

**VALUE CREATION AND VALUE CAPTURE IN AMERICAN BUSINESS HISTORY**  
MGMT 7140/2250  
2023C

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Tuesdays, 3:30 – 6:30  
Room: JMHH F-90  
Syllabus Document Version of 20230828

The course and its organization

This memorandum gives some basic information about MGMT 7140 and 2250 as they will go on in the autumn term of 2023 (2023C). A tentative syllabus is presented below starting on p. 7 and it or a perhaps slightly revised version will be circulated in the opening class with comments and suggestions solicited. The new material in this syllabus relative to previous versions of the course involves the origins of equipment finance, government control of the manufacturing economy during WWI and II from the perspective of evolving techniques of coordination and control in private sector firms, evolution in the organization of innovation, and the earliest days of the Bay Area venture capital industry viewed from an organization design and contracting perspective. I will circulate a finalized syllabus to all enrolled students and post it on the course Canvas webpage after giving some thought to any requests voiced in the opening session.

The course will meet in a double-length block on Tuesday afternoons from 3:30 pm to 6:30 pm (sometimes running a bit short, but absolutely ending by 6:30) with class meeting dates determined by the MBA calendar. (See the syllabus for details.) Versions of the course have in the past been offered to mixed audiences of undergraduates and MBA's and this will be the format again in 2023C. The two groups seem to mix reasonably easily. Sometimes the mixing is quite productive.

This course concerns the evolution of the institutions of American business. There will be some sidelong glances abroad, though these will probably be confined almost entirely to the beginning and the end of the term. In the main body of the course, there will be both big picture and (quite a lot of) industry and firm detail. The focus will be much more on actual business

administration than on the grand sweep of American economic development and the changing social context in the background though each of these will get attention from time to time. In terms of the functional courses in the Wharton core curriculum such as accounting, finance, operations, marketing, etc., the perspective of this course is fairly synthetic: it is about the operation of whole enterprises, then, now, and into the future, at critical junctures giving the class as much as possible the perspective of people actually running companies and asking the students to consider critically what they ought to do in the very short run and, more broadly, how they ought to think about proceeding. Anyone committed to a career in business but curious about history or curious about how developments in those particular aspects of business fit into the long arc of the history of the United States and other countries should certainly find the course of interest but note well that those contemplating working for consulting firms, transaction-oriented businesses (investment banking, venture capital, private equity, etc.), or more traditional investment businesses also seem to find the course's ideas and general approach useful background for what they intend to do. This is due less to the strictly historical aspect than to the fact that the course is at its heart about embedded actors and entrepreneurs confronting challenges, changing conditions, and emerging opportunity—in short, recognizing and addressing (and with luck even for a time solving) problems. Getting good at thinking analytically and above all critically about such matters is of course very helpful in those latter lines of work. Prospective students reviewing the syllabus proper below will note that I try hard to use original source material whenever I can, on the principle that it puts readers closest to a participant's-eye view. The vividness of the situations and stories entirely aside, there is a good deal of general value to be had by looking, reflecting, and absorbing. It may be worth adding that past students report finding that there is also broad and lasting stimulus in the value creation and value capture perspective. One of this year's revisions of the course materials has involved expanding the (extensive) study questions to provoke more systematic student reflection along those lines.

The course could be thought of as proceeding in six basic pieces. First comes an introduction to the subject matter, themes, and tools. We then begin to proceed at once chronologically and thematically. The first (and brief) substantive section is a curtain-raiser: it exposes, so to speak, the pre-history, a glimpse at the American economy, centered on our own Philadelphia (then the largest city in the country and for a time formally the capital), prior to the industrial revolution. We then spend three classes on the emergence of an industrial economy as this first materialized. A longer third substantive section concerns the so-called Second Industrial Revolution. (You might think of this as the golden days for both the economy overall and for at least some of the businesses comprising it as well.) This takes us up to 1929. One further narrative class concerns the evolutionary events of the following rough twenty years. The course concludes with an overview of subsequent developments which might be worth discussing in depth had we more time, the question of whether we are currently on the verge of yet another revolution and what that might mean for people like Wharton graduates, the origins of Bay-area venture capital as a cautionary tale, the downside of disruption, innovation and its discontents, some thoughts on growth and governance, and what we have covered over the course of the term brought to a sharp point.

