

INTENSIVE COURSE: LEGAL HISTORY OF MONEY (LAW701H1F)

Roy Kreitner

Intensive Course First Term: 1 credits; 14 hours

Course Description:

The recent financial crisis has brought the regulation of money and credit into sharp focus. But this is not the first time that regulating money has been subjected to scrutiny, or that ineffectual regulation has been blamed for disastrous results. This seminar surveys some of the more intense conflicts over the meaning of money, the role of monetary policies in managing the economy, and the role of regulation in sustaining market society. The seminar will focus on the history of money in the United States. Among other episodes, we will consider the constitutional struggle over the establishment of Federal banking, and in particular central banks (First and Second Bank of the United States and later, the Federal Reserve); the conflicts over the power to issue paper money and its legal tender status; the battle of the standards regarding the backing of the currency (gold or silver); the devaluation of the dollar during the Great Depression, and the government bailout of the financial system during the recent crisis.

Evaluation:

Students will be required to write a paper of 2,500 to 3,000 words. Papers must be delivered to the Records Office by 4:00 p.m. on Thursday, October 10, 2013. Students graded under the Pre-2012 grading system will be graded on an Honours/Pass/Fail basis. Graduate students will be graded according to the graduate grading scale.

Syllabus:

<p>Mon. 9 Sept. 10:30 – 12:00</p>	<p>Introduction</p>	<p>Background:</p> <ol style="list-style-type: none"> Christine Desan, "Money as a Legal Institution," forthcoming in Wolfgang Ernst and David Fox eds., <i>Money in the Western Legal Tradition</i> (Oxford: Oxford University Press, 2014).
<p>Tues. 10 Sept. 8:50 – 10:20</p>	<p>Colonies to Constitution</p>	<p>Background:</p> <ol style="list-style-type: none"> E. James Ferguson, "Currency Finance: An Interpretation of Colonial Monetary Practices," <i>William and Mary Quarterly 3d Series</i> 10:2 (Apr., 1953), 153-180. <p>Sources:</p> <ol style="list-style-type: none"> Alexander Hamilton, Report on the Subject of a National Bank (1790). Shays' Rebellion Documents
<p>Wed. 11 Sept. 10:30 – 12:00</p>	<p>Market Revolution</p>	<p>Background:</p> <ol style="list-style-type: none"> Bray Hammond, <i>Banks and Politics in America</i> (Princeton: Princeton University Press, 1957) 251-285. Jeffrey Sklansky, "The Moneylender as Magistrate: Nicholas Biddle and the Ideological Origins of Central Banking in the United States," <i>Theoretical Inquiries in Law</i> 11:1 (2010) 319-328, 337-345. <p>Sources:</p> <ol style="list-style-type: none"> McCulloch v. Maryland, 17 US 316 (1819). Briscoe v. Bank of Kentucky, 36 US 257 (1837). Andrew Jackson, Veto Message, July 1832. Nicholas Biddle, Letters, February-August 1832.
<p>Thurs. 12 Sept. 6:10 – 7:50</p>	<p>The Greenback Era: Nationalizing the Dollar</p>	<p>Background:</p> <ol style="list-style-type: none"> Richard Franklin Bensel, <i>Yankee Leviathan: The Origins of Central State Authority in America, 1859–1877</i> (New York: Cambridge University Press, 1990) 238-302. <p>Sources:</p> <ol style="list-style-type: none"> <i>The Legal Tender Cases</i>, 79 US 457 (1871). Julliard v. Greenman, 110 US 421 (1884). U.S. Grant, Veto Message, April 1874. Greenback party platform.
<p>Fri. 13 Sept. 12:30 – 2:20</p>	<p>Battle of the Standards</p>	<p>Background:</p> <ol style="list-style-type: none"> James Livingston, <i>Origins of the Federal Reserve System</i> (Ithaca: Cornell University Press, 1986). <p>Sources:</p> <ol style="list-style-type: none"> William Hope Harvey, <i>Coin's Financial School</i>, (Chicago: Coin Publishing, 1894). William Jennings Bryan, Cross of Gold Speech. Peoples Party Platform, 1892. Democratic Party Platform, 1896.

<p>Mon. 16 Sept. 8:50 – 10:20</p>	<p>Birth of the Federal Reserve</p>	<p>Background:</p> <ol style="list-style-type: none"> 1. Donald R. Wells, <i>The Federal Reserve System: A History</i> (Jefferson, NC: McFarland, 2004). 2. Michael A. Whitehouse, "Paul Warburg's Crusade to Establish a Central Bank in the United States," <i>Federal Reserve Bank of Minneapolis Banking and Policy Issues Magazine</i>, May 1989 <p>Sources:</p> <ol style="list-style-type: none"> 1. Federal Reserve Act, 1913 2. American Bank and Trust v. Federal Reserve Bank of Atlanta, 256 US 350 (1921); 3. American Bank and Trust v. Federal Reserve Bank of Atlanta, 262 US 643 (1923).
<p>Tues. 17 Sept. 12:30 – 2:00</p>	<p>Great Depression</p>	<p>Background:</p> <ol style="list-style-type: none"> 1. James S. Olson, <i>Saving Capitalism: The Reconstruction Finance Corporation and the New Deal</i> (Princeton: Princeton University Press, 1988) <p>Sources:</p> <ol style="list-style-type: none"> 1. Norman v. Baltimore and O. R., 294 US 240 (1935). 2. Perry v. US, 294 US 330 (1935).
<p>Wed. 18 Sept. 2:10 – 3:30</p>	<p>Internationalizing the Dollar</p>	<p>Background:</p> <ol style="list-style-type: none"> 1. Barry Eichengreen, <i>Globalizing Capital: A History of the International Monetary System</i> (Princeton: Princeton University Press, 1996). 2. Greta Krippner, <i>Capitalizing on Crisis: The Political Origins of the Rise of Finance</i> (Cambridge: Harvard University Press, 2011). <p>Discussion: Paper topics</p>
<p>Thurs. 19 Sept. 2:10 – 4:00</p>	<p>Global Financial Crisis</p>	<p>Background:</p> <ol style="list-style-type: none"> 1. Perry Mehrling, <i>The New Lombard Street: How the Fed Became the Dealer of Last Resort</i> (Princeton: Princeton University Press, 2011). 2. Morgan Ricks, "Regulating Money Creation after the Crisis," <i>Harvard Business Law Review</i> 1:1 (2011) 75-143. <p>Sources:</p> <ol style="list-style-type: none"> 1. Federal Reserve Policy Actions, Remarks by Vice Chairman of the Board of Governors. 2. Federal Reserve, Timeline of Crisis Response Facilities.