

ECONOMICS 341H1F

THE ECONOMIC HISTORY OF THE TWENTIETH CENTURY: TRADE, MIGRATION, MONEY, AND FINANCE

University of Toronto
Department of Economics
2020

Course Information

Instructor: Professor J. Cohen
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Course website: <https://q.utoronto.ca/>
Course Lectures: Tuesday 10-12, In Person, Live Streamed and Recorded
Tutorial (as required): Wednesday 1-2, In Person, Live Streamed, and Recorded
Office hours: Wednesday 3:00-5:00pm on-line via Face Time or the equivalent, by appointment.

Prerequisites

ECO200Y/204Y/206Y/(ECO230Y, POL208Y). Please note: the department checks prerequisites. Students who have not taken the necessary prerequisites will not be allowed to take the course.

Course Goals

This course is designed for third and fourth year specialist students, especially those in economics, commerce, international relations and history. The focus is on growth and fluctuations in Europe and North America between roughly 1870 and 1939, with emphasis on international trade and payments, migration, investment, and monetary arrangements.

Coursework, Assignments and The Marking Scheme (In the Time of Covid)

As you all know, the university has put in place strict health and safety guidelines to help keep us all well. For ECO341H, this means that students this year will follow the lectures (and participate in the tutorials) in one of three, not necessarily mutually exclusive ways – in person, live streamed, and/or recorded. Moreover, traditional in person final exams will not be given in the fall term. The assignments and evaluation schemes must, therefore, accommodate a variety of participation methods and exam restrictions. I explain below how I plan to proceed.

Tests:

There will be **five** ‘take-home’ tests, each worth 5 points. (**SEE SYLLABUS FOR DATES AND COVERAGE OF EACH TEST.**) They will be administered as follows. On the day of the test, the question (no choice) will be posted on the course web site at 9 AM Toronto time. **Answers, based on starred readings and material presented in the lectures, not to exceed 500 words must be submitted online by 11:59 PM of the same day.** Grades will be posted as soon as possible on the course web site.

Although the tests can be thought of as relatively low stakes writing assignments, they will help you synthesize course material, hone your writing skills, and learn something about the economic history of the 20th century.

Short Essays:

There will be **three short essays (maximum five double spaced pages, not including tables, figures, bibliography, and end notes)**, each worth 25 percent of your final mark. Due dates and a restricted set of topics (you must choose one from those listed) are included at the end of the Syllabus under the heading **The Essays**. I also describe the grading scheme that will be used to evaluate your efforts.

To summarize, your final grade in the course will be based on the following marking scheme:

FIVE TESTS	5% (EACH)
THREE ESSAYS	25% (EACH)

Marking and Appeals

Grades in this course will follow the Faculty's guidelines as outlined in the Calendar, which can be found here:

http://www.artsandscience.utoronto.ca/ofr/calendar/Rules_&_Regulations.html#grading

Disputes over the evaluation of a piece of work should first be submitted to Professor Cohen in writing within two weeks of receiving the grade on the disputed piece of work. If, following consultation with Professor Cohen and/or the TA, the matter remains unresolved, students should follow the procedure for pedagogical appeals found here:

http://www.artsandscience.utoronto.ca/ofr/calendar/Rules_&_Regulations.html#appeals_petitions.

Readings

At present, all libraries on the St. George campus are closed. They may open before or during term but, then again, they may not. That is the bad news. The good news is that all required reading in books (now including Hatton and Williamson, *Global Migration and the World Economy*), in journals, and in working papers, are available online. This means that you will have no difficulty accessing these materials from the comfort of your home. To facilitate this access, all URLs (where available) are included on the Syllabus and I have also included a link to all these materials through the course web site in Quercus under Library Course Reserve.

Although there is no textbook for the course, some of you may wish to purchase the following two books:

1. **C.H. Feinstein, P. Temin, and G. Toniolo, *The World Economy Between the World Wars* (Oxford, 2008)**

2. **B. Eichengreen, *Globalizing Capital: A History of the International Monetary System, Second Edition* (Princeton, 2008)**

(The content of these books is also available online – see the Syllabus for the URL link.)

A limited number of copies are available in the University of Toronto Bookstore.