We are still relatively early in the days of the course having only twelve formal everyone-together sessions due to the recent reorganization of the MBA teaching calendar. I have not yet

come to firm conclusions as to what to cut from the final 13-session version and how to balance what remains; and I have (both because of recent developments and “Of course!”) come across interesting new material I want to add. Any suggestions at the end of term in response to how this version plays out will be very welcome.

I will unavoidably have to lecture about some of the material in the syllabus; but to the maximum extent feasible I want to run the class sessions in discussion format. I have organized readings and study questions in a way which I hope will support and facilitate this. My hope is that everyone in the course will play an active role in the classroom. It is more stimulating and much more fun for everyone that way. I am hopeful that we will have enrollment numbers low enough that this fully engaged mode will be easy.

Readings, memoranda, and important announcements will be posted on a Canvas course webpage accessible to those registered for the course, generally a week before the class in question, and will become accessible on Tuesday evenings at 9 pm. (I will send everyone an email once the registration list is in and the website is up and accessible.) There are no assigned readings or preparation requirements for the opening meeting on August 29<sup>th</sup> and only slight ones if any for the session on December 5<sup>th</sup> at the beginning of which term papers are due. There may be some “For fun” readings for the latter (described at the appropriate place in the syllabus below) which are interesting but optional in terms of class prep if your term paper needs the incremental time and attention. (I predict that they won’t seem any less interesting the day, or indeed the week, after.)

In support of enabling lively discussion, I decided during the Covid time that I should make very much more time available for out-of-class one-on-one discussion than has been standard at Wharton. It seemed to be helpful enough that I decided to stick with it going forward regardless. Students usually seem to do the readings each week during the Friday-through-Sunday period. I will be happy to set up calls in response to email requests over the weekend when feasible. (That shouldn’t be any great problem since the mid-term break and one weekend at the end of October aside, I am not planning on going much of anywhere before the New Year at least.) But be that as it may, I will generally be available on reasonable notice for discussion of readings, writing issues, broader course issues, and any other matters arising. Please feel absolutely free to email me to set up a call if it might help you make sense of the upcoming class’s material or how it fits in with material we have previously read or developed in class sessions. Over and above that, I think it might be a good idea if everyone would set up a meeting either face-to-face or via Zoom sometime once we have gotten going in September or the first week of so of October. We can talk about the course and any issues with readings, course work, etc., also get to know one another a little. It might seem a small gesture; but in person or online, I think it could be a good idea. Let’s try it out and see how it goes.

The formal requirements of the course are as follows. Students will be expected to (1) prepare all the assigned readings, (2) write one brief “thought paper” (see below for details) each week prior to class, (3) attend all classes (see below for what this means), (4) participate actively in class discussion, and (5) write a term paper on a mutually acceptable subject (again, see below), due at the beginning of the final class.

The basis for grade assignment will be a 50-50 weighted average of marks for class participation (which will be sensitive to the quality of the thought papers but predominantly based on in-class activity) and on the term paper. The usual curve for MBA courses will be in force if the School insists and not otherwise. If there is no curve for MBA students, then MBA's and undergraduates alike will be graded strictly on the merits. (Lucky undergraduates in either case!) In the event—I hope an unlikely one—that an individual's preparation or attendance seem less than responsible, the grade will be adjusted appropriately.

I do understand that emergencies happen sometimes in life. I will make reasonable accommodation on preparation and attendance requirements for specific classes in specific cases. Please be in touch, in advance if at all possible, via [raff@wharton.upenn.edu](mailto:raff@wharton.upenn.edu).

