

Rutgers University - New Brunswick  
American Economic History  
Economics 305  
Fall 2019  
Professor Rockoff

|                        |   |
|------------------------|---|
| Section 01, Room       | Murray 211                                      |
| Section 01, Time       | Tuesday-Friday 9:50-11:10                       |
| Section 01, Index      | 19171   |
| Section 01, Final Exam | December 16, 12:00 PM to 3:00 PM in Murray 211  |
| Section 02, Room       | Murray 213                                      |
| Section 02, Time       | Tuesday-Friday 11:30-12:50                      |
| Section 02, Index      | 19172   |
| Section 02, Final Exam | December 19, 12:00 PM to 3:00 PM in Murray 213  |
| Professor              | Hugh Rockoff                                    |
| Office                 | NJ Hall 209C                                    |
| Office Hours           | 3:00-5:00 Tuesday and Friday, or by appointment |
| Sakai                  | Syllabus, announcements, etc.                   |
| E-mail                 | Rockoff@econ.rutgers.edu                        |

**The Best way to get a message to me:** email Rockoff@econ.rutgers.edu. I seldom look to see if there is a message on my office phone. I have missed many important messages from my stock broker, my wife, my children, and my students because they called my office and left a voicemail.

**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 Gary M. Walton and Hugh Rockoff: *History of the American Economy*, Thirteenth Edition. Cengage. ISBN-13: 978-1337104609.

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 after the start of the semester. I will be distributing some questions based on the text from time to time, and you will want to find the answers to these questions because some of them will be on the exams. So there may be some occasions when you will have to consult

the library copies if you don't have the most recent edition.

There are also various ebook and rental options available that you can check out on Amazon or Cengage. Just type in the name of the text or my name. I will not be using the Cengage Mindtap.

Students are sometimes under the impression that textbooks are expensive because the authors receive big advances from the publishers and the publisher then makes big profits. This may be true for a few books by celebrity authors. 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. 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 22% and the final will count 46%. Attendance will count 10%. This may seem like a lot. But I think there are things that you will learn by attending that you can't get just from reading the book and studying the slides that I post online. And learning to show up is an important skill, as important, perhaps, as the information you will learn from reading and studying. 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 30%, the final as 60%, and attendance as 10%. In other words, I will shift part of the weight on the lower in-term exam to the other in-term exam, and part 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” (that’s what we called them when I was in college) to everyone’s score -- if the standard curve proves to be too tough.

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 ze

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

| <b>Class Meeting</b> | <b>Topic of the Lecture</b>  | <b>Chapters</b>  |
|----------------------|--|--|
|                      | <p>After each lecture I will distribute some questions to see if you were paying attention. You will be well-advised to know the answers to these questions since some of them will be on the exams.</p> | <p>The numbers are the chapters in the 13<sup>th</sup> edition. If you have an earlier version look for the chapter that corresponds to the lecture.</p> <p>Before each lecture I will distribute some questions for the chapter. You will be well advised to search for the answers since some of these</p> |

|                          |  |  |
|--------------------------|--|--|
|                          |  | questions will be on the exams.  |
| 1. Tuesday, September 3  | Salient features of American economic history 1  | 1: Skim this chapter to get a general sense of the long-term growth of the economy. It is not necessary to memorize numbers. |
| 2. Friday, September 6   | Mercantilism. (The economic theory that guided relations between the British colonies and North America) 2 | 4: It is not necessary to memorize actual trade figures. Rather, aim for a general understanding of the trade patterns.      |
| 3. Tuesday, September 10 | The Revolutionary War 3  | 6  |
| 4. Friday, September 13  | NO CLASS   | NO READINGS  |
| 5. Tuesday, September 17 | Opening the West 4   | 8  |
| 6. Friday, September 20  | Financial History, 1791-1830 (Alexander Hamilton and the Federalist Financial Revolution) 5                | 12 You heard the music; now find out what it was all about   |

