American economic history is the most exciting and interesting course that you can take as a college student! I look forward to working with each of the 20 students enrolled in this course.

**COURSE GOALS:** Our goals for students in this course include, but are not limited to:

- Achieving **basic literacy in American economic history**, i.e., each student is able to identify and discuss cogently major financial crises in American economic history;

- Fostering **critical thinking** by demonstrating the ability to apply economic reasoning to historical stylized facts and policy problems;

- Applying **quantitative reasoning** using appropriate equations and graphs to illustrate theoretical and policy problems in American and global financial and economic crises;

- And developing the expertise needed to effectively **communicate your reasoning** to others in writing and in oral presentations.

**REQUIRED TEXTS**

  o Available in hardback, paperback, and the kindle.

• Articles from economics journals, the *New York Times*, the *Economist*, and the *Wall Street Journal*.

CLASS WEB PAGES AND ECONOMIC HISTORY WEB PAGES

The syllabus, other class documents, handouts, articles, and updates are posted on the class website at [https://laulima.hawaii.edu/portal](https://laulima.hawaii.edu/portal).

COURSE REQUIREMENTS:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Book Review &amp; In-Class Panel</td>
<td>20%</td>
</tr>
<tr>
<td>Three Short History and Policy Essays</td>
<td>30%</td>
</tr>
<tr>
<td>Attendance and Participation</td>
<td>10%</td>
</tr>
<tr>
<td>Midterm Examination (Nov. 24)</td>
<td>30%</td>
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<tr>
<td>Pop Quizzes</td>
<td>10%</td>
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ATTENDANCE REQUIREMENTS

It is expected that students will attend ALL classes; be familiar with assigned readings prior to class; have reserved the scheduled class times to attend class and have not double-booked the time. Students who miss (unexcused for sickness or approved University events/travel) more than THREE classes will have their attendance and participation grade marked down by 1% for each additional class missed. If you are missing more than THREE classes, you are going to have problems passing the class—period. Please see me to discuss any extended absences.

Students are expected to participate in class discussions of assigned readings. Throughout the semester, the instructor will assign students to make a presentation for the next class or to serve on a panel to discuss the assigned readings and other topics.

BOOK REVIEW

Teams of four students will choose a book on the recent financial crisis from the list at the end of the syllabus and each student will write a 5-6-page review of the book. I will hand out several examples of excellent book reviews from *The New York Times* and make a ten-minute presentation on October 15 regarding essentials of reviewing a book. The book review is due to a student peer reviewer on November 3; the peer review is due on November 10; the final book review is due on November 17. Late reviews will be
marked down by 1/3 of a grade per day (A to A-, etc.). A team of student who reviewed each of the books will make a presentation in class on November 26, December 1, 3, and 8.

THREE SHORT CRITICAL ESSAYS

Each essay is expected to be 5-6 pages. Students must meet with me or the teaching assistant to review the first draft of essays one and two prior to handing in their final draft. The first draft of essay three will be reviewed by a peer partner from the class.

Essay One. A critical review of Chapter 6 in Reinhart and Rogoff. First draft due on Sept. 10. Final draft due on Sept. 22.

Essay Two. Was the San Francisco Earthquake the underlying cause of the 1907 Financial Crisis? First draft due on Oct. 6. Final draft due on Oct. 15.

Essay Three. Professor Blinder argues in After the Music Stopped that a major cause of the subprime financial crisis was rising inequality in the United States. Review and critique this argument. First draft due on Nov. 26; send to assigned peer reviewer. Peer review due on Dec. 3. Final draft due on Dec. 8 in class.

MIDTERM EXAM

The midterm exam must be taken in class on the assigned date. It is scheduled for 3-4:30 pm on Nov. 24 in our usual classroom.

POP QUIZZES

Anytime during any class. The quizzes cover any topic from the assigned reading for the class.

QUESTIONS? PROBLEMS? NEED TO MAKE AN APPOINTMENT?

Please leave a phone or e-mail message if you need to make an appointment! If you are having problems with the course, come see me as soon as possible to discuss how to get back on track!