“Thought papers” are 1-2 pp. (at the very most 3 pp.) essays responding analytically or critically to some element of the week's reading. (Comparisons, contrasts, or other relationships between readings—either within one week or between weeks—are also welcome. The main point of the exercise is to provoke systematic thinking about the readings prior to class discussion.) These essays are to be submitted to me via the course webpage by the end of your work day on Monday (which I appreciate may be in the small hours of Tuesday morning). Please note that I will begin reviewing them when I get up (early) on the Tuesday morning.

Writing the thought papers may seem in the abstract like a burden. In many jobs into which Wharton graduates move from here, however, the ability to write a two-page max analytical memo under heavy deadline pressure fluently and without much stress is extremely valuable. Neither our program nor, in general, the American educational system gives students much practice at this. It is a very useful skill, particularly given the challenges involved in moving from an entry-level job into positions with a real future and the prospect of a major career in the sorts of sectors most of our students aspire to enter. I do not expect AI to make the value to you of acquiring this skill go away. (Think about it. Your boss will want the memo but if he or she likes it they may well want to probe the argument and interact with you in more depth to prepare for counter-arguments and other—contesting—perspectives. In such a conversation you will, so to speak, be out on a wire with no net; and how well you can you're your role in such conversations will be remembered at annual assessments time. The course is designed to help you build skill not just in the writing part of all this but in the full package.)

The basic idea for the term paper is that it should be about a course-relevant topic of interest to you but pre-approved by me. The point of the pre-approval requirement is simply to warn you about topics that might look initially appealing but seem, on the basis of my prior experience, likely either not to have enough material to sustain a whole paper or to prove overwhelming once you get down to work. (I want writing the paper to be a good experience in its substance and a manageable one in terms of its time demands.) I have in mind papers roughly 20 pp. in length. I should perhaps say what “roughly” means. In the past, papers shorter than 15 pp. have pretty consistently not seemed to get to grips with their subjects. Papers longer than 25 pp. have generally seemed unedited, though there have been some exceptions (the best of which I would have been happy to show to the Dean or, come to that, the Provost.) I will give more detail about suitable topics and framing in the opening class and will circulate a memo, which we

will discuss in class in Week 5, once the course is under way and students have some experience with its perspective.

The University academic integrity rules (see <http://www.upenn.edu/academicintegrity/> -- after reading that, follow the “Acknowledge your sources” embedded link) will of course apply for all written work. Please also note the “Electronics in the Classroom Policy” text at <https://mba-inside.wharton.upenn.edu/wharton-mba-academic-policies/>. (This latter text definitely means no open phones other than by pre-arrangement in emergency situations. In this particular course, many people will want to be able to consult the readings electronically while we discuss them and that is fine. But the linked policy is clear that there is to be no use of electronics during class for non-educational purposes and I will expect you to honor this.)

In the past I have organized a series of group lunch dates and hope to be able to continue that practice this term. This may or may not seem wise depending on the course of public health conditions—one step at a time on that. But be that as it may, we can certainly take advantage of the plentiful “office hours” time to talk a bit one-on-one and get to know one another a bit more than usually happens in even in group lunches and I hope that we can do that.

If questions remain in your mind after reading this memo, by all means please email me at the address given above and ask.

#### Entirely optional but perhaps useful sources for background on general US history

Students, especially non-US nationals, occasionally ask for a suggested background reading, perhaps for consumption in small installments, covering general US history. Actual course textbooks tend to be overwhelming in their size (they usually resemble cinderblocks) and detail. The Wikipedia article (which more resembles a telegram, or perhaps even a telegraphic version of a telegram) lies at the opposite extreme. (Which is not to say that it isn't useful as a kind of parachutist's view if ever you should want one.) In between you might look, if you were curious, for Paul S. Boyer, *American History: A Very Short Introduction* (Oxford: 2012), certainly available from [www.oup.com](http://www.oup.com) directly or from Amazon and perhaps from the University bookstore, and, at greater length but with appealing curiosity and massive charm, Alistair Cooke, *Alistair Cooke's America* (Knopf, 1973, many times reprinted, also pb Basic Books, 2009), which you would probably need to buy used over the Internet (try [www.abebooks.com](http://www.abebooks.com) if you do not have a preferred alternative). (Boyer is a history professor. Cooke was for nearly sixty years the BBC's American correspondent and may be more familiar as the initial presenter for Masterpiece Theater. [It would take a heart of stone not to add that he is the also only author referred to in this syllabus or course who has a Sesame Street character named after him.]])

