ReadMe_Bordo_Rockoff

The basic sources of data were:

(1) Friedman, Milton and Anna J. Schwartz. 1982. *Monetary trends in the United States and the United Kingdom: Their relation to income, prices, and interest rates, 1867-1975*. National Bureau of Economic Research monograph. Chicago: University of Chicago Press.

(2) Carter, Susan B., Scott Sigmund Gartner, Michael R. Haines, Alan L. Olmstead, Richard Sutch, and Gavin Wright. 2006. *Historical statistics of the United States: Earliest times to the present*. Millennial Edition. New York: Cambridge University Press.

(3) Federal Reserve Bank of St. Louis. FRED economic data. 2012 [accessed December 2012]. http://research.stlouisfed.org/fred2/.

Column B in the data worksheet in the Figure_Bordo_Rockoff file is FS's estimates of the stock of money (M2) (FS 1982, Table 4.8, column 1). Column C is FS's estimates of real national income at 1929 prices (FS 1982, Table 4.8, column 3). Column D is money per unit of output, the ratio of columns B and C, the variable that FS thought of as the driver of the price level. Column E is the implicit national income price deflator (FS 1982, Table 4.8, column 4). Column F is the M2 money stock from *Historical Statistics of the United States, millennial edition* (Carter et. al. 2006, series Cj88). Column G is the M2 money stock from the St. Louis Federal Reserve FRED website. Column H is an estimate of real GDP in 2005 dollars from the St. Louis FRED website. Column I is money per unit of output using the *Historical Statistics* estimate of M2, and Column J is money per unit of output using the M2 series from the St. Louis FRED website. Columns K is a GDP deflator from the St. Louis Fed FRED website. For 2012 we used the simple average of the data available in December 2012.

The percentage rates of change in the variables in various sub-periods that we used in the chart are calculated at the top of the table. We used standard monetary regimes identified by FS or subsequent writers. In some cases, finer divisions would be appropriate. The Great Depression, 1929-1939 could obviously be broken into shorter periods of interest, but the data could not then be displayed in a single chart. We calculated the average percentage rate of change of each variable as the natural log of the end value less the natural log of the starting value divided by the number of intervening years expressed as a percentage. This was the approach used by FS, and is suggested by the quantity theory. As a check we also ran regressions of the natural log of each variable on time. The resulting beta coefficients were generally similar to the simple averages shown here, except for World War II.