

The Merger Process: An Inside Look by Oral History

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Let me begin with a few general comments about oral history, and then let me speak more directly about its use in business history and how I have used it in my own research.

Oral history is, of course, not a new development. In a sense, it is the oldest form of history in existence. Medieval European bards were, in a way, among the chief historians of their day. In the United States, native Americans are currently preparing tribal histories based upon the oral traditions of their peoples; the Apache and Nez Percé have recently completed such studies.

Since World War II, with the growing availability of compact, easy-to-operate, and inexpensive tape recorders, the use of oral history interviews as a tool in historical research has burgeoned. Studs Terkel's various works, among others, have caught the public's imagination and have become best sellers. Academic centers for oral history have arisen; Columbia and Berkeley come readily to mind. In my area the Ohio Historical Society has recently concluded a major labor-history project, which uses oral history interviews as one of its prime sources of information.

In business history too, oral history has become an increasingly common research tool. I think that many of us have, at one time or another, used oral history interviews in our work. Most recently, I have read Arthur Johnson's fine study of Sun Oil since 1945, a study in which Johnson admirably supplements his written sources by interviews with key management people. Oral history interviews can also be used in teaching. I have found it useful to play excerpts from taped interviews to my classes to give the students some idea of how businessmen think and make decisions. I have used tapes from my own research, but commercial products are becoming available. For instance, the *New York Times's* oral history program has for sale a series of taped interviews with businessmen on the economic development of the Southwest.

With this general background in mind, let me now turn to the question of what are the advantages and disadvantages of oral history as I have encountered them in my work. I have used oral

history interviews extensively in studying the Alaskan seafood industry and in examining Ohio's steel industry. I have conducted interviews with fishermen on crab boats in the Bering Sea (there I had to protect my tape recorder from salt water), and I have discussed steel-castings techniques with Columbus, Ohio, foundry workers on-the-job, at the Steel Workers annual picnic, and in bars (where I recorded the song "Buckeye Blues").

Most commonly, however, I have been interested in interviewing management. I wish to focus upon a particular aspect of this -- the use of interviews as a tool in understanding the merger process, certainly a major aspect of American business in the 1960s and 1970s. Written materials -- company records, SEC reports, and the like -- were available. They could tell me when and, to some degree, how the mergers occurred; but on the crucial question of motivation, they were of limited use.

I think this is the major advantage of oral history: you can ask the question of why a person did something. The answers are sometimes surprising. Consider, for instance, one merger I studied, the acquisition of Buckeye International by Worthington Industries in 1980. The president of Worthington, a Columbus-based company, said that a major reason his firm purchased Buckeye, another Columbus corporation, was to keep Buckeye in Columbus. Buckeye was being pursued by yet a third company, a non-Columbus firm, and Worthington's president did not want to see Buckeye taken over in this way and possibly relocated. As he explained, "The first reaction was more out of civic pride and civic duty.... We hated to see Buckeye, that had been a fixture of this community for a hundred years, be taken over by a company in Dayton."

Oral history interviews also told me a great deal about precisely how the mergers occurred, and again there were some surprises. In a different merger I studied -- the purchase of Wakefield Seafoods, a small Alaskan company, by the Hunt-Wesson Division of Norton Simon, a large conglomerate, in 1968 -- I was initially surprised at the speed of the negotiations. It was all done in a day or two. As revealed in interviews, this situation was made possible because the marriage-broker working for Wakefield's was also a personal friend of the president of Hunt-Wesson.

Third, the language used by businessmen in describing their merger experiences suggests a great deal about how they viewed the mergers and business in general. When a Wakefield director described the president of a company trying to purchase Wakefield's as "a fast-buck bastard," I came to realize the depth of feeling that could be involved in such a transaction. In the Buckeye merger I came to understand the urgency with which the company was seeking a friendly merger after talking with Buckeye's senior vice-president. Buckeye had just fended off an unfriendly takeover bid. Buckeye's officers wanted to remain independent, but they

recognized that some sort of merger was almost inevitable. As Buckeye's senior vice-president told me, "It's just like a dog in heat; once the scent gets out you'll never be a virgin again."

All of this suggests some conclusions about American business. Businessmen are human beings who make decisions based upon such factors as personal whims and desires, sentimentality, and luck -- as well as upon grounds of economic rationality; and these personal factors come through especially clearly in oral history interviews.

None of what I have said so far should suggest that oral history interviews are a panacea in doing research. As with all other types of primary sources, they must be used with care. What are some of the problems and pitfalls?

One obvious problem is the time element. It is impossible to interview dead or senile people. The oldest people I have interviewed with any success were several melters working in steel foundries in the Progressive Era. Oral history can really be used in understanding the recent past.

Related to this issue is the problem of faulty memories. People simply forget or confuse things as time goes on. My account of the 1980 Buckeye merger is more complete than my account of the 1968 Wakefield's merger, because in the former case I was able to work with company officers as the merger unfolded, rather than after the fact.

Third, the interviews may be misleading. They may present a distorted or inaccurate view of what happened. People often have a selective view of the past, and they may omit things in their interviews that they would rather forget. Less frequently, people may give inaccurate accounts because of personal bias. I try to correct for these possibilities in two ways. I include in my interviews questions that can be cross-checked with written sources, and I try to interview more than one person on the same topic.

So, in closing, I would say that there are, indeed, many pitfalls in oral history. But, the potential payoffs, in my opinion, justify the risks.