The following abbreviations (with their full titles) are used in the readings:

Abbreviation	Full Title
EHR	Economic History Review
JEH	Journal of Economic History
EEH	Explorations in Economic History
EREH	European Review of Economic History

TOPICS AND READINGS [Please note that lecture dates are indicated in bold next to the topic headings.]

PRE-WORLD WAR II

I. Globalization Before 1914 and The Classical Gold Standard

1. Trade Liberalization and Mass Migration [**September 15-22**]

*K. O'Rourke and J. Williamson, *Globalization and History* (1999), Chapters 3-4.

<https://ebookcentral-proquest-com.myaccess.library.utoronto.ca/lib/utoronto/detail.action?docID=3338827>

O'Rourke and Williamson, Chapters 11-12.

D. Jacks, C.M. Meissner, D. Novy, "Trade costs in the first wave of globalization", *EEH*, 47 (April 2010).

<https://journals-scholarsportal-info.myaccess.library.utoronto.ca/browse/00144983/v47i0002>

"An inconvenient iota of truth; Tariffs and wages", *The Economist*, 420.9001 (August 6, 2016).

<http://search.proquest.com.myaccess.library.utoronto.ca/docview/1809127478/fulltext/21A8B87E946D4456PQ/52?accountid=14771>

*T.J. Hatton and J. Williamson, *Global Migration and the World Economy: Two Centuries of Policy and Performance* (2005), Chapters 4, 6.

M. Gomellini and C. O'Grada, "Brain Drain and Brain Gain in Italy and Ireland in the age of Mass Migration", University College Dublin, Center for Economics Research, *Working Paper Series, WP 2019/17* (March 2019).

<http://hdl.handle.net/10197/9681>.

R. Abramitzky, L. Boustan, and K. Eriksson, "A nation of immigrants: Assimilation and economic outcomes in the age of mass migration", *Journal of Political Economy*, 122, 3(2014).

<http://www.journals.uchicago.edu.myaccess.library.utoronto.ca/toc/jpe/2014/122/3>

R. Ambramitzky and L. Boustan. "Immigration in American economic history", *Journal of Economic Literature*, 2017, 55(4), 1311-1345.

<https://search-proquest-com.myaccess.library.utoronto.ca/docview/1973990663/9E80F45E13F44E81PQ/2?accountid=14771>

S. Segueria,, N. Nunn, N. Qian, "Immigrants and the making of America" *Review of Economic Studies*, 87, 1 (2020), 382-419.

<https://academic-oup-com.myaccess.library.utoronto.ca/restud/article/87/1/382/5373087>

P. Giuliano and M. Tabellini, “The Seeds of Ideology: Historical Immigration and Political Preference in the United States”, NBER, Working Paper 27238 (May 2020).

https://www.hbs.edu/faculty/Publication%20Files/20-118_c98ca039-ab5c-4816-b8cd-a5b2e582c882.pdf

Yanney Spitzer and Ariell Zimran. “Migrant self-selection: Anthropometric evidence from mass migration of Italians to the United States, 1907-1925”, *Journal of Development Economics*, 134 (2018), 226-247.

https://journals-scholarsportal-info.myaccess.library.utoronto.ca/pdf/03043878/v134icomplete/226_msaeftittus1.xml

TEST 1: TRADE LIBERALIZATION AND MASS MIGRATION (SEPTEMBER 29)

2. The Classical Gold Standard: Capital Mobility and the Trilemma [**September 29**]

*B. Eichengreen, *Globalizing Capital*, Chapter.2.

<https://ebookcentral-proquest-com.myaccess.library.utoronto.ca/lib/utoronto/detail.action?docID=483542>

*Alan M. Taylor and Maurice Obstfeld, “Globalization and Capital Markets”, NBER, *Working Paper 8846* (2002). Pages 1-15, 45-55.

<http://www.nber.org.myaccess.library.utoronto.ca/papers/w8846>

B. Eichengreen, *Golden Fetters: The gold standard and the great depression 1919-39* (1992), Chapter 2.

<https://www-oxfordscholarship-com.myaccess.library.utoronto.ca/view/10.1093/0195101138.001.0001/acprof-9780195101133>

Marc Flandreau, “Central bank cooperation in historical perspective: A skeptical view”, *EHR*, L (November 1997), 735-763.

link: <http://www.jstor.org.myaccess.library.utoronto.ca/stable/2599884>

Antoni Estevadeordal, Brian Frantz, Alan M. Taylor, “The Rise and Fall of World Trade, 1870-1939”, *The Quarterly Journal of Economics*, 118, (May 2003), 755-787.

