BUSINESS HISTORY REVIEW TABLE OF CONTENTS

VOLUME XXXIX 1965

EDITOR-IN-CHIEF RALPH W. HIDY

EDITOR ARTHUR M. JOHNSON

MANAGING EDITOR JAMES P. BAUGHMAN

Published Quarterly by The Harvard Graduate School of Business Administration Soldiers Field, Boston, Massachusetts, 02163

1965

The Business History Review is a continuation of the Bulletin of the Business Historical Society, published from 1926 through 1953, and has carried on the volume numbers from that publication. Back issues and a General Index to Volumes I through XXVII of the Bulletin may be obtained from the Kraus Reprint Corporation, 16 East 46th Street, New York 10017. Back issues and indexes for Volumes XXVIII through XXXVII of the Review may also be obtained from the Kraus Reprint Corporation; and back issues for Volumes XXXVIII and XXXIX from the Business History Review, Baker 214–16, Soldiers Field, Boston, Massachusetts 02163. Beginning with Volume XXXVI (1962), indexes will be issued every five years.

Copyright ©, 1965, by the President and Fellows of Harvard College.

CONTENTS OF VOLUME XXXIX

1965

ARTICLES

NUMBER 1

Transportation: A Special Issue. By Richard C. Overton	1
The Mississippi River: St. Louis' Friend or Foe? By James H. Lemly	7
The Railroads: Pioneers in Modern Corporate Management. By Alfred D.	
Chandler, Jr	16
The Railroads and the Public, 1870-1881: A Study of Charles Elliott Perkins'	
Business Ethics. By David P. Gagan	41
Carriers, Courts, and the Commodities Clause. By Thomas LeDuc	57
American Railroads and Agricultural Extension, 1900-1914: A Study in Rail-	
way Developmental Techniques. By Roy V. Scott	74
Financial Problems of the American Aircraft Industry, 1906-1940. By John	
B. Rae	
Canadian National Railway Records. By John C. L. Andreassen	
LAGNIAPPE	120
A View of American Shipping Policy, 1883	
THE EDITORS' CORNER	127

NUMBER 2

Samuel Storke: An Eighteenth-Century London Merchant Trading to the
American Colonies. By William I. Roberts III
Fish and Flour for Gold: Southern Europe and the Colonial American Balance
of Payments. By James G. Lydon
Joint-Stock Business Organization in France, 1807-1867. By Charles E.
Freedeman
Secretary Taney and the Baltimore Pets: A Study in Banking and Politics.
By Frank Otto Gatell
"Daily Except Sunday:" Blue Laws and the Operation of Philadelphia Horse-
cars. By Harold E. Cox
The Removal of War Production Board Controls on Business, 1944-1946.
By Barton J. Bernstein
LAGNIAPPE
A Fourteenth-Century Business History

NUMBER 3

Aggregative Business Hist	ory. By Arthur	H. C	ole					•		287
Alexander Turney Stewar	and the Deve	lopmei	nt of the	D	epa	rtn	ient	St	tore,	
1823–1876. By Harry	E. Resseguie .	• •		•	•	٠	•	•	•••	301

Government, Companies, and National Defense: British Aeronautical Ex-
perience, 1918–1945 as the Basis for a Broad Hypothesis. By Robin
Higham
Kleagles and Cash: The Ku Klux Klan as a Business Organization, 1915-1930.
By Charles C. Alexander
The National Shawmut Bank Consolidation of 1898. By Marian V. Sears 368
The First Printed Share Certificate: An Important Link in Financial History.
By John P. Shelton
LAGNIAPPE
A Note on the Origin of the Averaging and Indexing of Stock Prices. By
George W. Bishop, Jr
THE EDITORS' CORNER
Of Interest in Tradition. Reviewed by Klaus Wolff

NUMBER 4

Recent Trends in the Business History of Latin America. By James P.
Baughman
The Sevillian Nobility and Trade with the New World in the Sixteenth Cen-
tury. By Ruth Pike
The Indigo Merchant: Promoter of Central American Economic Develop-
ment, 1750-1808. By Troy S. Floyd
Tobacco Marketing in Venezuela, 1798-1799: An Aspect of Spanish Mercan-
tilistic Revisionism. By Harold A. Bierck
Foreign and National Enterprise in Nineteenth-Century Colombia. By Frank
Safford
The State and the Electric-Power Industry in Mexico. By Miguel S. Wionczek 527
Management Aims and Development Needs in Latin America. By Albert
Lauterbach
LAGNIAPPE
A Case Study of Infant Industry in Latin America
THE EDITORS' CORNER

