Integrating Business History and Labor History

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We believe now is an opportune time to promote a greater integration of the disciplines of business and labor history. For most of this century the two fields have functioned mainly as distinct and circumscribed parts of academe. They presently maintain separate journals and different professional organizations; few members of the Business History Conference, for example, probably list labor history among their major areas of interest. With only a few exceptions, scholars in one field rarely interact with those in the other. Indeed, more often we would guess, they have behaved in a manner analogous to participants in those great battles of yesteryear between the forces of labor and capital.

This division is based, in part, on differing ideological outlooks or intellectual concerns. Business historians tend to identify with capitalism and the play of the free market, with special emphasis on the role of entrepreneurship, whereas labor historians have generally expressed reservations about the impact of unrestrained competition upon less powerful individuals. In addition, they have been drawn more frequently to ideals stressing cooperation and communal values in the organization of societies. One result of this division has been that professionals within the separate disciplines have failed to take the work of each other very seriously. Each field has assumed the mem-

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bers of the other to be so ideologically biased that little integrated research and writing of any real consequence was possible.

Correspondingly, the tendency has been for members of these disciplines to view both workers, on the one hand, and managers, on the other, in one-dimensional terms. Business historians have tended to view workers as interchangeable entities--not as individuals, but as faceless inputs in the cost of producing goods or services. Workers and their unions have been portrayed as obstacles to overcome or, at worst, enemies to be conquered. Labor historians have likewise considered business leaders as indistinguishable peas from the same pod, aiming to squeeze out the maximum amount of output for the least amount of pay--and all-the-while maintaining unhealthful or dangerous working conditions. Neither group of scholars is sufficiently aware of how much diversity can be found within the ranks of business and labor and, more important, of the implications of that diversity for explaining the evolution of our industrial system.

Our belief in the wisdom of integrating the two fields stems not so much from an attachment to criticisms about the oft-mentioned dangers associated with narrow overspecialization, although we are in basic agreement with the merits of those complaints, but, in this case, it arises more from our convictions about the benefits realizable from the reaggregation of the two fields as revealed by our own experiences as teachers and scholars over the last decade. In short, we can cite both theory and practice. Our dedication to this proposition was stimulated, in part, and reinforced by the accident of finding ourselves thrown together as members of the same history department on the west coast and discovering that our point of departure for discussions about a whole range of issues in American history were often similar, even if we frequently ended up disagreeing about the underlying causes of events. Again and again we found ourselves probing questions related to the same theme: what forces both external and internal to business enterprises had permitted individuals and groups to exert power and/or control over the marketplace, on the one hand, and then, on the other hand, over the compensation and working conditions associated with employment. Who had exerted power over whom--and when and why? These were issues common to the fields of business history and labor history, and their inherent duality indicated to us that good explanations required the skill of an historian possessing more than a passing knowledge of one field or the other.

The intellectual stimulant was thus in the air for several years, but what finally drew me, Ed Perkins, into initiating a more formal linkage with labor history arose from, admittedly, more practical and self-serving reasons. I saw myself as a victim of the unexpected popularity of a lower division, general education course on business history which I had introduced at USC soon after my arrival in 1973. Within a few years, it was one of the two or three most popular courses in the department and, with enrollments falling in most other areas, I was prevailed upon to teach it semester after semester. Whereas the other American historians could look forward to periodic relief from teaching the general survey course, I was stuck with business history in perpetuity. I was saved when Steve agreed to volunteer for a rescue mission to preserve my sanity, or what's left of it.

Again, necessity was the mother of invention. We decided to alter the format of the existing business history course so that it would encompass labor history as well. The first time around, in the spring of 1981, we team-taught the course--now entitled American Business and Labor History. Thereafter, we have alternated semesters. What we discovered in preparing that first syllabus was that merging the two subjects was not overly difficult because the chronology of important events and the time periods for the emergence of crucial issues corresponded very closely. Moreover, by listening to each other's lectures, we began to appreciate more fully the scope not only of the "other" discipline, but we were stimulated to seek more insights into the evolution of thinking about our own areas of expertise. Student reception has been favorable as well.

