Financial and Monetary History of the United States  
Economics 444:01  
Fall 2017

Tuesdays/Fridays 11:30-12:50  
Rutgers Academic Building AB-4450 CAC

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Office hours: Mondays 11-12 and Fridays 2-3 or by appointment

Prerequisites

Econ 320 (Intermediate Microeconomic Analysis), Econ 321 (Intermediate Macroeconomic Analysis) and Economics 322 (Econometrics). Money and Banking Econ 301 is recommended. This is an upper level elective course where you are expected to apply the knowledge and expertise that you have gained in the prerequisites.

Course Objective

This course provides a detailed overview and analysis of the evolution of the America financial and monetary policy in the United States from the colonial period to the “subprime” crisis and current recovery. Through historical examples, the principles of banking, finance, and monetary policy are examined. These are the basics for a “Wall Street intellectual” who can knowledgeably read the Wall Street Journal, the Financial Times, the Economist or your favorite economics blog (http://blog.inomics.com/top-economics-blogs/) and fluently talk about finance and money.

Serious Matters: Attendance, Academic Integrity, Add/Drop

Academic Integrity. As always at Rutgers, you are expect to follow the University’s precepts of academic integrity. (See http://academicintegrity.rutgers.edu/)

Attendance. You are expected to attend every class. Attendance is highly correlated with performance on tests. Please do not arrive late to class. If you need to leave early, you must inform me and sit near the door.

Participation. At the beginning of each class, we will discuss the assigned reading. You are expected to have read the articles and to participate.
Course Requirements and Evaluation

1. **Class Participation** (15 percent). You are expected to come to class, having done the assigned readings and other postings. You will be asked specific questions on the readings. You must answer 5 times (3 points each) correctly in the course of the semester for full credit. If when I call on you, you fail to come prepared or miss class, I will deduct 2 points. I will occasionally assign current articles from print and web media for class discussion. I will email you when I post them. **Check your email daily—preferably the night before each class.**

2. **First Exam** (15 percent) **October 6**

3. **Book Review** (30 percent) Due in class **December 1**. On October 20, you will be given a list of books from which to choose. On October 4, you must hand in 1 page listing your choice.

4. **Second Exam** (20 percent) **November 10**

5. **Final Exam** (20 percent), **December 21**, 8-11 am

Note: Makeup Exams are given at the discretion of the instructor. If you anticipate an absence for any reason (religious holiday/sports event), you must inform me no later than September 19.

Required Books—Buy at the Beginning of the Semester
(all paperback)


Required Articles
All of these articles can be found on my Sakai website for our class. I will email you when I post current articles from print and web media for class discussion. Check your email daily—preferably the night before each class.


History of the ATM http://www.smithsonianmag.com/history/atm-dead-long-live-atm-180953838/


**Preliminary Class Schedule**
(Lectures will be posted on Sakai)

Sept 5  Getting Started; The Colonial Legacy, Crisis and the Seven Years War
Sept 8  Financing the War for Independence, Grubb(2006), Kemmerer (1939)
Sept 15  No Class
Sept 19  Banking and the War of 1812, Schwartz (1947),
Oct 6  **FIRST EXAM**
Oct 10  What is Fact in Financial History? Resumption and the Politics of Silver and Gold, ; Friedman and Schwartz, (1963) Ch. 1 pp. 3-14, Ch. 2, pp. 15-32, 50-58, 85-88, Ch. 3, pp. 89-97; 104-122:


Nov 3   Founding of the Federal Reserve and World War I, Morris, “Paul Warburg,” “Carter Glass;” Friedman and Schwartz, Ch. 5, pp. 189-207; Ch. 6, pp. 240-270, 296-8.


Nov 10  SECOND EXAM

Nov 14  The Great Depression 1929-1933 Friedman and Schwartz (1963), Ch. 7 all;

Nov 17  The Great Depression, 1929-1933, Romer (1993)

Nov 22  The Great Depression, 1933-1941 Reading: Friedman and Schwartz, Ch. 8, pp. 420-434, Ch. 9, pp. 493-507, 543-545;

Nov 28  Financing the Second World War & the Korean War, Friedman and Schwartz, Ch. 10, pp. 546-574

Dec 1   New Deal Banking and Finance: Morris, Charles L. Merrill,” “John C. Bogle” Book Reviews Due

Dec 5   The New Finance: Siebert Obituary (2013); Morris, “Michael Milkin,”

Dec 8   The Unraveling of the New Deal and the Great Moderation Morris “Myron Scholes” History of the ATM;
Dec 12  Subprime Crisis and Recovery, Mishkin (2011); Morris, “Sanford I. Weill.”

DECEMBER 21  FINAL EXAM, 8-11 am