<https://www-jstor-org.myaccess.library.utoronto.ca/stable/pdf/25053910.pdf>

“Two out of Three Ain’t Bad; The Mundell-Fleming Trilemma”, *The Economist*, 420.9004 (August 27, 2016).

<http://search.proquest.com.myaccess.library.utoronto.ca/docview/1814253602/fulltext/2A02AFBF98194C62PQ/55?accountid=14771>

II. The Inter-War Period: Reparations, Inflation, Slow Growth

1. Overview [October 6]

*Feinstein, Temin, and Toniolo, Chapters 1, 3-5.

<https://www-oxfordscholarship-com.myaccess.library.utoronto.ca/view/10.1093/acprof:oso/9780195307559.01.0001/acprof-9780195307559>

C.P. Kindleberger, *The World in Depression* (1986 Edition), Chapter 3.

<https://babel.hathitrust.org/cgi/pt?id=mdp.39015003838276>

2. The Economic Consequences of the 1918 Influenza Pandemic [October 13]

*S. Correria, S. Luck, and E. Vermer “Pandemics Depress the Economy, Public Health Interventions Do Not: Evidence from the 1918 Flu”, July 5, 2020.

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3561560

R. Barro, J. Ursua, and J. Weng, “The Coronavirus and the Great Influenza Pandemic: Lessons from the “Spanish Flu” for the Coronavirus’s Potential Effects on Mortality and Economic Activity”, NBER, *Working Paper 26866* (April 2020).

<https://www-nber-org.myaccess.library.utoronto.ca/papers/w26866.pdf>

F. Velde, “What Happened to the US Economy During the 1918 Influenza Pandemic? A View Through High Frequency Data”, Federal Reserve Bank of Chicago, *Working Paper 2020-11* (April 11, 2020).

<https://doi.org/10.21033/wp-2020-11>

E. Brainerd and M. Siegler, “The Economic Effects of the 1918 Influenza Epidemic” CEPR, *Discussion Paper 3791* (February 2003).

https://cepr.org/sites/default/files/news/FreeDP_20March.pdf

M. Carillo and T. Jappelli, “Pandemics and the Local Economy: Evidence From the Great Influenza in Italy”, CSEF, *Working Paper 568* (June 2020).

<http://www.csef.it/WP/wp568.pdf>

TEST 2: THE CLASSICAL GOLD STANDARD, INTER-WAR OVERVIEW, 1918 FLU PANDEMIC (OCTOBER 20)

3. Reparations and Inflation In Germany: A Sovereign Debt Problem? [October 20]

*Eichengreen, *Golden Fetters*, Chapter 5.

<https://www-oxfordscholarship-com.myaccess.library.utoronto.ca/view/10.1093/acprof:oso/9780195307559.01.0001/acprof-9780195307559>

com.myaccess.library.utoronto.ca/view/10.1093/0195101138.001.0001/acprof-9780195101133-chapter-5

*Albrecht Ritschl, “The German Transfer Problem 1920-1933: A sovereign Debt Perspective”, CEP Discussion Paper No 1155 (July 2012)
<https://ideas.repec.org/p/cep/cepdps/dp1155.html>.

N. Ferguson, “Constraints and room for maneuver in the German inflation of the early 1920s” *EHR*, 49, 4 (November 1996), 635-66.
link: <http://www.jstor.org.myaccess.library.utoronto.ca/stable/2597967>

T. Sargent, “The ends of four big inflations”, in T. Sargent, *Rational expectations and inflation* (1986).
<https://ebookcentral-proquest-com.myaccess.library.utoronto.ca/lib/utoronto/detail.action?docID=1165332>

Jose Lopez and Kris Michener, “Uncertainty and Hyperinflation: European Inflation Dynamics after World War I”, CESifo, *Working Paper 7066*, (May 2018).
Link: https://www.cesifo-group.de/DocDL/cesifo1_wp7066.pdf

