

Welcome to the History of Capitalism.
INTEGRATED BUSINESS AND HUMANITIES 2BF3
AND HISTORY 2KK3
FALL 2023

Lectures: Thursdays and Fridays at 8:30-9:20. This is a live in-person only course.

Instructor: John Weaver: Chester New Hall, 630. Office Hours: Wednesday 8:00-10:00: Friday 3:00-4:00.

The only e-mail address used for this course is caphis@mcmaster.ca. The address abbreviates capitalism-history.

Your tutorials will be held in the rooms and at the times assigned in your timetable.

Drop and add ends 13 September.

Tutorial meetings begin the week of 18-22 September.

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Section 1: Course Delivery

Questions about access to the material, confirmation of student accommodations, or lecture content should be addressed to me at caphis@mcmaster.ca. Questions arising from the lectures and sent to this address may be answered directly to the student or in a subsequent lecture, particularly if the question applies to a point of clarification.

Avenue to Learn (A2L)

The platform serves as the course's information centre (syllabus, some slide series used in lectures, a link to tutorial readings in eReserve) and the assignment deposit locale. Watch for announcements and please submit your assignments in Avenue's assignment 'Drop Box.

Echo360

Lectures may be recorded via Echo 360 and made available 7-10 days after the lecture.

There is a link on Avenue.

Course Objectives: Content and Skills

This course has two general aims. The first and most direct ambition is to equip you, through lectures, courseware readings, several books, and tutorials, to recognize the principal roots of contemporary capitalism and assessments of capitalism. We'll have disagreements, in-class questioning, and a fine intellectual experience.

In the first classes, I will introduce my working definition of capitalism and describe capitalism's essential 'supporting pillars:' private property rights, markets with responsive prices, contracts enforced by trusted third parties (courts and tribunals), and supportive governments. The first assignment (Cronon) asks you to apply what you have picked up from the early lectures and apply entrepreneurial events in a major capitalist city ... Chicago.

With these thoughts and materials at hand, we can set out on the journey through history which begins in Italy in the 1200s, moves on to the Netherlands in the 1600 and 1700s, to England in the 1700 and 1800s, and concludes with the United States (Capitalism's Promised Land) from the early 1800s to the present. Along the way, we will trace the emergence of economic thought about and criticisms of capitalism. Critiques of capitalism have been abundant, and definitely not all Marxist. The second assignment (Rogan) requires you to examine several deep thinkers who found fault with capitalism. As well, we will point out occasions when capitalism enabled paradigm changing innovations, and we will explain some financial crises and a common pattern they seem to reveal. Economic history receives considerable attention, including datasets and the interpretation of data. We conclude by looking into several contemporary debates and data relating to capitalism, global inequality and poverty, and social justice. The third assignment (Lorr) returns us to Cronon's topics of food, American dynamism, and efficiency, but in our own time and with a dark view.

The second aim is to help you with your individual writing skills. These foundation skills, essential for rewarding experiences at university and beyond, are stressed in course assignments. You will receive comments on your assignments. Guides to the evaluation of writing style and comprehension of assigned essay topics are provided at the end of the syllabus. Assignments accent "active reading" and good writing. Participation in tutorials is important and the mix of students is expected to promote debate. Challenging topics that are open for debate, include well-reasoned and/or data-supported controversies over poverty, standard of living, exploitation, creativity, property rights, and ethics.

Course Perspectives (Instructor's Outlooks)

The History of Capitalism is one of the more relevant of modern history topics. It deserves a careful, cautious discussion of what is currently known about its development. Theories are helpful for the speculation that generates questions and new topics. Therefore, a number of leading economic theories will be reviewed, although the position taken here is that the force of geographic, geopolitical, political, and dynamic-innovation factors has varied so widely across space and time that there seems no prospect for a general theory to cover a multiplicity of cases and places. We will offer some leading descriptions. Moreover, because of the importance of the state in sustaining the necessities for capitalism (*inter alia*: private property

rights, contracts enforceable by third parties, markets with responsive prices) the course is Eurocentric and even Anglo-centric, because the great empires of Asia (Ottoman, Safavid, Mughal, Ming-Qing) had to contend with undefeated nomadic adversaries within and without, and with succession crises. These England escaped after 1688. But due on 16 October.

