

UNIVERSITY OF WISCONSIN-MADISON  
Department of History  
Semester I, 1993-1994

History 327

CAPITALISM, SOCIALISM AND DEMOCRACY  
IN AMERICA SINCE 1890

LECTURER: Steve Kretzmann, 4111 Humanities

SECTION LEADER: Ty Priest

Phone: 263-1960

Mailbox: 4099 (located next to the stairs on the 4th floor of Humanities)

Office hours: 2:30-4:00 Tuesday and Wednesday. I prefer (and encourage) meetings during my regular office hours. If that proves difficult, however, call, leave me a note, or flag me down after lecture to make other arrangements.

LECTURES are Tuesday and Thursday in 1111 Humanities.

Course Description:

Essentially, this course is about power. The first part of the course will focus on the social, economic, and political arrangements which evolved in the United States between 1890 and 1945, arrangements which helped explain and determine the distribution of economic and political power in this country at the end of World War II. Lectures and readings will focus on the histories of important economic and political institutions, and on the evolution of the relationships between those institutions. Throughout the course we will be assessing which groups in society gained and which groups lost power because of the specific institutional arrangements that took hold.

The second part of the course will focus on how the institutional arrangements which were in place in 1945 have evolved and have placed constraints on the formation and implementation of public policies down to our own times. Emphases will be placed on specific policy areas--such as health care, military spending, and environmental policies--which have been shaped by the institutional structures and distribution of power that have evolved in this country.

Students should emerge from this course with a better understanding of (1) the tensions between democratic and capitalist institutions (no, democracy and capitalism are not synonyms), (2) the recurring crises to which American capitalism is prey, and (3) why the American economy performs as it does.

Grading Policy:

Your grade will be determined by your performance on two take-home examinations, and by your attendance and participation in weekly discussion sections with Ty Priest. Mr. Priest may, from time to time, make brief assignments to enhance your understanding of the course materials. Discussion sections are mandatory and comprise an essential part of the course. Specifically, your grade will be determined using the following formula:

Section participation: (30 percent)  
First take-home exam: (30 percent)  
Second take-home exam: (40 percent)

IMPORTANT NOTE ON READINGS:

The bulk of the reading will consist of photo-copied essays which will be made available to you in one of two ways. Several copies of many of the essays will be kept on reserve in the reserve room of Helen C. White Hall (the undergraduate library, across Park Street from the Union). We realize that this is not the most convenient arrangement, but the nature of the course and strict copyright laws make this the only practical way to operate. (It also saves you some money!) It is very important that you treat the materials on reserve with care, refraining from marking or bending the articles or the bound volumes, so that your classmates and future generations can continue to use them!

In addition to the reserve materials, it is very likely that we will ask you to purchase a small packet of articles from one of the local copy shops, and it is also likely that we will use one or two books that will be made available through the book store later in the semester. Both Ty and I will give you complete instructions when the time comes.

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. Many textbooks will do, for example: Chaudacoff, et al., A People and a Nation (Houghton, Mifflin Co.), and Donn Brum, et al., The National Experience (Harcourt, Brace).

Note that the following week-by-week listing of required readings is not complete. It will be your responsibility to keep up with additions and changes as the course progresses, though we will do everything we can to keep you informed.

Lecture Schedule and Reading Assignments

(NOTE: Essays designated with a \* are contained in the volumes bound with the title Readings in American Political Economy, under the authorship of J. Rogers Hollingsworth. Several copies of these volumes are on reserve at White library.)

Week 1: Introductory

2 Sept: Course intro

Readings: None.

Week 2: The Organization of Power and the Problem of American Exceptionalism

7 Sept: Capitalism, Socialism, and Democracy

9 Sept: American Exceptionalism

Readings:

Hollingsworth and Hanneman, "Leftist Governments, Working Class Power, and the Political Economy of Advanced Capitalist Societies" (reserve, approx. 19 pp.)

Editor's Introductory Essay to Werner Sombart's "Why Is There No Socialism in the United States" (reserve, 22 pp.)

Week 3: The Structure of American Business in the Late 19th and Early 20th Centuries

14 Sept. The Logic of Industrial Growth

16 Sept. The Evolving Structure of American Business

Readings:

\*Alfred Chandler, "The United States: Seedbed of Managerial Capitalism" (reserve, 30 pp.)

\*Alfred Chandler, "Organizational Innovation: A Comparative Analysis" (reserve, 50 pp.)

\*Alfred Chandler, "The Spread of the Multidivisional Structure" (reserve, 24 pp.)

Week 4: The Evolution and Structure of Labor Unions in the Late 19th and Early 20th Centuries

21 Sept. "Mainstream" American Labor

23 Sept. The Road Not Taken: Radical Alternatives

Readings:

John Laslett, "Socialism and American Trade Unionism" (reserve, 32 pp.)

John Herling, "Labor Unions in America" (reserve, 20 pp.)

\*Melvin Dubofsky, "Socialism and Syndicalism" (reserve, 33 pp.)

\*Katherine Stone, "The Origins of Job Structures in the Steel Industry" (reserve, 32 pp.)

Week 5: Labor-Management Relations and the Problem of Control

28 Sept. The Progressive Mentality

30 Sept. The Promise and Failure of "Welfare Capitalism"

Readings:

\*Harry Braverman, "Scientific Management" (reserve, 38 pp.)

