

STUDIES IN ECONOMIC HISTORY AND POLICY:
THE UNITED STATES IN THE TWENTIETH CENTURY
EDITED BY LOUIS GALAMBOS AND ROBERT GALLMAN

EUROPE, AMERICA, AND THE WIDER WORLD:
ESSAYS ON THE ECONOMIC HISTORY OF WESTERN CAPITALISM

VOLUME 2
AMERICA AND THE WIDER WORLD

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 THE UNITED STATES IN THE TWENTIETH CENTURY

Edited by
 Louis Galambos and Robert Gallman

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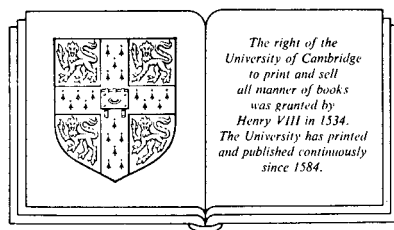
Essays on the Economic History of Western Capitalism

VOLUME 2

America and the Wider World

WILLIAM N. PARKER

PHILLIP GOLDEN BARTLETT PROFESSOR OF
ECONOMICS AND ECONOMIC HISTORY
YALE UNIVERSITY



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To Doug and Dick and Lance and Nate
and Bob and Stan and Al and Paul and Peter

“ . . . whom mutual league
United thoughts and counsels, equal hope
And hazard in the Glorious Enterprise
Joynd with me once . . . ”
— J. Milton, *Paradise Lost*, I, 87–89

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Editors' preface

Volume 1 of this work dealt with Europe and the wider world. Volume 2 is concerned chiefly with America – chiefly, but not entirely. It begins with an account of European influences on American culture and concludes by comparing the American and European experiences of modern economic growth. Between are superb treatments of three major elements of American economic history, to each of which Professor Parker has devoted a substantial part of an extraordinarily productive career. He began his study of the first (contained in Part II) – southern agricultural history – during his years at the University of North Carolina and continued it after he had moved to Yale. It was also at Chapel Hill that he formally began his work on northern agriculture (Part III and Annex A). But he had begun to assemble the resources to deal effectively with this topic many years before. The midwestern resonances of his voice are honestly come by. His understanding of the people of the region was acquired during a childhood in Ohio and associations continued in adult life. Part IV, on northern industrialization, contains the work that has been his principal concern during the past several years.

The volume embodies an exceptionally erudite, thoughtful, comprehensive account of American economic history, placed in the context of the process of modern economic growth. It is the work of an original mind. The editors are grateful for the opportunity to publish it as part of the series *Studies in Economic History and Policy*.

LOUIS GALAMBOS
Professor of History
The Johns Hopkins University

ROBERT E. GALLMAN
Kenan Professor of Economics and History
The University of North Carolina, Chapel Hill

Preface

This volume is the second of a two-volume work in which are brought together my writings on topics in the economic history of Western Europe and the American South, Northeast, and Middle West. Is there, one may ask, a central meaning and significance of this body of work, sufficient to justify its publication under a single title?

The mind, I fancy, always looks for “structures” in history, for patterns, for explanations, for the intuitively appealing synthesis. I wrote the individual pieces in these volumes with the feeling that they exhibited such syntheses on specific topics, episodes, and aspects of the European and American experience. One essay in Volume 1 (Chapter 12) sketched out the lines of a three-part sequence underlying Western development. I labeled the “stages” Malthusian, Smithian, and Schumpeterian and introduced what I considered a novel element in trying to trace out in some detail how and why the transition from one stage to the next had been accomplished. This was followed by an examination of Europe’s chaos between the wars (Chapter 13), which made the link from the economic events to the political, social, and economic structures based on specific sources in human behavior. But economic history, set as it is in a society’s political, social, and cultural development, does not admit of simple formulation. Economists’ models customarily single out one or a few elements – whether technology, private property, class structures, abundant resources, modes of thought, or relative backwardness – as the ultimate *causa causans* out of which modern development issued.

Human society, moving through history, appears to me to be an immensely complicated system of cultural dynamics, affected at each point in time and space by different circumstances and contingencies. These are not wholly “random” or “stochastic” events (whatever that may mean), for if that were the case, reasoned thought about history would be out of the question. Even the subtlest analogies to physical models – mechanical, electrical, or biological – do not seem to me to get to the essence, which is

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to model men and women in all their physical and phenomenological complexity as they issue out to create and to be created by society and social organizations. And the problem of including one's self and the background and circumstances of one's own time, place, and personal history and culture in the model follows like a shadow to blur all efforts at wholly abstract and *wertfrei* formulation. This vision of an abstract formulation of "total history," resting not on the "economic man," man the rational maximizer, but on the "whole man" of flesh and blood and passions, has not released its hold on my imagination. It remains the creature of my dreams, and I have worked in the past several years toward giving it concrete, articulated, and communicable form. I never expect fully to succeed. Indeed, one who did so would of course have penetrated the "Mind" of God. Like the substance of every dream, such visions of historical synthesis linger a moment, then vanish as they are embraced. Yet they are what lead a scholar on, and in the effort to specify and formulate, new truth is discovered.