BOOK REVIEWS

Number 1

Fogel, Robert W. Railroads and American Economic Growth: Essays in
Econometric History. Reviewed by Morton Rothstein
Norris, James D. Frontier Iron: The Maramec Iron Works, 1826-1876. Re-
viewed by Louis C. Hunter
Unger, Irwin. The Greenback Era: A Social and Political History of American
Finance, 1865-1879. Reviewed by Herman E. Krooss
Broehl, Wayne G., Jr. The Molly Maguires. Reviewed by Gerald N. Grob . 134
Ely, Roland T. Cuando Reinaba su Majestad el Azúcar: Estudio Histórico-
Sociológico de una Tragedia Latino-Americana: El Monocultivo en Cuba:
Origen y Evolucion del Proceso. Reviewed by Robert S. Smith 135
Hieke, Ernst. Wilhelm Anton Riedemann: Anfang und Aufstieg des Deutsch-
en Petroleumhandels in Geestemünde und Hamburg, 1860–1894. Re-
viewed by Henrietta M. Larson

BUSINESS HISTORY REVIEW iv

Gasslander, Olle. History of Stockholm's Enskilda Bank to 1914. Reviewed	
by Karl-Gustaf Hildebrand	139
Caizzi, Bruno. Gli Olivetti (The Olivettis). Reviewed by Mario Romani . 1	140
Davies, R. E. G. A History of the World's Airlines. Reviewed by John B. Rae 1	142
Peterson, Theodore. Magazines in the Twentieth Century. Reviewed by	
David P. Forsyth	143
Cheit, Earl F. (ed). The Business Establishment. Reviewed by Edward C.	
Kirkland	144

NUMBER 2

Temin, Peter. Iron and Steel in Nineteenth-Century America: An Economic	
Inquiry. Reviewed by Carroll W. Pursell, Jr	273
Hughes, Helen. The Australian Iron and Steel Industry, 1848-1962. Re-	~ ~ /
viewed by Alan Birch	274
Lawrence, A. W. Trade Castles and Forts of West Africa. Reviewed by W.	
E. Minchinton	276
Prange, Ruth. Die Bremische Kaufmannschaft des 16. und 17. Jahrhunderts	
in Sozialgeschichtlicher. Reviewed by Wolfram Fischer	277
Fischer, Wolfram. Unternehmerschaft Selbstverwaltung und Staat: Die Han-	
delskammern in der Deutschen Wirtschafts- und Staatsverfassung des 19.	
Jahrhunderts. Reviewed by Klaus Wolff	279
Nitske, Robert and Charles Morrow Wilson. Rudolf Diesel: Pioneer of the	
Age of Power. Reviewed by James P. Baughman	280
Nash, Gerald D. State Government and Economic Development: A History	
of Administrative Policies in California, 1849-1933. Reviewed by Carter	
Goodrich	282
Hirschmeier, Johannes. The Origins of Entrepreneurship in Meiji Japan.	
Reviewed by Tsunehiko Yui	283

Number 3

Forges de la Providence, 1838-1963: Société Anonyme des Laminoirs, Four-
neaux, Forges, Fonderies et Usines de la Providence. Reviewed by Ph. Van
Praag
Sunder, John E. The Fur Trade on the Upper Missouri, 1840-1865. Re-
viewed by William E. Lass
Kent, Harold Winfield. Charles Reed Bishop: Man of Hawaii. Reviewed by
Jacob Adler
Agus, Irving A. Urban Civilization in Pre-Crusade Europe: A Study of
Organized Town-Life in Northwestern Europe during the Tenth and
Eleventh Centuries Based on the Responsa Literature. Reviewed by Richard
W. Emery
Gough, J. W. Sir Hugh Myddelton: Entrepreneur and Engineer. Reviewed
by Theodore K. Rabb
Malone, Joseph J. Pine Trees and Politics: The Naval Stores and Forest
Policy in Colonial New England, 1691-1775. Reviewed by Ralph Davis . 422

Number 4

Marchant, Anyda. Viscount Mauá and the Empire of Brazil: A Biography of Irineu Evangelista de Sousa (1813–1889). Reviewed by James R. Scobie 598