By capitalism we mean the exchange of goods and production of goods for exchange by capitalists/entrepreneurs who combined capital with labour “bought” from “free” labour. The “free labour” condition presents complications because the slave trade in unfree labour was carried on in a capitalist fashion to the benefit of some financiers, not just plantation owners. Expect subtle and fact-laden explorations rather than tidy discussions. Historically, the dynamic implied in capitalism displaced customs and state-run command economies as means for dealing with scarcity; displacements of custom have had ruinous consequences for particular groups but, in a more positive light, have upset the unearned takings of ‘rent-seekers,’ a term to be explained. Many elites in the past and in recent times have been prodigious ‘rent-seekers’ rather than creative capitalists. We will indicate the uneven development of markets that supported the exchange of goods, labour, and finance, and that enabled wealth accumulation and further innovations. Capitalism gets credit for accelerated world growth rates since the early 19th century and for tackling inefficiencies and privileges, but there is also agreement on its dangerous volatility and on the social disruptions of ‘creative destruction.’

Section 4: Sequence of Lectures and Tutorials

Part 1: The Setup for Understanding:

Please note that tutorials for this course begin on the week of 19-23 September.

1. Lectures 7-8 September

a. and b. Defining Capitalism and Discussing its Four Pillars.

2. Lectures 14-15 September

a. and b. Applying the Definition: Utopian and Non-Marxist Moral Critiques

Part 2: Capitalism’s Roots and Ascent, 1200-1800

3. Lectures 21-22 September

a. Applying the Definition: Why Several Substantial Economies in History Were not Capitalist and Others Were.

b. The *Via Italia*: Long-distance Trade, Accounting, and ‘Finance;’

c. Beginning of Dutch Industrious Revolution.

Tutorial (1) for the week of 18-22 September deals with the documents Genoese shipping contract; Pacioli on accounting; Fugger family medieval bankers.

4. Lectures 28 September – 29 September

- a. The Low Countries: Civic Merchant Competition and All Four of Capitalism's Pillars.
- b. Details on Dutch Prosperity and Capitalism, 1600-1700.

Tutorial (2) for the week of 25-29 September deals with the documents on Hugo Grotius and extracts on "Freedom of the Sea," 1609; Thomas Mun on "England's Treasure by Foreign Trade," 1664)

5. Lectures 5-6 October

- a. Why the Exceptionalism of the North Europe in World Economic History? Deep-sea Long-distance Trade, Early Finance: Currency, Banking, and Insurance.
- c. Advantage England: Rural and Industrial Capitalism. Coal on Land and Sea. The English Political Economists: Smith, Ricardo, Senior, and Mill.

Tutorial (3) for the week of 2-6 October deals with articles by Gelderblom and Jonker on "The Amsterdam Capital Market" and Larry Neal on "The Monetary Architecture of Europe, 1648-1815."

9-15 October Fall Recess

6. Lectures 19-20 October

- a. The English Industrial Revolution and its Export. The Marginal Importance of Industrialisation for a History of Capitalism (?).
- b. "The Hungry Forties."
- c. The Long Industrial Revolution.

Tutorial (4) for the week of 16-20 October deals with documents on contemporaries' discussions about factories: Andrew Ure on the delights of factory work, Legal Proceedings against Luddites, Debate on the Factory Bill.)

Part 3: Capitalism's Patterns in Economic History, 1700-1850

7. Lectures 26-27 October

- a. Classical and Utilitarian Political Economists and Studies of Capitalism. The Moral Economists.

b. Marx as Economist. Economics as Politics.

Tutorial (5) for the week of 23-27 October deals with documents on critiques of industrial capitalism: Robert Owen on the Poor of Lanark; The Communist Manifesto.

Part 4: Up and Running, 1850-Present Day

8. Lectures 2-3 November

a. Economists and other Commentators on Capitalism (continuation of previous lecture).

b. Capitalism's Promised Land: USA and its Variations on Rural and Industrial Capitalism. The Corporation, Corporate Consolidation, Collusion, and Anti-trust.

Tutorial (6) for the week of 30 October-3 November deals with Magee and Thompson on British Empire's networks of people, goods, and capital; Lord Furness's praise of business consolidation, 1908; Count Witte on Capitalist Modernization of Russia, 1893.

9. Lectures 9-10 November.

a. and b. Transnational Corporations and Global Integration: Banks, Resource Extraction, Shipping, and Branch Plant Manufacturing.

No tutorial week of 6-10 November.

10. Lectures 16-17 November

Continuation of Transnational Corporations and Global Integration: Banks, Resource Extraction, Shipping, and Branch Plant Manufacturing.

Tutorial (7) for the week 14-17 November on Jeremy Atack's book chapter on the USA and early republican capitalism; William Jennings's Bryan's "Cross of Gold" Speech, 1896 ... the Bernie Sanders of his day!

11. Lectures 23-24 November

Introduction to Mode of Labour: Unfree Labour in Relation to Capitalism. Indigenous Depopulation, *Encomienda* Consolidation, Slavery, Indentured Labour, Master Servant Acts in Britain and Empire.

No tutorial week of 20-24 November.

