

## HISTORY 247 – AMERICAN BUSINESS HISTORY – FALL 2008

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UNIVERSITY OF WISCONSIN-MADISON

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

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FULL SYLLABUS ONLINE: <http://history.wisc.edu/dunlavy/247-F08/index.html> . Be sure to read this in its entirety!

### WHY STUDY BUSINESS HISTORY?

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What could be a more exciting time to study American business history than the tumultuous present? Everything -- from financial markets, global trade flows, and work relations to international competitiveness, consumer behavior, and government regulation -- seems to be in 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 aid in evaluating the changes going on around us today.

### THEMES

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

- the development of a distinctive American version of **capitalism** (with some comparison with other variants of capitalism);
- the critical, though changing, role that **politics** (broadly construed) has played in shaping American business history; and
- American business as a **social** world, composed of social relations and social rules.

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

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#### NOTES:

1. MP = required text, *Major Problems in American Business History*; be sure to read the editors’ introduction to each chapter.
2. Other readings will be available on E-Reserves.
3. Our “weeks” overlap. Each of our “weeks” consists of two lectures in a given week (by the calendar) and readings to be discussed in sections the following (calendar) week.

### COURSE “WEEK” #1

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#### LECTURE

- Sept. 2 (T) – Introduction
  - Handout: James Fulcher, “What is Capitalism?” – for discussion in lecture on Sept. 4

**SECTIONS**, Sept. 2-3 (T-W) – introduction/orientation; no reading assignment

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[Does this “week” continue on the next page? Be sure to check!]

## COURSE “WEEK” #2

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### LECTURE

- Sept. 4 (R) – Doing business in the colonies
  - Read for discussion in lecture: James Fulcher, "What is Capitalism" (handed out Sept. 2))

**KEYWORD:** bill of exchange

**SECTIONS,** Sept. 9-10 (T-R)

**READINGS** for discussion in sections (read in the order given below):

- *A Pocket Guide to Writing in History*, chs. 1-4 – available at University Bookstore or College Library Reserves
- MP, 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
- MP, chapter 3
  - Doc. #1, VA Merchant-Planter Wm. Fitzhugh Describes His Tobacco Plantation, 1686
  - Doc. #2, Boston Merchant Thos. Hancock Launches a Covert Voyage to Amsterdam, 1742
  - Doc. #3, NY Merchant Gerard G. Beekman Insures Slave Cargo from Africa, 1749
- On E-Reserves
  - Additional Beekman letters: to Joseph Kirby, Philadelphia, Dec. 25, 1749; and to Samuel Chase, Rhode Island, Aug. 16, 1750
- MP, chapter 3
  - Doc. #4, A Hudson’s Bay Factor Orders Merchandise for His Indian Customers, 1739
  - Doc. #5, Boston Shopkeeper Lewis Deblois Advertises the Latest London Goods, 1757
- MP, chapter 2
  - Essay by Perkins, “The Entrepreneurial Spirit in Colonial America”

## COURSE “WEEK” #3

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### LECTURES

- Sept. 9 (T) – The imperial political economy
- Sept. 11 (R) – Post-colonial tumult

**KEYWORDS:** colony, Tariff of 1789

**SECTIONS,** Sept. 16-17 (T-R)

**READINGS** for discussion in sections (read in the order given below):

- MP, 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
- MP, 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”

## COURSE “WEEK” #4

### LECTURES

- Sept. 16 (T) – Breaking with the colonial past: War of 1812
- Sept. 18 (R) – paper-writing workshop
  - Review *Pocket Guide*, chapter 4, and read chapters 6-7 before lecture

*First paper assignment  
will be handed out in  
lecture on Sept. 18 (R)*

**KEYWORD:** War of 1812

**SECTIONS,** Sept. 23-24

**READINGS** for discussion in sections – none; work on paper assignment

## COURSE “WEEK” #5

### LECTURES

- Sept. 23 (T) – A new institutional power -- the corporation
- Sept. 25 (R) – Understanding the antebellum American “state”

**KEYWORDS:** general incorporation, “American System” (policy package)

**SECTIONS,** Sept. 30 + Oct. 2

**READINGS** for discussion in sections (read in the order given below):

- 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.
- MP, 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”

*First paper assignment  
will be due in lecture on  
Sept. 25 (R)*

## COURSE “WEEK” #6

### LECTURES

- Sept. 30 (T) – Social limits on property rights: race and gender in antebellum business
- Oct. 2 (R) – What was so revolutionary about “industry”?

**KEYWORDS:** Free Frank, “American System” (of manufacturing)

**SECTIONS,** Oct. 7-8

**READINGS** for discussion in sections (read in the order given below):

- MP, 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”

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- MP, 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
- MP, chapter 9
  - Doc. #1, Jewish Immigrant Abraham Kohn Laments His Wanderings as a Peddler, 1842-1843

## COURSE “WEEK” #7

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### LECTURES

- Oct. 7 (T) - Civil War: laying the foundations of post-bellum industrial growth
- Oct. 9 (R) - New strategies of growth: HI and VI

**KEYWORDS:** horizontal integration; vertical integration

**SECTIONS,** Oct. 14-15

**READINGS** for discussion in sections (read in the order given below):

- On E-Reserves
  - “King Bread vs. King Cotton,” *Chicago Tribune*, September 28, 1861, 0\_2.
- MP, 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”
- MP, chapter 7
  - Doc. #1, Technology Enshrined at the World’s Fair, 1876

## COURSE “WEEK” #8

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### LECTURES

- Oct. 14 (T) – Social relations of capitalism transformed (labor + capital)
- Oct. 16 (R) – Social barriers to entry: race and gender at the turn of the century

