

Rutgers University - New Brunswick  
American Economic History  
Economics 305  
Murray 210  
Spring 2018

Section 01 Index 18144

Office: NJ Hall 209C

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Homepage: <http://www.econ.rutgers.edu/home/rockoff> (years out of date).

Office Hours: 3:00-5:00 Tuesday and Friday, or by appointment

Sakai: for syllabus, announcements, etc.

**Prerequisites:** 220:102 and 103, or 200. You should be able to use supply and demand diagrams to analyze the effect of a tax on price and quantity. You should have a basic understanding of financial instruments such as stocks and bonds. And you should have an understanding of producers and consumers surplus, the basic Keynesian model, and the quantity theory of money.

**Learning Goals:** This course surveys the economic history of the United States from colonial times to the present. The text provides a broad outline of general trends and key developments; the class lectures provide a deeper analysis of some of the key events, emphasizing the application of economic analysis. Topics that are important for understanding contemporary economic problems – the impact of technological change, war, and monetary policy, the role of the Federal Reserve in economic crises, among others – will be stressed.

The goal of the course is to increase your knowledge of American economic history and to improve your ability to think critically about the "lessons of history." Most of the lessons concern public policy. For example, how do we evaluate the claim the United States should go back to the gold standard because, because (it is

claimed) the world's monetary system worked well from 1897 to 1914, the heyday of the gold standard? However, learning to think critically about historical evidence is fundamental in many occupations: a stockbroker picking a stock, a marketing executive planning a campaign, a physician determining a diagnosis, a student preparing for a final exam – all have to think about the "lessons of history."

**Text:** The text is Walton and Rockoff: *History of the American Economy*, Thirteenth Edition.

I think the recently published 13th edition is a significant improvement over previous editions and this is the one you should use. There are a many changes, both large and small, from earlier editions. But I don't have an official list of changes.

The decision on which edition to buy, however, is up to you. Much depends on your learning style. If you find that having a text that you can go to and read over slowly is a big help, then it is worthwhile for you to invest in the latest edition. If you seldom read the text, then having the latest edition may not make a difference. If you strive for an A in every course, the latest edition is probably a worthwhile investment.

For students who find buying the book financially burdensome, or who wish to compare earlier editions with the latest edition, several copies of the latest edition will be on reserve in the Alexander Library reading room. I will be distributing some questions based on the text from time to time, so there may be some occasions when you will have to consult the library copies if you don't have the most recent edition.

If you go to Cengage.com and type in my name, you will see the options for buying directly from the publisher. I am not requiring the "Mindtap."

Students are sometimes under the impression that textbooks are expensive because the people who write them earn big advances from the publisher and the publisher then makes big profits. This may be true for a few books by celebrity authors that are used in courses that are taken by many students. But I can assure you that my earnings amount to less than a dollar an hour and I can tell you that the publisher has gone through bankruptcy. Also, any profits I make on sales to students at Rutgers are donated to the university.

**Attendance.** Students are expected to attend all classes; if you have to miss a class, please use the university absence reporting website <https://sims.rutgers.edu/ssra/> to indicate the date and reason for your absence. An email is automatically sent to me.

Please make an effort to be on time. When you miss a class, you alone bear the cost. When you are late you impose a cost on the whole class. If you must come late or leave early, the polite thing to do is apologize, and make an effort not to disturb your classmates as you enter or leave.

**Exams and Grading Procedures.** There are two exams during the term and a cumulative final exam. Each of the in-term exams will count 23%, the final will count 46%, and attendance will count 8%. The grading scale will be the usual Rutgers Scale: 90%-100% = A, 85%-89% = B+, 80%-84% = B, 75-79% = C+, 70-74% = C, 60%-69% = D, below 60% = F. I will also try dropping the lower of the two in-term exams, and counting the remaining in-term as 31%, the final as 61%, and attendance as 8%. In other words, I will shift one third of the weight on lower in-term exam to the other in-term exam, and two thirds to the final. If that calculation produces a higher average, that will be your average for the semester. The grades will be curved -- I will add a few fudge points to everyone's score -- if the standard curve proves to be too tough.

**If You Miss an Exam.** If you miss one of the in-term exams, you do not have to make it up. I will simply weight, as described above, attendance 8%, the in-term exam you did take 31%, and the final 61%. I would strongly advise you, however, not to skip an in-term exam. Suppose, for example, that you do really well on the first exam. You might be tempted to skip the second exam so that you are "going into the final" with a high average. But remember, you are not risking your average by taking the second exam since I will drop the score on the second exam, if it helps you. The final, moreover, is cumulative and there is no better preparation for the part of the final that covers the second segment of the course than taking the second exam. You can't, however, miss both of the in-term exams. If you miss the second exam after having missed the first exam and you have a valid excuse (U.S. Weather Service letter verifying that you were hit by lightning, New Jersey Transit letter verifying that you were run over by a train, etc.) then you can and must make up the second exam. If you miss both in-term exams without a valid excuse for missing the second exam, then I will treat the first two exams as zeros

and multiply the sections of the final exam that cover material from the first two sections of the course by 1.66, approximately a 15% penalty off the top.