12. Lectures 30 November-1 December

a. Finance Capitalism. The Products, Institutions, Markets, and Regulation.

b. The Oil Shocks of 1970s and the Demise of Global Economic Management. The Great Financial Crisis. Back to Where We Began.

c. Renewed Interest in Capitalism; Recent International and Intra-national Studies on Inequality and Poverty.

Review.

(Tutorial 8) for the week of 27 Nov.-1 December on book chapters by Eichengreen, Krippner, and Tooze)

Section 5: Required Documents and Books

You are responsible for securing access to the following required material.

The documents for the tutorials will be accessible through Avenue to Learn under *Content: eReserve Link for Tutorial Readings* with the exception of a document on freedom of the seas and global trade by Hugo Grotius.

Documents for Discussion in Tutorials

1. Italian and North European Forerunners. See documents on the following:

- a. Genoese Shipping, 1250; 1281.
- b. Business Bookkeeping, 1494.
- c. From Trade to Banking, Jacob Fugger, 1512.

2. International Trade: Freedom of Trade versus Mercantilism. See the following:

- a. Hugo Grotius on Freedom of the Seas and Dutch Mercantile Capitalism.
- b. Thomas Mun and English Mercantilism and an Early Recognition of the Balance of Payments.

3. The Origins of Finance Capitalism. See the following:

a. Oscar Gelderblom and Joost Jonker, “Completing a Financial Revolution: The Finance of the Dutch East India Trade and the Rise of the Amsterdam Capital Market, 1595-1612.”

b. Larry Neal, “How it all Began: The Monetary and Financial Architecture of Europe.....,1648-1815.”

4. Industrial Capitalism. See the following:

- a. Andrew Ure, *The Philosophy of Manufactures* (1835).
- b. Ure on “Factory Operatives.”
- c. *Debate on the Factory Bill* (1844).

All to be considered with Allen’s *The British Industrial Revolution*.

5. Industrial Capitalism: Dissent. See the following:

- a. Robert Owen, *Report to the County of Lanark* (1821).
- b. Thomas Carlyle, "Midas," (1843).
- c. *The Communist Manifesto* (1844).

6. The Growth of Capitalism. See the following:

- a. Gary B. Magee and Andrew S. Thompson, chapter 5, "Information and Investment" in *Empire and Globalisation*.
- b. Speech on Consolidation, 1908.
- c. Documents on Capitalism in Russia.

7. The Growth of Capitalism and Capitalism's Promised Land. See the following:

- a. Jeremy Atack, "America: Capitalism's Promised Land," chap.17 in *Cambridge History of Capitalism*, vol.1.
- b. William Jennings Bryan, "Cross of Gold Speech," 1896.

8. Finance Capitalism and its Hazards. See the following:

- a. Greta Krippner, "Conclusion" in *Capitalism in Crisis: The Political Origins of the Rise of Capitalism*.
- b. Adam Tooze, "Introduction: The First Crisis of a Global Age" in *Crashed*.

The Books

James Fulcher, *Capitalism: A Very Short Introduction* (2015). Not required but a handy set of discussions.

William Cronon, *Nature's Metropolis: Chicago and the Great West* (1992).

Tim Rogan, *The Moral Economists: R. H. Tawney, Karl Polanyi, E. P. Thompson, and The Critique Of Capitalism* (2019).

Benjamin Lorr, *The Secret Life of Groceries: The Dark Miracle of the American Supermarket* (2021).

Section 6: The Assignments

These assignments are *not book reviews*, but short essays that answer a stated question using *only* the information from the book assigned for that question. All major points and quotations should be footnoted. The format preferred in this course is author, full book title, place of publication, publisher, date of publication, page number. Example: for the initial footnote: Please, footnote quotes, examples, and locations where the idea appears. Example: For an initial footnote: Benjamin Lorr, *The Secret Life of Groceries: The Dark Miracle of the American Supermarket* (New York: Avery, 2021), 30 (ie. whatever page you are citing). Subsequent footnotes can be shortened to Lorr, *Groceries*, 31 (etc.).

Cronon: 2000 words: 20%. Due 22 September.

From lectures, you will be acquainted with the ideas of Joseph Schumpeter pertaining to the entrepreneurial dynamic in capitalist economic growth.

Keeping Schumpeter in mind and using Cronon as your only source write a paper that supports the quotation that follows “The explosive growth of Chicago from its founding and into the late 19th century owes much to ‘the creative destruction’ brought about by the city’s remarkable collection of entrepreneurs.” Explain the relevant entrepreneurial innovations and outcomes in Cronon’s discussion of grain handling, railways/railroads, lumber handling, meat processing, retail marketing by mail order.

Rogan: 1500 words: 15%. Due 20 October.