At present we assign two textbooks focusing separately on business and labor history. For the labor history component we have used both Dubofsky's update of Dulles's older book and Filippelli's more recent publication [6; 7]. For the business history side, we have favored the Pusateri text, but I plan to give the new Blackford/Kerr book a chance to audition in the fall semester [2; 14]. We supplement these texts with several chapters from Chandler's *Strategy and Structure* (not the whole book) plus two short yet incisive biographies of Andrew Carnegie by Hal Livesay and Walter Reuther by John Barnard from the Little Brown series, both of which have been well received by students [1; 3; 11]. Other collateral reading has included Vonnegut's *Player Piano* and Heilbroner's *Decline of Business Civilization* [10; 19].

The main impact of this integration upon my teaching has been to broaden discussions of the role of workers in our evolving industrial society. Like most business historians, I had never actually ignored labor history. Indeed, it cannot be done. But I had concentrated almost exclusively on union activities. Labor history equaled union history. When the chronology of events dictated coverage of an important strike or a series of strikes, I tried to provide students with some background on the formation of the union in question. The catalyst for all such discussions was always, however, the effect of workers and their unions on business enterprises.

At present, however, I start lecturing early in the course about the transition from the artisan stage of production to factory work. I point out how different industries underwent differing degrees of change in different periods of time. Efforts to unionize are mentioned but not featured in these lectures. Rather, I talk about worker responses within the overall context of the changing nature of work and the workplace [13]. The integration of labor and business history in our curriculum has led me to understand more fully concepts that were previously very perplexing. Let me get away from generalities for a moment and be more specific; I can cite my problems in teaching about the ideology of the Knights of Labor and the whole cooperative spirit. I have become more aware of the linkage of workers' complaints, and their suggestions for reform, with the political ideals of republicanism--and of equity and justice--dating back to the late eighteenth century. Similarly, I appreciate much more how the role of government, from the local up to the federal level, shifted from a neutral and, occasionally, even pro-labor stance in the first half of the nineteenth century to that of an implacable enemy of all organized activities of workers, whether in the economic or political sphere.

In fact, both Steve and I try to augment our historical narrative with wide-ranging and deeper discussions of the importance of ideology, including a series of lectures on the basic principles of classical economics as espoused by Smith and the main competing alternative as outlined by Marx. After careful thought and some experimentation, we decided to place the theory lectures about one-third of the way into the semester--just prior to our analysis of the rise of big business. We emphasize the elements in the philosophies of Smith and Marx which can be used later for analyses of events and trends. We abstain from making judgments about which outlook is "right or wrong, superior or inferior," although we, of course, point out that the Smithian model has had a more profound effect upon the development of the nineteenth and twentieth-century American economy. We have found students very receptive to the introduction of theoretical perspectives. While they do not necessarily understand all the implications of these theories, it provides them with a context for measuring change and reactions to change.

We have also endeavored to practice in our writing what we preach in the classroom: that business history can not be understood in isolation from labor history and vice versa. An historical approach that integrates an analysis of business and labor history offers scholars a method of demystifying the complex nature of industrialization [13]. It allows us to understand and portray capitalist change in human terms, with real men and women--not simply the abstract forces of the market or labor and capital--making decisions and influencing the decision-making process.

STEVE ROSS

As the labor historian in this USC partnership, my work has been greatly enhanced by examining the interplay between businessmen and workers and, most especially, tracing the evolution of local manufacturers, their ideologies, and the ways in which they organized and reorganized production. When I began research on *Workers on the Edge: Work, Leisure, and Politics in Industrializing Cincinnati, 1788-1890* (1985), I was interested in analyzing the development of industrial capitalism and its impact upon working class life--most particularly, upon those who worked in the manufacturing sector [15]. I was especially concerned with understanding the reasons for alternating periods of working-class protest and accommodation to industrial capitalism--at the local and national levels. As my research progressed, I realized that the history of industrial workers could not be understood in isolation from the history of industrial capitalists. Only by integrating the parallel histories of labor and business, could one obtain a deeper view of the human context in which workers and employers were forced to act and interact.

Let me be more specific. It has now become fairly common for working-class historians to locate the uneven nature of nineteenth-century working-class protest, at the local and national levels, in the uneven development of industrial capitalism. Various community studies have shown how different industries--within and among cities--industrialized at different times and to different degrees. A sample of recent authors on this general subject includes Francis Couvares on Pittsburgh, Allen Dawley on Lynn, Massachusetts, Philip Scranton on Philadelphia, and Sean Wilentz on New York [3; 5; 16; 20]. It was not until the 1880s, when the conditions of production in most major industries in most major industrial centers grew increasingly similar that large numbers of workers in different industries and cities began organizing national strikes and protests.

