

HISTORY 247 – AMERICAN BUSINESS HISTORY – SPRING 2009

UNIVERSITY OF WISCONSIN-MADISON

PROF. DUNLAVY – 5109 Mosse Humanities Bldg., 263-1854, cdunlavy@wisc.edu

OFFICE HOURS: Tuesdays and Thursday, 5:30-6:30 p.m.

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OFFICE HOURS: Thursdays, 1:00-3:00 p.m.

WHY STUDY BUSINESS HISTORY?

What could be a more exciting time to study American business history than the ever-surprising and tumultuous present? Everything – from financial markets, global trade flows, and work relations to international competitiveness, consumer behavior, and government regulation – seems to be in a state of turmoil and (perhaps) in the throes of change. History cannot be used to predict the future (alas), but understanding the historical processes by which we arrived at our current state will help (a bit) in making sense of the changes going on around us today.

THEMES AND GOALS

This survey is structured around three broad and persistent themes in American business history:

- the development of a distinctive American version of **capitalism**;
- the critical, though changing, **role of government**; and
- American business as a **social world**.

As we explore these themes in business history, the lectures, assigned readings, and writing assignments will encourage you to develop your *analytical and historical-thinking skills*. If you do well in the course, you may describe yourself as “adept at analyzing complex, dynamic events on the basis of incomplete information.”

SCHEDULE OF LECTURES, SECTIONS, AND READINGS

NOTE: *Major Problems in American Business History* and *A Pocket Guide to Writing in History* are required texts, available for purchase as local bookstores and on reserve at College Library. Be sure to read the editors’ introduction to each chapter. Other readings will be available on E-Reserves. Lecture topics and, within reason, assigned readings are subject to change.

JAN. 20 (T) LECTURE – Introduction

Handout for discussion in lecture on JAN. 22: James Fulcher, *Capitalism: A Very Short Introduction*, ch. 1 (What is Capitalism?).

JAN. 21 (W) SECTIONS – No READINGS

JAN. 22 (R) LECTURE – “Doing business in the colonies”

Read Fulcher, *Capitalism*, ch. 1, for discussion in lecture

KEYWORD: bill of exchange

JAN. 27 (T) LECTURE – “The imperial political economy”

KEYWORD: colony

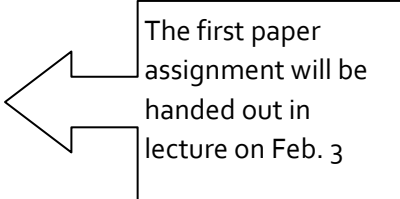
JAN. 28 (W) SECTIONS – Readings for discussion (please read in the given order)

- *A Pocket Guide to Writing in History*, chs. 1-4 – available at local bookstores
- *Major Problems, Chapter 2*
 - Doc. #1, Benj. Franklin Coaches an Ambitious Tradesman, 1748
 - Doc. #2, John Woolman’s Christian Conscience Impels Him to Leave Retailing, 1756
 - Doc. #3, Farmers Ask the Rhode Island Assembly to Regulate Commercial Fishing, 1766
 - Doc. #4, Iron Masters Petition Rhode Island Lawmakers for Water Rights, 1769
 - Doc. #5, Promoter Alexander Clúny Extols Florida’s Virtues, 1770
 - Doc. #6, Merchant-Planter Henry Laurens Reflects on Florida’s Challenges, 1766
- *Major Problems, Chapter 3*
 - Doc. #1, VA Merchant-Planter Wm. Fitzhugh Describes His Tobacco Plantation, 1686
 - Doc. #2, Boston Merchant Thomas Hancock Launches a Covert Voyage to Amsterdam, 1742
 - Doc. #3, New York Merchant Gerard G. Beekman Insures Slave Cargo from Africa, 1749
 - Doc. #4, A Hudson’s Bay Factor Orders Merchandise for His Indian Customers, 1739
- *On E-Reserves*
 - Beekman letters: to Joseph Kirby, Philadelphia, Dec. 25, 1749; and to Samuel Chase, Rhode Island, Aug. 16, 1750
- *Major Problems, Chapter 2*
 - Perkins, “The Entrepreneurial Spirit in Colonial America”

JAN. 29 (R) LECTURE – “Post-colonial tumult”

KEYWORD: (first) Bank of the United States

FEB. 3 (T) LECTURE – “Breaking with the colonial past: War of 1812”