Daniel Boorstin—for many years a history professor at the University of Chicago and for twelve years the head of the Library of Congress—wrote a series of books under the general heading *The Americans* in three parts: *The Colonial Experience* (New York: Random House, 1958) *The National Experience* (New York: Random House, 1965), and *The Democratic*

*Experience* (New York: Random House, 1973) which can also be enthusiastically recommended: none of the volumes is short but all are compulsively readable, vivid, and full of acute observations and general stimulus. (You will judge correctly from the continuing participation of Random House in the project that the target audience was general readers and that the books sold very well indeed.) Jill LePore's *These Truths: A History of the United States* (New York: W.W. Norton, 2018) is even longer than any of Boorstin's volumes (though this is less painful than it might be as she too is a splendid writer) but is both unflinching and nuanced. Jonathan Levy, *Ages of American Capitalism: A History of the United States* (New York: Random House, 2022) is more in the spirit of the recent "history of capitalism" literature and is, while not without its weaknesses, sweeping and powerful. D.W. Meinig takes a different sort of perspective in his remarkable *The Shaping of America: A Geographical Perspective on 500 Years of History I. Atlantic America II. Continental America 1800-1867 III. Transcontinental America 1850-1915 IV. Global America 1915-2000* (New Haven: Yale University Press, 1986-2006). These are all also worth a look if you should ever find yourself on the fifth floor of the library with a moment to spare (or on Amazon with an impulse to click).

John Gunther's *Inside U.S.A.* (New York: Harper, 1947) is an interesting more granular look at the nation—at a moment in time but with lots of sense of history. Neal Peirce and Michael Barone each have various rather more recent books which do a related but similar sort of thing with more quantitative evidence. Those who would like a glimpse much farther back in the nation's history (or who generally prefer contemporary observation to retrospective sensemaking) might like to look at Alexis de Tocqueville's *Democracy in America* (many editions both in hardcover and paperback). It is inevitably at the opposite extreme from Pierce and Barone in terms of quantitative evidence available to its author but represents perceptive and remarkably insightful reflections on a visit Tocqueville and a friend made in the early 1830s. Most of what he observed is vividly rendered and some of the traits and patterns have been remarkably persistent.

### Digging more deeply

After each class, I will distribute via the Course website reading suggestions for those who might want to probe more deeply into issues, institutions, or individuals related to the week's readings and discussions. (It's better to do this after the class rather than before so that everyone in the room on the day is operating with more or less the same information base. For this reason, these references do not appear in the list that follows. I would be happy to send a consolidated set to anyone who is interested once the course is done.)

The syllabus proper:

Value Creation and Value Capture in American Business History

MGMT 7140/2250

2023C

Venue TBA

Version of 20230718—NB that this is not the final version!

The following is a proposal, not a contract. There will certainly be at least one revision prior to the beginning of term. Please email the instructor if you want to see the most recent version. There will be a final version after consultation with those attending the opening class session on August 29. Study questions should be available with the readings on the course website, week by week, on Tuesday evenings from 9 pm beginning on August 29 and will certainly be available for Class 2 by sometime on the 30<sup>th</sup>.

