

UNIVERSITY OF WISCONSIN-MADISON
Department of History
Semester II, 1992-93

History 247
Prof. Dunlavy
4103 Humanities

Office Hours
T4:15-5:45p, W10:30a-12:00p
or by appt. (263-1854)

AMERICAN BUSINESS HISTORY

This class surveys the history of American business from colonial times to the near-present. Taking a largely biographical approach this semester, we will explore three overlapping eras of capitalism in American history: the merchant-agrarian era running from colonial times around the mid-19th century; the industrial era, from the early 19th century into the 20th century; and the era of managerial-financial capitalism, which opened in the late 19th century and currently seems to be winding down. At the end of the semester, we will try to define the new era in American capitalism that is taking shape in our own time.

As we survey these eras, we will consider how the nature of American business changed from one era to the next and--always the most difficult of questions--why. You should come away from the class with a better understanding not only of the changes that have taken place over the last two centuries but also of the underlying "forces" that pushed change in one direction rather than another.

As a secondary goal, the class is designed to improve your analytical skills. In a large lecture course with only one teaching assistant, this is a difficult task at best. Nonetheless, over the course of the semester, we will make every effort to improve both your essay-writing skills and your powers of critical analysis (i.e., your ability to read closely and to reason soundly). These are indispensable skills that will serve you well, no matter what you do after college. Indeed, learning to "think well" and to express your thoughts coherently is ultimately what college is all about.

COURSE REQUIREMENTS

1. This is a *four-credit* lecture course that meets twice weekly for 75 minutes and also includes weekly, 50-minute discussion sections. If, for some reason, you must routinely be late for the lectures, *please see me*; otherwise, be considerate of your fellow students: be prompt.
2. *Required Reading*: The following books are on reserve at Helen C. White/College library but you may (and should) purchase your own copies at the University Bookstore:

Mansel G. Blackford and K. Austin Kerr, *Business Enterprise in American History*, 2d ed. (Houghton Mifflin Company, 1990).

Jonathan Hughes, *The Vital Few: The Entrepreneur and American Economic Progress*, expanded ed. (New York: Oxford University Press, 1986).

Thomas K. McCraw, *Prophets of Regulation* (Cambridge: Harvard University Press, 1984).

Kurt Vonnegut, *Player Piano* (Dell, 1986).

A few supplementary readings will be available for purchase in due course at the Humanities Copy Center.

3. *Written Work:* Over the course of the semester, you will write two take-home essays (5 pp. max., typed, doubled-spaced). You will have a week to write each of these essays, based on the lectures, assigned readings, and section discussions. They will require you to think *critically, synthetically*, and (in the best of all possible worlds) *creatively* about the readings and lectures and to express your thoughts *succinctly*. You may also be asked to write occasional, brief pieces for section. The final exam will be the standard, two-hour, blue-book exam. You may expect the essays and the final to be at least semi-cumulative, i.e., they may require you to incorporate material covered earlier in the semester.
4. *Discussion Sections:* These meet every week. To do well in the class, you should plan to do all of the reading, to attend sections faithfully, and to come prepared for discussion. This means not only doing the reading beforehand but also taking some time to think about it before section. If necessary, we will resort to the occasional "pop quiz" as a means of refocusing your attention.
5. *General Advice* about studying for this class:
 - a. Take notes, take notes, take notes. Take notes throughout the semester, not only on the lectures but also on the assigned readings. Taking notes on the readings will help you to understand them better; and being able to review your notes on the readings and lectures will make it much easier to do the take-home papers and prepare for the final exam.
 - b. Take some time each week to think about how the lectures and readings fit together. The text by Blackford and Kerr is very good, as textbooks go, and provides a useful chronological and topical framework for the course. Read or review it quickly and use it as a reference throughout the semester. The other reading assignments should be read closely; they and the discussions will provide an opportunity to explore selected issues in greater depth. The lectures also will frequently look in more depth at topics covered by Blackford and Kerr and will occasionally offer an alternative view.
 - c. Do the readings in the order that they are listed on the syllabus each week. Always read or review Blackford and Kerr first, for example, since their text provides an overview and an introduction to the period or issues. In weeks that have more than one other reading, they will usually make better sense when read in the given order.
6. *Course Grades* will be calculated as follows: participation in sections, 20 percent; first take-home essay, 20 percent; second take-home essay, 30 percent; final exam 30 percent.
7. *Suggested Reading:* If you would like to work actively to improve your analytical and writing skills, you may wish to consult the following books. The latter two are indispensable to a fruitful college education and used copies should be easy to find.

David Hackett Fischer, *Historians' Fallacies: Toward a Logic of Historical Thought* (New York: Harper & Row, 1970).

Jacques Barzun and Henry F. Graff, *The Modern Researcher*, 3d or later ed.

William Strunk, Jr., and E. G. White, *The Elements of Style*, 3d or later edition.

(Recommendation: MEMORIZE THIS BOOK!)

LECTURE TOPICS AND READING ASSIGNMENTS

* => Readings that will be available for purchase at the Humanities Copy Center in due course.

Jan. 19 Mechanics, Introductory Comments

Introductory Reading

Blackford and Kerr, Introduction.
Hughes, *The Vital Few*, Chapter 1.

PART I. THE ERA OF MERCHANT AND AGRARIAN CAPITALISM

Jan. 21 The 18th-Century World Economy
Jan. 26 Colonial Business in North and South

Reading (for sections 1/27-1/29)

Blackford and Kerr, Chapter 1.
Hughes, *The Vital Few*, Chapter 2 (William Penn).