The materials on the American episode of economic expansion presented here were composed over the past several decades by a mind initially innocent of any tempting illusions about 'total' history. They were written each after exposure to a large body of primary and secondary source material, and they represent the unwinding of sequences of thought and recollection on specific, though somewhat compendious and occasionally lofty, topics. They are arranged loosely by region (South and North) and by economic sector (agriculture and industry), with some regard in each section to the chronology of developments. All take their beginning from a problem in *economic* history, that is, the endeavor to contribute to the understanding of the growth of America's material wealth. But in each case they represent a push through tangled networks of prices and markets to roots in social organization and group behavior. The sections on the South and on northern agriculture were published earliest and should be read in the context of the immense outpouring of research of all sorts, both quantitative and socio-psychological, which has appeared from the dozens of able and usually younger historians on those topics, both at the time I wrote and in the past decade.

The longish and very impressionistic essay, "The Industrial Civilization of the Midwest," is rather different from the other studies in origin and scope. I had gone to Paris in 1984–85 as the French–American Foundation's annual nominee to the chair in American Studies at the Ecole des Hautes Etudes en Sciences Sociales. The pay was generous, duties light, students very scarce, and my French colleagues, with one or two exceptions, impenetrably courteous and busy. I had just finished the sketch of New England's early industrialization and, having written on northern agriculture and on the South, was of a mind to round things off by a cycle

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of research on the Middle West's industrialization. I had no sources at hand and quailed before the prospect of finding much intimate material in Paris libraries. But the Midwest had been my native region. I had much of its small-town and small-city culture bred in my bones. I had absorbed the body of lore about its rural development from original sources, and from work on French Lorraine and the German Ruhr I knew what industrial districts were like. So, armed with rhetoric, intuitions, and basic facts from all these sources, I behaved like a true Midwesterner in an apartment in Paris – as, I fancied, Sinclair Lewis might have done. I sat down each morning for several months and wrote about home. The five-part sketch was essentially completed, except for the section on capital, at that time, and though I have begun to collect library material in the past few years, it has not yet absorbed many research results. It is a sketch, a patchwork of intuitions, a scaffolding on which a historian can stand as he adds to it both strength and detail. Such research will test, alter, and possibly amplify some of the generalizations now so confidently expressed.

Outside these central sections on the economic regions, Parts I and V of this book stray into wider pastures. I offer them in order to expose the link between America and Europe and between America's business culture and a wider world. They were given variously to audiences in Japan, France, and Illinois, where they seemed to have been well received, and perhaps students and that elusive creature, the "general reader," will find them interesting. To compensate strict historians or economists, I have attached two methodological annexes, each designed to follow a formula drawn from economics out to its limits and to point, as from the end of the pier, to history's wide, wide world beyond.

I cannot publish a book on American history, written over thirty years and sent to its publisher in October 1989, without a remark about the bearing of the historical experience of our huge continental nation-state on the astonishing resurgence of democracy, capitalism, nationalism, and supra-nationalism that has engaged Europe, West and East, in the past fifteen months. The essays numbered 14 and 15 here were composed in 1987 and 1988 and were placed at the end of my volume to "round it off" and connect it back, by way of the first essay here, to some of the themes in Parts IV and V of Volume 1, which concerned itself with Europe. These two essays are more speculative than the earlier research studies, and when I first considered including them, I was not sure if they formed a fitting conclusion to a chronicle based on historical scholarship. But it seemed important to me to justify my title – *America and the Wider World* – by reference to some large "lessons" to be drawn from the American experience: the changing meaning of the "nation" in a growing international capitalist society and culture and the possibilities of economic organization under liberal policies in Europe, as in America, on a continental scale.

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Now suddenly in Europe, East and West, these issues so long pondered by intellectuals in the universities have sprung into immediate, pressing, clamorous life. It is not the least consequential of the fall-outs from this dramatic year that its events have given new significance and vitality to the aspects of the U.S. experience featured in the two concluding essays in this volume. Comparing America's multi-ethnic society, and its economy of continental scope, with the history and situation of the other great world areas is no longer simply a scholarly exercise, the fascinating occupation of the seminar table or the lecture platform. It is an intellectual task of the greatest urgency in the renewals of the economic, political, and emotional organization of social life on the planet Earth – and no doubt on any other planet, if there should be one, inhabited by creatures of the passions, brains, and capabilities of humankind.

Acknowledgments

These studies were collected originally at the suggestion of several former students who wished to have a book for class assignments and ready reference. The encouragement of Gavin Wright; George Grantham; Carol Heim; the two editors of the Cambridge University Press series, Robert Gallman and Louis Galambos; a generous but scrupulous reader for the Press (whose identity I suspect); and Frank Smith, the history editor, was especially valuable. For bringing the book to completion not only technically, but as an integrated effort at socio-scientific history, the greatest debt is due to Heather Salome, who combined an enthusiasm and appreciation for the content with a sharp editorial eye, a sensitivity to structure and style, and a firm hand on typists, computer operators, research assistants, and the author himself. The errors, and deficiencies, particularly in the footnoting, are, as always, entirely my own.

Each of the essays also has its own set of acknowledgements for support, research assistance, and typing. Some of these are stated in notes to the essays. The National Science Foundation, the Ford Foundation, the Guggenheim Memorial Foundation, the Gould Foundation, and the Andrew W. Mellon Foundation have all at one time or another had shares in the enterprise. I am particularly grateful to John E. Sawyer, educator and economic historian, and among economists, to James Tobin, Carl Kaysen, and Richard Ruggles, for what I felt to be their sympathy with the intellectual enterprise in which my career has been entangled and for moral support early on and at several crucial points along the way. The debt to wife and family, to students, colleagues, research helpers, librarians, and critics has piled up over thirty years and would bankrupt me many times over if presented for payment.

A word of thanks should be given also, no doubt, to the several reviewers of Volume 1 of this collection, published in 1984. One reviewer scolded me for including some of my own book reviews in the collection. He thought it perhaps vainglorious in me to follow the example of Alex-

Acknowledgments

ander Gerschenkron, in one of the volumes of his collected writings, in this respect. In any case, the review in question discouraged me, both by precept and by its own vivid example, from reprinting any more of mine. I *have* made a stronger effort in this volume to speak out what is in my mind, to make explicit the values, judgments, themes, and inner connections behind the essays, and to shape them in relation to one another in such a way as to bring out what I see as an intellectual unity. I have been fortunate enough to have had quite a number of excellent students, who have given me the feeling that they have taken something of my views and values into their own work. Whether I have been able to communicate these views to professional, and perhaps less educable, colleagues through these written words is not for me to judge.

But book reviewers, like students, can make a dent even in an author's impenetrable ego and cause him, if only very slightly, to mend his ways. They may be likened best to the louse that the poet Burns saw on the lady's hat in church, and they lead one to repeat with grudging gratitude his immortal stanza:

Oh wad some power the giftie gie us
 To see oursels as others see us!
 It wad frae mony a blunder free us,
 And foolish notion:
 What airs in dress and gait wad lea'e us,
 And even devotion!

"To a Louse: On seeing one on a
 lady's bonnet in church" (1786),
 Stanza 8.

A note on notes

These essays, when first written, were, with a few exceptions, subjected to very light footnoting. The sound rule which Joseph Spengler taught his students, that “every statement should have its footnote,” was not followed. The effort has been made, however, to establish some credibility, where specific authors or surprising facts are cited, by recovering the original source consulted.

The more general statements, judgments, and theories, however, have not been reinforced by an inventory of my reading in my intellectual antecedents. That would be the job for a separate book and of interest only in allotting property rights in these ideas and interpretations. Occasionally I think myself guilty of some originality in an idea or a perspective, but it may seem so only because my memory is – whether purposely or subconsciously – faulty. In a history so well travelled, claims of originality seem rather absurd. Readers who see in these essays the shadows of Weber, Sombart, Marx, Croce, Beard, Turner, Malin, Phillips, Gray, Taylor, Hofstadter, Chandler, and many others may be pleased to be able to make the attributions themselves; others are welcome to take any new thoughts implanted in their minds here for their own. I will be satisfied if any of these studies leads a reader further into the tangled and delightful twin terrains of American history and social theory. This applies particularly to the essay on the American relation to Europe (Chapter 1), the synthetic essays on northern agrarian history (Chapters 7 and 10), and the purely interpretive pieces in Part V. The problem of sources is addressed in the essay on New England (Chapter 11) and that on the diffusion of “folk” practices and materials in agriculture (Chapter 9) by means of some notes and a partial bibliography. Further, more specific documentation can (probably) be supplied upon application to the author.