<p>Class 1 August 29</p>	<p>Course Introduction</p> <p>Main subjects: American economic history, and American business history (in a little bit of cross-sectional perspective). The conventional narrative. “Theory” lurking behind business school competitive strategy courses. The project of this course.</p> <p>Handout: Tables from Angus Maddison, <i>The World Economy: Historical Statistics</i>, Steven Broadberry, <i>The Productivity Race and Market Services and the Productivity Race</i>, and Robert Gordon, “Interpreting the ‘One Big Wave’ in U. S. Long-term Productivity Growth” and “Two Centuries of Economic Growth: Europe Chasing the American Frontier”.</p> <p><b>NB: No preparation required</b></p>
<p>Class 2 September 5</p>	<p>Pre-industrial America</p> <p>Main subjects: Place and population. Economic opportunities. Characteristic forms of trade and commercial organization. A group of economic ideas useful for understanding these.</p> <p>Assigned readings: Michelle Craig MacDonald, “The Early American Economic Landscape”. Benjamin Franklin contract to sell a half interest in his printing business (1748). [If you have a chance, lease look closely at the Ben-on-a-bench statue before reading this.] American Fur Company (i.e. John Jacob Astor dba ...) <i>voyageur</i> contract (early 1800s). Correspondence between Mathew Carey, printer of Philadelphia, and his traveling salesman Mason Locke Weems (1796-1809). Excerpts from <i>Commonwealth v. Pullis</i> (the Philadelphia Cordwainers case) (1806).</p> <p>In-class slide show: Colonial America and colonial and Federal Philadelphia (social and economic)</p> <p>In-class handout: Documents and subsequent correspondence of Carey,</p>

mainly on his standing-type Bible.

Class 3  
September 12

Industrial revolution(s) in textiles and the idea of a corporation  
Main subjects: Further useful economic ideas. The New England industrialization in textiles in Rhode Island and Massachusetts from an entrepreneurial and managerial perspective. Philadelphia firm practice and trade organization story as an alternative approach.

Assigned readings: Samuel Slater contract with William Almy and Smith Brown (1790). An Act defining the General powers and Duties of Manufacturing Corporations (1809). An Act to incorporate the Boston Manufacturing Company (1813). Articles of Agreement between the Associates of the “Boston Manufacturing Company,” previous to the Organization of the Corporation (1813). Nathan Appleton “The Introduction of the Power Loom, and the Origin of Lowell” memoir (1858). Excerpt from Charles Dickens, *American Notes for General Circulation* [“An American Railroad and Lowell”] (1842).

In-class slide show: Textile technology, the New England landscape, the New England industrialization, and some human resources history of Lowell

In-class handouts: Table from Eric Hilt, “When Did Ownership Separate from Control?”. Various observations on the organization of the Philadelphia trade at mid-century sourced from Philip Scranton’s *Proprietary Capitalism*. [If you should go to the flicks at the Ritz at the Bourse the weekend before, assuming anyone still actually goes to the flicks in person, pause to eyeball the Bourse building across the street just north of the Ritz before or after going in.]

Class 4  
September 19

More on corporations and some (good) on railroads  
Main subjects: Delaware goes Whaling. Development of a national transportation and communications infrastructure. The coming of the railroads. The challenges of running one effectively. The challenges of equipment finance.

Assigned readings: Materials on Delaware Whaling and incorporation. Albert Fink, “Classification of Operating Expenses” from the *Annual Report of the Louisville and Nashville Railroad* for 1874. Edgar Thompson, “Pennsylvania Railroad 1857 Report”. The engines contract between the Philadelphia and Reading Rail Road Company the Proprietors of Locks and Canals on the Merrimack River and the running gear contract. [Should you pass through 30<sup>th</sup> Street Station before this class, take a moment to look at the sculptural panels in the large foyer to the north of the lobby (on the way, e.g. to the bathrooms).]

Assigned video: “Moby Dick” YouTubes. (See the week’s Study



Questions for links. [If you feel like going for a walk some weekday afternoon starting around 3 or 4pm, you might also learn something useful for part of the whaling discussion by walking along the paved footpath upstream of Boathouse Row (which runs along the east side of the Schuylkill just the other side and downhill of the Art Museum) watching the eights learn to coordinate. (This is absolutely not essential. On the other hand, it is very Philadelphian—consider e.g. “Max Schmitt in a Single Scull”, “The Biglin Brothers Racing”, “The Biglin Brothers Turning the Stake”, “The Pair-Oared Shell”, and other such iconic images.)]