T. Balderston, *Economics and Politics in the Weimar Republic* (2002), Chapters 2-3.

M. Hantke and M. Spoerer, “The imposed gifts of Versailles: the fiscal effects of restricting the size of Germany’s armed forces 1924-9”, *EHR*, 63, 4 (November 2010), 849-864.
<http://www.jstor.org.myaccess.library.utoronto.ca/stable/i40041828>

4. Slow Growth in Britain [**October 27**]

*B. Eichengreen, “The British economy between the wars” in R. Floud and P. Johnson, eds., *Cambridge Economic History of Modern Britain*, Volume II (2004).
<https://www-cambridge-org.myaccess.library.utoronto.ca/core/books/cambridge-economic-history-of-modern-britain/6DD4D53D2DE152AC6545BA97FBB02286>

*S. Bowden and D. M. Higgins, “British industry in the interwar years” in R. Floud and P. Johnson, eds. *Cambridge Economic History of Modern Britain*, Volume II (2004).
<https://www-cambridge-org.myaccess.library.utoronto.ca/core/books/cambridge-economic-history-of-modern-britain/6DD4D53D2DE152AC6545BA97FBB02286>

James Cloyne, Nicholas Dimsdale, and Natacha Postel-Vinay. “Positive effects of fiscal policy on economic growth: New evidence from the Great Depression in Britain”, *VOX EU* (2 November 2018).

<https://voxeu.org/article/interwar-british-fiscal-policy-and-economic-growth>

M. Thomas, “The macro-economics of the inter-war years” in R. Floud and D. McCloskey, eds., *The economic history of Britain since 1700*, second edition, Volume 2 (1994).

N. Crafts, “British relative economic decline revisited: The role of competition”, *EEH* 49 (January 2012), 17-29 (especially pages 21-22).

<https://journals-scholarsportal-info.myaccess.library.utoronto.ca/browse/00144983/v49i0001>

S. Broadberry and N. Crafts, “Britain’s productivity gap in the 1930s: Some neglected factors”, *JEH* 52 (September 1992), 531-588.

<https://www-jstor-org.myaccess.library.utoronto.ca/stable/pdf/2122884.pdf>

TEST 3: REPARATIONS AND INFLATION IN GERMANY, SLOW GROWTH IN BRITAIN (NOVEMBER 3)

III. The Great Depression

1. Overview

*N. Crafts and P. Fearon, “Lessons from the 1930s Great Depression”, *Oxford Review of Economic Policy*, 26, 3 (2010), 318-338. link: <http://oxrep.oxfordjournals.org.myaccess.library.utoronto.ca/content/26/3.toc>

C. Feinstein, P. Temin, and G. Toniolo, Chapters 7-8.

Randall E. Parker, *The Economics of the Great Depression: A twenty-first century look back at the interwar era* (2007), Chapter 1.

N. Crafts and P. Fearon, eds., *The Great Depression of the 1930s: Lessons for Today* (2013), various chapters. [All the chapters in the book appeared initially as articles in a special issue of the *Oxford Review of Economic Policy*, 26, 3 (2010).]

2. USA: The Money Supply, Finance, and Aggregate Demand [November 10-17]

*M. Friedman and A.J. Schwartz, *A Monetary History of the United States, 1867-1960* (1963), Chapter 7, 299-62.

<https://hdl.handle.net/2027/mdp.39015001411571>

OR

<https://www-cambridge-org.myaccess.library.utoronto.ca/core/books/cambridge-economic-history-of-the-united-states/036F3F755BAB1938FA770084080C0E6F>

*P. Temin, "The Great Depression" in S. Engerman and R. Gallman, eds., *Cambridge Economic History of the United States*, Vol. III (2000), 301-28.

<https://www-cambridge-org.myaccess.library.utoronto.ca/core/books/cambridge-economic-history-of-the-united-states/036F3F755BAB1938FA770084080C0E6F>

G. Richardson and W. Troost, "Monetary Intervention Mitigated Banking Panics during the Great Depression" *Journal of Political Economy*, 117 (December 2009), pp. 1031-1073.

<http://www.jstor.org.myaccess.library.utoronto.ca/stable/10.1086/598180>

P. Fishback, "US Monetary and Fiscal Policy in the Great Depression", *Oxford Review of Economic Policy*, 26, 3 (2010), 385-413.