KEYWORD: War of 1812


The first paper assignment will be handed out in lecture on Feb. 3

FEB. 4 (W) SECTIONS – READINGS FOR DISCUSSION

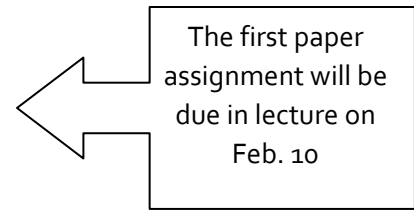
- *Major Problems, chapter 3*
 - Essay by Morgan, “British Merchants, the Slave Trade, and the Transatlantic Economy”
- *On E-Reserves*
 - Additional Beekman letters: To David and William Ross, Newry [Ireland], Feb. 10, 1766; and to David and William Ross, Newry [Ireland], May 2, 1766
- *Major Problems, chapter 3*
 - Doc. #6, Revolutionary Era Merchants Explain the Causes of Inflation, 1779
 - Doc. #7, Tench Coxe Proposes a Chamber of Commerce, 1784
 - Doc. #8, Antifederalist George Bryan Attacks the Merchant Junto, 1788
 - Doc. #9, A Merchant-Speculator Encourages Europeans to Invest in Western Land, 1788
 - Essay by Doerflinger, “Philadelphia Merchants and the Rise of Federalist Power in the New Nation”

FEB. 5 (R) LECTURE - paper-writing workshop

- Review *Pocket Guide*, chapter 4, and read chapters 6, 7a, and 7c before lecture

FEB. 10 (T) LECTURE – “A new institutional power: the corporation”

KEYWORD: general incorporation



FEB. 11 (W) SECTIONS – Readings for Discussion

- *On E-Reserves*
 - Daniel Raymond, *Thoughts on Political Economy* (Baltimore: Fielding Lucas, Jun'r., 1820), ch. 10, "Corporations."
 - *Letter, on the Use and Abuse of Incorporations, Addressed to the Delegation from the City of New-York, in the State Legislature. By One of Their Constituents* (New York: G. & C. Carvill, 1827), pp. 3-14, 50-59.
 - Pauline Maier, "The Revolutionary Origins of the American Corporation," *William and Mary Quarterly*, 3d ser., vol. 50 (January 1993): 51-84.
- *Major Problems, chapter 4*
 - Doc. #7, *Baltimore Patriot* Supports Government Regulation of Telegraph, 1845
 - Doc. #8, *New York Journal* Presses for the Privatization of Telegraphy, 1846
 - Essay by John, "Building the First Information Highway: The Deregulation of Telegraphy"

Feb. 12 (R) Lecture – “Understanding the antebellum American State”

KEYWORD: “American System” (policy package)

Feb. 17 (T) Lecture – “Social limits on property rights: race and gender in antebellum business”

KEYWORD: Free Frank

Feb. 18 (W) Sections – Readings for discussion

- *Major Problems, chapter 5*
 - Doc. #1, A Georgia Planter Instructs His Overseer, 1832
 - Doc. #2, A Carolina Industrialist Explains Why Factories Are Good for the South, 1845
 - Doc. #3, Frederick Douglass Remembers the Slave Trade, 1852
 - Doc. #4, Louisiana’s Slave Laws Simplified, 1853
 - Doc. #5, A Virginia Slave Master Hires a Slave Workforce, 1856
 - Doc. #6, Senator James Henry Hammond Declares “Cotton is King,” 1858
 - Essay by Johnson, “The Slave Traders of New Orleans”
 - Essay by Dew, “Running Buffalo Forge: Master, Slaves, and the Overwork System”
 - Essay by Faust, “James Henry Hammond and the Plantation as a Business Enterprise”
- *Major Problems, chapter 6*
 - Doc. #1, Industrialist Kirk Boott Chronicles the Great Achievements of Lowell, 1827
 - Doc. #2, A Factory Girl Leads a Tour of the Lowell Mills, 1845
 - Doc. #3, George S. White, The Moral Influence of Industry, 1836
- *Major Problems, chapter 9*
 - Doc. #1, Jewish Immigrant Abraham Kohn Laments His Wanderings as a Peddler, 1842-1843

FEB. 19 (R) LECTURE – “What was so revolutionary about ‘industry?’”

