I started teaching ECON 464 in 1997 during the Asian Financial Crisis. It is a course in Macroeconomic History. We start with the invention of money in the New Stone Age and end in the current headlines. The greater the current crisis, the more the course is one in current events. In 2003 to 2007 the financial news looked dull and "Financial Crisis" was a history course. Fortunately for the course and unfortunately for the world, for the last five years financial crisis has been a current event. We are scheduled to devote three lectures on the Financial Crisis of 2007, the European Debt Crisis and the slow recovery in the US at the end of the course. But I will go with the flow (of news) and there will be occasional segments on how the history we are covering rhymes with the news.

The center of ECON 464 is the mother of all financial crises: The Great Contraction of 1929 to 1933 and the incomplete recovery which followed. Events then have echoes today. Other highlights of the course (going in time order) include:

1) The extinction of the US national debt in the 1830s and the pretty great depression of the 1840s
2) The controversies over the Gold Standard in the US from 1865 to 1900 and their echoes today
3) The perfect storm of financial crisis in the US in 1907 and the formation of the Fed
4) The collapse of the World Gold Standard and the explosion of national debt during World War I
5) Fiscal wars of attrition in France and Germany in the 1920s and the inflation (France) and hyperinflation (Germany) these wars caused
6) “The Dog Which Didn’t Bark”—Why few financial crises from 1946 to 1980?
7) Bubbles and Busts from Tulips (1600s) to Wall Street (1920s), , to Asian Tigers (boom to 1997), to houses (Boom 1999 to 2007)
8) The Financial Crisis of 2008, the Great Recession, and the Eurocrisis

REQUIRED TEXTS

1) The Wall Street Journal or The Economist
2) Ben Bernanke The Federal Reserve and the Financial Crisis  Princeton University Press 2013 Videos of the Lectures and the Presentation Slides are available online at the Federal Reserve Website
3) Milton Friedman and Anna Jacobson Schwartz  A Monetary History Of The United States, 1867-1960, Princeton University Press 1963; Copies available now in the UW Library (a few copies), an
4) A collection of readings posted on a Catalyst

Catalyst readings are indicated below by *
Required- for those doing a term paper on the 1920s or 1930s:
Barry Eichengreen, *Golden Fetters*; Oxford University Press 1991

Required- for those doing a term paper on the Financial Crisis of 2008

**KEY DATES**

<table>
<thead>
<tr>
<th>QUizzes:</th>
<th>Unscheduled, best 3 of 5</th>
<th>20% of Term Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final:</td>
<td>Thursday December 17 2:30-4:20PM</td>
<td>30% of Term Grade</td>
</tr>
</tbody>
</table>

**TERM PAPER:**

1) Proposal Due in class Wednesday October 21
2) A term paper proposal of 1 page with 3 references  No Grade
   At least 1 reference to an article on this assignment list
   At least 1 reference to an article NOT on this assignment list
   At least 2 References have to be to material not published only on the Web
   One of the references must be *Golden Fetters* if the paper is on the 1920s or 1930s
3) Preliminary Term Paper Due in class Monday November 16  10% of Term Grade
   *Approved Proposal must be resubmitted with Preliminary Term Paper*
   Preliminary Term Paper must be at least six pages with at least six references and in addition at least two graphs or charts
4) Final Term Paper Due Tuesday December 15  5PM  40% of Term Grade
   The Final Term Paper of 12-15 pages (double spaced) of text and at least 3 pages of graphs or charts and at least seven references
   .1 penalty for late Term Paper grade if submitted at Final
   .2 penalty for late Term Paper grade if submitted by first Friday of Winter Quarter
   *The Graded Preliminary Term Paper must be Resubmitted with Final Term Paper*

Some helpful WEBSITES
DELONG  [http://econ161.berkeley.edu/](http://econ161.berkeley.edu/)
IMF  [http://www.imf.org](http://www.imf.org)
Bordo  [http://michaelbodo.googlepages.com/](http://michaelbodo.googlepages.com/)
NBER  [http://papers.nber.org/papers.htm](http://papers.nber.org/papers.htm)