While this general overview is correct, we still need to ask why was there such an uneven pattern of industrial development in various cities? I would suggest that we cannot fully understand the fluctuating nature of industrial development and working-class resistance and accommodation without understanding the broad context in which workers and manufacturers operated. This broad context includes things internal and external to workers: experiences at the point of production, politics, ideology, social life, the changing nature of the state, and the changing nature, composition and ideology of the working class and the capitalist class. By assuming such an orientation, one discovers that industrialization was an uneven process not simply because of the uneven development of markets, transportation networks, modes of production and technology, but because of the uneven development of manufacturers and capitalist ideology. Indeed, the protracted and often violent waves of labor protest which gripped the nation in the 1880s was fostered by the rise of an increasingly similar group of manufacturing elites as well as the increasingly similar nature of production and working-class perceptions of exploitation.

To understand workers' responses to industrialization, then, we also need to understand manufacturers' responses to industrialization (and vice versa for the business historian). It is important to bear in mind, however, that capitalists were as varied in their composition and outlook as were workers. Indeed, we need to move away from monolithic views of manufacturers and sharpen our distinctions between national elites (like those studied by William Miller, Frances Gregory, and Irene Neu) and local elites (like those studies by Herbert Gutman), between elites in different industries, and, perhaps most important, between different generations of major manufacturers [8; 9; 12]. While we now know a great deal about working class attitudes toward early industrial capitalism, we seem to know less about the ideology of manufacturers [18]. Who were the first manufacturers? How did their development shape the development of the working-class? How did early masters and manufacturers view the changes in their crafts and their economy? How did they justify changes in traditional modes of production? How did their workers respond to those changes?

By studying the backgrounds of the manufacturing elite within a city we can learn a great deal about class relations and class development. In Cincinnati, for example, the manufacturing sector of the early nineteenth century was dominated by three groups: traditional master craftsmen, a new generation of small manufacturers who had risen largely from the ranks of the crafts, and merchants who diversified investments into manufacturing. This last group usually invested in "new," capital-intensive, but relatively minor, industries (for Cincinnati) like textiles and iron. The first two groups, more numerous and important during the first half of the nineteenth century, dominated the city's crafts and those industries with an artisanal heritage (like shoemaking, furniture, printing and publishing). Of the three, it was the small manufacturers who would have the most profound impact upon the initial development of the city's industries. By examining their ideology, I was able to shed new light upon the reasons and justifications guiding many of the structural changes in industry. These men saw themselves as members of a new middle class which endeavored to strike a balance between republicanism and capitalism. They saw themselves as citizens staking out a new middle ground in society; one located between the older world of traditional artisans and the expanding world of wealthy capitalists. While on the one hand they proclaimed the need to abandon more precapitalistic artisanal modes of organization, they also rejected the unbridled acquisitive individualism exhibited by many of the nation's capitalist elite. They endeavored to forge a "middling class" ideology that eschewed class conflict and saw the cherished values of republican and producer ideologies as combining with liberal capitalism and altered modes of production to create a new and more progressive age.

Certainly, much of the rhetoric employed by these manufacturers was self-serving. And yet, there was also a strong element of truth to the boasts of tremendous opportunities awaiting those willing to abandon artisan traditions in favor of more capitalistic modes of production. Unlike the city's first manufactories, which were owned largely by merchants, the expanded manufacturing during the second quarter of the century was led largely by men who had worked their way up through the crafts; men who had used the profits of their small shops to expand the size and scope of their operations. By compiling a list of the top 10 percent of leading manufacturers of 1850 (leading manufacturers were determined on the basis of the value of their annual product, the number of workers, and the level of capitalization as listed in the manuscript manufacturing schedules) and then tracing these individuals through various local histories, I discovered that 77 (70 percent) of the 110 manufacturing elites whose backgrounds I could trace had begun their careers as journeymen. Another 7 men (6 percent) had traveled an easier road by simply inheriting the business from their fathers--yet even then, 5 of these men had worked as journeymen prior to assuming control, while the other two were set to work as clerks in their father's business. As for the backgrounds of the remaining men, 17 (16 percent) had begun their careers as merchants or shopkeepers, 6 (5 percent) as clerks or bookkeepers, 2 (2 percent) as teamsters or carters, and 1 (1 percent) as a farmer.

