

A Short History of Wall Street

Summer 2011

NYU History Department
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“A Short History of Wall Street” is a course designed to complement broader survey courses in American history and cultural studies by offering a concise introduction to the history of investment in the United States from the birth of the republic through the bursting of the technology and mortgage bubbles in the 2000s. It is not strictly speaking a history of Wall Street alone, but we will return to New York City’s financial district again and again because of its central role in influencing and directing patterns in American investment from almost the beginning of the United States.

The course is intended to help students describe and analyze the emergence of different forms of investment in the context of changes in American culture. It does not attempt to sketch the full history of business in the United States or the American economy, and no background in economics or finance is necessary. The fundamental argument of the course is that a history of investment practices in the United States cannot be explained using only economic theory and mathematical models, but rather that this history is intertwined with contemporaneous social, political, intellectual, and cultural concerns.

The structure of the course, including the readings, instruction periods, and assignments, is intended to help students: (1) analyze historical evidence by using and expanding on pre-existing scholarship; and (2) write cogently and concisely about the relationship between cultural change and economic transformation.

The course will meet three times a week for two hours in each session. Each session will include approximately 90 minutes of lecture, with the remaining time devoted to discussion of the session’s assigned readings. The readings are meant to be informative and thought-provoking, with a low amount of jargon. Everyone will read the course “textbook,” *Every Man a Speculator*; in addition each week each student will be responsible for reading one additional scholarly article, book chapter, or historical document. Some of these readings offer broad overviews of the topics being discussed, while others focus on the actions of specific people, companies, or institutions. Your priority should be to **read for broad understanding** of the subject matter **rather than memorizing details**.

Components of students’ grades include:

- **Class participation (20%)**: Regularly contributing to classroom discussion, including the ability to describe assigned readings both individually and in relationship to each other and the lecture content.
- **Written assignments (35%)**: In the first week, students will write a three to four paragraph paper on one of the week’s readings due the following Tuesday. Beginning in the second week, students will be divided into groups of four. Three students in the group will each be assigned one article on which to write a reaction paper. The fourth student will have the responsibility of writing a review paper which summarizes and synthesizes the reaction papers written by the other group members.

Reaction papers will be due on the Thursday of the week for which the writings are assigned; review papers will be due on the following Tuesday. Responsibility will rotate among group members so that by the end of the fifth week each student will have written three reaction papers (in addition to the first week reaction paper) and one review paper.

- *Reaction papers*: These are 3 or 4 paragraph papers which summarize your thoughts and reactions to a specific reading. The main goal of the paper is to provide you a chance to describe how you understand the issues discussed and show how you would explain the subject matter to your classmates or someone uninformed about the issue..

- *Review paper*: This assignment, which should be 3 to 4 pages long, should *briefly* summarize the content of the readings, using your group members' reaction papers, and then go on to explain how the three readings relate to each other and help you understand the topic of the week.

Grading: Your review paper grade will count for 10% of your grade; each of the four reaction papers will count for 5% of your grade, except the best reaction paper grade will be counted twice.

• **Final essay (45%)**: Students will write a 6 to 8 page essay on a specific topic in the history of American investment. The two topic questions will be provided to students at the beginning of the course; in the next-to-last week of the course (on Thursday, June 22nd) students will be randomly assigned one of the two topic questions on which to write their final paper. The paper will be due one week later (on Thursday, June 29th).

Course Materials:

- Steve Fraser, *Every Man a Speculator: A History of Wall Street in American Life*
- Course readings will be made available through Blackboard

Course Schedule

Part I: From the American Revolution to the Civil War

Session 1, May 23rd. **Introduction**

- Mike Wallace, "Business Class Hero," pamphlet, GothamCenter.org
- George David Smith and Richard Sylla, "Capital Markets," in Kutler, ed., *Encyclopedia of the United States in the Twentieth Century*

- *Note*: This article is intended as a reference for the course as a whole. You may find it useful to go back and re-read it several times as the weeks go by.