KEYWORD: “American System” (of manufacturing)

FEB. 24 (T) LECTURE – “Civil War: laying the foundations of post-bellum industrial growth”

FEB. 25 (W) SECTIONS – Readings for discussion

- On E-Reserves
 - “King Bread vs. King Cotton,” *Chicago Tribune*, September 28, 1861, o_2.
- *Major Problems, chapter 6*
 - Doc. #4, *New York Times* Discusses the Morrill Tariff and American Industry, 1861
 - Doc. #5, *Atlantic Monthly* Visits Pittsburgh, the Workshop of the West, 1868
 - Doc #6, Freeman Hunt, The Ups and Downs of Business, 1856
 - Doc. #7, Andrew Carnegie, How Young Men Can Succeed, 1885
 - Essay by Ingham, “Clash of the Titans: Andrew Carnegie and Pittsburgh’s Old Iron Masters”
 - Essay by Laird, “Progress and the Double Meaning of Industry”
 - Essay by Beckert, “New York Business Elites and the Civil War”
- *Major Problems, chapter 7*
 - Doc. #1, Technology Enshrined at the World’s Fair, 1876

FEB. 26 (R) LECTURE – “New strategies of growth: HI and VI”

KEYWORDS: horizontal integration; vertical integration

MARCH 3 (T) LECTURE – “Social relations of capitalism transformed (labor + capital)”

KEYWORD: plutocracy

The second paper assignment will be handed out in lecture on Mar. 3

MARCH 4 (W) SECTIONS – Readings for discussion

- *On E-Reserves*
 - Frederick W. Taylor, *Principles of Scientific Management* (1916), ch. 2
- *Major Problems, chapter 8*
 - Doc. #1, Unionized Workers in the Knights of Labor Demand a Fair Share of American Wealth, 1878
 - Doc. #3, Sweatshop Conditions Horrify a Factory Inspector
 - Doc. #4, Industrialist George M. Pullman Explains the Strike at Pullman Palace Car Works, 1894
 - Doc. #8, Goodyear Tire & Rubber Company Applies Human Engineering to the Labor-Capital Problem, 1920
 - Essay by Jacoby, “Welfare Capitalism at Kodak”

MARCH 5 (R) LECTURE – “Social barriers to entry: race and gender at the turn of the century”

KEYWORD: Madam C. J. Walker

MARCH 10 (T) LECTURE – “Alternatives to ‘big business’”

KEYWORD: producer cooperatives

The second paper assignment will be due in lecture on March 10

MARCH 11 (W) SECTIONS – Readings for discussion

- *Major Problems, chapter 9*
 - Doc. #2, A Credit Agency Monitors Businesses Nationwide, 1850s-1880s
 - Doc. #3, A Cleveland Newspaper Heralds the Peoples’ Drug Company as an Achievement for the Negro Race, 1906
 - Essay by Olegario, “Jewish Merchants, Creditworthiness, and Business Culture”

- *On E-Reserves*
 - Edith Sparks, *Capital Intentions: Female Proprietors in San Francisco, 1850-1920* (2006), ch. 2, "Why San Francisco Women Started Businesses"
- *Major Problems, chapter 7*
 - Doc. #4, A Vice President at the New York Central Railroad Describes Railroad Management as a Manly Profession, 1903
 - Doc. #5, Male and Female Telegraph Operators Go on Strike, 1907
 - Essay by Lipartito, "Switchboard Operators or Girl-Free Automation? Gender, Stereotypes and Managerial Choice in the Bell Telephone System"

MARCH 12 (R) LECTURE – "Business regulation reconfigured: national competition policy, state incorporation policies"

KEYWORD: "race to the bottom"

MARCH 17-19 – Spring break

MARCH 24 (T) LECTURE – "Mass production's neglected twin - mass retailing"

KEYWORD: department stores

MARCH 25 (W) SECTIONS – Readings for discussion

- *Major Problems, chapter 8*
 - Doc. #2, Journalist Henry Demarest Lloyd Exposes the Standard Oil Monopoly, 1881
 - Doc. #5, Sugar King Henry O. Havemeyer Declares the Customs Bill as the Mother of All Trusts, 1899
 - Doc. #6, President Theodore Roosevelt Advocates Regulation, 1901
 - Doc. #7, "People's Attorney" Louis D. Brandeis Lashes Out Against the Money Trust, 1913
 - Essay by Dunlavy, "Why Did Some American Businesses Get So Big?"
- *Major Problems, chapter 10*
 - Doc. #1, John Wanamaker, The Four Cardinal Points of the Department Store, 1911

MARCH 26 (R) LECTURE – "Consolidating 'bigness' - the era of the Great War"

KEYWORDS: Simplification, dollar-a-year men

MARCH 31 (T) LECTURE – "The rise of 'systems' in the 1920s"

