Prof. Gregory P. Nowell  
Dept. of Political Science, Richardson 284  
135 Western Ave - SUNY  
Albany NY 12222  
518 442 5267  
gnowell@albany.edu 

POS 479z Class No . 8917 MWF at 9:20 a.m. to 10:15 a.m. in BB0137  
Topics course: US Banking and the Financial Crisis  
Uptown office hours W 12:30 to 1:30  

Book orders have been placed exclusively at Mary Jane Books, Quail & Western  
Consult the Syllabus for Paper Due Dates  
Final Exam date: Wednesday December 13th 3:30 to 5:30 p.m.

Course Books: Are for the major part, on line, for free. Some have been ordered at Mary Jane Books, at the corner of Quail and Western. Generally this will be your least expensive alternative. You may also order books via Internet, and prices vary considerably by vendor. Used books can be had at www.abebooks.com and other sources. Some packet materials will also be available there. A certain number of articles will be on the class web site and/or JSTOR.

BOOKS YOU CAN BUY


Keynes, J.M. (1963;1936) General Theory of Employment Interest and Money. NY: Macmillan (on line full texts are available usually without page numbers)


Wall Street Journal: on line, $15 for one semester, wsj.com

The academic objective some of the most difficult theme in finance: credit, capitalization, leverage, demand, price levels, employment, etc., as a function of institutional arrangements in markets. The guiding principle is the notion of equilibrium as it might be implied in different contexts. An economics background is not required, and there will be no complex equations or diagrams required of the student. We will cover a bit of that stuff but it is not expected in the course assignments. Since the repercussions of the 08 financial crisis are on-
going, we will experiment with introducing current events into the curriculum. Doing so necessarily involves some flexibility on the weekly content. Part of day a week will cover topics in the Wall Street Journal.

**Course grading.** The course grade will be based on two papers, 12-13 pages each, (nominally 30% of the grade each) and one final (nominally 40% of the grade plus adjustments due to attendance (see below) and subjective appreciation of such factors as class participation. The papers are due on the dates stated in the syllabus. You will receive comments and editing suggestions on your first draft, but no grade. Then you rewrite the paper. This almost always leads to a substantially improved paper and a better final draft. The rewritten paper must be turned in on the date indicated.

**While I think it’s a good idea, the idea of a first draft, receiving criticism, and then a chance to rewrite is a required element of university “Z” courses (in other words, not invented by your prof to make you unhappy).** Your first draft papers must meet the bar of a credible effort to meet these requirements: your first draft is supposed to be as good as you can make it. For example, you can’t turn in a three page paper with the idea that you’ll “fix it” for the rewritten version because only the final grade will “count”—gamesmanship like that will result in a severe hit to your grade for the entire assignment. Your rewritten paper is due exactly one week after it is handed back.

**Late paper policy.** Making the cycle of draft-critique-rewrite work requires a high degree of coordination compared to non-Z courses. Papers are due on the day specified. A penalty of one half grade per paper per day will be imposed for late papers. That is, an A- will be reduced to a B+, a B+ to a B, and so on, down to zero credit. This penalty will run over weekends and holidays: If a paper is due on Friday and I don’t get it till Tuesday, it will be docked for four days, or 2 full grades. Valid medical excuses for late papers are to be cleared through the Dean’s office not through me.

**Minimum completion:** You cannot pass the course by punting any of the paper first drafts, the second drafts, or the final exam. That is, if you do the first paper, skip the second, take the final exam, and believe that your average will yield a grade of C- in the course, that isn’t going to happen.

**Safe Assign and hard copies.** All papers must be uploaded to safe assign. The copy that you hand in for a grade is due IN CLASS in HARD COPY.

**Plagiarism.** In cases of plagiarism, the offender will be strongly encouraged to leave the class, and/or failed. Referrals to academic affairs or to the dean’s office are possible.

**Disabilities:** As with all classes, students requiring special accommodations must do so in a timely manner. That means at the beginning of the semester.

---

**Week-by-week schedule**

Week 1 – Monday 28 August, Wednesday 30 August, Friday 1 September
Tuesday  Class Introduction and Organization.
Thursday Smith edition v. 1 https://archive.org/details/wealthofnationss01smituoft

Matthew 25:14-30 parable of the three servants. Hoarding.

