

Comments on the Papers of Anita Goodstein, Paul Abrahams, and Ronald Greenwood

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We have here three papers about entrepreneurs and managers at three points in America's economic development. Anita Goodstein's paper is concerned with the first two stages of business activity in a community of the upper South in the ante bellum period. Paul Abrahams provides information about the business elite in a group of counties in southeastern Wisconsin from roughly 1880 to 1920, while Charles Wrege and Ronald Greenwood examine the career of Mary Gilson, a pioneer in industrial management in the World War I era.

The change in economic activity that Professor Goodstein describes -- from speculative concentration on the acquisition of land to investment in commercial enterprise -- seems to have been a typical one in areas of the United States where settlement largely followed the opening of land to sale. First came the speculators, then the more permanent businessmen; and often, as she states, the one metamorphosed into the other. What I find most interesting, however, is Professor Goodstein's description of the rise and development of mercantile activities. The turnpikes, she writes, "enabled Nashville businessmen to develop from commission merchants in the staple trade to general merchandise suppliers...." If this indeed describes the course of development, it strikes me as having been very unusual. The usual course was that general merchandisers became specialized commission merchants.

And if commission merchants were Nashville's first mercantile operators, who was supplying the people in the community and the surrounding area with the necessities that they could not provide for themselves? Were there no general merchants then? And after Nashville businessmen developed "from commission merchants...to general merchandise suppliers," who handled the staple trade, the buying and selling of cotton and

tobacco, grain and cattle, on commission or otherwise? These are questions that need more exploration. Similarly, the statement that "as wholesalers rather than commission merchants became the dominant sector of Nashville's trade, the commitment to the river trade was relaxed," needs explanation, since it is not clear how the wholesalers, who, presumably, were on the selling side of the market, that is, providing the inventories of retailers, could take the place of the commission merchants, who were moving local produce.

But Professor Goodstein's is a very short paper, and I suspect that the longer manuscript on which she is working will clear up some of the ambiguities that I have mentioned. I hope that the longer manuscript will also compare Nashville's early economic history with that of other cities in the upper South and Midwest that have been studied. I have in mind James Madison's work on Indianapolis (Ph.D. dissertation, Indiana University, 1972), Donald Zimmer's on Madison, Indiana (Ph.D. dissertation, Indiana University, 1974), and John Abbott's (Ph.D. dissertation, University of Chicago, 1971), on Cincinnati, Indianapolis, Chicago, and Galena, among other studies.

Finally, I agree completely with Professor Goodstein when she says that,

Industrial development remained modest, not because Nashville businessmen were lacking in enterprise or because industrial pursuits were socially unacceptable or because there was not an appropriate growth ethic in place. Rather, it would seem that Nashville's limited capital went to established enterprises which showed promise of continued expansion and profit.

The businessmen of Nashville were as rational as those of any other place, and we may assume that they usually made rational decisions. We can look back now and speculate that they could have made as much or more money in manufacturing as in buying and selling, in banking, and in land, but they had to act with limited information as well as limited capital, and they understandably played it safe.

Professor Abrahams has shown commendable ingenuity in his use of published collective biographies to study career patterns in Wisconsin in the latter part of the nineteenth century and the first two decades of the twentieth. His sample, of course, is a biased one, as he readily admits, biased toward successful men of relatively stable residence. We have no clue as to the percentage of all businessmen that Professor Abrahams' businessmen represent in either the 18 counties of the sample or

in the chosen occupational categories. I should like to have some information on these points, and I believe that the statistics could be worked out from the census returns. I should also like to know, incidentally, from how large a universe the "random" sample of 776 biographies (of which 536 were selected) was chosen, and the method of choosing the sample.

I found the paper especially interesting in that it provides the religious affiliation of many of its subjects (at least, in their later careers), and Professor Abrahams' ability to do this reconciles me somewhat to the bias in his sample that I have mentioned, for the religious preferences of a large number of persons in any historical study are hard to come by. I wish, however, that Professor Abrahams had carried his analysis a little further. He tells us that German Catholics (that is, Catholics of German background), showed more flexibility than did Lutherans of German background in changing from one occupational category to another. I find that a very interesting observation, but was it because they were Catholic that they appeared to be more flexible, or, for instance, because they were poorer than the Lutherans, started careers at a lower level, and therefore had farther to go, or because they owned less land than the Lutherans, or no land at all? This latter supposition has some support in the statement that German Lutherans were more likely than any other group to stick to farming. To judge from the tables that accompany the paper, Professor Abrahams already has at least some of the information that I believe he should give us. His task is to present it in more easily readable form.

