

**School for New Learning  
DePaul University**

**AI 180 Back to the Futures: A Brief History of Futures Trading in Chicago  
Winter 2008**

Faculty: Robert Lassandrello 312-638-3506 cell:630-632-0923 Email: [rlassand1@yahoo.com](mailto:rlassand1@yahoo.com)  
Meetings can be arranged by contacting the instructor.

**Competencies:**

A-4: Can analyze a problem using two different ethical systems.

A-1-E: Can interpret the work of writers or artists within a historical or social context

H-1-C: Can explain the emergence, maintenance or evolution of an economic or political system.

FX: To be written by the student/instructor. Reserved for students who would like to connect this course to specific aspects of their workplace.

**Learning Experience:**

This class will examine the origins of the futures industry in Chicago, following them from the beginning in the mid-19<sup>th</sup> century to the present. We will examine how the fledgling city of Chicago provided fertile soil for the growth of futures trading and continues to support trading today. Commodity futures trading has a long history throughout the civilized world, as products from rice to wheat to tulips have been “forward priced” for centuries, but it wasn’t until the middle of the 19th century that futures or derivatives trading as we know it today began in Chicago. We will look at contemporary news accounts and literary portrayals of the marketplaces. In particular, we will read works by Frank Norris, an early critic of the industry and of late 19th century capitalism in general. We will also spend some time discussing the history of trading and markets around the world, taking time to look at some spectacular bubbles and crashes. This class will be loosely organized around a schedule of lecture, discussion and small group work. A series of readings will be assigned for each week, and these will be discussed in detail. Please bring your questions, concerns and any issues you may have to enliven the discussion. We will also see a few short films and hopefully listen to a couple of guest speakers who are experts in their fields.

**The Instructor:** Robert Lassandrello has worked in the futures industry since 1975, and has been a member of the Chicago Mercantile Exchange since 1977. He received his B.A. from SNL in 1998, and his M.A. in English from DePaul in 2002.

**Expected Outcomes:** After completing this class, all students will have a beginning knowledge of how the futures industry works, its general significance in world finance and more specifically as it relates to Chicago’s past, present and future. Depending on the competence choice, learners will have an understanding of the “big ideas” surrounding their choices, and the ability to transfer understandings uncovered in class from futures related topics to other areas relevant to their lives.

All students will be expected to keep a learning journal, the specifics of which we will discuss in class. For each competency taken, you will be expected to turn in a 7-10 page paper, or with the instructor’s approval, a 15 page paper for two competencies. All paper topics should be approved by the instructor. Also, with the instructor’s approval, for the H-1-C competence in lieu of a paper, there will be the option of engaging in hypothetical futures trading. Students making this choice will research a trading system and use it to place “paper” trades in a market of their choice. A thorough journal describing each step of the entire process will be required.

**Evaluation:** Class evaluation will be divided into, 40% Learning journals, 40% papers and 20% class participation. For individual competencies, you should focus on the following:

A-4: Transactions in the futures industry account for billions of dollars daily, and issues of ethics have haunted the industry from its inception. In class, we will discuss several of those issues in detail. Students can choose any of the issues we cover or discover their own ethical dilemma to examine more closely.

A-1-E: Oddly, there was much more creative energy devoted to exploring commodity trading and futures specifically in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries than any time since. As a result, we will focus in class on some of the work of Frank Norris and a short film by D. W. Griffith. Students may choose either of these artists to concentrate on or choose their own with the instructor's approval.

H-1-C: In the mid-late 19<sup>th</sup> century through the late 20<sup>th</sup> century, dozens of cities established futures exchanges. The Chicago Board of Trade and Chicago Mercantile Exchange became the two most successful of these ventures. Was it something unique about Chicago that encouraged these institutions to flourish? We will examine the history of both of these exchanges and discover some of the reasons for their survival and success.

**Academic Integrity Policy:** This class will be conducted in accordance with DePaul University's guidelines regarding academic integrity. If you are in doubt as to what these are, please consult the student handbook or the instructor.

**Attendance Policy:** Attendance is mandatory in SNL courses. Students and faculty are expected to arrive on time, and to participate in every class session. Obviously, circumstances arise when attendance is impossible. If you find yourself in that position please try and get notes from a classmate. Arrange to hand in any assignments before your missed class. If for some reason you expect to miss more than one class, you may think about asking for an incomplete. See the Student handbook for more information about that process.

**Schedule:** Each week, I will hand out a list of objectives for that classroom session and assignments for the next week. For week one, there will be reading materials posted on the Blackboard. The following is a rough guideline of the material we will encounter in weeks one and two. After that, assignments and expectations will be posted on the class blackboard site. Please come to each classroom session prepared.

**Week 1:** Introduction, course overview and requirements. Discussion of simple economics: Supply/Demand. What are futures? We will begin this discussion, and also start to look at the history of Chicago as a center for agricultural marketing.

**Week 2:** We will watch a short film by D.W. Griffith. We will continue to discuss historical Chicago and the Board of Trade. We will also discuss connections between the Griffith's film and Frank Norris' "A Deal in Wheat." What are the ethical ramifications of market corners? Are they still relevant? We will begin to break into groups according to competence selections.

Weeks 3-11, please see the blackboard.