CONTENTS, 1965 v

Griffith, William J. Empires in the Wilderness: Foreign Colonization and	
Development in Guatemala, 1834-1844. Reviewed by Robert S. Smith 5	í99
Stewart, Watt. Keith and Costa Rica: The Biography of Minor Cooper Keith.	
Reviewed by Thomas L. Karnes	00
Gauld, Charles A. The Last Titan: Percival Farquhar: American Entrepreneur	
in Latin America. Reviewed by Richard Graham	01
Bennett, Robert L. The Financial Sector and Economic Development: The	
Mexican Case. Reviewed by James P. Baughman 6	02
Wurfel, Seymour W. Foreign Enterprise in Colombia: Laws and Policies.	
Reviewed by Raymond Vernon	103

vi **BUSINESS HISTORY REVIEW**

THE PAN AMERICAN UNION

The Johns Hopkins Press publishes book-length studies developing from the various activities of the Department of Economic Affairs of The Organization of American States. Here are new and recent titles of interest.

FISCAL POLICY FOR ECONOMIC GROWTH IN LATIN AMERICA

Joint Tax Program OAS/IDB/ECLA

This volume brings together Inter-American Conference papers by many of the most distinguished economists of the hemisphere. It represents the fullest and most recent record of thought in the Americas on the relations between taxation and economic development.

LATIN AMERICA — Problems and Perspectives of Economic Development, 1963–1964

Prepared by the Pan American Union, General Secretariat of The Organization of American States \$10.00

This study examines the current state of Latin American development and the perspectives for the immediate future, the economic growth of the Latin American countries from 1961 to 1964, and the flow of the external resources to Latin America; analyzes the flow of private capital and the problem of debt payments; discusses internal developments; and describes the efforts being made for regional integration.

ECONOMIC SURVEY OF LATIN AMERICA, 1962

Prepared by the Pan American Union, General Secretariat of The Organization of American States \$8.50

"... contains the first published review of some of the progress made in fields of development planning, tax, and agrarian reform by each of the countries participating in the Alliance." — *Economic Abstracts*

PROBLEMS OF TAX ADMINISTRATION IN LATIN AMERICA

Joint Tax Program OAS/IDB/ECLA

With tax evasion widespread in Latin America, the need for enforcing tax administration is urgent. Obstacles to an efficient tax administration, estimating the distribution of tax burden, and ways to eliminate tax evasion are some of the aspects of tax reform explored in this volume.

FISCAL SURVEY OF PANAMA: Problems and Proposals for Reform

OAS/IDB

"Covers the major areas of Panama's fiscal system, including the income tax, the property tax, the inheritance and gift tax, taxes on foreign commerce, and other direct taxes . . ." — International Commerce

FISCAL SURVEY OF COLOMBIA

OAS/IDB

"... a detailed development of the problems in Colombia, followed by an extremely comprehensive and factual exposition of the revenue, tax and production of the nation ... "— Pentagram News

THE JOHNS HOPKINS PRESS

Baltimore

https://doi.org/10.1017/S0007680500005997 Published online by Cambridge University Press

\$10.00

\$12.00

\$8.95

\$7.50

REPRINTS AVAILABLE

Business History Review

Volumes 1–33 and General Index, Volumes 1–27. Boston, Mass., 1926–1959. Available as follows: clothbound complete, \$328.50; paperbound complete, \$297.00; per volume or unit, paperbound, \$17.00 (Volumes 1–24 reprinted in units of two or three volumes as follows: 1–3; 4–6; 7–9; 10–12; 13–15; 16–18; 19–20; 21–22; 23–24. Volumes 25–33 available separately.); General Index, Volumes 1–27, paperbound, \$5.00.

Journal of Economic and Business History

Volumes 1-4 (all published). Cambridge, Mass., 1928-1932. Available as follows: clothbound complete, \$98.00; paperbound complete, \$90.00; per volume, paperbound, \$22.50.

Order from:

KRAUS REPRINT CORPORATION

16 East 46th Street, New York, N. Y., 10017

KRAUS REPRINT LTD.