In Table 13, which presents Ownership/Executive Ratios for his manufacturers, agricultural processors, retailers, and wholesalers in their later careers, it would be helpful to have a definition of "executive." Was a man who owned and operated his own business an "executive," or does the word here mean only those men who managed a business for others?

Another point: Is there any way of determining the net worth of the men in the sample, and comparing their average worth with the average worth of all males in their counties? Are there tax records that might be helpful on this score? Such information would aid us in judging the step on the economic ladder that was occupied by the men in the sample. Were they truly the business elite of their counties?

Finally, I should like to see comparisons of this study with studies of businessmen in other areas and communities at comparable stages of development. Such comparisons might be enlightening. For instance, about 20 percent of Professor

Abrahams' sample "changed their place of residence significantly between the beginning and the end of their working life." Given the relatively humble origins of a large number of men in the sample, a mobility rate of 20 percent seems low. If, after comparison with other samples it is confirmed to have been so low, reasons for the high rate of persistence should be sought.

The paper of Ronald Greenwood and Charles Wrege, read by Professor Greenwood, tells us about the career of Mary Gilson, a pioneer in scientific management and industrial welfare work in the early part of this century. She was not alone, of course. One thinks immediately of Lillian Gilbreth (she of Cheaper By the Dozen fame), while constraints of time forced Professor Greenwood to delete accounts of the careers of four other women -- Emily Osborne, Jane C. Williams, Jean Hoskins, and Florence Hughes -- from his original paper. All these women were members of a remarkable generation of women, some college educated, most unmarried, who made their mark in the period from about the 1880s through the 1920s, in social work (including the settlement movement as well as industrial welfare), in department stores (as buyers and department heads), and in union organizing, to name only three areas of endeavor.

The field of industrial welfare and management seems to have been a "natural" one for women, for two reasons: Many, though not all, the factory workers of whom Gilson (as well as Hoskins and Hughes) assumed oversight, were women; and, secondly, concern for the welfare of the individual in the workplace was an extension of that concern for others that had long been regarded as a peculiarly feminine trait. Still, women pioneers in industrial management and welfare were not of the common run. They deviated from the norm, and I would like to know why. What was there in their family background, their education, their adolescence, perhaps, that predisposed them to careers rather than marriage, or, rarely, to combine career and marriage in an age when to be a stay-at-home wife was practically the only acceptable course for a woman? Professor Greenwood does not enlighten us on this point, but rather presents Gilson as a woman grown, ready, we know not by what training or experience, to take on innovative personnel management at Clothcraft. He serves us better in outlining Gilson's later career after leaving Clothcraft, but I wish he had not been so elliptical about her work in Hawaii, and I hope that at some time in the future he will pursue the later careers of Hoskins, Hughes, and the other women whose work in personnel management he touched upon in his original paper. All these women were comparatively young when their careers in industrial welfare presumably ended. It would be more than interesting to know if they continued in

business, or if they saw the light, married and created homes for their husbands and children, as was usually the case with the heroines of novels of the period.

Meanwhile, there are aspects of Gilson's work and ideas that deserve comment. I was interested to learn that prior to 1917 Clothcraft maintained a nursery, thus allowing women with preschool children to work there free from worry about their young ones. In 1982 a hospital in Tennessee has "discovered" that by providing a nursery it has no difficulty in attracting nurses, while other hospitals are operating with skeleton nursing staffs. But Gilson's disclaimer notwithstanding, many of Clothcraft's practices were paternalistic. I am impressed with the similarity of some of Clothcraft's and Gilson's "innovative" management methods and the methods of modern Japanese management. Many of these methods proved repugnant to Americans of the World War I period and would certainly prove so today. It might be interesting to explore the historical reasons why the methods have succeeded in one country and not in the other.

Finally, Gilson's statements concerning equality of opportunity and in the workplace could have been written by a thoughtful women's liberationist of today. Clearly, Gilson was a brilliant, far-seeing, and courageous person whose life and career deserve further study.

These three papers, all well conceived and researched, have broadened my knowledge and understanding of the topics discussed, and I look forward to reading the longer works of which they give promise.

Historical Aspects of Industrial Organization