

UNIVERSITY OF WISCONSIN
Department of History
Semester 2, 1985-86

History 327

Capitalism, Socialism and Democracy
in America Since 1890

Mr. Hollingsworth

A major concern of this course is to analyze the changing nature of American capitalism and political institutions during the twentieth century and to study how they are distinctive and similar to institutions in other highly industrialized societies. The course will devote particular attention to the changes in the institutional arrangements which have altered the nature of American capitalism since the late nineteenth century. In addition, the lectures will explore how the institutional arrangements in American society have influenced the performance of the economy.

Students in this course should emerge with an understanding of the (1) inherent tensions between democratic and capitalist institutions, and (2) the persisting crises which are inherent in capitalist systems.

This course has two basic concerns: (1) to analyze the political and economic institutions which have emerged in the United States since 1890, and (2) to analyze how these institutional arrangements have influenced various types of social and economic policies which have been implemented since the Second World War.

The first part of the course will focus on the social, economic, and political arrangements which had become highly institutionalized by 1940. The second part will focus on how these institutional arrangements placed constraints on the formation and implementation of public policies after 1940. In addition, substantial attention will be devoted throughout the course to analyzing what groups have benefited by the social, economic, and political arrangements in the United States since 1890.

There is no single textbook which covers the materials in the course. However, each student is advised to purchase James Weinstein, The Corporate Ideal in the Liberal State. Those students who have a deficient background in American history should obtain a general textbook on twentieth century American history and read it along with the specific assignments during the course.

The bulk of the reading will consist of xeroxed essays which you should purchase from one of the photoduplication shops near the campus. These will be prepared in a packet, and the shop which has prepared these will be announced at the beginning of the semester.

As this is a four credit course, there will be frequent discussion sections which each student is required to attend.

There will be two written assignments during the semester, each being a take-home examination on which you will have several days to work. (It has been my experience that students learn much more from take-home examinations than from in-class exams.) Each take-home examination should be carefully written in essay form and demonstrate a mastery of the subject matter. The first examination will be given on March 5 and will be due March 12. The second exam will be given on May 12 and will be due on May 12. Except in the case of

extreme emergency, there will be no incompletes in the course. All work must be completed by the date indicated above.

Grading Policy:

Class Participation (20 percent)
First Take Home Examination (35 percent)
Second Take Home Examination (45 percent)

Lecture Schedule and Reading Assignments:

Part I: The Failure of Social Democracy and the Structure of American Society, 1890-1939.

January 20: Introduction

1. Rogers Hollingsworth and Robert Hanneman, "Leftist Governments, Working Class Power, and the Political Economy of Advanced Capitalist Societies" (Packet)

January 22: The Problem of American Exceptionalism

2. Seymour Martin Lipset, "Why No Socialism in the United States?" (Packet)
3. Introductory Essay to Werner Sombart's Why Is There No Socialism in the United States? (Packet)

January 27, 29: The Structure of American Business in the Late 19th and Early 20th Centuries

4. Alfred Chandler, "The Rise of Big Business in America" (Packet)
5. Alfred Chandler, "The United States: The Oeedbed of Managerial Capitalism" (Packet)
6. Alfred Chandler, "Organizational Innovations" (Packet)

February 3, 5: The Structure of Labor Unions and Labor-Management Relations in the Late 19th and Early 20th Centuries: The Problem of Control

7. John Laslett, "Reflections on the Failure of Socialism in the American Federation of Labor" (Packet)
8. Melvin Dubofsky, "The Origins of Western Working Class Radicalism" (Packet)
9. John Herling, "Labor Unions in America" (Packet)
10. Melvyn Dubofsky, "Socialism and Syndicalism" (Packet)
11. Katherine Stone, "The Origins of Job Structures in the Steel Industry" (Packet)
12. Harry Braverman, Labor and Monopoly Capital, Chapter 4. (Packet)
13. Stuart Brandes, "American Welfare Capitalism" (Packet)
14. David Brody, "American Welfare Capitalism" (Packet)
15. Michael Piore and Charles Sabel, "The Lost Opportunity of Welfare Capitalism" (Packet)

February 10: The Political Economy of Agrarian America

16. Lawrence Goodwyn, "The Alliance Develops" (Packet)

February 12: Socialism in America

17. James Weinstein, "The Problems of the Socialist Party" (Packet)
18. Daniel Bell, "The Decline of American Socialism" (Packet)

February 17: The Structure and Formation of American Political Machines

19. Readings by James Bryce, Jane Addams, Lincoln Steffens, and Robert Merton (Packet)

February 19, 24: Capitalists and American Politics, 1900-1920

20. James Weinstein, The Corporate Ideal in the Liberal State (purchase at University Bookstore)
21. Samuel P. Hays, "The Politics of Reform in Municipal Government" (Packet)
22. Thomas McCraw, "Rethinking the Trust Question" (Packet)

February 26: American Capitalism during the 1920s

23. Ellis Hawley, "Herbert Hoover and American Capitalism" (Packet)
24. Philippe C. Schmitter and Donald Brand, "Organizing Capitalists in the United States" (Packet)

