

EC345 – Economics of the Great Depression Course Syllabus, Fall 2017
Dr. Mike Matheis

Time: TR 2:30-3:45pm

Location: 105 Poisson Hall

Email: mmatheis@anselm.edu

Phone: 641-7390

OH: 207 Joseph Hall, TR 9:30-11:30am, W 1-3pm, and by appointment

Required Texts: Available at bookstore:

The Great Crash 1929, by Galbraith

Lessons from the Great Depression, by Temin

Other readings will be made available in Sakai.

Prerequisites: Economics 141 and 142 are required.

Course Description: This class will examine the causes and consequences of the Great Depression, and will evaluate how lessons from the Depression can be applied to today's policy decisions. Because the main goal of this course is to understand the issues involved, the course will not stick to the 1930s, but will spend much time examining events that came before or after the Depression.

Attendance: Regular class attendance is mandatory and is essential in order to learn the material of this course. You are responsible for all material presented in class, whether you are present or not. After your second absence, your readings/questions/class discussion grade will be reduced by one full letter grade per absence. To avoid distracting others it is requested to be in the class on time and not leave it before it is ended.

Grading: The entire grade for the course will be weighted as follows: Exam 1 (20%), Exam 2 (20%), Final (20%), Research Project (20%), Readings/Questions/Class Discussion (20%).

Final Grades will be based on the following guidelines:

A: 93 A-: 90 B+: 87 B: 83 B-: 80 C+: 77 C: 73 C-: 70 D+: 67 D: 63 D-: 60 F: below 60

Schedule: The following dates are tentative and subject to change, but plan on the following:
Exam 1 (R Oct 5th), Exam 2 (R Nov 9th), Final (T Dec 12th - 1pm).

Exams: All exams are closed book/closed notes. **The final exam is cumulative.** Students who wish to appeal an exam grade must do so within 24 hours of the time the graded exam is returned and need to ask for an appointment with me to discuss the issue. Make-up exams will be provided in approved circumstances. Students must provide sufficient evidence/documentation that his or her absence is excusable and a make-up exam is warranted. If you know ahead of time that you will be missing an exam, notice must be provided one week in advance of the scheduled exam date. Missing two scheduled exams will result in a F for the course.

Research Project & Presentation: Each student will be required to write a paper that is 8-12 pages (double-spaced, 12 point font, 1 in. margins, figures not included), and do a presentation to the class that is at least 5 minutes long, on the impacts of the Great Depression at the state-level. Each student will be required to pick a unique state to research. The paper will be due Thursday November 30th and presentations will begin Tuesday December 5th. More information regarding this project will be provided.

Do not plagiarize for this project in any way! Including material in your paper that is not cited will be taken as plagiarism and is an academic integrity violation. If you want to use excerpts from your source material, cite them (doesn't have to be perfect), and it won't count towards your page total.

Readings/Questions/Class Discussion: Students will be assigned required readings. Students are expected to participate in class discussions that will cover required readings. Discussion questions will be provided for many of the readings, and will be collected for a grade. There may be short quizzes on the reading assignments, depending on the amount of encouragement required to do the reading. Students will also be scored for their participation during specific class projects and discussions. Additional information on scoring will be provided in class.

Course Outline: Topics may include, but are not limited to the following:

A. Bubbles

Galbraith, *The Great Crash, 1929*, Ch. 1–8

Shiller, *Irrational Exuberance*, Ch. 1, 2, 4

B. Banking Crises

Charles Calomiris, "Is Deposit Insurance Necessary? A Historical Perspective," *Journal of Economic History*, June 1990, 50:283–295

Elmus Wicker, *Banking Panics of the Gilded Age*, Cambridge: Cambridge Univ. Press, 2000, Ch. 5

Gary Richardson, "Categories and causes of bank distress during the Great Depression, 1929–1933: The illiquidity versus insolvency debate revisited," *Explorations in Economic History*, Oct. 2007, 44:588–607

C. Causes of the Great Depression

John Maynard Keynes, "An Economic Analysis of Unemployment," in Quincy Wright, ed., *Unemployment as a World Problem*, Chicago: Univ. of Chicago Press, 1931

Milton Friedman and Anna Schwartz, *A Monetary History of the United States*, Princeton: NBER, 1963, Ch. 7

Kindleberger, *The World in Depression, 1929–1939*, Univ. of California Press, 1973, Ch. 7 & 14

Peter Temin, *Lessons from the Great Depression*, Ch. 1–2

D. Ending the Great Depression

Peter Temin, *Lessons from the Great Depression*, pp. 89–108

Christina Romer, "What Ended the Great Depression?" *Journal of Economic History*, Dec. 1992, 757–784

Hsieh and Romer, "Was the Federal Reserve Constrained by the Gold Standard During the Great Depression? Evidence from the 1932 Open Market Purchase Program," *Journal of Economic History*, March 2006, 66:140–176

E. Consequences of the Great Depression

Peter Temin, *Lessons from the Great Depression*, pp. 108–137

Price Fishback, "Government and the Economy," in Fishback et. al., *Government and the American Economy: A New History*, Chicago: University of Chicago Press, 2007

Robert Higgs, "Crisis, Bigger Government, and Ideological Change: Two Hypotheses on the Ratchet Phenomenon," *Explorations in Economic History*, Jan. 1985, 22:1–28

F. The Great Recession

Gary Gorton, *Slapped by the Invisible Hand*, Ch. 1–4

Stephen Cecchetti, "Crisis and Responses: The Federal Reserve in the Early Stages of the Financial Crisis," *Journal of Economic Perspectives*, Winter 2009, 23:51–76.

Alan Blinder, "How the Great Recession Was Brought to an End," 2010

Accessibility and Accommodations:

Saint Anselm College is committed to meeting the needs of students with documented physical, sensory, psychiatric, and learning disabilities. To disclose a disability and request accommodations, please see Kenneth Walker in the Academic Resource Center (ARC), who will assist you in making contact with faculty members and arranging support services and accommodations available within the ARC and elsewhere. To ensure that accommodations are arranged in a timely manner, you are encouraged to make your request at the beginning of each semester.

For questions concerning support services, documentation guidelines, or disability:

Academic Resource Center (ARC)

Kenneth J. Walker, Director

Tel. (603) 641-7193

kwalker@anselm.edu

For additional information on documentation guidelines:

<http://www.anselm.edu/Current-Students/Academic-Resources/Disability-Services.htm>

Academic Integrity/Plagiarism: Cheating will NOT be tolerated. Group studying and working on homework in groups is encouraged; however, directly copying other's work is plagiarism. Academic misconduct in any form will be reported and punished accordingly.