KEYWORD: diversification

APRIL 1 (W) SECTIONS – Readings for discussion

KEYWORD: chain stores

- *On E-Reserves*
 - Stuart Chase, *The Tragedy of Waste* (1929, orig. pub. 1925), ch. 7, "An Analysis of Advertising"
 - Earnest Elmo Calkins, *Business the Civilizer* (1928), pp. 1-29
 - "The Story of the New Campaign," *The Chameleon* [in-house publication for Sherwin-Williams Co. salesmen], September 1918, 6-7, 11.
- *Major Problems, chapter 9*
 - Doc. #5, Christine Frederick Advises Retailers on Selling to Women, 1920
- *Major Problems, chapter 10*
 - Doc. #4, Paul T. Cherington, Putting American Consumers Under the Microscope, 1924

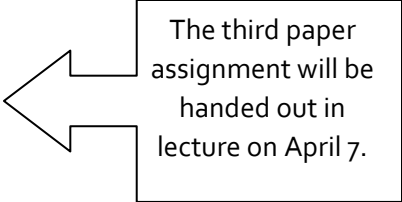
- Doc. #5, Alfred P. Sloan, Jr., How GM Gets the Facts on Car Buyers and Competes with Ford, 1927
- Doc. #6, Herbert Hoover Explains How World Trade and Protective Tariffs Ensure American Prosperity, 1928
- Doc. #7, J. C. Penney, How Chain Stores Benefit Farmers, 1930
- Doc. #8, National Wholesale Grocers' Association, Why Chain Stores Threaten the Nation's Welfare, 1930
- Essay by Blaszczyk, "Marketing Pyrex Ovenware"
- Essay by Bean, "Mass Marketing Meets Main Street: Department Stores, Mail Order, and the Chain Store Menace"

APRIL 2 (R) LECTURE – "The (first?) Great Depression"

KEYWORD: technological unemployment

APRIL 7 (T) LECTURE – "World war again - forging the modern American economy"

KEYWORD: military-industrial complex



The third paper assignment will be handed out in lecture on April 7.

APRIL 8 (W) SECTIONS – Readings for discussion

KEYWORD: Blue Eagle

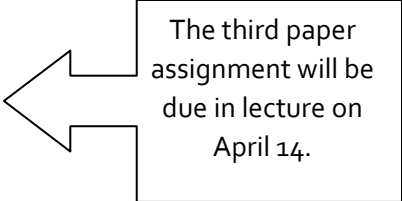
- *Major Problems, chapter 11*
 - Doc. #1, A Wall Street Broker Remembers 1929
 - Doc. #2, NRA's Blue Eagle Displayed in a Restaurant Window, 1934
 - Doc. #3, American Liberty League Vigorously Opposes the New Deal, 1936
 - Essay by Bernstein, "Why the Great Depression Was Great"
 - Doc. #4, CIO Leader John L. Lewis Issues a Forceful Warning to Industry, 1936
 - Doc. #5, GM Managers Work Behind Closed Doors on a Collective Bargaining Policy, 1936
 - Essay by Harris, "GM, Chrysler, and Unionization"
 - Doc. #6, *Magazine of Wall Street* Assesses Corporate Performance for Investors, 1929-1938
 - Doc. #7, St. Louis Banker Heads the Defense Plant Corporation, 1940-1944
 - Doc. #8, *Life* Celebrates Henry J. Kaiser and the U.S. Wartime Shipbuilding Program, 1942
 - Doc. #9, *Mill and Factory* Explains How the Aircraft Industry Recruits Women, 1942
 - Essay by Davidson, "World War II and the Birth of the Military-Industrial-Complex"

APRIL 9 (R) LECTURE – "The surprise of post-WWII prosperity"

KEYWORDS: Highway Act of 1956, Bretton Woods

APRIL 14 (T) LECTURE – "Conglomeration and franchising"

KEYWORD: conglomeration



The third paper assignment will be due in lecture on April 14.

APRIL 15 (W) SECTIONS – Readings for discussion

- *Major Problems, chapter 12*
 - Doc. #1, National Association of Manufacturers Outlines a Plan for Postwar Prosperity, 1944
 - Doc. #2, Real Estate Developers Lure Business to the Suburbs, 1948
 - Doc. #3, A Concerned Consumer Asks a Big Businessman About the Price of a Nylon Shirt, 1950
 - Doc. #4, *U.S. News and World Report* Explains What the Baby Boom Means to the Economy, 1957
 - Doc. #5, *Fortune* Credits Federal Policies for the Explosion of Motels, 1959