Stuart Brandes, "The Early Days of Modern Welfarism" and  
"Spreading the Gospel" (reserve, 19 pp.)

\*David Brody, "The Rise and Decline of Welfare Capitalism"  
(reserve, 33 pp.)

\*Michael Piore and Charles Sabel, "The Second Industrial Divide"  
(reserve, 21 pp.)

Week 6: The Political Economy of Agrarian America / Socialism in the United States

5 Oct. Meanwhile, Back on the Farm

7 Oct. The Fragility of American Socialism

Readings:

\*Lawrence Goodwyn, "The Alliance Develops a Movement Culture"  
(reserve, 34 pp.)

\*Daniel Bell, "The Decline and Fall of American Socialism"  
(reserve, 33 pp.)

James Weinstein, "The Problems of the Socialist Party" (reserve,  
20 pp.)

Week 7: American Political "Machines" / Capitalists and Progressives, 1900-1920

12 Oct. The Structure and Function of Political Machines

14 Oct. Capitalists as "Reformers"

Readings:

\*James Weinstein, "The National Civic Federation" (reserve, 36  
pp.)

\*Thomas McCraw, "Rethinking the Trust Question" (reserve, 54 pp.)

Readings by James Bryce, Jane Addams, Lincoln Steffens, and  
Robert Merton (reserve, 31 total pp.)

Samuel P. Hays, "The Politics of Reform in Municipal Government  
in the Progressive Era" (reserve, 25 pp.)

Week 8: Capitalism in the 1920s

19 Oct. Coming out of World War I

21 Oct. The Importance of Being Herbert (Hoover)

Readings:

\*James Weinstein, "War As Fulfillment" (reserve, 40 pp.)

\*Billis Hawley, "Herbert Hoover and American Capitalism" (reserve,  
30 pp.)

Philippe Schmitter and Donald Brand, "Organizing Capitalists in  
the United States" (reserve, approx. 80 pp.)

Week 9: The Crisis of American Capitalism and the Second World War

26 Oct. The Crash and the New Deal

28 Oct. Saved by War

Readings:

\*Theda Skocpol, "Political Response to Capitalist Crisis" (reserve, 46 pp.)

\*Ellis Hawley, "The New Deal and Business" (reserve, 32 pp.)

Barton Bernstein, "The New Deal" (reserve)

Week 10: Mid-term Examination

No lectures 2 Nov. and 4 Nov. Exam procedures to be announced.

Week 11: The Changing Face of American Capitalism: Mergers and Multinationals

9 Nov. Economic Concentration and World War II

11 Nov. Multinationals

Readings:

\*David Lake, "International Economic Structures and American Foreign Economic Policy" (reserve, 26 pp.)

Alfred Chandler, "Strategy and Structure" (reserve)

Gardner Means, "Economic Concentration" (reserve)

Harry Magdoff, "The Multinational Corporation and Development" (reserve)

Stephen Hymer, "The Multinational Corporation and Uneven Development" (reserve)

Week 12: Late 20th Century Labor Relations / The Influence of Banks

16 Nov. American Labor in Advanced Capitalism

18 Nov. The Political Economy of U.S. Banks

Readings:

\*Nelson Lichtenstein, "From Corporatism to Collective Bargaining" (reserve, 30 pp.)

\*Andre Gortz, "Workers' Control Is More Than Just That" (reserve, 19 pp.)

\*Stanley Aronowitz, "Trade Unionism and Workers' Control" (reserve, 44 pp.)

"The Alienation of Work" (reserve)

David Kotz, "The Exercise of Finance Control" (reserve)

Michael Soref, "The Finance Capitalists" (reserve)

Week 13: The Politics of Growth

23 Nov. The Politics of Growth

Readings:

\*Alan Wolfe, "The Rise and Fall of Growth Politics" (reserve, 31 pp.)

Edward Tufte, "The Electoral Cycle and Economic Policy" (reserve)

Week 14: Policy Outcomes

30 Nov. The Effects of Military Spending

2 Dec. The Political Economy of Medicine

Readings:

Wallace Peterson, "Military Spending and the National Economy"  
(reserve)

Joan Didion, "Trouble in Lakewood" (reserve, 18 pp.)

Michael Reich, "Military Spending and Production for Growth"  
(reserve)

\*J. Rogers Hollingsworth, "The Political Economy of Medicine"  
(reserve, 34 pp.)

E. Richard Brown, "A Half Century of Medicine in a Corporate  
Capitalist Society" (reserve)

Week 15: Power and the Distribution of Wealth

7 Dec. The Power Elite

9 Dec. The Welfare State and Income Distribution

Readings:

G. William Domhoff, "The Upper Class as a Governing Class"  
(reserve)

G. William Domhoff, "How the Power Elite Shaped Social  
Legislation" (reserve)

\*Joshua Cohen and Joel Rogers, "On Democracy" (reserve, 40 pp.)

\*Wallace Peterson, "The Distribution of Income and Wealth"  
(reserve, 34 pp.)

\*Ira Katznelson, "Was the Great Society a Lost Opportunity?"  
(reserve, 26 pp.)

Week 16: The Current Crisis

14 Dec. Why Don't Things Work?

Readings:

\*Hollingsworth and Lindberg, "The Governance of the American  
Economy" (reserve, 33 pp.)

"The Expanding Role of the State and Its Fiscal Crisis" (reserve)