

Econ3286

Spring 2024

Economic History of Europe: Money and Finance

Class Hours and Room: Wednesdays, 09:10-12:00 in TSMC205

Office Hours: Mondays, 13:00-14:30 (or by appointment)

Course content

This course is an analytical survey of European historical economic development, in the perspective of finance, from 1250 to 1914. The following ten topics are covered in the course. By examining these issues, this course explores financial developments from the late medieval period century to the WWI.

Topic 1: Money and monetary changes in late medieval Europe

1. J. H. Munro, 'Patterns of trade, money, and credit', in Thomas Brady, James Tracy, et al, eds., *Handbook of European History, 1400-1600: Late Middle Ages, Renaissance and Reformation, Vol. I: Structures and Assertions* (1994), 147-81
2. Peter Spufford, *Money and its Use in Medieval Europe*, (Cambridge, 1988), ch.13 and 15
3. John Day, 'The great bullion famine of the fifteenth century', *Past and Present*, 79 (1978), 3-54
4. Pamela Nightingale, 'Monetary contraction and mercantile credit in later medieval England', *Economic History Review*, 43:4 (1990), 560-75
5. J. H. Munro, 'Money matters: a critique of the Postan Thesis on medieval population, prices and wages', Working paper, 2013

Topic 2: Finance and banking system in late medieval Europe

1. J. H. Munro, 'Patterns of trade, money, and credit', in Thomas Brady, James Tracy, et al, eds., *Handbook of European History, 1400-1600: Late Middle Ages, Renaissance and Reformation, Vol. I: Structures and Assertions* (1994), 147-81
2. Mark Koyama, 'Evading the "Taint of Usury": The Usury Prohibition as a Barrier to Entry', *Explorations in Economic History*, 47:4 (October 2010), 420-42
3. R. de Roover, 'New interpretation of the history of banking', *Journal of World History*, (1954), 38-76
4. Meri Kohn, 'Merchant banking in the medieval and early modern economy', 1999 working paper
5. John Day, *The Medieval Market Economy* (Oxford, 1987), pp. 141-61

Topic 3: Commercial organization in early modern Europe

1. J. H. Munro, 'The medieval origins of the financial revolution: usury, rentes, and negotiability', *The International History Review*, 25 (2003), 505-62
2. Ron Harris, "The Bubble Act: Its Passage and Its Effects on Business Organization," *The Journal of Economic History*, 54:3 (September 1994), 610-27
3. Neal L. and Carlos A. N., 'Amsterdam and London as financial centers in the eighteenth century', *Financial History Review* (2011), pp. 21-46

Topic 4: Glorious revolution: sovereign debt and public borrowing

1. North, D. C., & Weingast, B. R., 'Constitutions and commitment: the evolution of institutions governing public choice in seventeenth-century England', *The Journal of Economic History*, 49 (1989), pp. 803-832
2. Hodgson, G. M., '1688 and all that: property rights, the Glorious Revolution and the rise of British capitalism', *Journal of Institutional Economics*, 13 (2017), pp. 79-107.
3. Pincus, S. C., and Robinson, J. A., 'What really happened during the Glorious Revolution?', NBER working paper (2011)
4. Quinn, S. 'The Glorious Revolution's effect on English private finance: a microhistory, 1680-1705', *The Journal of Economic History*, 61 (2001), pp. 593-615
5. Clark, G. "The Political Foundations of Modern Economic Growth, 1540-1800." *Journal of Interdisciplinary History* 26, (1996): 563-88.

Topic 5: British banking and financial institutions

1. Michael D. Bordo and Eugene N. White, 'A tale of two currencies: British and French finance during the Napoleonic wars', *Journal of Economic History*, 51 (1991), pp. 303-316
2. R. Sylla, 'Comparing the UK and US financial systems, 1790-1830', in Jeremy Atack and Larry Neal, eds., *The Origins and Development of Financial Markets and Institutions*, (Cambridge University Press, 2009)
- 3.

Topic 6: Problems of capital formation during the Industrial Revolution era

1. Neal, Larry, 'The finance of business during the industrial revolution', In R. Floud and D. McCloskey, eds., *The Economic History of Britain since 1700*, Vol. 1: 1700 - 1860, (Cambridge 1994)

2. P. Temin and Hans-Joachim Voth, 'Credit rationing and crowding out during the industrial revolution: evidence from Hoare's Bank, 1702–1862', *Explorations in Economic History*, 42 (2005), pp. 325-348
3. Heim, C. E., and P. Mirowski, 'Interest Rates and Crowding-Out During Britain's Industrial Revolution,' *The Journal of Economic History*, 47 (1987), pp. 117–139

Topic 7: Business organization and banking in France

1. Veronica Aoki Santarosa, 'Financing Long-Distance Trade: The Joint Liability Rule and Bills of Exchange in Eighteenth-Century France', *Journal of Economic History*, 75 (3), 2015, pp. 690-719
2. Hoffman, Philip, Gilles Postel-Vinay, and Jean-Laurent Rosenthal. "Private Credit Markets in Paris, 1690–1840." *Journal of Economic History* 52, no. 2 (1992): 293–306
3. Alain Plessis (2007), 'The Banque de France and the Emergence of a National Financial Market in France during the Nineteenth Century', in *Centres and Peripheries in Banking: The Historical Development of Financial Markets*, ed. by Even Lange, Ulf Olsson, Iain L. Fraser, Philip L. Cottrell

Topic 8: German banking and commercial-financial organization

1. Carsten Burhop, 'Did Banks Cause the German Industrialization?', *Explorations in Economic History*, 43:1 (January 2006), 39-63
2. J. Edwards, S. Ogilvie, 'Universal banks and German industrialisation: a reappraisal', *Economic History Review*, 49 (1996), pp. 427-446
3. C. Fohlin, 'The rise of interlocking directorates in imperial Germany', *Economic History Review*, 52 (1999), pp. 307-333
4. S. Lehmann-Hasemeyer and F. Wahl, 'The German bank-growth nexus revisited: savings banks and economic growth in Prussia', *Economic History Review*, 74 (2021), pp. 204-222

Topic 9: Gold standard era

1. Redish, Angela, 'The evolution of the gold standard in England', *Journal of Economic History*, 50 (1990), pp. 789-805

2. Hsieh, Chang-tai and Christina 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*, 66(2006), pp. 140-76
3. Eichengreen, Barry and Peter Temin, 'The gold standard and the Great Depression', *Contemporary European History*, 9 (2000), pp. 183-207
4. Wadan Narsey, *British Imperialism and the Making of Colonial Currency Systems*, 2016, chp.2

Topic 10: Money, Banking, and Financial Crisis

1. Veld, F. R. (2010), 'Was John Law's System a bubble? The Mississippi Bubble revisited',
2. Peter Temin and Hans-Joachim Voth, 'Riding the South Sea Bubble', *American Economic Review*, 94 (2004), pp. 1654-68.
3. Eugene N. White, 'Anticipating the Stock Market Crash of 1929', in Jeremy Atack and Larry Neal eds., *The Origins and Development of Financial Markets and Institutions*, (Cambridge University Press, 2009), pp. 294-318
4. Taylor, J., (2020), 'Inside and Outside the London Stock Exchange: Stockbrokers and Speculation in Late Victorian Britain', in *The Origins and Development of Financial Markets and Institutions*, pp. 99-120.

Assessment

Oral presentation (40%), written work (40%), class participation (20%), and Attendance as bonus points.