|                                  |  |                              |
|----------------------------------|--|------------------------------|
| 7. Tuesday,<br>September 24      | Financial History, 1831-1860<br>(Opium, Wildcat Banking, and<br>Gold) 6  | Continue reading chapter 12. |
| 8. Friday,<br>September 27       | The Economic Impact of the Civil<br>War 7  | <b>13</b>                    |
| <b>9. Tuesday,<br/>October 1</b> | <b>FIRST EXAM</b><br><b>Multiple-choice and short-answer questions. Some of the<br/>material covered on this exam will also be covered on the final<br/>which is cumulative.</b> |                              |
| 10. Friday,<br>October 4         | The South After the Civil War<br>(Sharecropping) 8   | 14                           |
| 11. Tuesday,<br>October 8        | The South After the Civil War<br>(Debt Peonage) 9  | Continue Reading Chapter 14  |
| 12. Friday,<br>October 11        | The Birth of Populism 10   | 15                           |
| 13. Tuesday,<br>October 15       | The Transcontinental RRs (land<br>grants) 11   | 16                           |
| 14. Friday,<br>October 18        | Transcontinental RRs (“social<br>savings”) 12  | Continue Reading Chapter 16  |
| 15. Tuesday,<br>October 22       | Industrial Expansion and the<br>“Robber Barons” 13   | 17                           |

|                                     |   |                             |
|-------------------------------------|---|-----------------------------|
| 16. Friday,<br>October 25           | The Gold Standard 14  | 19                          |
| 17. Tuesday,<br>October 29,<br>2019 | Banking Panics and the Federal Reserve System 15  | Continue Reading Chapter 19 |
| 18. Friday,<br>November 1           | <b>SECOND EXAM (100 POINTS)</b><br><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> |                             |
| 19. Tuesday,<br>November 5          | World War I<br>(Mobilization) 16  | 21                          |
| 20. Friday,<br>November 8           | World War I<br>(The Homefront) 17   | Continue reading chapter 21 |
| 21. Tuesday,<br>November 12         | The Roaring Twenties (Prohibition and Social Change) 18   | 22                          |
| 22. Friday,<br>November 15          | The Bull Market and the Crash of 1929 19  | Continue Reading Chapter 22 |

|                                  |   |                                     |
|----------------------------------|---|-------------------------------------|
| 23. Tuesday,<br>November 19      | The Great Contraction: One Darned<br>Thing after Another 20                 | 23                                  |
| 24. Friday,<br>November 22       | The New Deal 21   | 24                                  |
| 25. Tuesday,<br>November 26      | The End of the Great Depression and<br>the Start of World War II 22         | Continue Reading<br>Chapter 24      |
| 26.<br>Wednesday,<br>November 27 | No Class<br>(Wednesday is Friday at Rutgers)                                | <b>No Reading</b>                   |
| Thursday,<br>November 28         | Thanksgiving  |                                     |
| Friday,<br>November 29           | Thanksgiving  |                                     |
| 27. Tuesday,<br>December 3       | World War II (Home Front) 23  | <b>25</b>                           |
| 28. Friday,<br>December 6        | World War II (Military Front) 24  | Continue Reading<br>Chapter 25      |
| 29. Tuesday,<br>December 10      | Panic of 2008 25<br>And information about the Final Exam<br>(Panic of 2019) | 28: section on the Panic<br>of 2008 |



|   |  |
|---|--|
| <p>30a.<br/>Monday,<br/>December 16</p>   | <p><b>Final Exam</b></p> <p><b>12:00 PM to 3:00 PM in Murray 211.</b></p> <p><b>For students in section 01 which meets from 9:50 to 11:10 in Murray 211</b></p>  |
| <p>30b.<br/>Thursday,<br/>December 19</p>   | <p><b>Final Exam</b></p> <p><b>12:00 PM to 3:00 PM in Murray 213.</b></p> <p><b>For students in section 02 which meets from 11:30 to 12:50 in Murray 213</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.**