In-class slide shows: The coming of the railroads.

Class 5  
September 26

Railroad problems, railroad shenanigans, and shenanigans more broadly  
Main subjects: How to think about term paper subjects. Fink carried over if necessary. The Erie wars. Building the Union Pacific Railroad. The received wisdom and the actual rise of Rockefeller. Rockefeller as a prototypical Robber Baron and his adventures with the muckrakers

Assigned readings: Running Gear contract between the Philadelphia and Reading Railroad and the Proprietors of Locks and Canals and Engines contract between the same. Charles Francis Adams, “A Chapter of Erie”. Materials on the Union Pacific Railroad from Matthew Josephson, *The Robber Barons*. Contracts to establish the South Improvement Company (1871-1872). Henry Demarest Lloyd, “The Story of a Great Monopoly” (1881). **NB: This week’s readings will take significantly more time than usual—plan ahead!**

In-class handouts: Excerpts from Ida Tarbell, *History of the Standard Oil Company* (1904)

Class 6  
October 3

Basics of the Second Industrial Revolution

Main subjects: The canonical Second Industrial Revolution in manufacturing (via Carnegie) and distribution (via Marshall Fields)

Assigned readings: Excerpts from Lewis Atherton materials on early CXIX country storekeeping. Articles from *Hunt’s Merchants Magazine* on Philadelphia dry goods stores in the 1850s. Articles from Chicago newspapers and magazines on Marshall Fields ca. 1870 and 1900.

In-class slide-show: Oil and Rockefeller in a second light

**NB: No class on Tuesday, October 10<sup>th</sup>—MBA Core Exams, MBA classes do not meet**

**NB: No class on Tuesday, October 17<sup>th</sup>—MBA Opportunity Week break**

- Class 7  
October 24
- The SIR inside the firm and inside industries  
Main subjects: Significance of SIR for organization of production and workplace relations  
Assigned readings: David Montgomery “The Foreman’s Brains Are Under the Workman’s Cap,” from his *Fall of the House of Labor*. Congressional testimony from the hearings on the Homestead strike. Frederick Taylor excerpts from *Shop Management* (1903) and related sources.  
Assigned video: “Steel: From Start to Finish” YouTube video.  
In-class video: Possibly “The “River Ran Red”
- Class 8  
October 31
- The SIR embedded  
Main subjects: Some political context for the developing regulation of competitive behavior. Legal and financial contexts for business development (including corporate bankruptcy in late nineteenth-century America, also developments in the legal status of corporations). What became of the SIR and some brief consideration of the forms of innovation and the sources of consequent productivity growth.  
Assigned readings: Legal documents organizing the Standard Oil Trust. Thomas Navin and Marian Sears, “The Rise of a Market for Industrial Securities 1887-1902”. Excerpts from Louis Brandeis, *Other People’s Money* (1914).  
In-class handouts: Excerpts from John Sherman’s speech on the Senate floor and from the Sherman Anti-Trust Act of 1890. Statistics on the Great Merger Movement. Perhaps also excerpts from Northern Securities Co. v. U.S. Interlocking directorates exhibits from the Pujo Commission report.
- Class 9  
November 7
- More of the same (SIR) or something different?  
Main subjects: Alternative industrial models. The Ford Motor Company as a manufacturing enterprise.  
Assigned readings: Excerpts from John Brown, *The Baldwin Locomotive Works, 1831-1914* and Thomas Kinney, *The Carriage Trade*. Colvin, “Building an Automobile Every 40 Seconds”  
In-class handouts: Statistics on the Great Merger Movement.  
In-class slide show: Making cars at Ford in the coming of mass production
- Class 10  
November 14
- The Twenties as a Time  
Main subjects: Welfare capitalism at Ford and in retrospect from the end of the 20s. Longer-term perspective on structural change in the economy. Change in available technology and infrastructure. Human resource management as industrial practice. The second coming of General Motors and innovations in management as such. Innovations in distribution. Some brief history of the

organization of innovation to this point. Boom times (including in the financial services industries).

