused the economic failure

Keynes - economy sick because of market failure (\downarrow demand / \uparrow supply)

Friedman - loose monetary policy (asset bubble)



Nancy Pelosi → Keynesian w/ fiscal policy

Paul Volcker - raised int rates

Alan Greenspan - flooded w/ money

Ben Bernanke - flooded w/ money

Jerome Powell - raised int rates

Inflation : losers → creditors, savers
winners → borrowers, own real estate,
government

Recession : 2 consecutive quarters of declining GDP

Depression : longer, Unemployment rate > 10%

Primary Role of the government in the economy:

- provide info for exchange
- prevent collusion and fraud
- define and protect property rights
- Resolve contracts and enforce agreements
- Provide and guarantees money
- improve transportation and communication

Inflation destroys all three functions of money

1.) Medium of exchange

a.) unstable \$ = no \$

b.) less likely to accept it

2.) Unit of account

a.) \$ as info weakened

3.) Store of value

a.) \$ loses value over time

b.) Tax on savings

c.) protestant ethic punished

Andrew Carnegie - symbol for capitalism
Adam Smith - 1776, book about capitalism

- from Scotland
- go to economics in individual

Chapter 17

Largest force to shape American culture - Christianity

Roger Williams - "father" of American religious liberty

- Puritan dissatisfied w/ Church of England
- Came to America to 1.) escape persecution 2.) do Reformation
- civil + religious authority should be separate (no compelled belief)
- Founded Providence Rhode Island

Arguments at the Founding:

Patrick Henry ("give me liberty or give me death")

1. No freedom w/out morality
2. Morality depends upon religion
3. Conclusion: Government should promote religion
(not to individual choice)

- Most founding fathers agreed on #1 and #2

Thomas Jefferson (#3 of Henry not good)

1. Just because it is good, doesn't mean gov. should force us
2. Violates Lockean natural right to liberty
3. Truth can take care of itself
4. Gov. can force our lips, but not our hearts. Unpossible.
5. Separating church and state will be better for both

(Jefferson prevailed)

Failed explanations for U.S. religiosity

- Secularization

- more modern → less religion

- False, U.S. more religious than 200 years ago

- Karl Marx → religion a tool for economic oppression

- lower-class tricked by upper-class

- False, the rich in U.S. more religious

- Sigmund Freud → people believe ^{b/c} mental weakness

- False, religions are more mentally stable

Two theories that are slightly plausible

- "Jealous seeds" → settlers were religious

- was passed down

- "Religious Economy"

- competition among churches

- quality is better, so people go more

"Candy Bar" Analogy → ONLY Almond Joy?

- decline demand * # of candy bars consumed

- quality would go down

"Can not go wrong w/ liberty no matter what domain" - Adam Smith

What religions do we tend to choose?

- The ones that don't change for the world.

- People want an anchor

Separation between Church & state ≠ God & state

- Government should be neutral towards particular churches, but not religion in general

Constitution → 2 clauses

- Liberals → "Establishment" clause

- Conservatives → "Free exercise" clause

- "Under God" in constitution?
 - Funding religious schools?
 - Prayer/Bible reading in Public Schools?
 - ↳ not allowed. Engel v. Vitale (1962) • Abington v. Schempp (1963)
- Reynolds vs. U.S. (1879)
- Laws can't interfere w/ belief, but can w/ practice.

Chapter 19 Exclusion & inclusion

Diversity, immigration, & the creed

James Wilson - "forgotten founder"

Waves of immigration

- 1.) colonial era
- 2.) mid 19th century → Great potatoe famine
- 3.) late 19th early 20th
- 4.) still going on today (after late 1960s)

Dealing with diversity: Nativism, assimilation,
and multiculturalism

Nativism - tries to stop diversity

ethnocentrism - belief that one is superior

Assimilation - "Melting pot"

- controversial because the American

Creed is primarily Anglo-American

Multiculturalism - "Salad bowl"

- no one identity, but many.