<http://oxrep.oxfordjournals.org.myaccess.library.utoronto.ca/content/26/3.toc>

B. Bernanke, "Nonmonetary effects of the financial crisis in the propagation of the Great Depression", *American Economic Review*, 73 (June 1983), 257- 276.

<http://www.jstor.org.myaccess.library.utoronto.ca/stable/i331354>

P. Temin, *Did Monetary Forces Cause the Great Depression?* (1976), Chapters 2-4.

M. Olney, "Avoiding default: The role of credit in the consumption collapse of 1930", *Quarterly Journal of Economics*, CXIV (February 1999), 319-35.

<http://www.jstor.org.myaccess.library.utoronto.ca/stable/i324115>

C. Romer, "The Great Crash and the Onset of the Great Depression" *Quarterly Journal of Economics*, 105 (Aug. 1990), 597-624.

<http://www.jstor.org.myaccess.library.utoronto.ca/stable/i352307>

C. Romer, "The Nation in Depression", *Journal of Economic Perspectives*, 7 (Spring 1993), pp. 19-39.

<http://www.jstor.org.myaccess.library.utoronto.ca/stable/i337436>

B. Eichengreen, *Hall of Mirrors* (2015), selected chapters.

G. Eggertsson, "Was the New Deal contractionary?" *American Economic Review*, 102, 1 (2012), 524-555.

<http://www.jstor.org.myaccess.library.utoronto.ca/stable/i40068561>

TEST 4: GREAT DEPRESSION OVERVIEW, USA (NOVEMBER 24)

3. Europe: Finance, The Gold Standard, and the Collapse of International Trade
[November 24]

*C. Feinstein, P. Temin, and G. Toniolo, Chapters 6.

<https://www-oxfordscholarship->

com.myaccess.library.utoronto.ca/view/10.1093/acprof:oso/9780195307559.01.0001/acprof-9780195307559

*N. Wolf, "Europe's Great Depression: Coordination failure after the First World War", *Oxford Review of Economic Policy*, 26, 3 (2010), 339-369. link: <http://oxrep.oxfordjournals.org.myaccess.library.utoronto.ca/content/26/3.toc>

R. Grossman and C. Meissner, "International Aspects of the Great Depression and the Crisis of 2007: Similarities, differences, and lessons", *Oxford Review of Economic Policy*, 26, 3 (2010), 318-338.
<http://oxrep.oxfordjournals.org.myaccess.library.utoronto.ca/content/26/3.toc>

P. Temin, *Lessons from the Great Depression* (1989), Lectures 1 and 2.

Albrecht Ritschl, "Reparations, Deficits, and Debt Default: The Great Depression in Germany", CEP Discussion Paper No 1149 (June 2012).
<http://cep.lse.ac.uk/pubs/download/dp1149.pdf>

T. Hatton and M. Thomas, "Labour markets in the interwar period and recovery in the UK and the USA", *Oxford Review of Economic Policy*, 26, 3 (2010), 463-485.
<https://academic-oup-com.myaccess.library.utoronto.ca/oxrep/issue/26/3>

C.P. Kindleberger, *The World in Depression*, Chapters 4-8, 14.

T. Balderston, *Economics and Politics in the Weimar Republic*, Chapter 5.

W. Hynes, D.S. Jacks, and K. O'Rourke, "Commodity market disintegration in the interwar period", *EREH*, 16 (May 2012), 119-143.
<https://www-jstor-org.myaccess.library.utoronto.ca/stable/pdf/41708653.pdf>

D. Irwin, *Peddling Protectionism: Smooth Hawley and the Great Depression* (2011), especially Chapters 2-3.

B. Eichengreen and D. Irwin, "The Slide to Protectionism in the Great Depression: Who Succumbed and Why?" National Bureau of Economic Research, *Working Paper 15142* (2009).
<http://www.nber.org.myaccess.library.utoronto.ca/papers/w15142>

Kevin O'Rourke, "Two Great Trade Collapses: The Interwar Period and The Great Recession Compared", University of Oxford, *Discussion Papers in Economic and Social History*, 159, September 2017.
https://www.economics.ox.ac.uk/materials/working_papers/4543/159orourke.pdf

VI. Recovery [December 1-8]

*Peter Temin, "Socialism and Wages in the Recovery from the Great Depression in the United States and Germany". *JEH*, L (June 1990), 297-307.

link: <http://www.jstor.org.myaccess.library.utoronto.ca/stable/2123273>

Feinstein, Temin, and Toniolo, Chapter 9.