Assigned readings: Sumner Slichter, "The Current Labor Policies of American Industries," *Quarterly Journal of Economics* 43 (May 1929). Bergland to Pierce September 12, 1918. [General Motors Corporation] Special Committee on "Future Manufacturing Lines of General Motors Corporation" meeting of May 4, 1921, minutes, Alfred P. Sloan, "General Motors Corporation Study of Organization", Robert E. Wood, "[The] Past, Present, and Future of the Mail Order Business" memorandum. Milton J. Blair "Where Do the Best Customers Live?" Curtis Publishing Company memorandum [NB: Scan, do not read cover-to-cover]. Excerpts from the 1926 Sears Catalogue. Initial Book-of-the-Month Club advertisement. Excerpts (on 1920s Wall Street) from John Kenneth Galbraith, *The Great Crash*. **NB: This week's readings will take more time than usual—plan ahead!**

In-class slide shows: Making cars (and making men) at Ford and the Book-of-the-Month Club reconsidered

In-class handouts: The *Wall Street Journal* editorial page on the Five-Dollar Day, excerpts from Paul David and Gavin Wright, "Early Twentieth Century Productivity Growth Dynamics: An Inquiry into the Economic History of 'Our Ignorance'", early ASCAP contracts (the original ASCAP contract [with a Broadway restaurant in New York City) and the 1932 ASCAP contract with the NBC radio network]) and the Further Adventures of Taylor Swift.

**NB: No class on Tuesday, November 21<sup>st</sup> due to the Thanksgiving week University calendar (re-)arrangements**

Class 11  
November 28

Crashes, Contexts, and Creation both in the Large and in the Small  
Main subjects: 1920s topics carried over if required. Changes in finance and firm-level organization and incentives as of ca. 1930. The Great Depression, contractionary dynamics, and contractions as potential evolutionary events. (In this light, the influenza epidemic of 1918 and the coronavirus epidemic of 2020 if it still seems worth discussion time.) The New Deal and Business as a general matter. Bleak times as good times for innovators. Changed conditions on the labor management front. What the war meant for the economy.

Assigned readings: Further excerpts from Galbraith, *The Great Crash* (1955). Excerpts from Adolf Berle and Gardiner Means, *The Modern Corporation and Private Property*. Excerpt from Alexander Field, *A Great Leap Forward*. Contemporary reports on the Flint Sit-Down Strike of 1936-37. LaFollette Committee affidavits including those of Victor Reuther and Genora Johnson.

In-class handouts: Tables and Figures from Timothy Bresnahan and Daniel Raff, “Intra-Industry Heterogeneity and the Great Depression” (*Journal of Economic History* (1992) and “Technological Heterogeneity” ms., perhaps others.

Class 12  
December 5

Looking forward and wrapping up

Main subjects: What subsequent developments probably not covered in your other courses might be worth discussing were there time. Reflections on government control of the manufacturing economy during wartime mobilization and other crises from the perspective on the development of the private sector. Impending further revolutions from the forward-looking perspective. The origins of Bay-area venture capital as a cautionary tale. The downside of disruption. Innovation and its discontents. Some thoughts on growth and governance. What we have covered, brought to a sharp point.

Pre-circulated documents: Probably none but if any just light reading.

In-class slide shows: A transactional perspective on the origins of Bay-area venture capital and a final—creative destruction—perspective on the evolution of the book trade.

**NB: No thought paper due. But term paper is due (in class as well as electronically in your folder) as of the beginning of the final in-term class, presumably this one (but check the final version of the syllabus to confirm!).**

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