March 3, 5: The Crisis of American Capitalism and the Second World War

25. Barton Bernstein, "The New Deal" (Packet)
26. Robert Collins, "Positive Business Response to the New Deal" (Packet)
27. Theda Skocpol, "Political Response to Capitalist Crisis" (Packet)
28. Ellis Hawley, "The New Deal and Business" (Packet)
(Re-read the paper by Schmitter and Brand)

March 10, 12: EXAMINATION

Part II: American Political Economy Since 1940

March 17: The Changing Structure of the American Corporation: Conglomerates and Mergers

29. Alfred Chandler, Strategy and Structure (Packet)
30. Gardner Means, Economic Concentration (Packet)
31. Willard Mueller, "Conglomerate Mergers" (Packet)
32. Harold Geneen, "The Rationale for Conglomerates" (Packet)

March 19: The Dynamics of Multinational Corporations

33. Harry Magdoff, "The Multinational Corporation and Development" (Packet)
34. Stephen Hymer, "The Multinational Corporation and Uneven Development"
(Packet)

April 2: American Labor in Advanced Capitalism

35. Andre Gorz, "Workers' Control Is More Than Just That" (Packet)
36. Stanley Aronowitz, "Trade Unionism and Workers Control" (Packet)
37. Richard C. Edwards, "Forms of Control in the Labor Process" (Packet)
38. "The Alienation of Work" (Packet)
39. "Divisions in the Labor Force" (Packet)
- 40a. Thomas Kochan and Michael Piore, "Will the New Industrial Relations Last?"
(Packet)
- 40b. Michael Piore and Charles Sabel, "The Institutionalization of American
Labor Relations" (Packet)

April 7: The Political Economy of Banks in The U.S.

41. David Kotz, "The Exercise of Finance Control" (Packet)
42. Michael Soref, "The Finance Capitalists" (Packet)

April 9, 14, 16: The Politics of Growth

43. Alan Wolfe, "The Rise and Fall of Growth Politics" (Packet)
44. Edward Tufte, "The Electoral Cycle and Economic Policy" (Packet)
45. Charles Sackray, "The Poverty of Urban Black People" (Packet)
46. Clair Brown, "Unemployment Theory and Policy" (Packet)
47. Wallace Peterson, "Military Spending and the National Economy" (Packet)
48. Michael Reich and David Finkelhor, "The Military Industrial Complex"
(Packet)
49. Michael Reich, "Military Spending and Production for Growth" (Packet)
50. E. Richard Brown, "A Half Century of Medicine in a Corporate Capitalist
Society"

April 21: Political and Economic Power in America

51. G. William Domhoff, "The Upper Class as a Governing Class" (Packet)
52. G. William Domhoff, "How the Power Elite Shaped Social Legislation"
(Packet)
- Re-read Gardner Means, "Concentration in the Economy" (Packet)
53. David Vogel, "The Power of Business in America" (Packet)
54. Adolf Berle, "The Fission of Property" (Packet)

April 23: The Welfare State and Distributional Issues

55. Thomas Weisskopf, "Capitalism and Inequality" (Packet)
56. Richard Edwards, "The Politics of Welfare" (Packet)
57. Wallace Peterson, "The Distribution of Income and Wealth" (Packet)
Re-read Hollingsworth and Hanneman, "Leftist Governments, Working Class Power, and the Political Economy of Advanced Capitalist Societies" (Packet)

April 28, 30: The Governance of the American Economy

58. Hollingsworth and Lindberg, "The Governance of the American Economy" (Packet)

May 5: The Changing Nature of the American State

59. "The Expanding Role of the State and Its Fiscal Crisis" (Packet)

Professor Hollingsworth

Degrees of Concentration in American Business
By the Early Twentieth Century

stored on
Paula's Disk
1-14-86

A. Fields of business which remained competitive

farming
personal services (hotels, barbers, restaurants)
real estate selling
commercial banking
construction
merchandising
printing and publishing
leather making
lumber and wood products
furniture making
apparel manufacturing
textile manufacturing
paper products
fabricated metal manufacturing (e.g., cans)

B. Fields of business which were heading toward oligopoly

mining
life insurance
public utilities
stone, clay, and glass manufacturing
chemicals
machinery (other than electrical)

C. Fields of business dominated by a number of large firms (oligopoly)

railroads
investment banking
food processing (meat packing, whiskey, sugar, flour, etc.)
electrical machinery manufacturing
primary metal manufacturing (steel and iron)
petroleum refining
instruments (e.g., photographic equipment)
rubber manufacturing
tobacco manufacturing

Generally, large corporations evolved in those fields of business which had one or more of the following characteristics: (1) production could be standardized due to similarity in consumer tastes (e.g., sugar refining); (2) production could be done in large volume by using continuous-process machinery to offer low-priced, packaged goods to the consumer (e.g., soft drinks); (3) production costs could be significantly lowered by tightly coordinating the flow of materials from the raw goods to the finished product stage (oil, rubber, chemicals); (4) production processes which were especially capital and energy intensive (iron and steel); and (5) production based on new consumer durables that required special marketing services such as assembly, demonstration, repair, or credit (agricultural implements, sewing machines, office machines).