Session 2, May 24th. **The Early Republic**

- Fraser, *Every Man a Speculator*, chapter 1
- Robert Wright, *The First Wall Street*, chapter 5, "Hamilton's Vision"

Session 3, May 25th. **Antebellum Development: The Role of Transportation**

- Fraser, *Every Man a Speculator*, chapter 2
- Robert Wright, *The First Wall Street*, chapter 8, "Transportation Elation"

Session 4, May 30th. **Antebellum Development: The Role of Banks**

- Naomi Lamoreaux, *Insider Lending: Banks, Personal Connections, and Economic Development in Industrial New England*, chapter 1 and chapter 3
- Andrew Jackson, “Bank Veto Message” [1832]

Session 5, May 31st. **Antebellum Development: The Role of Corporations**

- Fraser, *Every Man a Speculator*, chapter 3
- Robert Dalzell, *Enterprising Elite: The Boston Associates and the World They Made*, chapters 2 and 3

Session 6, June 1st. **The Civil War**

- Fraser, *Every Man a Speculator*, chapter 3 and chapter 4
- Melinda Lawson, “Let the Nation Be Your Bank: The Civil War Bond Drives and the Construction of National Patriotism,” in Cimballa and Miller, eds., *An Uncommon Time: The Civil War and the Northern Homefront*

Part II: From the Civil War to the Crash of 1929

Session 7, June 6th. **Building the Railroads**

- Fraser, *Every Man a Speculator*, chapter 5 and chapter 6
- Richard White, “Information, Markets, and Corruption: Transcontinental Railroads in the Gilded Age,” *Journal of American History*, vol. 90, n. 1 (2003)
- Charles F. Adams and Henry Adams, “Chapters of Erie” [1871]

Session 8, June 7th. **The Great Merger Movement**

- Fraser, *Every Man a Speculator*, chapter 7 and chapter 8
- Naomi Lamoreaux, *The Great Merger Movement in American Business, 1894-1907*, chapter 4
- Edwin Lefevre, *Wall Street Stories* [1904]

Session 9, June 8th. **The Panic of 1907 and the Pujo Committee**

- David Hochfelder, “‘Where the Common People Could Speculate’: The Ticker, Bucket Shops, and the Origins of Popular Participation in Financial Markets, 1880-1920,” *Journal of American History*, vol. 93 (2006)
- Fraser, *Every Man a Speculator*, chapter 9
- Louis Brandeis, *Other People’s Money (and How the Bankers Spend It)* [1914]

Session 10, June 13th. **World War I and the 1920s Boom**

- Fraser, *Every Man a Speculator*, chapter 10 and chapter 11
- Cedric B. Cowing, “The Discussion of Speculative Competence in America, 1906-1934,” *American Quarterly*, vol. 10 (1958)

Session 11, June 14th. **The Crash of 1929 and the Creation of the SEC**

- Fraser, *Every Man a Speculator*, chapter 12 and chapter 13
- Julia Ott, “The ‘Free and Open People’s Market’: Political Ideology and Retail Brokerage at the New York Stock Exchange, 1913-1929,” *Journal of American History*, vol. 96 (2009)
- Selections from J. Edward Meeker, *The Work of the Stock Exchange* [1930]

Part III: From the New Deal to Now

Session 12, June 15th. **World War II and the Postwar Boom**

- Fraser, *Every Man a Speculator*, chapter 14
- Edwin J. Perkins, *Wall Street to Main Street: Charles Merrill and Middle-Class Investors*, chapter 12 and chapter 13
- “Muriel Siebert,” in Sue Herera, *Women of the Street: Making It on Wall Street—The World’s Toughest Business* [interview]

Session 13, June 20th. **The Era of “Boring Banking”**

- Fraser, *Every Man a Speculator*, chapter 15
- Ron Chernow, *The House of Morgan*, chapters 29 and 31

Session 14, June 21st. **The 1960s and the 1970s: The View from Wall Street**

- Gregory Bell, *In the Black: A History of African Americans on Wall Street*, chapter 4
- Peter Drucker, “Pension Fund ‘Socialism’” [1976]
- James Henry, “How Pension-Fund Socialism Didn’t Come to America” [1977]

Session 15, June 22nd. **The 1960s and the 1970s: The View from Silicon Valley**

- Annalee Saxenian, *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*, chapter 2, “Silicon Valley: Competition and Community”
- **FINAL EXAM ESSAY QUESTIONS ASSIGNED**

Session 16, June 27th. **The Go-Go Years and the Crash of 1987**

- Fraser, *Every Man a Speculator*, chapter 16
- George P. Baker and George David Smith, *The New Financial Capitalists: Kohlberg Kravis Roberts and the Creation of Corporate Value*, chapters 1 and 2
- Read *Den of Thieves*; *Liars’ Poker*; *Serpent on the Rock*; read or watch *Barbarians at the Gate*; or watch *Wall Street*

Session 17, June 28th. **“Irrational Exuberance”**

- Selections from Barbara Garson, *Money Makes the World Go Around* [2001]

Session 18, June 29th. **“The Ownership Society”**

- Karen Ho, “Situating Global Capitalisms: A View from Wall Street Investment Banks,” *Cultural Anthropology*, vol. 20 (2005), 68-96.
- **FINAL EXAM ESSAYS DUE**