The British writers whom Rogan identifies as critics of capitalism were, to a greater or lesser extent, critical of Marxism too. For three main writers (Tawney, Polanyi, and Thompson), the essential problem posed by capitalism was how to reconcile an individualism freer than collectivism allowed with a social life that recognized human solidarities. Write a paper that explains how each of the three authors tried to achieve this balance by appealing to a different moral foundation for social life.

Lorr: 2000 words: 20%. Due 10 November. Assignment requires working through narrative and serious thoughts for your conclusion.

Incredible beyond words” the supermarket is an efficient gift to consumers, although for some who work in the supply chain, right up to the checkout, it is demeaning and hard. Drawing on Benjamin Lorr’s profiles of individuals, at least one from each of the book’s six parts, write a 2000 word paper that relates his observations and assessments of food retailing to capitalism. Explain your reasoning.

Section 7: Extensions, Late Penalty, ChatGPT, and Responsibility for Submitting

The due dates for assignments are before midnight on 22 September, 20 October, and 10 November. **If you require an extension, you have up to one week extra without notifying the TA or instructor of a MFAS, SAS week-long extension, or an emergency. We assume that these conditions apply.** However, assignments on extension may not be marked in time for your review prior to the next assignment. Thus, you will not have the benefit of marking advice. Moreover, assignments receiving the extension and submitted after its date will be penalized at 10 marks a day.

The use of generative AI, for example **ChatGPT, to assist with the assignments is prohibited for this class.** Since half of the mark on an assignment is based on ideas and analysis that you have drawn from the book and properly cited, prohibited use will result in a forfeiture of half of the assignment mark, exclusive of the style and organization mark.

Please submit the correct material for each assignment because **you will be marked on what you submit, whether or not it applies to the assignment.** An incorrect file, notes, or draft will be marked as is. It is your responsibility to check what you are submitting.

Section 8: Determination of Final Grade

Cronon: 20%

Rogan: 15%

Lorr: 20%

Each **book assignment** (worth in total **55%** of the final mark) **must be submitted to the Avenue drop box no later than midnight on the Friday indicated.**

Tutorial Participation, 25%. For tutorial mark: 1 for attending, 1 for a contribution, 1 more for notable contributions = potential of 3.0 per tutorial. Eight tutorials = potential of 24 marks prorated by multiplying by 1.05 for 25 %.

Final Exam (no mid-term), **20%.** A 2 Hour essay-style exam (no aids) that covers the course's core themes and information. Choice will be available.

Student Name	Student Number	Mark on Ideas and Analysis	Mark on Style and Organization	Final Assignment Mark			
Ideas and Analysis	Excellent	Excellent to Very good	Very Good	Good	Problems	A Narrow Pass	Failure
1. Ability to deal with complexity	Full appreciation of complexity and retains a focus	Reasonable balance of detail and big picture	Good detail and big picture but dwelling on only a few examples	Examples thin; some reference to the big picture	Examples thin and big picture is missing	Rushed paper, few examples, little sense of themes and the book's importance	Weak and lacking coherence, no idea of book's importance
2. Evidence of clear understanding	Clear, makes significant general comments, adds original observations based on the material	Clear and makes good valid general comments that relate to examples, slightly less originality	Clear and some points are well supported by examples and some less so	Not as clear statement of the organizing argument as one would expect	Points not clearly explained and evidence of wandering	Weak presentation with only simple or invalid assertions and not much evidence of working with the material	Very confused
3. Evidence of scope of coverage	Extensive, nicely compressed, attention to most examples or themes	Extensive, nicely compressed	Wide ranging but missing some leading examples	Reasonable range of examples but drawn from too limited a selection of pages	Limited range of examples	Far too few examples and only a very few pages cited	Extremely thin
Style and Organization							
1. Grammar, suitable word choices	Virtually no errors and wonderful articulation of ideas	Minor errors and fine expressions and word choices	Minor errors and fine expressions and word choices	More errors than one would expect in a carefully reviewed paper	Frequent and serious errors	Errors significantly impair readability	Errors significantly impair readability to an extreme degree
2. Readability, good flow	Elegant style, polished	Comfortable with writing, easy to follow	Effective writing, some places where meaning is unclear	Reading is slowed by awkward sentences or phrases	Style is generally awkward, more than a few examples	Awkward sections dominate and get in the way of understanding	Hastily written and confusing
3. Organization	Structure enhances argument; strong paragraphs and there is a seamless flow	Strong paragraphs that fit together well	Paragraphs not as well structured; need better topic sentences and links to the next paragraph	Some choppy prose and/or redundancies and/or repeats	Choppy, disconnected sections, no sense of overarching organization	Needs significant improvement to the paragraphs and the overall structure	Very poor organization deprives the paper of direction; haste is evident

Section 9: Marking Guidelines used by the TAs