

# History 364: The History of American Business

Spring 2012

MWF, 11–11:50 AM, Manning 209

Professor Benjamin Waterhouse

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422 Hamilton Hall

Office hours: Wed. and Fri., 12–1 PM, and by appt.



## Course Description

What is a business? For that matter, what is capitalism, the economic system in which business in the United States operates? And how have these concepts taken shape over American history, laying an indelible imprint on this country's social, political, and economic fortunes and struggles? This course examines the history of American business and American capitalism from the 18<sup>th</sup> century until the present. We will examine how business firms have been organized, what types of economic activities (trade, industrial production, transportation, communication, and finance) businesses have engaged in, and how workers, employers, politicians, activists, and consumers have struggled to determine exactly *what* business should do and for whom. Although the course does not stress math-intensive economic or management theory, students will be exposed to basic business and macro-economic concepts and, most importantly, will learn to assess those ideas in historical context.

## Course Readings (Available at UNC Student Stores)

- 1) Coursepack (includes primary and secondary sources)
- 2) *The Smartest Guys in the Room*, Bethany McLean and Peter Elkind (2003)
- 3) Optional textbook: *Business Enterprise in American History*, third edition, by Mansel Blackford and Austin Kerr (1994)

## **Course Requirements**

All students are expected to attend all lectures, having done the assigned reading, prepared to ask questions and participate in class discussion. There are no recitation labs and no separate participation grade. However, students' success on the exams and written assignments will depend on their active engagement, including regular lecture attendance and energetic involvement in class. Throughout the semester, students will write 4 short essays (2 to 3 pages) in response to a question about the assigned reading. (The instructor will provide the prompt a week before the essays are due.) Students will receive 6 prompt questions in total and may write essays for more than 4 if they wish; we will count the 4 best grades. As a result, we will not accept late essays. Students will also write a longer (5 to 6 page) essay due in the last week of class based on a question that the instructor will provide. There will be 3 in-class midterm exams and a final exam. All written work should be in Times New Roman font, double spaced, 1-inch margins all around.

## **Course Grade**

<b>Short Essays (8% each):</b>	<b>32%</b>
<b>Long Essay:</b>	<b>12%</b>
<b>Midterm 1:</b>	<b>12%</b>
<b>Midterm 2:</b>	<b>12%</b>
<b>Midterm 3:</b>	<b>12%</b>
<b>Final Exam:</b>	<b>20%</b>

## **Facebook**

Basic course information and documents (including the syllabus and lecture outlines) will be available on Sakai. However, we will use a Facebook group as the primary means of communication during the semester. Enrolled students will receive an invitation by email to join the closed group (without having to friend anyone, including the professor and grader). The course page will provide a forum for reminders about assignments, study tips for exams, and links to course-related material that students may find interesting. It also allows students to ask questions and provide feedback. Of course, students who wish to ask questions privately should feel free to email the professor, and there will be opportunities for anonymous feedback as well.

## **About Your Professor**

Benjamin Waterhouse is a historian of American political history in the 20<sup>th</sup> century. His research centers largely on political culture and the evolution of ideas and debates over questions related to business and economics. He is currently writing a book called *Lobbying America*, which examines how business associations like the U.S. Chamber of Commerce influenced

politics in the 1970s, 1980s, and 1990s both by lobbying members of Congress and by helping shape the political opinions of regular Americans at the grassroots.

### **Honor Code**

All students are expected to abide by the University of North Carolina's Honor Code in all aspects of this course. All written work should use proper citations and no form of plagiarism or academic dishonesty will be tolerated. If students are unclear about what constitutes plagiarism, they should speak with the course head or teaching assistant *before* submitting their work.

## **COURSE SCHEDULE**

Monday, January 9: Introduction to Course

### **Part I: The Origins and Rise of Industrial Capitalism, 1787–1865**

Wednesday, January 11

Business, Capitalism, and Slavery in the Colonial Period

Friday, January 13

The United States Constitution: A Case Study

Monday, January 16

**Holiday: NO CLASS**

**Reading:** Alfred Chandler, *The Visible Hand*, Chapters 1 & 2

Wednesday, January 18

The Rise of Industrial Manufacturing

Friday, January 20

A Market Revolution

**Short Essay 1 due in class, based on Chandler**

Monday, January 23

The Jefferson-Hamilton Debate

**Reading:** Alexander Hamilton, *Report on Manufactures*

Wednesday, January 25

Origins of the Corporate Legal Form

Friday, January 27

Banking and Money in the Early Republic

**Reading:** Stephen Mihm, *A Nation of Counterfeiters*, preface and chapter 3

**Short Essay 2 due in class, based on Mihm.**

Monday, January 30

The Business of Slavery

Wednesday, February 1

Slavery, Business, and the Coming of the Civil War

**Reading:** “A Virginia Iron Master Hires a Slave Workforce, 1856” and “James Henry Hammond and the Plantation as a Business Enterprise” by Drew Gilpin Faust