1. The US

*C. Romer, "What ended the great depression?" *JEH*, 52 (December 1992), 757-84. link: <http://www.jstor.org.myaccess.library.utoronto.ca/stable/2123226>

J.R. Vernon, "World War II fiscal policies and the end of the great depression", *JEH* 54 (December 1994), 850-868.

link: <http://www.jstor.org.myaccess.library.utoronto.ca/stable/2123613>

G. Eggertsson., "Great expectations and the end of the depression", *American Economic Review*, 98, 4 (2008), 1476-1516.

<http://www.jstor.org.myaccess.library.utoronto.ca/stable/i29730117>

R.J. Gordon and R. Krenn, "The Great Depression 1939-41: policy contributions and fiscal multipliers", *NBER Working Paper 16380* (2010).

<http://www.nber.org.myaccess.library.utoronto.ca/papers/w16380>

"Where does the buck stop? Fiscal multipliers", *The Economist*, 420.9002 (August 13, 2016), pp. 51-52.

<http://search.proquest.com.myaccess.library.utoronto.ca/docview/1811033931/fulltext/E8264EDC8FB942F2PQ/52?accountid=14771>

B. Eichengreen and J. Sachs, "Exchange rates and economic recovery in the 1930s" *JEH*, XLV (Dec 1985), 925-946.

<http://www.jstor.org.myaccess.library.utoronto.ca/stable/i337146><http://www.jstor.org.myaccess.library.utoronto.ca/stable/i337146>

M. Alexopoulos and J. Cohen, "Measuring Our Ignorance, One Book at a Time: New Indicators of Technological Change, 1909-1949", *Journal of Monetary Economics* (May 2009), 450-470.

<https://journals-scholarsportal-info.myaccess.library.utoronto.ca/browse/03043932/v56i0004>

2. Germany

*Stephan Maurer. "Voting Behavior and Public Employment in Nazi Germany", *JEH*, 78 (March 2018), 1-39.

https://www.cambridge-org.myaccess.library.utoronto.ca/core/services/aop-cambridge-core/content/view/88B5AF48478F71B22D80C2E41A2946BA/S002205071800037a.pdf/voting_behavior_and_public_employment_in_nazi_germany.pdf

Thomas Ferguson and Hans-Joachim Voth. "Betting on Hitler: The Value of Political Connections in Nazi Germany", *The Quarterly Journal of Economics*, 123 (February 2008), 101-137.

<https://www-jstor-org.myaccess.library.utoronto.ca/stable/i25098891>

Hans-Joachim Voth and Nico Voigtlaender. "Highway to Hitler", NBER Working paper 20105 (May 2014).

<http://www.nber.org.myaccess.library.utoronto.ca/papers/w20150.pdf>

R.J. Overy, *The Nazi Economic Recovery 1932-1938*, 2nd ed. (1996).

TEST 5: GREAT DEPRESSION EUROPE, GREAT DEPRESSION RECOVERY US AND GERMANY (DECEMBER 8)

3. Financial Crises and The Rise of Right Wing Populism

*Sebastian Doerr, Stefan Gissler, Jose Peydro, and Hans-Joachim Voth, "From finance to fascism: the real effects of Germany's 1931 bank crisis", Universitat Pompeu Fabra, Department of Economics and Business, *Economic Working Paper Series No.1651* (April 2020).

<http://hdl.handle.net/10419/216784>

De Bromhead, A., B. Eichengreen, and K. O'Rourke. "Political Extremism in the 1920s and 1930s: Do German Lessons Generalize?", *The Journal of Economic History*, 73, N. 2 (June 2013).

<https://www-jstor-org.myaccess.library.utoronto.ca/stable/pdf/24551040.pdf>

M. Funke, M. Schularick, C. Trebesch, "Going to Extremes: Politics After the Financial Crisis", *European Economic Review*, 88 (2016), 227-260.