**Assignments Fall 2015**

**Wednesday September 30**
**Introduction, First Class**
  R. A. Radford “The Economic Organization of a P.O.W Camp” ^
  Emailed to registered students
  Ben S. Bernanke  *The Federal Reserve and the Financial Crisis*  Princeton University Press  2
  Lectures by Ben S. Bernanke

**Monday October 5  NO CLASS**

**Wednesday October 7:**
**The Classical Gold Standard**
  Eichengreen,  *Globalizing Capital*: Chapter 1
Friedman and Schwartz, *A Monetary History*; Chapters 1 & 3
Eichengreen, *Globalizing Capital*: Chapters 1 & 2
Michael Bordo, “Gold Standard” *The Concise Encyclopedia of Economics*


May 2013 pp. 61-

**Monday October 12** Bank Crisis
Eichengreen, *Globalizing Capital*: Chapters 2
Friedman and Schwartz, *A Monetary History*: Ch. 4 and Appendix B

**Wednesday October 14:**
World War I – Government Debts and Deficits
Friedman and Schwartz, *A Monetary History* Ch 5
some pages from Ch. 16 of 4th Edition
*Thomas Sargent “The United States Then Europe Now” Nobel Prize Address

**Monday October 19**
The 1920s In Europe and the US
Eichengreen, *Globalizing Capital* Ch 3 pp 45-67
Friedman and Schwartz, *A Monetary History* Ch 6
*Daniel K. Benjamin and Levis Kochin, “Searching for an Explanation of Unemployment in Interwar Britain” *The Journal of Political Economy*, June 1979 441-478 This assignment is mislabeled on Catalyst as Klein and Kochin

*** Term Paper Proposal Due Wednesday October 21 ***

**Monday January 26:**
Booms and Bubbles

**Wednesday October 28** Monday November 2 Wednesday November 4: The Great Contraction 1929-1933
Friedman and Schwartz, *A Monetary History* Ch 7
Eichengreen, *Globalizing Capital* Ch 3 pp 68-91
Monday November 9

The New Deal, the Nazis, and the French 1933-1939
Friedman and Schwartz, *A Monetary History* Ch. 8 and 9
*Eichengreen, *Golden Fetters*, Ch. 11 “The Dollar and the World Economic Conference”

Wednesday November 11 No Class Veterans Day

***Preliminary Term Paper Due Monday November 16 ***

Monday November 16

The Rise and Demise of the Breton Woods System 1944-1973
Eichengreen, *Globalizing Capital:* Ch 4

Wednesday November 18

Emerging Market Debt Crises—1980s and 1990s
Eichengreen, *Globalizing Capital* Ch 6 and 7
*Levis A. Kochin, “Real (Estate) Booms and Busts” Univ. of Washington October 1996

Monday November 23 and Wednesday November 25:

Japan’s Slump, Liquidity Traps and Monetary Policy: Lessons for US?

**“Inflation Targeting” Wikipedia**
*Ben Bernanke, “A Perspective on Inflation Targeting” Speech Given March 2003
*“Taylor Rule” Wikipedia READ THE CURRENT VERSION OF THE WIKIPEDIA ARTICLE
*Paul Krugman, “Thinking About the Liquidity Trap” MIT Dec. 1999

Monday December 1 and Wednesday December 3:

The Housing Boom and Bust, the Credit Crisis, and the Great Recession
1) Ben Bernanke *The Federal Reserve and the Financial Crisis* Princeton University Press 2013
Videos of the Lectures and the Presentation Slides are available online at the Federal Reserve Website
* “Symposia The First 100 Years of the Federal Reserve” *Journal of Economic Perspectives* Fall 2013 pp. 3-120; Articles by Bernanke, Gorton and Metrick, Rotenberg, Eichengreen, and Feldstein are required; the article by Reis is recommended

Monday December 8 and Wednesday December 10:

The Eurocrisis of 2008 to?

