

## Money, Trade, & Power: The History of Capitalism

History 278 / Spring 2024

Our goal in this course is to explore the dynamic, restless nature of capitalism. Like every other aspect of human affairs, the economy has a history. Those who hope to shape the future will find it worthwhile to consider the many forms capitalism has taken over the past several centuries. How did banks and joint-stock companies emerge? Why did capitalism facilitate overseas expansion and imperial subjugation? What is “growth,” and why did it not accelerate until the era of industrialization? How did various societies seek to mitigate the business cycle and enhance social welfare? How did modern corporations emerge, and what role did they play in driving the globalization of capital?

This course seeks to balance between *historical* and *conceptual* approaches. The textbook readings and most class sessions will emphasize historical narrative, while the written assignments will focus on schools of economic thought.

### Course Objectives (Learning Outcomes)

By the end of the course, students will be prepared to:

1. Describe the origins and historical development of capitalism in the modern West, from the 17<sup>th</sup> to the 21<sup>st</sup> Centuries, with particular attention to the history and capitalist structures of the United States.
2. Explain key concepts such as commercial capitalism, the industrial revolution, free trade, and the welfare state as they unfolded across four centuries.
3. Analyze and interpret key historical texts concerning the nature of capitalism, using the historical technique of primary source analysis.
4. Synthesize historical interpretations from readings and lectures by responding to exam prompts with clearly argued essays.

### Course requirements

In-class quizzes (20% of course grade). You will be expected to keep up with the readings and demonstrate your familiarity with them during class sessions. The occasional in-class quiz will be administered to help keep you on track.

Reaction papers (40% of course grade). These four short papers, to be submitted online, will ask you to respond to primary sources with well-reasoned, well-written arguments.

Midterm examination (20% of course grade for each). This in-class exam, scheduled for February 28, will feature handwritten essays asking you to synthesize key themes.

Final exam (20% of course grade). This take-home final will test you on course material covered since the midterm.

### Course Readings

Jeffrey A. Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century, and Its Stumbles in the Twenty-First* (New York: Norton, 2020). ISBN (paperback): 978-0-393-35825-4.

Benjamin C. Waterhouse, *The Land of Enterprise: A Business History of the United States* (New York: Simon & Schuster, 2017). ISBN (paperback): 978-1-47676-665-2.

In addition, there will be a substantial set of primary and secondary sources posted on-line on the course Brightspace page.

### **Course Policies**

Attendance is essential. You are allowed six unexcused absences; after that, each absence will be counted against your participation grade. It is not my job to “approve” absences one way or another, but if you expect to be representing the university in an official capacity (sports, band, etc.), please let me know in advance.

Common courtesy suggests that you should arrive on time. If you must leave early, please inform us ahead of time and then raise your hand at the appropriate time. A classroom discussion is not the same thing as a television viewing! Your coming and going may represent a significant distraction.

Contemporary students are tempted by all kinds of electronic distractions that inhibit their ability to learn effectively in class. I am going to ask that you refrain from using any electronic devices during class: no laptops, no tablets, and no phones will be permitted during class. This is your opportunity to perfect the art of note-taking by hand!

Academic integrity: The assignments in this course require you to formulate complex thoughts in your own words. Attempts to pass off another’s words as your own – be it on an exam or in your primary source exercise – will carry harsh penalties. Is the use of AI tools such as “ChatGPT” a violation of academic integrity? Yes, in the sense that letting a computer write your papers is not an authentic expression of your own voice.

Plagiarized papers will earn a “zero” for the assignment and may lead to further consequences, including notification of the Dean of Students Office. The “University Regulations” handbook contains further information on dishonesty. Individuals are encouraged to alert university officials to potential breaches of this value by either emailing [integrity@purdue.edu](mailto:integrity@purdue.edu) or by calling 765-494-8778.

Disclaimer: In the event of a major campus emergency, the above requirements, deadlines and grading policies are subject to changes that may be necessitated by a revised semester calendar. Any such changes in this course will be posted, once the course resumes, on the course website or can be obtained by contacting the instructor via email or phone.

### **Contact Information**

Prof. Gray ([wggray@purdue.edu](mailto:wggray@purdue.edu))  
Office hours in Beering Hall 6152:  
MW 10:30 - 11:30 or by appointment  
Office phone (765) 496-2772

**Discussion and Reading Schedule****Read for Class**

January 8	Introduction: what is capitalism?	<b>Kocka 1-24</b>
January 10	Medieval Europe: Guilds, Merchants, Bankers	
January 12	The Dutch Republic	
January 15	NO CLASS (MARTIN LUTHER KING, JR. DAY)	
January 17	The Culture of Consumption	
January 19	The Atlantic Trade: Sugar and Slaves	<b>Collingham 41-55</b>
January 22	[Quiz #1] England eclipses Holland	
January 24	The East India Company	
January 26	Debating British Mercantilism	<b>Smith documents (BB)</b>
January 29	The Cotton Textile Boom [PAPER #1 due Jan. 30 @ 11:59 pm]	
January 31	Economic Dimensions of the French Revolution	
February 2	Economic Dimensions of the American Revolution	Waterhouse 1-24
February 5	[Quiz #2] Steam Power and the Railroad	
February 7	Opium, Tea, and... Free Trade?	<b>Collingham 145-158</b>
February 9	Manchester Liberalism	<b>Cobden documents (BB)</b>
February 12	Industrialization on the Continent	
February 14	Marx and the workers	<b>Marx/Engels (BB)</b>
February 16	Early industry in the USA	Waterhouse 43-59
	PAPER #2 due Feb. 18 @ 11:59 pm	
February 19	The "Market Revolution"	Waterhouse 61-77
February 21	Slavery and Westward Expansion	Waterhouse 25-41
February 23	The Civil War and Global Capitalism	
February 26	MIDTERM EXAM	

February 28	The Age of Entrepreneurs (I)	Waterhouse 79-95
March 1	The Age of Entrepreneurs (II)	
March 4	Forging a Global Economy	Frieden 1-55
March 6	The Electro-Chemical Revolution	Frieden 56-79
March 8	Mass Retail and the Modern Corporation	Frieden 80-104, Whouse 97-116
March 18	[Quiz #3] The Gold Standard / Birth of the Fed	Frieden 105-123
March 20	The Great War and Its Aftermath	Frieden 127-172
March 22	Automobile Age	Waterhouse 117-133
March 25	1929 and the Great Depression	Frieden 173-194
March 27	The New Deal – a Reinvention of Capitalism?	Waterhouse 135-156
March 29	Keynes and his Critics	<b>Keynes excerpts (BB)</b>
April 1	[Quiz #4] Autarky and Aggression in the 1930s PAPER #3 due April 3 @ 11:59 pm	Frieden 195-228
April 4	Social Democracy in Power	Frieden 229-250
April 6	Bretton Woods & the New International Economy	Frieden 253-277
April 8	The Postwar Boom	Frieden 278-300, Wh 157-175
April 10	Import Substitution: The Periphery Lags	Frieden 301-320
April 12	The End of Bretton Woods	Frieden 321-360
April 15	[Quiz #5] Crisis & Recovery in the 1970s	Frieden 363-91, Wh 177-194
April 17	Origins of the “Washington consensus” PAPER #4 due April 18 @ 11:59 pm	Frieden 392-412; <b>BB docs</b>
April 19	A New Market Revolution: the 1990s	Frieden 413-56, Wh 195-215
April 22	The “Battle for Seattle”	Frieden 457-72
April 24	Trans-Atlantic Crises and the Politics of Bailouts	Frieden 473-505, Wh 217-243
April 26	The new populism	