E-mail: lacroix@hawaii.edu
Phone: (808) 956-7061.

STUDENTS WITH DISABILITIES

Students with disabilities who may need disability-related classroom accommodations are encouraged to make an appointment to see me as soon as possible.
REQUIRED READING ASSIGNMENTS

The instructor reserves the right to change (add/delete) required readings as the semester progresses. Newspaper articles from New York Times web site will be assigned periodically. Early in the semester, plan to visit the Times web site and obtain a user name and password. The site is free; go to http://www.nytimes.com.

LECTURE CALENDAR AND READING LIST

Bored over the summer? Your parents are driving you crazy and your friends don’t return your texts? The Facebook website is down? No panic! Find a quiet corner and read Alan Blinder, After the Music Stopped. If you do this, the class will be much, much easier and smoother and enjoyable and less work during the semester.

First day of class is August 25 and last day of class is December 10. No class on Monday, September 1 (Labor Day).

August 25 Opening Class—Fast review of United States economic history and financial crises

**Five Financial Crises, The Economist, April 10, 2014.

PART I: INTRODUCTION TO ECONOMIC CRISES

August 27 Currency, banking, and debt crises.

**Reinhart and Rogoff, This Time is Different, chs 1, 2, and 3

September 1 No Class: Labor Day! Can’t enjoy the holiday without some economics? Start listening at the beach to the book that you are going to review. Most are available as audio books. Easy to do and an early start!!

September 3 More currency banking and debt crises

**Reinhart and Rogoff, This Time is Different, chs. 4, 5, and 6.

September 8 Debt and Crisis.

**Reinhart and Rogoff, This Time is Different, chs. 10, 11, and 12.

PART II: FOUR US ECONOMIC CRISES

Sept. 10 and 15 FIRST CRISIS: Crisis of 1792

SECOND CRISIS: Crisis of 1837


Understanding the Gold Standard


THIRD CRISIS: The Panic of 1907


Establishment of the Federal Reserve: 101th Anniversary!!!!


FOURTH CRISIS: The Great Depression

The Deep 1920-21 Recession and the Roaring 20s

**Hugh Rockoff and Gary Walton, “Ch. 22: The Roaring 20s,” in

1929-1933: Stock Market Crash, the Fed’s Initial Response, Gold Reserve Requirements


Banking in the Twentieth Century


**PART III AT THE CREATION: THE NEW WORLD MONETARY ORDER**

Oct. 20-29 From the Gold Standard to the $Dollar $tandard


**PART IV: FROM THE GREAT MODERATION TO THE GREAT RECESSION**

Nov. 3 Modern Stock Market Booms and Meltdowns and Monetary Policy


Nov. 5 The Great Recession I
Alan Blinder, *After the Music Stopped*, Parts I and II

Nov. 10 The Great Recession II
Alan Blinder, *After the Music Stopped*, Part III

Nov. 12 The Great Recession III
Alan Blinder, *After the Music Stopped*, Part III

Nov. 17 The Great Recession IV
Alan Blinder, *After the Music Stopped*, Part IV

Nov. 19 The Great Recession V
Alan Blinder, *After the Music Stopped*, Part V

Nov. 24 **In Class Midterm Examination!!!!!!!**
PART V: STUDENT TEAM PRESENTATIONS OF BOOK REVIEWS

Nov. 26  Student Team Book Presentations—peer graded.
Dec.  1  Student Team Book Presentations—peer graded.
Dec.  3  Student Team Book Presentations—peer graded.
Dec.  8  Student Team Book Presentations—peer graded.
Dec. 10  What did you learn?

Books for Team Book Reviews and Presentations

Andrew Ross Sorkin (2009), Too Big to Fail.


Michael Lewis (2010), The Big Short.

Nouriel Roubini and Stephen Mihm (2010), Crisis Economics.


Michael Lewis (2014), Flash Boys.

Most books are in hardback, paperback, in audible audio (great to listen to your book on your iPad over spring break while you fly somewhere or enjoy the beach), and available on the kindle.

ALOHAn Class ends. ALOHA!