

Rutgers University - New Brunswick
American Economic History
Economics 305
Fall 2015

Section 01 Index 09951
Tuesday 9:50 AM - 11:10 AM, MU-211
Friday 9:50 AM - 11:10 AM, MU-211

Section 02 Index 09957
Tuesday 11:30 AM - 12:50 PM MU-210
Friday 11:30 AM - 12:50 PM MU-210

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Office Hours: 4:00-5:00 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 an understanding of producers surplus 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, some historians claim, 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*, Twelfth Edition.

I think the twelfth 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 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. 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.

An e-version of the text is available that allows you to download individual chapters as needed. You can purchase eChapters of the text by going to <http://www.cengagebrain.com/>. Then type in my name. At that point you will see various options for the eBook and eChapters. It is still expensive, but at least you can spread the cost out over the course of the semester, and you only need to buy the chapters that are assigned. And should you lose a chapter ... There is also a Kindle version that you can rent or buy.

Students are sometimes under the impression that books 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 just declared 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 final exam. Each of the in-term exams will count 25%, the final will count 45%, and attendance will count 5%. 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 40% and the final as 60%. 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) if the standard curve proves to be too tough.

If you miss an exam. If you miss an exam you must make it up. Only students who miss an exam for medical reasons or similar misfortunes (struck by lightning, run over by a train, etc.) will be allowed to take a makeup without penalty. Students without a valid excuse will be subject to a 9-percentage-point penalty (92 percent on the exam, an A, becomes 83 percent, a B). You must, of course, make up the final if you miss it. Again, students without a valid excuse for missing the final will be subject to a 9-percentage-point penalty. In-term exams will consist of multiple-choice questions and short-written questions such as definitions. The final exam will consist entirely of multiple-choice exams.

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

Class Meeting	Topic of Lecture	Chapters and pages in the text
1. Tuesday, September 1	Salient features of American economic history	1: all. Skim this chapter to get a general sense of the long-term growth of the economy.
2. Friday, September 4	Mercantilism. (The economic theory that guided relations between the British colonies and North America)	4: all. It is not necessary to memorize actual trade figures. Rather, aim for a general understanding of the trade patterns. Pay special attention to economic insight 4.1. 6: pp. 106-109, and Economic Insight 6.1.
Tuesday, September 8	No class. It is Monday at Rutgers.	No Assigned Reading
3. Friday, September 11	Revolutionary War	6: all

4. Tuesday, September 15	Opening the West	8: all.
5. Friday, September 18	Financial History, 1791-1830 (The Federalist Financial Revolution)	12: pp. 203-213.
6. Tuesday, September 22	Financial History, 1831-1860 (Opium, Wildcat Banking, and Gold)	12: pp. 214-221.
7. Friday, September 25	The Economic Impact of the Civil War	13: pp. 234-240. 14: pp. 244-249
8. Tuesday, September 29	FIRST EXAM	Multiple-choice and short-answer questions. Be sure to look at the practice exams on the Sakai website. (You must take the exam with the class you registered for. A penalty will be deducted from your score unless prior arrangements have been made.)
9. Friday, October 2	The South After the Civil War (Sharecropping)	14: pp. 249-261.
Tuesday, October 6	No class	No reading assignment

10. Friday, October 9	The South After the Civil War (Debt Peonage)	Continued discussion of 14 : pp. 249-261
11. Tuesday, October 13	Hard Times on the Farm and Populism.	15 : all.
12. Friday October 16	The Transcontinental RRs (land grants)	16 : pp. 282-295.
13. Tuesday, October 20	Transcontinental RRs (social savings)	16 : pp. 295-297.
14. Friday, October 23	Industrial Expansion and the “Robber Barons”	17 : all.
15. Tuesday, October 27	The Gold Standard	19 : pp. 345-354.
16. Friday, October 30	Banking Panics and the Federal Reserve System	19 : pp.354-359.
17. Tuesday, November 3	SECOND EXAM (100 POINTS)	Multiple-choice and short answer. Covers the lectures and readings since the first exam. (You must take the exam with the class you registered for. A penalty will be deducted from your score unless prior arrangements have been made.)

18. Friday, November 6	World War I (Mobilization)	21: all
19. Tuesday, November 10	World War I (The Homefront)	Continue study of chapter 21.
20. Friday, November 13	The Roaring Twenties (Prohibition and Social Change)	22: pp. 398-415.
21. Tuesday, November 17	The Bull Market and the Crash of 1929	22: pp. 415-420.
22. Friday, November 20	The Great Contraction: One Darned Thing after Another	23: all.
Tuesday, November 24	The New Deal	24: all.
Wednesday, November 25	Class cancelled (Friday classes at Rutgers)	No Reading Assignment
Friday, November 27	No Class (Thanksgiving)	No Reading Assignment
24. Tuesday, December 1	World War II (Home Front)	25: pp. 466 - 473.

25. Friday, December 4	World War II (International Dimensions)	25: pp. 473 - 486.
26. Tuesday, December 8	Post War Monetary and Fiscal Policy and the Crash of 2008	28: all
<p>27. Final Exam. 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 already tested on the first and second exams.</p> <p>The exams are too early in the morning and too late in the final exam period. I know. But trying to reschedule the exams 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> <p>Monday, December 21: 12:00 PM – 3:00 PM. Murray 210. (Room subject to updating). 305/02: (class meets Tu.-Fri. 11:30-12:50)</p> <p>Tuesday, Dec 22, 8:00 – 11:00 AM. Murray 211 (room subject to updating). 305/01 (class meets Tu.-Fri. 9:50-11:10)</p> <p>You must take the final exam with the section for which you are registered. A penalty will be deducted from the score of a student who takes the exam with the “wrong” class.</p>		

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