[https://journals-scholarsportal-](https://journals-scholarsportal-info.myaccess.library.utoronto.ca/browse/00142921/v88icomplete)

[info.myaccess.library.utoronto.ca/browse/00142921/v88icomplete](https://journals-scholarsportal-info.myaccess.library.utoronto.ca/browse/00142921/v88icomplete)

Atif Mian, A. Sufi, F. Trebbi, "Resolving Debt Overhang", *American Economic Journal: Macroeconomics*, 6, 2 (2014), 1-28.

<https://www-jstor-org.myaccess.library.utoronto.ca/stable/i40124844>

C. Reinhart and K. Rogoff, *This Time Is Different: Eight Centuries of Financial Folly*, Princeton, Princeton University Press, (2009), pp. xxv-xxxv

THE ESSAYS

Essays should be no longer **than five** double spaced pages (roughly 1500 words). The general idea is to choose a topic and define it sufficiently well that you can treat it seriously within the prescribed space. Suggested topics are broad and thus require

considerable narrowing and refinement. Readings included in the course syllabus will provide you with a sufficient set of references for your essay but feel free to add material as necessary.

Copies of your essays should be submitted digitally through the course web site before midnight of the due date.

Penalties for Late Submission of Essays

Some of you, alas, will end up submitting your essays after the due date. The penalty for late submission is 1 percentage point per day. The very last day that late submissions will be accepted is the last day of fall term classes, that is, December 9.

Extensions may be granted for medical reasons if it can be demonstrated that the illness or injury prevented you from completing the essay on time. To obtain an extension, you must submit a Verification of Student Illness or Injury form available at:

<http://www.illnessverification.utoronto.ca/getattachment/index/Verification-of-Illness-or-Injury-form-Jan-22-2013.pdf.aspx>

Only an original form, not a scan, an e-mail, or a copy, will be accepted. The form must be completed by a qualified medical doctor (or nurse practitioner), and the doctor's OHIP registration number must be provided.

SUGGESTED TOPICS

ESSAY 1. DUE OCTOBER 2, 2020

1. Emigration, good or bad – and from whose point of view? Discuss with respect to the experience of one sending or receiving country (or one or more groups within these countries) during the period of mass migration, 1870-1914.
2. It is often argued that the pre-WW I gold standard facilitated international trade and foreign investment. Did it? If so, how; if not, why not?
3. Did the expansion of international trade 1870-1914 foster convergence in the Atlantic community? Explain why it did or did not and support your argument with qualitative and/or quantitative evidence.

Essay 2. DUE NOVEMBER 6, 2020

1. Did the flu pandemic of 1918-1920 have a positive, negative, or no impact on subsequent economic growth and productivity? What factor or factors, if any, determined its impact? It is recommended that you focus on the experience of a single country.
2. What caused the post-WW 1 hyperinflation in Germany? Could it have been avoided and if so how? And, of course, if your answer to previous question is yes, why were the necessary anti-inflationary policies not introduced?

3. Was Britain's relatively poor economic performance in the 1920s simply the consequence of an overvalued exchange rate?
4. What happened to inter-allied war debts in the 1920s and 1930s, why, and did it matter?

ESSAY 3. DUE DECEMBER 4, 2020

1. Banking reform in the U.S. in the 1930s – success or failure?
2. What role, if any, did the Great Depression play in the rise of right-wing nationalist parties? Focus on the experience of one country.
3. Could the Great Depression have been predicted and its severity thereby reduced? Explain.
[If you choose to do this essay, CONSULT: Robin Greenwood, Samuel Hanson, Andrei Sheifer, and Jakob Sorensen, "Predictable Financial Crises", NBER, *Working Paper* 27396 (June 2020) AND ME.]
<https://www-nber-org.myaccess.library.utoronto.ca/papers/w27396.pdf>
4. What role, if any, did the financial crisis play in the length and severity of the Great Depression? Again, it is recommended that you focus on the experience of a single country.
5. Explain the nature and timing of recovery from the Great Depression in one of the following countries: the U.S., Germany, Great Britain.

GRADING SCHEME FOR THE ESSAYS

- Clarity of question and motivation 20%
- Statement of findings 5%
- Literature review 20%
- Clarity, coherence, completeness of analysis 25%
- Use of qualitative or quantitative evidence 20%
- Clarity and completeness of conclusion 10%