Vaduz, Liechtenstein

harper 🖗 corchbooks

Just published

FRANK H. KNIGHT: The Economic Organization. "It is greatly to be welcomed that this influential essay is now at last made available in permanent form." — F. A. HAYEK TB/1214 \$1.25

FRANK H. KNIGHT: Risk, Uncertainty and Profit. "This is certainly a classic. Time has not made it obsolete." — PAUL A. SAMUELSON TB/1215 \$2.75

RICHARD B. MORRIS: Government and Labor in Early America. ". . . an excellent study of the subject . . . to the expert in the field of labor [it] is indeed indispensable." — JOSEPH ROSENFARB, Harvard Law Review TB/1244 \$2.95

To be published in February

HERBERT A. SIMON: The Shape of Automation: For Men and Management. "These essays record the product of my reflections about the organizational and social implications of ... rapid technical developments." — HERBERT A. SIMON in the Preface TB/1245 \$.95

• Complete catalog of Harper Torchbooks [542 volumes in print] available on request from Dept. 51, HARPER & ROW, Publishers, 49 E. 33rd St., New York, N.Y. 10016

Now Ready - The first history of special libraries in the United States

Business and Industrial Libraries in the United States, 1820-1940

Anthony Thomas Kruzas, Associate Professor Department of Library Science, University of Michigan

After defining types and distribution of business and industrial libraries, Dr. Kruzas describes the antecedents of today's special libraries — mechanics' and mercantile libraries, factory and club libraries, deposit stations, the business and industrial departments of public libraries, and businessmen's association libraries — and then relates the growth of company-established and -supported libraries. Nine tables, a discussion of special library characteristics, a summary, bibliography, and name and company index round out the study, the research for which was conducted for the author's doctoral dissertation.

1965Hard Cover144 pages\$7.00Special Libraries Association31 East 10th Street, New York, New York 10003

ANNOUNCES TWO

\$2,500 FELLOWSHIPS

GIVEN FOR STUDY AND RESEARCH IN THE BUSINESS HISTORY AND/OR THE ECONOMIC HISTORY OF THE UNITED STATES DURING THE ACADEMIC YEAR

1966-1967

ELIGIBILITY

Applicants must be American or Canadian citizens and planning to acquire a Ph.D. degree, with either American Economic History or American Business History as the area of major interest. Those who have demonstrated capacity to pursue graduate work successfully for one year will have an advantage over those who are just beginning graduate study. Each Fellow will select the university he wishes to attend after consultation with the committee of selection. Every applicant should have ambitions at least to teach, if not to engage in research, in his chosen field of study.

SELECTION

The committee to select the Lincoln Educational Foundation Fellows is as follows: James P. Baughman, Harvard University; Joe B. Frantz, University of Texas; C. Clyde Jones, Kansas State University; A. K. Steigerwalt, University of Michigan; and John B. Rae, Harvey Mudd College, chairman.

APPLICATION

Applications for the Fellowships must be submitted not later than March 1, 1966. Inquiries and requests for application blanks should be directed to C. Clyde Jones, Kansas State University, Manhattan, Kansas.

> DONALD L. KEMMERER University of Illinois President

THE LINCOLN EDUCATIONAL FOUNDATION, INC. 50 EAST 42 STREET — NEW YORK, NEW YORK 10017



RECENT BUSINESS STUDIES BASED ON EXTENSIVE ON-THE-SPOT INTERVIEWS

Enterprise in Latin America

Business Attitudes in a Developing Economy

By ALBERT LAUTERBACH. To learn the attitudes of enterprise managers in newly developing areas toward economic and social change and to determine their perception of their own role in this process, Albert Lauterbach interviewed more than 300 Latin American businessmen in ten countries. This book is the report of his findings.

After surveying the general social setting of business and management in Latin America, Mr. Lauterbach provides a detailed analysis of the results of his interviews. How enterprise managers perceive the characteristics of the population of their respective countries, how they regard their aims and activities in relation to the development needs of their nation, how they define the roles of government and of foreign investment and foreign aid in economic development – these are a few of the topics that the author discusses in depth. 248 pages. \$6.75

The Filipino Manufacturing Entrepreneur

Agent and Product of Change

By JOHN J. CARROLL, S.J. Based on interviews with Filipino businessmen who were helped by their government to start or expand their own businesses, this study examines the social and economic histories of the entrepreneurs and the processes of founding and successfully directing their firms in the postwar Philippine economy. Father Carroll systematically interviewed the Filipino founders, or persons close to the founders, of more than a hundred manufacturing concerns which in 1960 employed one hundred or more workers. He investigated the social origins of the entrepreneurs and their families, their careers before establishing their businesses, and the ways in which they founded and managed the enterprises. His study concludes with some theoretical reflections on the relationship between economic and social factors in the backgrounds of the businessmen and analyzes the strengths and weaknesses of this type of entrepreneurial development.

