

The Birth of Big Business in the United States, 1860–1914. By David O. Whitten and Bessie E. Whitten. Westport, Conn.: Praeger, 2006. Index, notes, bibliography, tables. Cloth, \$89.95. ISBN: 0-313-32395-X.

Reviewed by Marcelo Bucheli

The period between the American Civil War and World War I was a crucial one in the history of the rise of the United States as an economic and political power. These were the years when the United States consolidated itself as a nation, created a national economy, joined the group of industrial nations of the world, became increasingly urban, created an informal economic empire in the Western Hemisphere and the Pacific, and began to wield influence in world affairs. In *The Birth of Big Business in the United States, 1860–1914*, David O. Whitten and Bessie E. Whitten explain how these dramatic events permitted the rise of big business in the United States and describe how the big corporations influenced the country's social and economic transformation.

The book is composed of four parts. It opens with a section that traces the influence of the Civil War on the creation of big business and then takes up the rise of the large retail companies oriented toward a mass market, examines how giant firms were formed to exploit natural resources, and concludes with the birth of the big manufacturing corporations. Some chapters are devoted to the general social and economic framework, others to particular sectors (such as mining, consumer retail, farming, forest products, and meat packing), and still others to specific company case studies, such as United Fruit Company, Singer Sewing Machine, American Sugar Refining Company, American Tobacco Company, United States Steel, and Standard Oil Company. In their account, the authors emphasize the fact that the most successful companies were the ones that vertically integrated their operations.

The book's major strength is its excellent overview and explanation of the environment that permitted the big American corporations to emerge during that crucial period. In the first three chapters, the Whittens demonstrate that the Civil War was the event that permitted many companies involved in transportation (railways), communications (telegraph), food, and financial services to take off. The demand for goods and equipment created by the Union army and the needs generated by the destruction of the South provided fertile ground for business, enabling companies to operate at the national level and to establish a close relationship with the government. The creation of national transportation and communication systems paralleling the rise of sophisticated financial institutions resulted in a truly national market. This, in turn, permitted the rise of large retail firms and repositioned producing firms in the context of a national, rather than a regional, market. The larger

picture outlined in the first three chapters is supported later on by detailed accounts of individual companies and industries. Companies like United Fruit and Singer created a mass market for goods as different as bananas and sewing machines, and other companies like United States Steel, American Tobacco, and Standard Oil Company, succeeded by fighting merciless wars against competitors.

The creation of a national market and the rise of the individual companies described by the Whittens have been covered in many other studies. However, the Whittens make it clear from the beginning that their goal is to introduce the topic, rather than to provide an exhaustive study of the rise of American big business. This might explain why they rely on secondary sources instead of bringing in primary material. The Whittens succeed in their goal of writing a straightforward introduction to the subject for students unfamiliar with the topic. Each chapter can be read independently, and the authors' clear, readable style makes this an excellent text for undergraduate courses in American business history or American social and economic history.

Some aspects, however, could have been improved. First, the book lacks the concluding chapter that would have cemented its main arguments into a cohesive whole. Second, several of the companies used as case studies operated as multinational corporations, a point that the authors largely overlook, with implications for their analysis. For instance, before World War I, Singer Sewing Machines owed its growth more to its operations in the rest of the world than to its American endeavors. United Fruit's vertically integrated structure included plantations in Latin America, without which their business would not have been possible. Standard Oil had already expanded abroad by marketing oil in several continents, and, by the end of the covered period, it was already producing in other countries. Although these three companies owed their success in part to the remarkable economic development of the United States after the Civil War, theirs would not have been as spectacular without their international operations, a fact that the book barely mentions. Third, many of the works listed in the bibliography are not cited in the chapter footnotes, an omission that will create difficulties for students who wish to explore the topics they read about in greater depth. Finally, some concepts deserve more elaboration. For instance, vertical integration is only explained in a footnote on page 148, even though it is a crucial concept both for the book and for understanding the growth of big business in the United States and around the world.

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1899–2000 (2005) and of a number of articles, including “Enforcing Business Contracts in South America,” which was published in *Business History Review* (2004). His current research is on multinational oil companies in twentieth-century Latin America.

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The Paradox of Democratic Capitalism: Politics and Economics in American Thought. *By David Prindle.* Baltimore: Johns Hopkins University Press, 2006. xv + 368 pp. Index, notes, bibliography. Cloth, \$49.95. ISBN: 0-801-88411-X.

Reviewed by Mary Furner

David Prindle’s aim, in *The Paradox of Democratic Capitalism*, is to amend the Hartzian story of the U.S. political tradition. Louis Hartz’s *Liberal Tradition in America* (1955) was half right, Prindle avers, when it claimed that the U.S. story has been almost entirely contained within liberalism. But Hartz was also half wrong, for he ignored the persistent tension that Prindle detects *within* liberalism, between capitalism and democracy. So Prindle repeats the American story and, like Hartz, oscillates between political narrative and the history of social thought, directing his attention mainly to theoretical developments in economics, law, and political theory that reveal this tension.

Prindle populates the early republic with democratic, antistatist Jeffersonians and statist, antidemocratic Hamiltonians, but his hero in this era is Albert Gallatin, the first democratic capitalist, a Jeffersonian who saw potential in state action for democratizing American society. The parade of familiar figures continues, from the Jacksonians through the New Deal, and the account becomes fresher after the 1950s, beyond the conclusion of Hartz’s American tragedy. Prindle’s focus is on key events in the realm of ideas that constructed public philosophy, providing legitimacy for social and economic policies that were tested mainly, in his view, by whether they sustained prosperity and whether they restrained or promoted democracy. Thus, not surprisingly, Adam Smith and David Ricardo dominate his *laissez-faire* era, 1819–1862, wherein Democrats hacked back earlier statist methods (protective tariffs, a national bank) and abandoned all pretense to a national fiscal policy. In the industrial era, 1862–1932, as capitalism delivered concentration of ownership and uneven prosperity for an immigrant working class, farmer troubles, and a colonial South, unrest among anticapitalist democrats frightened the propertied classes into defensive action. Following a dated account of Progressivism, Prindle turns to the New Deal Era, 1932–1974, in which destabilizing factors challenged a consensus achieved by

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