The following table lists the class meetings, lecture topics, and readings. It will undoubtedly change as the semester progresses.

<b>Class Meeting</b>	<b>Topic of the Lecture</b>	<b>Chapters</b>
1. Tuesday, January 16	(1) Salient features of American economic history	<b>1:</b> Skim this chapter to get a general sense of the long-term growth of the economy.
2. Friday, January, 19	(2) Mercantilism. (The economic theory that guided relations between the British colonies and North America)	<b>4:</b> It is not necessary to memorize actual trade figures. Rather, aim for a general understanding of the trade patterns.
3. Tuesday, January 22	(3) Revolutionary War	<b>6</b>
4. Friday, January 26	(4) Opening the West	<b>8</b>

5. Tuesday, January 30	(5) Financial History, 1791-1830 (The Federalist Financial Revolution)	<b>12</b>
6. Friday, February 2	(6) Financial History, 1831-1860 (Opium, Wildcat Banking, and Gold)	<b>Continue reading chapter 12.</b>
7. Tuesday February 6	(7) The Economic Impact of the Civil War	<b>13</b>
<b>8. Friday, February 9</b>	<b>FIRST EXAM</b> <b>Multiple-choice and short-answer questions. Some of the material covered on this exam will also be covered on the final which is cumulative.</b>	
9. Tuesday, February 13	(8) The South After the Civil War (Sharecropping)	<b>14</b>
10. Friday, February 16	(9) The South After the Civil War (Debt Peonage)	<b>Continue Reading Chapter 14</b>
11. Tuesday, February 20	(10) Hard Times on the Farm and Populism.	<b>15</b>
12. Friday February 23	(11) The Transcontinental RRs (land grants)	<b>16</b>
13. Tuesday, February 27	(12) Transcontinental RRs (social savings)	<b>Continue Reading Chapter 16</b>

14. Friday, March 2	(13) Industrial Expansion and the “Robber Barons”	<b>17</b>
15. Tuesday, March 6	(14) The Gold Standard	<b>19</b>
16. Friday, March 9	(15) Banking Panics and the Federal Reserve System	<b>Continue Reading Chapter 19</b>
March 10-18	Spring Break	
<b>17. Tuesday, March 20</b>	<b>SECOND EXAM (100 POINTS)</b> <b>Multiple-choice and short answer. Covers the lectures and readings since the first exam. Some of the material covered by this exam will also be covered on the final which is cumulative.</b>	
18. Friday, March 23	(16) World War I (Mobilization)	<b>21</b>
19. Tuesday, March 27	(17) World War I (The Homefront)	<b>Continue study of chapter 21.</b>
20. Friday, March 30	(18) The Roaring Twenties (Prohibition and Social Change)	<b>22</b>
21. Tuesday, April 3	(19) The Bull Market and the Crash of 1929	<b>Continue Reading Chapter 22</b>

22. Friday, April 6	(20) The Great Contraction: One Darned Thing after Another	<b>23</b>
23. Tuesday, April 10	(21) The New Deal	24
24. Friday, April 13	(22) World War II (Home Front)	<b>25</b>
25. Tuesday, April 17	(23) World War II (Military Front)	<b>Continue Reading Chapter 25</b>
26. Friday, April 20	(24) Post War Monetary and Fiscal Policies (I)	<b>28</b>
27. Tuesday, April 24	(25) Post War Monetary and Fiscal Policies (II)	<b>Continue reading chapter 28</b>
28. Friday, April 27	(26) Lecture topic: To be announced	
<b>27. Wednesday. May 9</b>	<p><b>Final Exam</b></p> <p><b>8:00 AM to 11:00 AM in Murray 210.</b></p> <p>The final will be all multiple-choice. About 60 percent of the questions will concern the material presented after the second exam, and about 40 percent will cover the material previously tested on the first and second exams.</p> <p>The exam is too early in the morning and too late in the final exam period. I know. But trying to reschedule a final exam is a nightmare. You just have to adjust your schedule and show up at 8:00 AM on the assigned day in the assigned room and take your medicine.</p>	

**Good luck. You are about to study American Economic History, the most exciting and the most important intellectual discipline in the entire university.**