

**SHORT-PAPER ASSIGNMENT**  
**ECONOMICS 335, MONEY & BANKING**  
**SPRING 2009, MR. VAUGHAN**

I have decided to assign one slightly longer paper on Friedman & Schwartz (F&S) instead of two short ones. Writing a satisfactory paper will earn 2, 100% quiz grades; an excellent paper will receive 4, 100% quiz grades. I changed the assignment to (1) trim your workload and (2) focus your extra-credit time on F&S. To reduce your workload further, I have made one of the two essays on your final exam related to this paper. (See below.)

Please read (or re-read) the following:

- Chapter 13, Friedman and Schwartz (“A Summing Up”)
- Krugman, Paul. “Who was Milton Friedman?” *New York Review of Books*, vol. 54, no 2, February 15, 2007.  
LINK: <http://www.nybooks.com/articles/19857>
- Rockoff, Hugh. “On Monetarist Economics and the Economics of a Monetary History. A Review of Milton Friedman and Anna Jacobson Schwartz, *A Monetary History of the United States, 1867-1960*.” EH.Net Economic History Services, Jan 1 2000.  
LINK: <http://eh.net/bookreviews/library/rockoff>
- Lucas, Robert E, Jr. “Review of Milton Friedman and Anna Schwartz’s ‘A Monetary History of the United States, 1867-1960’.” *Journal of Monetary Economics* 34 (1994): 5-16.  
LINK: [http://www.sciencedirect.com/science?\\_ob=ArticleURL&\\_udi=B6VBW-45N4P90-3&\\_user=741313&\\_coverDate=08%2F31%2F1994&\\_alid=907130185&\\_rdoc=2&\\_fmt=high&\\_orig=search&\\_cdi=5937&\\_sort=d&\\_docanchor=&\\_view=c&\\_ct=6&\\_acct=C000041138&\\_version=1&\\_urlVersion=0&\\_userid=741313&md5=7d5b75532fd49d31d95b3cf614cccd0f](http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6VBW-45N4P90-3&_user=741313&_coverDate=08%2F31%2F1994&_alid=907130185&_rdoc=2&_fmt=high&_orig=search&_cdi=5937&_sort=d&_docanchor=&_view=c&_ct=6&_acct=C000041138&_version=1&_urlVersion=0&_userid=741313&md5=7d5b75532fd49d31d95b3cf614cccd0f)
- Sumner, Scott. “How Did Friedman and Schwartz Persuade Us?” Blog Entry – *The Money Illusion*, February 2, 2009.  
LINK: <http://blogsandwikis.bentley.edu/themoneyillusion/?p=1013>

Write a short paper (4-7 pages, typed double-spaced) critically evaluating F&S. To do this, use the above reading assignments to answer the following questions:

1. What are the key “take-aways” from the book? What specific historical events are most compelling in making the case for these take-aways?
2. Why are these take-aways important? Put another way, why did (does) this matter for macroeconomic and monetary theory?
3. What are the book’s strengths? ...weaknesses?

Your own insights are welcome (indeed, hoped for). **This short paper is due at the final exam (Wednesday, May 6<sup>th</sup> at 1 pm).** One of your two final exam essays will be:

**What was the contribution of *A Monetary History of the United States*, and why was that contribution important?**

Use your short paper to help compose a concise answer (600-700 words) supported by specific examples from the book. This essay should not be a word-for-word rehash of the paper. Indeed, notice the focus of the paper and essay is slightly different. (Moreover, you could write a solid essay without necessarily reading the extra material—this short paper is, after all, extra credit. But the additional reading will help crystallize your thoughts, thereby improving your essay.)