Friday, February 3

**Midterm I (comprehensive through January 30)**

## Part II: The World of Big Business, 1865–1929

Monday, February 6

The Rise of Railroads and the Managerial Revolution

**Reading:** Richard White, *Railroaded*

Wednesday, February 8

The Spread of Big Business—Carnegie and Rockefeller

**Reading:** Harold Livesay, “The Star-Spangled Scotchman: Andrew Carnegie”

Friday, February 10

Financing Big Business—J.P. Morgan

**Short Essay 3 due in class, based on White**

Monday, February 13

The Rise of the American Labor Movement

**Reading:** “Unionized Workers in the Knights of Labor Demand a Fair Share of American Wealth, 1878”; “Sweatshop Conditions Horrify a Factory Inspector, 1893”; “Industrialist George M. Pullman Explains the Strike at Pullman Palace Car Works, 1894.”

Wednesday, February 15

Farmers Against Bankers—The Populist Movement

Friday, February 17

The Trust Busters

**Reading:** V.I. Lenin, *Imperialism*

**Short Essay 4 due in class, based on Lenin**

Monday, February 20

Scientific Management and the Assembly Line: The Case of Henry Ford

**Reading:** Harold Livesay, “The Insolent Charioteer.”

Wednesday, February 22

The Dawning of a Consumer Society—from Chain Stores to Mass Marketing

**Reading:** Roland Marchand, “Apostles of Modernity,” from *Advertising the American Dream*

Friday, February 24

The Triumph of the Modern Firm: General Motors and Du Pont after WWI

**Short Essay 5, based on Marchand**

Monday, February 27

The Roaring 20s

Wednesday, February 29

**Midterm II** (comprehensive through February 24)

Friday, March 2: **NO CLASS! HAVE A FUN AND SAFE SPRING BREAK**

### **Part III: Business and the New Deal Order, 1929–1973**

Monday, March 12

The Great Depression

Wednesday, March 14

Business and the New Deal

**Reading:** “American Liberty League Vigorously Opposes the New Deal, 1936”;  
“CIO Leader John L. Lewis Issues a Forceful Warning to Industry, 1936.”

Friday, March 16

Social Security and Labor: The New Deal Order

**Reading:** Barton J. Bernstein, “The New Deal: The Conservative Achievement of Liberal Reform,” in *Towards a New Past*, ed. Barton Bernstein.

**Short Essay 6, based on Bernstein**

Monday, March 19

Science, R&D, and Postwar Prosperity

Wednesday, March 21

Business, Mass Consumption, and Suburbanization

Friday, March 23

The Conglomerate Wave and Postwar Corporate Culture

**Reading:** William Whyte, *The Organization Man*

Monday, March 26

Franchising and the Rise of the Service Economy

**Reading:** “Ray Kroc Explains How He Built the McDonald’s Empire, 1968.”

Wednesday, March 28

**Midterm III (comprehensive through March 23)**

Friday, March 30

**No Class**

Monday, April 2

Anti-Business Politics in the 1960s and 1970s

Wednesday, April 4

Business’s Countermobilization—Lobbying and PACs

**Reading:** Jefferson Cowie, “Notes and Documents: ‘A One-Sided Class War’: Rethinking Doug Fraser’s 1978 Resignation from the Labor–Management Group,” *Labor History* 44(3) (2003), 307–314.

Friday, April 6

**Holiday: No Class**

**Part IV: Business and the Modern World, 1973–2012**

Monday, April 9



Regulation and Deregulation

**Reading:** Martha Derthick and Paul J. Quirk, *The Politics of Deregulation*.

Wednesday, April 11

Greed is Good—the 1980s

**Reading:** Start reading Bethany McLean and Peter Elkind, *Smartest Guys in the Room*—Required: Chapters 1, 3, 5, 9, 10, 17, 21, 22; Recommended: The Rest.

Friday, April 13

**Guest Lecture: David M. Grossman, Co-President, Grossman Marketing Group—“Running a family business from the 1990s to today.”**

Monday, April 16

The Tech Boom and the Dot.Com Bubble

Wednesday, April 18

**Guest Lecture: Timothy A. Hutfilz, Investment Manager—“Finance and Investing in Booms and Crises”**

Friday, April 20

In-class film screening: *Inside the Meltdown*

**Long Essay (5–6 pages) due in class, based on White and McLean & Elkind.**

Professor Waterhouse will be absent to present research at the annual meeting of the Organization of American Historians in Philadelphia, PA.

Monday, April 23

Business and the Financial Crisis of 2008

Wednesday, April 25

From the Tea Party to Zuccotti Park: Business in the Age of Obama

**Final Exam (comprehensive): FRIDAY, APRIL 27, 12 PM**