

HTS 3002-A: HISTORY OF AMERICAN BUSINESS

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Office Hours: T, TH, 11-11:30, 1-3
(or by arrangement)

Spring 2006, D.M. Smith 104
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This course will trace the development of American business institutions from the era of the colonial merchant, up through the nineteenth century, to the large multidivisional, decentralized, and often multinational firms that dominate today's economy. Among the themes explored will be the role of the entrepreneur, the rise of "big business," business structure as a factor of market strategy, the role of changing technology, business-government relations, and the emergence of managerial capitalism in the twentieth century. Reading assignments are listed on the syllabus and students are responsible for preparing before coming to class. Grades will be determined by two tests, two out-of-class essays, and a final examination. Each exam will be worth 25% of your grade; the two out-of-class essays, averaged together, will make up the remaining 25%. The last day that you may withdraw without penalty from this class is Friday March 3. You will have received back your grade from the first exam by then.

REQUIRED TEXTS (available at Georgia Tech Barnes & Noble and Engineer's Bookstores):

Keith L. Bryant, Jr. and Henry C. Dethloff, *A History of American Business*, Prentice Hall, paperback (ISBN #0-13-389255-7)

Alfred D. Chandler, Jr., *Strategy and Structure: Chapters in the History of the American Industrial Enterprise*, MIT Press, paperback (ISBN #0-262-53009-0)

Harold C. Livesay, *American Made: Men Who Shaped the American Economy*, Addison-Wesley, paperback (ISBN #0-673-39346-1)

WRITTEN ASSIGNMENTS:

Essay 1: library assignment -- **due on Thursday February 16**. Each student is required to read two separate articles from the pages of *Business History Review* (HF 5001.B8262), a publication of the Harvard Graduate School of Business and the premier scholarly journal in its field. The written paper will consist of a four page, typewritten (double-space) precis of the articles (two pages for each article). Your paper should summarize the main argument or contribution of each article, and briefly evaluate its quality in terms of its importance to our understanding the history of American business. There are a variety of articles in the journal on a number of different topics. You may pick any two that seem interesting to you. A special plea -- if you feel that you need a copy of your articles, photocopy them; please don't destroy this source for others by razoring out the pages. **Note:** in the stacks for browsing are non-circulating bound volumes of the journal from 1980 to the present; all articles pre-1980 are in storage and may be obtained from the circulation desk upon request. For this assignment, however, it would probably be best to look at the more recent articles since 1980. The most recent issues (2005) may be found on the alphabetically arranged periodical shelves on the

second floor of the library.

Essay 2: The role of the entrepreneur -- **due on Thursday April 20**. This assignment is to write a biographical essay of approximately four to five typewritten pages on an American business leader. He or she may be from an earlier period of business history or someone from the more recent era. In addition to providing a brief narrative of the individual's career and accomplishments, you should also evaluate his or her successes and failures, and provide an assessment of the person's overall importance. You should use the essays in the Livesay book as a guide to your approach, but you **may not** select one of the figures in his book for your topic. Footnotes are not required for this essay, but a bibliography of at least five sources is mandatory.

GEORGIA TECH HONOR CODE:

Students in this class will be expected to abide by the honor code and avoid any instances of academic misconduct including but not limited to: 1) possessing, using, or exchanging improperly acquired written or oral information in the preparation of an exam or paper; 2) substitution of material that is wholly or substantially identical to that created or published by another individual or individuals; 3) false claims of performance or work that has been submitted by the student. See published Honor Code for additional information (the full text of the code, the history of its development and implementation, and other related information may be found on the web at <http://www.honor.gatech.edu/>). Copies of exams previously given in this course will be available on the web at the Georgia Tech library home page and listed under "reserve readings" under Professor Giebelhaus' name and/or HTS 3002.

CLASS SCHEDULE AND READING ASSIGNMENTS:

January 10, 12

I. The Historical Setting: American Values and the Business Revolution

- A. What is Business History?
- B. The Business Revolution
- C. Colonial Antecedents of American Business

Reading: Bryant & Dethloff, chs. 1, 2, 3; Livesay, ch. 1

January 17, 19, 24

II. The Evolution of Traditional Business Institutions to 1850

- A. The Legacy of the American Revolution
- B. New Forms of Organization in Transportation and Manufacturing
- C. The Agricultural and Industrial Revolutions

Reading: Bryant & Dethloff, chs. 4, 5; Livesay, ch. 2

January 26, 31

III. The Political and Legal Environment

- A. The Existence of "State Mercantilism"
- B. The Evolution of Banking and Finance
- C. The Tariff Issue

Reading: Bryant and Dethloff, chs. 6, 13; Livesay, ch. 3

February 2, 7

IV. The Railroads and the Emergence of "Big Business"

- A. Railroads as a Pioneering Organizational Model
- B. Competition, Concentration, and Control
- C. New Methods in Finance and Accounting

Reading: Bryant & Dethloff, ch. 7;

February 9 – First Exam

February 14, 16, 21

V. The Growth of Large-Scale Enterprise

- A. Mass Production and Mass Distribution
- B. The Consolidation Movement and the Rise of Finance Capitalism
- C. Taylorism and Scientific Management

Reading: Bryant & Dethloff, chs. 8, 9, 10, 11; Livesay, chs. 4, 5

February 23, 28

VI. Government and Business at the Turn of the Century and After

- A. Tariff, Banking, and Currency Issues
- B. The ICC, the Sherman Act and their Significance
- C. Regulation and Antitrust in the Progressive Era

Reading: Bryant & Dethloff, chs. 12, 14, 16; Livesay, ch. 6

March 2, 7

VII. Strategy and Structure: New Patterns of Business Organization

- A. The Emergence of Business Administration as a Discipline
- B. The Development of Centralized Management
- C. The Chandler Thesis and its Critics

Reading: Bryant & Dethloff, ch. 15, Chandler, intro. And ch. 1; Livesay, ch. 7

March 9, 14

VIII. The Multidivisional, Decentralized Structure

- A. Creating the Central Office
- B. DuPont and the Making of the Modern Corporation
- C. General Motors: Giant Enterprise in the Automobile Industry

Reading: Chandler, chs. 2, 3; Livesay, ch. 8

March 16 – Second Exam

Spring Break, March 20-24)

March 28, 30

IX. Case Studies in Strategy and Structure

- A. Monopoly to Oligopoly: the Jersey Standard Oil Story
- B. Sears Roebuck: Mail Order to retail Sales
- C. "Evolutionary Decentralization"

Reading: Chandler, chs. 4, 5, 6, 7

April 4, 6

X. Business in War and Depression

- A. Mobilization for War in 1917
- B. Business and the Great Depression
- C. World War II and the Business Community

Reading: Bryant & Dethloff, chs. 17, 18; Livesay, ch. 9

April 11, 13, 18

XI. The Changing Context of Business Development

- A. The “Associative State” in the Late Twentieth Century
- B. U. S. Business in the World Economy: The Multinational Model
- C. Renewed Merger Activity at the end of the Century

Reading: Bryant & Dethloff, chs. 19, 20; Livesay, ch. 10

April 20, 25, 27

XII. The Business Community and Contemporary Challenges

- A. Consumer and Environmental Regulation
- B. Corporate Power and the Public Interest
- C. E-Business – Wave of the Future?

Reading: Bryant & Dethloff, ch. 21; Livesay, ch. 11

May 1-5 --Final Exams: Our exam is scheduled for exam period 2 – Monday, May 1, from 11:30 to 2:20.