- celebrate being "hyphenated Americans"

Advantages to immigration

- adds diversity

- economic opportunity

Drawbacks

- burden on public sector (use more public services than they pay in taxes)

- drives poverty & inequality ↑

→ crime, drugs, etc; - illegal ≠ rule of law

Chapter 20 Exclusion

Elizabeth Cady Stanton - denied schooling because gender
- abolitionist

Martin Luther King Jr.
- black church was everything to them

3 groups that were denied rights: racial, poor, women

Race

First phase: Emancipation Proclamation
- 13th, 14th, 15th Amendments
- Jim Crow laws
- "Separate but equal"

Second phase: Civil Rights movement
- Economy (boycotting)
- civil disobedience
- Freedom of Assembly

Class

- Only own land could vote, Jackson changed

Gender

Stanton Declaration of women's rights

Why do we not vote?

- cynicism - vote "doesn't matter"
- voting is voluntary
- limited government
- Demography (young people don't vote)

Chapter 18

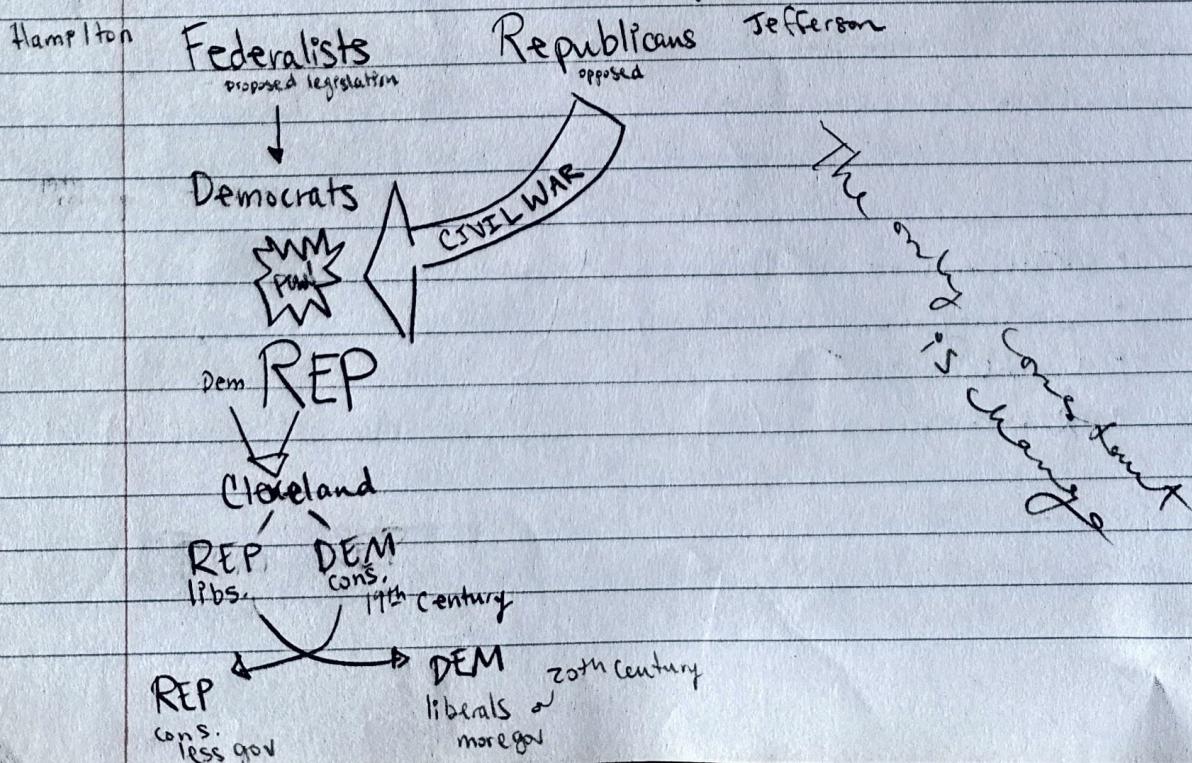
Grover Cleveland - public good, not right vs. left
- remained honest despite political power

E.L. Godkin → left Republican party because of corruption, voted for Cleveland
- those who followed → "Mugwumps"

Parties are constantly evolving - understand ideology,
Party evolution

- Ideology - taking all the issues and packing them up into a bundle
- Political parties - institutions to support an ideology
 - 1.) unite, becomes more powerful than any Jedi
 - 2.) raise money
 - 3.) put candidates who will support causes

History of Ideology in America



James Mitchell
- author

Problems with ideology

- "cons." "lib" only labels that shift

- both want to change or conserve depending on the issue

- "intellectual zombies" → ditto effect

- oversimplifies

- "narrative fallacy"

- "absurdity of clustering"

↳ Cart A or Cart B?

1.) Meanings change 2.) groupthink 3.) Hostility

Martin Van Buren 1820's → proposed
2-party system as a check of power

- dilutes factions

1.) Improves information at voters ("branding")

2.) Moderating. Candidates must move to middle ground

3.) Preserves majority rule (over 50% voter)

Third parties

- majority rule gone

↳ Lincoln 40%, caused Civil War

(There were 4 candidates)

1.) Role of gov-

D - too

R - waste money
& worse

2.) Energy + climate change

D - climate threat

R - No big deal

3.) Crime

D - out of prison

R - Prosecute criminals

4.) Taxing / spending

D -

5.) Voting
D - make it easy
R - Don't discuss issues

6.) Abortion

7.) Immigration

8.) Affirmative action/civil rights

9.) Gun control

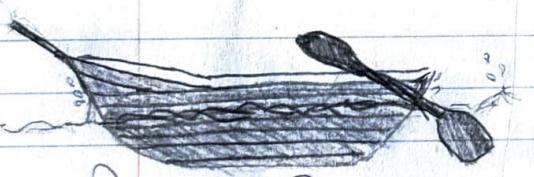
10.) Foreign policy

11.) Entitlement health care

12.) Education

Republic Document Notes

- Constitution not a flexible document
- Constitutional system
 - limited govt.
 - separation of powers
- Government can't waste property
- Lower taxes



Democrat site notes

- enforce wage, hour, & health in workplace
- expand annual visa cap
- high spending
- Election day should be a national holiday
- Make D.C. the 51st state

Chapter 21

Henry David Thoreau: didn't like machines and went to the woods. Wrote "Walden".

- "Transcendentalist"

Enlightenment - universe is like a machine
- describing law at horizon

Romanticism - feelings and stuff

Society: Agricultural → Industrial → postindustrial

Chapter 22

Henry Adams → technology increases power but not morality. Leads to destruction

Conditions for tech innovation (William Bernstein)

- Rule of Law
- Law + securing property rights
 - Safe haven for scientific rationalization
 - Efficient capital markets
 - Mechanisms for improved transportation and communication

Samuel Slater - stole industrial secrets from Britain and brought them to USA

Cotton Gin → slavery

Barbed Wire → open plain turned into squares

Telegraph/Railroad → "mosquitoes"

Reaper → destroyed small family farms

Assembly line → man becomes machine

Automobile → sexual promiscuity?

Mass media → if we consume the same art and entertainment, is it a step forward or backwards?

Bach → rap

Air conditioning → can live in hot places

Nuclear power → decrease war

Information Age challenges

1. Isolate ourselves with certain peop
2. distinction between human and non-human
3. pervasive monitoring
4. Theft online
5. Tech pollution (viruses, spam, porn)

Tudite Critique → new tech destroys jobs
↳ creative destruction

Interpersonal relation critique → texts are shallow

Green critique → tech destroys planet

Romantic critique → wastes time & reduces ability to think

Elder Oak: "Some people are amusing themselves to death - spiritual death"

Chapter 23

George Kennan - containment

- Not fight or be passive, but contain communism where it's at

Interventionism - U.S. should use power for good

1. "National greatness"
2. Solve world problems
3. Further American interests (trade)

Idealism → good vs. evil

- fight for what is right!

Realism → self-interest

- fight for stability and peace
- balancing powers of the world

Isolationism - U.S. should stay out

- "War does not make one great"
- Golden Rule
- Only to defend

America shifted from isolation to intervention in WWI, and has had varying degrees of it since

Chapter 24

Francis Fukuyama → "The end of history"

Human have two desires:

- physical goods
- recognition

→ world is converging to capitalism

Samuel P. Huntington → "clash of civilizations"

- world is diverging to chaos as different groups become more and more... different. (Religion)

John Mearsheimer → but national pride

Three forms of power.

- political (military)
- economic (financial)
- "soft" (cultural)

Unipolarity - U.S.A. has no match in all three realms

Third document:

- clashes of culture will be the downfall

civilization → largest cultural entity