**KEYWORDS:** plutocracy; Granville T. Woods

**SECTIONS,** Oct. 21-22

**READINGS** for discussion in sections (read in the order given below):

- On E-Reserves
  - Frederick W. Taylor, *Principles of Scientific Management* (1916), ch. 2
- MP, 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”
- MP, 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

*Second paper assignment will be handed out in lecture on Oct. 16 (R) and due on Oct. 28 (T)*

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- 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”
- MP, 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”

## COURSE “WEEK” #9

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### LECTURES

- Oct. 21 (T) – Alternatives to “big business”
- Oct. 23 (R) – New structure of bus. regulation: natl. competition policy, state incorporation policies

**KEYWORDS:** producer cooperatives, “race to the bottom”

**SECTIONS,** Oct. 28-29

**READINGS** for discussion in sections (read in the order given below):

- MP, 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?”

## COURSE “WEEK” #10

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### LECTURES

- Oct. 28 (T) – Mass production's twin - mass retailing
- Oct. 30 (R) – Consolidating “bigness” - the Great War

**KEYWORDS:** dollar-a-year men

**SECTIONS,** Nov. 4-5

**READINGS** for discussion in sections (read in the order given below):

- 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 the staff of the Sherwin-Williams Company], September 1918, 6-7, 11.
- MP, chapter 9
  - Doc. #5, Christine Frederick Advises Retailers on Selling to Women, 1920
- MP, chapter 10
  - Doc. #1, John Wanamaker, The Four Cardinal Points of the Department Store, 1911
  - 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. #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”

Second paper  
assignment will be due  
in lecture on Oct. 28 (T)

[Does this “week” continue on the next page? Be sure to check!]

- Essay by Bean, “Mass Marketing Meets Main Street: Department Stores, Mail Order, and the Chain Store Menace”

## COURSE “WEEK” #11

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### LECTURES

- Nov. 4 (T) – The rise of “system” . . . and implosion of capitalism?
- Nov. 6 (R) – World war again - forging the modern American political economy

**KEYWORDS:** technological unemployment, military-industrial complex

**SECTIONS,** Nov. 11-12

**READINGS** for discussion in sections (read in the order given below):

- MP, chapter 10
  - Doc. #6, Herbert Hoover Explains How World Trade and Protective Tariffs Ensure American Prosperity, 1928
- MP, 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
  - 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
  - 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 Bernstein, “Why the Great Depression Was Great”
  - Essay by Harris, “GM, Chrysler, and Unionization”
  - Essay by Davidson, “World War II and the Birth of the Military-Industrial-Complex”

## COURSE “WEEK” #12

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### LECTURES

- Nov. 11 (T) – The surprise of post-WWII prosperity
- Nov. 13 (R) – Conglomeration - the next new thing

**KEYWORDS:** Highway Act of 1956, conglomeration

**SECTIONS,** Nov. 18-19

**READINGS** for discussion in sections (read in the order given below):

- MP, 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
  - 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”
- MP, chapter 14
  - Doc. #1, Economist Victor R. Fuchs Highlights the Growth of Services, 1965
  - Doc. #2, Investment Bankers Association Predicts a Computer Boom, 1963

*Third paper assignment  
will be handed out in  
lecture on Nov. 13 (R)  
and due on Nov. 25 (T)*

[Does this “week” continue on the next page? Be sure to check!]

- 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”

## COURSE “WEEK” #13

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### LECTURES

- Nov. 18 (T) – The problem of the modern corporation
- Nov. 20 (R) – TBA

**KEYWORDS:** separation of ownership and management

**SECTIONS, Nov. 25-26:** sections will NOT meet – have a good Thanksgiving break!

**READINGS:** no assignment

## COURSE “WEEK” #14

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### LECTURES

- Nov. 25 (T) - American business pushes abroad
- Nov. 27 (R)– none (Thanksgiving)

**KEYWORDS:** multinationals

**SECTIONS, Dec. 2-3**

**READINGS** for discussion in sections (read in the order given below):

- MP, 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
- MP, chapter 12
  - Doc. #7, Vietnam War Raises Business Hackles, 1971
- MP, chapter 15
  - Doc. #4, Pharmaceutical Giant Bristol-Myers Encounters Cultural Differences in Japan and the USSR in the 1970s
- MP, chapter 15
  - Essay by Jones, “Multinationals and Globalization”
- On E-Reserves
  - Richard J. Barnet and Ronald E. Müller, *Global Reach: The Power of Multinational Corporations* (1974), ch. 7, “Engines of Development?”

*Third paper assignment  
will be due in lecture on  
Nov. 25 (T)*

## COURSE “WEEK” #15

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### LECTURES

- Dec. 2 (T) – Why the “new regulation”?
- Dec. 5 (R) – Crisis again - the 1970s

**KEYWORDS:** OSHA, stagflation

**SECTIONS, Dec. 9-10**

**READINGS** for discussion in sections (read in the order given below):

- MP, 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

[Does this “week” continue on the next page? Be sure to check!]

- 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.

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## COURSE “WEEK” #16

### LECTURES

- Dec. 9 – Against the grain of history - late 20c strategies and structures
- Dec. 11 – 21c revolutions?

**KEYWORD:** core business

**SECTIONS:** will not meet Dec. 16-17 (it’s exam week)

### READINGS (optional)

- MP, 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”
- MP, 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”

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## END-OF-SEMESTER EVENTS

**REVIEW:** Mon., Dec. 15, time and location TBA

**FINAL EXAM:** Wed., Dec. 17, 7:45 a.m. (location TBA)

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