**“Eurozone Crisis” Wikipedia READ THE CURRENT VERSION OF THE WIKIPEDIA ARTICLE**
*Michael Bordo and Harold James, “The European Crisis in the Context of the History of Previous Financial Crises” NBER working paper no. w19112, 2013
*Michael Bordo, “Tales from the Bretton Woods” NBER working paper no. w20270, 2014
Additional Readings to be added
52+ Suggested Term Paper Topics
1) Hamilton and his Blessing (The US National Debt) Choose a period I suggest 1789 or 1837 or 1885 or 1945 or 2015
2) Financial Crisis in the UK in the 1800s Baghot and The Bank of England …
3) Boom and Bust in Seattle 1880-1900
4) Would the US have been better off from 1879 to 1914 with silver?
4a) Why did the US have more crises than other industrial countries before 1913?
5) JP Morgan and the Crisis of 1893 or 1907 …
7) The Crisis of 1907 and the Formation of the Federal Reserve System
8) The Financial Crisis of Summer 1914 in the US …
9) The Depression of 1920
10) Did the Fed Stop the Deflation too Soon in 1921?
11) Hyperinflation and/or Stabilization in Germany
12) Inflation and/or Stabilization in France in the 1920s
13) Unemployment in the UK, France or Germany in the 1920s
15) Hoover and the Great Contraction?
17) Did the 1920s Boom Cause the Depression?
18) Could the US have Reversed the Great Contraction without Devaluation?
19) The French Cause the Great Contraction?
20) Did the Death of Strong Cause the Great Contraction?
21) Irving Fisher and The Great Contraction
22) Why Didn’t Output Fall on US Farms in the Great Contraction?
23) Real Wages in Farms and Cities in the Great Depression
24) The Devaluation of the British Pound in 1931
25) The Depression in Germany 1929-1933
26) The European Bank Crisis of 1931
27) The Golden Avalanche and Recovery in the US
28) Liquidity Traps in the 1930s and the current crisis
29) Roosevelt and Depression in China and France
29a) The roles the Roosevelt Treasury and the Fed in generating the Recession of 1937
30) Japan in the Great Depression
31) Recovery and Devaluation in the 1930s
32) The National Recovery Administration and the Recovery From the Great Contraction
32b) What caused the Recession of 1937
33) Economic recovery in one of the UK, the US, Sweden, Japan, Netherland, France or Germany
34) Boom in Palestine in the 1930s
34a) Why did Rosie rivet?
35a) Why didn’t the dog bark? Why so few financial crises from 1945 to 1980?
36) Nixon and Inflation in the 1970s or Nixon and the First Oil Crisis
38) Was the Boom in Japan to 1990 a Bubble?
39) Hyperinflation in (one of) Argentina, Brazil, Russia, Serbia, the Ukraine or Zimbabwe
40) Financial Crisis 1980 to 2015 in (one of) Argentina, Brazil, Chile, Greece, Iceland, Ireland, South Korea, Malaysia, Thailand, Indonesia, Israel, Sweden, Norway, Russia, Turkey or Japan
41) Inflation and stabilization 1970-2010 in one of the US, Israel, Argentina, Brazil, Mexico, and the UK
41a) German Unification and the EMS Crisis of 1993
42) The global savings glut and the shortage of women in China
43) Japanese monetary and fiscal policy in the 1940s, 1950s, 1970s, 1980s, 1990s or 2012-2013
44) Fannie Mae and Freddie Mac and the current crisis
45) Housing Boom and Bust 2001-2009 Spain, Iceland, Ireland, Las Vegas, Phoenix, Miami, or the Inland Empire.
46) Why no Housing Boom or bust in Texas and/or in Germany 2000-2012?
48) Should we cry for you Argentina?
49) Washington Mutual and the Housing Crisis
50) Lehman Bros and the Credit Crisis of 2008-2009
51) The TARP
51a) US State Budgets in 2007 to 2013 pick a state and compare with the country as a whole
52) Governmental Debts and Deficits now in California, Illinois, US, UK, Greece, Dubai, China, Ireland, Norway, Japan, Belgium, Portugal, Spain, Japan, China, Israel or Italy
52a) Euroland in and after the Great Recession Choose One country except Luxemburg
52c) California, Nevada, Florida, Washington, North Dakota or some other state in the Great Recession
52d) Boom and Bust in the Oil Patch and in the US Economy
52e) Financial “Original Sin”
52f) The Yen Carry Trade
52g) Abonomics
52h) Fischer at the Bank of Israel
52i) Pick a Fed Chair any Chair or any President of the Federal Reserve Bank of New York