ECONOMIC AND BUSINESS HISTORY
OF THE UNITED STATES

Provisional Syllabus

Monday Evenings

Course Description and Requirements

This course will examine the historical development of the American enterprise system since the beginning of the industrial revolution. Readings will cover topics in entrepreneurial strategy, technological development, managerial reform, financial markets, and labor organization. We will place the unique development of the American corporation in its larger economic contexts and will consider how specific fiscal, monetary and regulatory policies have affected the process of entrepreneurship and the structure of management.

The intellectual goals of the course are to impart a long-term perspective on business and economic policy and to cultivate thinking in time and context.

Requirements and evaluation: Readings will be required for each class. There will be short—non-graded but required—writing exercises in preparation for class discussion. The final examination will present a proposition to which students will be asked to respond in a thoughtful essay. An optional midterm is available; students who take it will have their midterms and finals weighed 60/40%, with the stronger of the two grades counting for 60%. Class attendance and participation will be factored in at the margins.
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Class Assignments

Class 1  The U.S. Constitution and its Economic Implications

Class preparation. Read the US Constitution (easily available on the Internet). Try to identify the passages that have direct bearing on economic policy.

Class 2  Part 1. Public Finance and Economic Development


Part 2. Central Banking in the New Republic

Class prep: “The Second Bank of the United States.”

Homework assignments to be posted.

Class 3  Part 1. The First Industrial Revolution

Class prep: “Samuel Slater, Francis Cabot Lowell and the Beginnings of the Factory System.”

Part 2. King Cotton and His Retainers


Class 4  Transportation Revolution: R.R. Consolidation and Control

Class prep. “The Railroads and the Beginnings of Modern Management;”

“Jay Gould and the Coming of Railroad Consolidation.”
Class 5  
**The Telecommunications Revolution**

Part 1: Class prep: Tom Standage, *The Victorian Internet*


Class 6  
Part 1: **The Expansion of Big Business**

Class prep: “The Standard Oil Company: Combination, Consolidation and Integration.”

Part 2: **Financial Capitalism**


Class 7  
Part 1: **Railroad Economics and the Rise of Modern Regulation**

Class prep: “The Railroad Problem and its Solution.”

Part 2: **Busting the Trusts**

Class prep: “Antitrust: Perceptions and Reality in Coping with Big Business.”

Class 8  
Part 1: **Managing Multinational Enterprise**


Part 2. **Rise of the M-Form Corporation**

Class prep: Smith and Dyer, “Rise and Transformation…of the Corporation”

Class 9  
**The Age of Consumption**


Class 10  
Part 1. **Crash and Depression**

Class prep: To be assigned.

Part 2: **The New Deal and the “Mixed Economy”**

Class 11  Part 1. **The Rise of Big Labor**

Class prep: “The Labor Movement between the Wars.”

Part 2. **Wartime Mobilization and Demobilization**

Class prep: McCraw, *American Business*, pp. 73-102;

Class 12  Part 1. **Relative Decline in the American “Golden Age”**


Part 2. : **Restructuring Corporate America**

Class prep: George P. Baker and George David Smith, *The New Financial Capitalists*, at least chapters 1, 2, 4, and 6

Final Essay assignment to be distributed.

Class 13  **Beyond Silicon Valley: The Knowledge Economy**

Class prep: TBA
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Classroom Comportment

Classes should start on time, so please be on time. It’s the right thing to do. Everyone is expected to turn off all cell phones and put away all laptop computers, game boys, magazines, crossword puzzles, and other distracting paraphernalia during class sessions. Please at least pretend to be interested in what the instructor and your classmates have to say. Be not afraid to ask questions, to challenge the professor and one another, and to hold forth with your own ideas about the subject matter, so long as you are polite and don’t suck the air out of the room (that privilege is reserved for the instructor). At the end of class, take out everything you brought in, save for rubbish, which you may deposit in the receptacle provided. Dress as you would at home, so long as you dress at home.
Books to Be Purchased:


Course Packet available in NYU Professional Bookstore, including:

*Harvard Business School Cases:*

“Strategic Vision of Alexander Hamilton”
“Second Bank of the United States”
“Samuel Slater, Francis Cabot Lowell….“
“Slavery”
“Railroads…and Modern Management”
“Jay Gould….“
“The Railroad Problem and the Solution”
“Antitrust….“
“Standard Oil Company….“
“Singer Sewing Machine”
“Organized Labor and the Worker”
“The Labor Movement between the Wars”

Posted on Blackboard:

George David Smith and Richard Sylla, “Capital Markets”
George David Smith and Davis Dyer, “The Rise and Transformation of the American Corporation”
George David Smith, “Forfeiting the Future”
Timothy C. Jacobson and George David Smith, “The Snow of Southern Summers” and “Nature and Knowhow.”
Instructor's Biographical Information

**George David Smith** is Clinical Professor of Economics and International Business at the Stern School of Business, New York University where he serves as Academic director of the Executive EMBA Programs. He began teaching at the Stern School in 1984 and joined its economics faculty in 1988, and is now one of the school's two full-time historians. He offers courses in U.S. Business History, Global Perspectives on the History of Enterprise, Markets, Ethics and Law, and Entrepreneurial Leadership. He is also a faculty member of the Berkley Center for Entrepreneurial Studies and is a research associate of the Center for Japan-U.S. Business and Economic Studies. He has been twice named a Glucksman Faculty Fellow.

Professor Smith holds a Ph.D. in history from Harvard University, where he taught from 1972-78. He worked as project manager for telecommunications industry antitrust studies at the Cambridge Research Institute from 1979 1981. In 1982 he was founding partner of The Winthrop Group, Inc. in Cambridge, MA and New York, where he has consulted to such companies as ALCOA, AT&T, Comcast Corp., Cotton Incorporated, Dillon, Read, Inc., Dover Corporation, Drexel, Burnham, Lambert, General Electric Company, Guardian Life Insurance Company, Kohlberg Kravis Roberts & Co., Shell Oil Company and John Wiley & Sons.

Some of his publications include:


