John O’Hara once wrote a short story, “The Hardware Man,” about two merchants in a Pennsylvania town. Tom Esterly was a man of the old order, who sat on the boards of local charities and ran his hardware store the traditional way: practical implements displayed without ado on well-trodden wood floors. Tom Esterly never held sales, never even advertised, except in the high school yearbook.

Lou Mauser, by contrast, was a shrewd and driven man without apparent social ties. Instinctively, he broke the bounds that had kept commerce within a community norm. He ran big display ads in the papers, opened branch stores, and sold at cost during promotional sales. He even hired Tom Esterly’s employees out from under him. One can almost imagine the breathless adulation of a Forbes profile.

Esterly’s store was empty during Mauser’s sales. “They’re all down at Mauser’s,” his head clerk would say. Esterly used to refer customers to the other store when he was out of an item. This civility stopped, but otherwise Esterly held to the traditional ways. It was a matter of principle. Eventually, he went out of business.

Lou Mauser was an entrepreneur, not a large corporation. But he represented the animus that the corporation set loose upon the nation after the Civil War—because of that war, many would say. It redefined America as a mass market, and Americans as consumers. In the process, it broke down the glue of community and local tradition that Tom Esterly represented.

People sensed these changes and talked about them. But the conservative politics of the country channeled opposition into mainly economic measures, such as railroad regulation and antitrust law. Centralized economic power posed no problem, the assumption went, as long as prices weren’t too high. The cultural impact of the corporation—turning independent business people into employees, uprooting enterprise from its community context—went increasingly unnoticed as more and more Americans joined the ranks. (The number of clerks in the nation jumped by 127 percent in the first decade of this century alone.)

But after World War II, with returning vets flocking into the new white collar world, Americans did begin to worry about the kind of people these new functionaries were turning into. Arthur Miller’s
Death of a Salesman portrayed a miserable man cut off from his instincts and roots. C. Wright Mills wrote White Collar, an impassioned denunciation of the middle-class workplace. White Collar in particular drew a great deal of criticism, and at one point Mills wrote to Richard Hofstadter, the historian, for advice on how to respond.

Hofstadter replied with some criticism of his own. It wasn’t enough to throw stones at the new corporate bureaucrats, he said. One had to get inside them, see their lives in their own terms. “Why no pity, no warmth?” Hofstadter admonished.

This call for empathy is the professed point of departure for Making America Corporate,* by Olivier Zunz, who teaches history at the University of Virginia. Historians have tended to dismiss the middle class, Zunz notes, not least during that period in America known as the Gilded Age in which the modern corporation came into being. There are denunciations of the Robber Barons, lamentations for those beneath. What is missing is a sense of the significance of the ordinary—in this case the men and women who left the Tom Esterly world to become salesmen and clerks and middle managers at corporations like DuPont. These people were doing something new; collectively, they established the social grooves in which America marched for at least another 50 years.

Clerical errors

Zunz has done much inventive research in corporate archives, pored through correspondence between field agents and headquarters, and examined floor plans and visitor logs in the new office towers that arose around the turn of the century. The result is engaging and suggestive if at times bogged down in detail. Zunz tells, for example, how salesmen for the McCormick farm implement company dealt with anticorporate radicals on the farm, and what happened when the new office towers brought large numbers of men and women together in the workplace—despite efforts of employers to keep the sexes apart.

Yet having begun with Hofstadter’s challenge, Zunz proceeds to forget it. He doesn’t get inside these lives, but instead enlists them as evidence for a theory calculated to make waves among historians. Members of the new corporate middle class were not passive minions, he argues. They actually created the new corporations as much as the captains of the industry did. “American corporate capitalism was largely the creation of a new middle class,” he writes, in one of many assertions along that line.

The aim seems to be to turn the tables on the populist, to portray the corporation as the result of grassroots participation, the popular will. Contrarian history like this is often a source of new insight; certainly there’s nothing wrong with showing the middle class a little respect. But Zunz founders on a desire to be significant. Trying to elevate the white-collar army, he ends up inflating it. Time and again his story tells the opposite of what he intends: how little the actions of individual operatives could alter the overwhelming corporate current in which they found themselves.

Zunz discusses at length, for example, the role of middle managers at the Chicago, Burlington, and Quincy Railroad. They hired clerks and workers, wrote job descriptions, advertised land for sale, reorganized payroll sheets, and the like. Those are all worthy and important functions, well deserving of a gold watch after 50 years. But the list is a little pathetic next to the swollen claims Zunz makes for them: namely, that these were “some of the most significant and challenging tasks of their generation.”

The question Zunz doesn’t ask is whether anyone could have done these jobs much differently, given the imperative from above. Consider the railroad agents who lied and cheated in order to acquire land. As with the coal agents who swindled illiterates in the Appalachians, their story still inspires outrage after decades of retelling.