- Doc. #6, Senator Hubert H. Humphrey Compares R&D Expenditures at Home and Abroad, 1962
- Doc. #7, Vietnam War Raises Business Hackles, 1971
- Essay by Cohen, "From Town Center to Shopping Center: The Reconfiguration of Marketplaces in Postwar America"
- Essay by Schulman, "Fortress Dixie: Defense Spending and the Rise of the Sunbelt"
- *Major Problems, chapter 14*
 - Doc. #1, Economist Victor R. Fuchs Highlights the Growth of Services, 1965
 - Doc. #2, Investment Bankers Association Predicts a Computer Boom, 1963
 - Doc. #3, Bill Veeck Assesses Baseball's Marketing
 - Doc. #4, Ray Kroc Explains How He Built the McDonald's Empire, 1968
 - Essay by Dicke, "We Deliver: Domino's Pizza and the Franchising Method" April 16 (R) Lecture –

APRIL 16 (R) LECTURE – "The problem of the modern corporation"

KEYWORD: separation of ownership and management

APRIL 21 (T) LECTURE – "American business pushes abroad"

KEYWORD: multinationals

APRIL 22 (W) SECTIONS – Readings for discussion

- *Major Problems, chapter 15*
 - Doc. #1, *Fortune* Urges Business to Export Capitalism and Democracy, 1947
 - Doc. #2, High Labor Costs and Foreign Competition Confound Steelmakers, 1968
 - Doc. #3, National Industrial Conference Board Evaluates the General Agreement on Tariffs and Trade (GATT), 1968
 - Doc. #4, Pharmaceutical Giant Bristol-Myers Encounters Cultural Differences in Japan and the USSR in the 1970s
 - Essay by Jones, "Multinationals and Globalization"
- *On E-Reserves*
 - Richard J. Barnett and Ronald E. Müller, *Global Reach: The Power of Multinational Corporations* (1974), ch. 7, "Engines of Development?"

APRIL 23 (R) LECTURE – "Why the 'new (social) regulation'?"

KEYWORD: OSHA

APRIL 28 (T) LECTURE – "Crisis again - the 1970s"

KEYWORD: stagflation

APRIL 29 (W) SECTIONS – Readings for discussion

KEYWORD: pseudo-professionalism

- *Major Problems, chapter 13*
 - Doc. #1, A Prominent Zoologist Speaks About the Threat of the Modern Economy, 1949
 - Doc. #2, Weyerhaeuser Explains the Forest Industry's Practices, 1949
 - Doc. #3, Ralph Nader Blames Detroit Carmakers for Automotive Accidents, 1965
 - Doc. #4, Alcoa CEO Explains the Public Responsibility of Private Enterprise, 1967
 - Doc. #5, Economist Milton Friedman Urges Business to Focus on Profits, 1970

- Doc. #6, Sun Oil Executive Outlines the Nation’s Energy Dilemmas, 1973
- Essay by Sicilia, “The Corporation Under Siege”
- *On E-Reserves*
 - Robert H. Hayes and William J. Abernathy, “Managing Our Way to Economic Decline,” *Harvard Business Review* 58 (July-August 1980): 67-77.
 - John E. Schwartz and Thomas J. Volgy, “The Myth of America's Economic Decline,” *Harvard Business Review* 63 (Sept/Oct 1985): 98-107.

APRIL 30 (R) LECTURE – “Against the grain of history - late 20c strategies and structures”

KEYWORD: core business

MAY 5 (T) LECTURE – “Twenty-first century revolutions?”

KEYWORD: nanotechnology

MAY 6 (W) SECTIONS – Readings for discussion

KEYWORD: deregulation

- *Major Problems, chapter 14*
 - Doc. #5, Journalists Probe Transportation Workers’ Lives in the Wake of Deregulation, 1992
 - Doc. #6, Sam Walton, Ten Rules That Worked for Me, 1992
 - Doc. #7, A Congressman Explores Wal-Mart’s Labor Practices in the United States and Asia, 2004
 - Essay by Vietor, “American Airlines Competes After Deregulation”
 - Essay by Head, “Inside Wal-Mart”
- *Major Problems, chapter 15*
 - Doc. #5, *Time* Documents the Agricultural Surplus, 1986
 - Doc. #6, Journalist Thomas L. Friedman Describes McDonald’s Global Expansion, 1996
 - Doc. #7, Washington Think Tank Calculates NAFTA’s Impact on Jobs, 2001
 - Doc. #8, USDA Reports NAFTA’s Benefits to Agricultural Exports, 2001
 - Essay by Baily and Farrell, “Exploding the Myths About Offshoring”

MAY 7 (R) LECTURE – “The current crisis”

END-OF-SEMESTER EVENTS

REVIEW: Mon., May 11, 1:00 p.m. (location TBA)

FINAL EXAM: Wed., May 12, 5:05 p.m. (location TBA)

rev. 1/20/09