Jan. 28 The Revolutionary Experience
Feb. 2 Business in the Constitution

Reading (for sections 2/3-2/5)

Blackford and Kerr, Chapter 2.
*Thomas M. Doerflinger, *A Vigorous Spirit of Enterprise: Merchants and Economic Development in Revolutionary Philadelphia* (Chapel Hill: University of North Carolina, 1986), selected chapters.

Feb. 4 Reorienting Business: The War of 1812
Feb. 9 A New Institutional Form: The Corporation

Reading (for sections 2/10-2/12)

Blackford and Kerr, Chapter 3.
*[David Henshaw], *Remarks Upon the Rights and Powers of Corporations, and of the Rights, Powers, and Duties of the Legislature Toward Them . . . By a Citizen of Boston* (Boston: Beals and Greene, 1837).
*Anon., *On the Rights and Powers of Corporations. A Notice of the Pamphlet by a Citizen of Boston. By His Fellow Citizen* (Boston, 1837).

Feb. 11 Distributional Conflicts over Land and Capital
Feb. 16 The Stalemated State: Origins of the Myth of "Laissez-Faire" (1st paper topic handed out)

Reading (for sections 2/17-2/19) - see next page

Reading (for sections 2/17-2/19)

Blackford and Kerr, Chapter 4.

*Henry Clay, "In Defense of the American System," speech in the U.S. Senate, Feb. 1832, in *The Life and Speeches of Henry Clay*, vol. 2 (Philadelphia, 1855), pp. 9-67.

Feb. 18 Writing essays/discussion of paper topic

PART II. THE ERA OF INDUSTRIAL CAPITALISM

Feb. 23 The Industrial Revolution: What It Was?
(1st take-home essay due today)

Reading (no sections this week)

Blackford and Kerr, chapters 5 and 6.

Feb. 25 Precursor of "Big Business": Textile Manufacturing
March 2 Industrial Labor

Reading (for sections 3/3-3/5)

Hughes, *The Vital Few*, Chapter 4 (Eli Whitney).

*Merritt Roe Smith, "Army Ordnance and the 'American System' of Manufacturing, 1815-1861," in *Military Enterprise and Technological Change: Perspectives on the American Experience* ed. Merritt Roe Smith (Cambridge, Mass.: M.I.T. Press, 1985), pp. 39-86.

March 4 The Railroad: The First "Big Business," Part I

SPRING RECESS - March 8 through March 12

March 16 The Railroad: The First "Big Business," Part II

Reading (for sections 3/17-3/19)

*Colleen A. Dunlavy, "Mirror Images: Political Structure and Early Railroad Policy in the United States and Prussia," *Studies in American Political Development* 5 (Spring 1991): 1-35.

McCraw, *Prophets of Regulation*, Chapter 1 (Charles Francis Adams).

March 18 The Civil War: Birthing a National Economy
March 23 Late 19th-Century Managerial Strategies: Vertical and Horizontal Integration (2d paper topic handed out)

Reading (for sections 3/24-3/26)

Hughes, *The Vital Few*, chapters 6 (Carnegie) and 9 (J. P. Morgan)

PART III. THE ERA OF MANAGERIAL AND FINANCIAL CAPITALISM

March 25 Late 19th-Century "Big Business": Consequences and Concerns
 March 30 The Money Controversy (2d take-home essay due)

Reading (no sections this week)

Blackford and Kerr, chapters 7-9.

April 1 Regulating Big Business: From the Granger Movement to Trust-Busting and Beyond
 April 6 Regulating Labor: Fordism, Scientific Management, and Welfare Capitalism

Reading (for sections 4/7-4/9)

McCraw, *Prophets of Regulation*, chapters 2-3 (Louis Brandeis).
 Hughes, *The Vital Few*, chapter 7 (Henry Ford).

April 8 The Great War and the Great Boom: Incentives to Diversify
 April 13 Managerial-Financial Capitalism in Crisis: The 1930s

Reading (for sections 4/14-4/16)

*Frank Freidel, *The New Deal and the American People* (Englewood Cliffs, NJ: Prentice-Hall, 1964), pp. 91-104:
 1. W. M. Kiplinger, "Why Business Men Fear Washington," *Scribner's*, October 1934.
 2. Marquis W. Childs, "They Hate Roosevelt," excerpt from *Harper's*, May 1936.
 McCraw, *Prophets of Regulation*, chapter 4-5 (Landis and the SEC).

April 15 Another Great War: Another Boost to "Big Business"
 April 20 Race, Gender, and Class in 20th-Century American Business

Reading (for sections 4/21-4/23)

Vonnegut, *Player Piano* (complete).

April 22 Post-War Business: Multinationals and Conglomerates
 April 27 The Twentieth-Century Version of the Corporation Problem

Reading (for sections 4/28-4/30)

Blackford and Kerr, chapters 10-11.
 Hughes, *The Vital Few*, Chapter 11 (Marriner Eccles)

April 29 Corporate Social Responsibility and the "New Regulation"
May 4 The Troubled 1970s: Declining Competitiveness of American Business

Reading (for sections 5/5-5/7)

McCraw, *Prophets of Regulation*, chapter 6-7 (Alfred E. Kahn).

May 6 A New Era of Capitalism in the Offing? The 1980s

Reading

Blackford and Kerr, Chapter 12.

Hughes, *The Vital Few*, Part VI.

McCraw, *Prophets of Regulation*, Chapter 8.

May 12 Review session

May 14 Final exam, 2:45 p.m.