Zunz acknowledges the unseemliness of these transactions. But he stresses the managerial “autonomy” they demonstrate. The agents weren’t mere corporate foot soldiers, he argues. They took initiative and were “highly sensitive to market circumstances.” Hooray for them. The real lesson seems to be the opposite: how deeply the corporation, exempt from the web of local memory and reciprocity, affected the mores of otherwise decent people. Without recognizing this significance, Zunz cites the case of a railroad agent who actually apologized to a Nebraska landowner after buying his property under false pretenses.

Nevertheless, the book is a rich lode of business history, and Zunz is an observant guide when he is not straining for grand formulations. Most of us probably forget, walking by the office towers of Chicago or New York, that a hundred years or so ago a whole culture was virtually invented in these structures. Nobody in America had managed a business on so large a scale. Where would the salesmen sit? The secretaries? Zunz describes a culture coming haltingly to terms with the new mixing of the sexes. Then too, there were the farm implement salesmen. The way they dealt with the farmer radicals was proto-Dukakis: stress the technology, and stay away from politics. (Some awarded small sales agencies to Grange supporters.)

One McCormick agent made an observation about

the farmers in his district that portended the future of the American auto industry. Writing from Sycamore, Illinois to the main office in 1869, the agent noted that if a farmer had a piano in the house, he was likely to choose a mower “because it is polished, burnished, and painted fancifully.”

Still, this was before the mass marketplace had trained Americans to think of themselves as passive consumers. Unawed by the experts in Chicago, the farmers were full of suggestions for McCormick to make his implements better. John Lamuth, a farmer in Algona, Iowa, offered to sell McCormick his four-horse equalizer, “thoroughly tested and works to perfection.” Companies maintained voluminous correspondence like this with farmers. (Today, by contrast, most companies return many suggestions unopened, to forestall litigation over royalty claims.)

**Capitalist Shiite**

For all Zunz’s attempts to portray corporate foot soldiers as builders of the new business culture, the one individual in this book who truly stands out is Henry Ford. Quirky and contentious, given to soy bread fads and homegrown monetary prescriptions, Ford emerges as a prophetic voice against what American capitalism eventually became.

Ford was a fundamentalist on production, a captain of industry who had more in common with Thorstein Veblen than with his industrialist peers. He detested waste, inefficiency, academic degrees, accountants, financiers—credentialism and paper enterprise of all sorts. Once, he stormed through his accountants’ offices tossing the ledgers out the window. While General Motors was building a modern office tower that separated management from the factory, Ford stuck his accountants into a wing of his new assembly line.

The managers elevated to the G. M. tower gradually put marketing ahead of production. Market segmentation, product lines, and annual style changes—all these were born far from the wrenches and welding gear. Ford, meanwhile, stuck with his Model T. He seemed a quaint relic for many years thereafter, and the Model T became a synonym for “behind the times.” Then the Volkswagen and the Japanese showed that Ford was onto something America had lost at its peril.

Ford’s precepts were a kind of Shiite version of the corporate engine, committed to basics but still having a homogenizing impact upon the nation. One of the few flesh-and-blood sketches in *Making America Corporate* shows how much more this happened at the middle-management level: Elliot Rice was a successful merchant in Western Pennsylvania who moved to Chicago in 1882 to represent DuPont in a new regional office. At first he enjoyed much of the same autonomy he once had running his own business. He contributed free gunpowder for police and fire department picnics and festivities so he could store his powder illegally near his office. His sister ran the Springfield branch and generated good will by helping the families of sick miners.

Then, in 1904, the DuPont cousins consolidated their various interests into the E. I. DuPont de Nemours Powder Company, and headquarters went on a central management kick. Rice watched helplessly while headquarters violated his territorial authority without even telling him. He had to submit to humiliating audits of his petty cash accounts. This former independent businessman had been reduced to a functionary. His letters of complaint fell on deaf ears. After a few years, he quit.

Told in terse detail from the evidence of correspondence between Rice and his home office, the story is suggestive of betrayal and pain. It is a story still heard today in airport lounges and in commuter trains heading out of Grand Central. One wishes Zunz had pursued this dimension further. It reminds us of a cautionary note that is missing in the current (and mainly valid) extolling of entrepreneurs.

After Tom Esterly announced he was going out of business, Lou Mauser paid him a visit. After expressing perfunctory regrets, he offered to buy out Esterly’s stock, 20 cents on the dollar. Fixtures and good will included.

Esterly demurred. The good will would have to be separate. “A million dollars cash,” he said. “Oh, I know it isn’t worth it, Mauser, but I won’t sell it to you for any less. In other words it isn’t for sale to you. A week from Saturday night at nine o’clock, this store goes out of business forever. But no part of it belongs to you.”