249 pages. \$5.75

Cornell University Press

ITHACA, NEW YORK

SRDS

The National Authority

Serving the Media-Buying Function, 1919–1964

by Kenneth H. Myers, Jr.

Standard Rate and Data Service, Inc. has served buyers of advertising space and time since its founding in 1919. This business history traces the rowth of S R D S in becoming a significant component in the mass distribution economy of the United States. Today this firm collects, classifies, and publishes information for purchasers of advertising in newspapers, consumer and farm magazines, business publications, transit displays, television and radio. 450 pages \$7.50

NORTHWESTERN UNIVERSITY PRESS EVANSTON, ILLINOIS

publishers of business histories for the Baking Industry, the Bucyrus-Erie Company, the American Petroleum Industry, and American Hospital Supply Corporation (forthcoming)

THE BUSINESS HISTORY REVIEW

PUBLISHED QUARTERLY BY THE HARVARD GRADUATE SCHOOL

OF BUSINESS ADMINISTRATION

An international journal devoted to the history of business enterprise and the interaction of business and its environment over time.

Regular subscription rate of \$10.00 includes journal, special issues devoted to neglected fields of inquiry, and annual book-dividend. Recent book-dividends include Overton's history of the Burlington railroad, Larson and Porter's history of Humble Oil, Albion's history of the Farrell Lines, Buley's history of Equitable Life, and volumes of the Standard Oil (N.J.) history.

Special subscription rate of \$5.00 for teachers and students includes journal and special issues only.

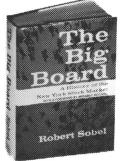
Address subscription inquiries or manuscripts to: Managing Editor, Business History Review, 214–16 Baker Library, Soldiers Field, Boston, Massachusetts 02163.



Impressive Additions to Business History Literature...

THE BIG BOARD

A History of the New York Stock Market



by Robert Sobel, *Hofstra University* Foreword by Broadus Mitchell

Combining economic analysis, national history, sketches of financial leaders, and lively anecdotes, this is the first full-scale history of Wall Street—from its origins in the coffeehouses of lower Manhattan to the present great financial complex. *The Big Board* traces its development and shows how different pressures—political and social, as well as economic and financial—have affected the New York money market. Within an overall context of social and economic history, *The Big Board* presents a

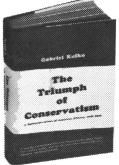
colorful parade of the speculators, frauds, and respected financiers who have helped form the character of Wall Street and America.

1965

403 pp.

\$7.95

THE TRIUMPH OF CONSERVATISM A Reinterpretation of American History, 1900-1916



by Gabriel Kolko, University of Pennsylvania

"If this book is taken as seriously as it should be ... a new school of American historiography will emerge and those concerned with effecting humanist social change will be given a powerful intellectual tool."

-James Weinstein, The Nation

Gabriel Kolko offers the startling thesis that the major businessmen, *not* the reformers, became the chief instigators of national regulatory legislation. In the author's view, the dominant tendency at the century's beginning

was toward growing competition and economic decentralization, rather than monopolization of industry and finance.

1963

344 pp.

\$7.50

Available at your bookstore or directly from ...

THE FREE PRESS A Division of The Macmillan Company

60 Fifth Avenue, New York 10011

https://doi.org/10.1017/S0007680500005997 Published online by Cambridge University Press

NEW by



WENDELL C. GORDON

The Political Economy of Latin America

"What has to be done is to overcome the ideological poverty that prevails in our countries . . . the traditional propensity to introduce from abroad nostrums that are largely alien to the real requirements of Latin America's situation." — Economic Commission for Latin America

Here are the sober thoughts and observations of a lifetime's familiarity with Latin America. Demonstrating how the situations in Latin America defy standard interpretations, Professor Gordon first presents the *facts* about the state of economic affairs and then derives some important conclusions. Noting that land ownership is often associated with prestige and social position, Gordon shows how ineffectually it is used and how an attitude is engendered which regards any stock or bond ownership as "paper wealth." Gordon shows, too, that in spite of financial aid extended by both the United States and Western Europe, there is a net export of capital to those very same countries from Latin America each year.

In seeking the proper path to economic security and growth for Latin America, the author insists that the primary task is to create institutions indigenous to the region — institutions which would be uniquely suitable to the social, political, and economic circumstances of these nations.

This book should prove a valuable aid to all those concerned with trade and investment in Latin America.

\$8.75



COLUMBIA UNIVERSITY PRESS 2960 Broadway, New York, N.Y. 10027