Week 2  Adam Smith’s credit crunch Monday 4 September, Wednesday 6 September, Friday 8 September


Week 3 Monday 11 September, Wednesday 13 September, Friday 15 September
List 1st half (about pp. 97 to 165 archive.org edition; first half of printed “The Theory”)
Archive.org edition (Lloyd translation, avoid earlier translation by Matile, pagination is wildly different)
http://tinyurl.com/List-Lloyd-translation List 1st half (about pp. 97 to 165 archive.org edition; first half of printed “The Theory”)

Week 4 Monday 18 September, Wednesday 20 September
Friday 22 September: No class
List 2nd half (through to p. 242 of archive.org’s Lloyd translation, second half of printed “The Theory”)
http://tinyurl.com/List-Lloyd-translation

Week 5 Tuesday 20 September, Stabilizing an unstable economy. Monday 25 September, Wednesday 27 September, Friday 29 September
Concepts: methods of spreading risks; taking short positions; financial innovation; social consequences
Reading: “The Big Short,” pp. 1-135

Nowell hands out paper topics on Monday

Week 6 Tuesday 27 Monday October 2, Wednesday October 4, Friday October 6
Stabilizing an unstable economy.
Showing of “Big Short” in class.
Reading: “The Big Short,” pp. 136-270.

First draft, first paper, due Monday

Week 7 Monday October 9, Wednesday October 11, Friday October 13
Bloomberg: Saudi Arabian holdings of U.S. Debt  http://bloom.bg/1O04ymn


1st paper, 1st draft, returned with comments on Monday

Week 8  Monday October 16, Wednesday October 18, Friday October 20


Second draft of first paper due on Monday

Week 9 Monday October 23, Wednesday October 25, Friday October 27

Sprague, Crisis of 1873, pp. 1-107 http://tinyurl.com/sprague-on-crises

Return of graded first papers

Week 10 Monday October 30, Wednesday November 1, Friday November 3

Read Sprague, pp. 218-316 (on crisis of 1907). Sprague http://tinyurl.com/sprague-on-crises

Week 11 Monday November 6, Wednesday November 8, Friday November 10

Keynes chapter 22 of the General Theory

Nowell hands out paper topics - Monday

Week 12 Monday November 13, Wednesday November 15, Friday November 17

Keynes chapter 22 of the General Theory

2nd papers due, 1st draft - Monday

Week 13 Monday November 20, Wednesday November 22, Friday November 24

Monday: Catch up day
Wednesday and Friday: No class
Week 14  Monday November 27, Wednesday November 29, Friday 1 December

Read Bernanke paper  http://www.princeton.edu/~pkrugman/bernanke_paralysis.pdf

Nowell returns first draft of second papers on Monday

Week 15  Monday 4 December, Wednesday 6 December, Friday 8 December


Monday: Second draft of second papers due

Week 16 Monday 11 December

LAST DAY OF CLASS

Review of final exam
Books that have been used in various versions of this class


Wirth, Max (1896). German Banks of Issue pp. 1-57, especially 1-12 on land banks in History of Banking, v. 4. [http://archive.org/stream/cu31924092584220#page/n13/mode/2up](http://archive.org/stream/cu31924092584220#page/n13/mode/2up)
**Check Off List for Paper Requirements for All Courses for Prof. Nowell.** Papers not adhering to these requirements are subject to grade penalties. Additional copies of this form may be printed from class web site.

1. This page stapled on cover of paper, and signed by you. Reason: Too many students ignore requirements otherwise. Check here ______

2. Title page, including your name, my name, my department, course number, date. Reasons: This information, often omitted, allows me to see what paper I’m grading for what course. If the paper is misplaced by you or me, it increases the chances that someone will return it to me or you. Check here ______

3. Title of paper. Titles, often omitted, are required. Check here ______

4. Text double-spaced. So I can make comments and notations between lines. Check ______

5. Margins 1" on all sides. Use 11 or 12 point type. Standardizes assigned length, gives me room for comments. Check here ______

6. Every page has a page number. So they can be put back when out of sequence, so comments can be made referring to specific pages. ______

7. Every page has your last name on it. Allows scattered sheets to be reunited with the right paper. Check here ______

8. No binders or plastic covers for papers less than 30 pages. They’re heavy, they fall apart, they tear other papers. Check here ______

9. No paper clips. They don’t work in a large mass of similar papers. Check here ______

10. All papers STAPLED in upper left corner. It’s cheap, it’s easy, it’s light weight, it works. Check here ______

11. No use of contractions. No “don’t” “isn’t” and similar forms. 1) They do not belong in formal presentations. 2) It eliminates, in theory, the possibility of confusing “it’s” (=it is) and “its” (belonging to it). ______

12. Citations mandatory. Footnotes or endnotes. Hacker’s Writer’s Reference required. ______

13. Bibliography mandatory. Even if it contains only one book. ______

14. Proofread manuscript. For content, grammar, spelling. ______

15. Back-up copy mandatory. Electronic or hard copy. If for any reason papers in my possession are lost or stolen you must be able to produce another copy. ______

Your signature here ________________________________________