As men who had risen through the crafts, who often remained members of local unions through the 1830s, these manufacturers were frequently able to assuage suspicion of factory production and blunt class conflict within their businesses. As Miles Greenwood, the city's leading hardware manufacturer, frequently argued, factories provided workers with higher wages and a more secure source of employment, for they were usually less affected by market fluctuations or minor depressions than small artisan shops. Greenwood, who continued to work on the shop floor, took great pride in boasting that he knew the names of all his men and had never once closed his factory or failed to meet a weekly payroll.

While this early generation of manufacturers was comprised of men who stood with one foot in the old world of artisanal tradition and one foot in the new world of industrial capitalism, the same could not be said of the men who comprised the leading manufacturers of 1880. Of the 162 men whose careers could be traced, only 58 (36 percent) had risen from apprentice to manufacturer. The 71 sons (44 percent) who had inherited the business from their fathers comprised the largest element of the industrial elite; most of these sons had been trained in the "business end" of operations had had little practical knowledge of the workings of their trade. As for the rest of the elite, 15 (9 percent) were merchants, 11 (7 percent) former clerks, 5 (3 percent) professionals, and 2 (1 percent) manufacturers diversifying into new areas.

These men represented a new generation of manufacturers who held different values and attitudes toward capitalism, factories, and workers. The speeches that they and their allies made at the industrial expositions of the 1870s and 1880s--speeches that praised the nebulous forces of capital and technology as the agencies of progress--stood in sharp contrast to those made by their predecessors at the mechanics exhibitions of the 1840s and 1850s--and indicate the ideological rift that had arisen between employers and employees. Lacking the craft skills of their fathers and grandfathers and hiring superintendents to oversee daily production, these men often isolated themselves in the company's business offices. While industrial production may well have grown more efficient under their reign, it also grew more impersonal.

These changes in the composition of the manufacturing elite become even more significant when correlated with the changing nature of ownership and organization of manufactories. It was these men who led the movement toward large-scale industrial incorporation in the late 1870s and 1880s. Whereas nearly two-thirds of the city's leading manufactories in 1850 were owned by individual families or two or three partners, by 1880 55 percent were organized as corporations or multi-partnered (4 or more) companies. An understanding of these developments helps the labor historian make sense of the most dramatic outbreak of class conflict in nineteenth-century Cincinnati: the May Day Strikes of 1886. In the course of those strikes, some 32,000 workers (35 percent of the city's manufacturing workers) walked off their jobs demanding an eight-hour work day.

At first glance the strikes seem somewhat peculiar for they were led not by the traditional agents of working-class radicalism--unionized small-shop artisans--but by the ranks of the city's unorganized factory workers. Yet upon closer examination one finds a very sharp correlation between the focus and vehemence of strikes and the changing patterns of factory ownership. As the large, incorporated factory emerged as the center of production in Cincinnati, so too did it emerge as the critical focal point of working-class protest. The most militant strikes occurred in the most heavily incorporated, capitalized, and mechanized industries: furniture, carriage, coffin, safe and lock, and machine-making industries. These were the industries where the methods of production, organization of labor, and forms of ownership and management had undergone the most rapid changes during the previous decade.

Indeed, an analysis of strike leaders also shows that most of them entered their particular factory just at the time it had changed from a family-owned to incorporated enterprise. In contrast, men and women working in factories owned and operated by an older generation of manufacturers were able to work at speedier and more congenial labor settlements. Thus, it was not simply the nature of capitalism that affected working-class responses, but the nature of industrial capitalists.

Inasmuch as labor and business history deal with so many similar issues and concerns, we believe it is an appropriate time for scholars in both fields to make themselves more familiar with the historical literature of their counterparts. Both disciplines have undergone substantial change over the last few decades. Business history has already undergone much integration with the rapidly emerging fields of material culture and the history of technology. In this endeavor Glenn Porter and the staff at the Hagley Museum are among those at the very forefront. Meanwhile, labor history and social history have become more closely linked, especially as the emphasis in the labor field has moved away from a concentration on skilled workers and union movements towards concerns about unorganized and unskilled workers, including women and minorities.

We are both convinced that business and labor historians can enhance the quality of their teaching and research from a regular and steady interchange with each other. In many cases their focus of attention is precisely the same: the effect of new technology and innovative organization on the workforce and how its response conditioned and influenced those changes [17; 18]. Lastly, we invite others who have experimented with lumping together large portions of labor and business history in their teaching to correspond with us and to share their insights and experiences.

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RAILROAD FINANCE AND MANAGEMENT