
**AMERICAN MADE: MEN WHO
SHAPE THE AMERICAN
ECONOMY**

by Harold C. Livesay

(Little, Brown & Co., Boston) 1979

310 pages ■ \$11.95 cloth

Reviewed by Russell Shannon

WHAT is the reason for America's remarkable success? Some people say it's our religious heritage—the principles of Judeo-Christian morality and the Protestant work ethic. Others might argue that the cause is mainly political—the democracy which allowed first all white men and then anyone aged 18 or older to vote.

Yet still others claim that our economic system made America great—a vast market growing behind our expanding frontier, unhindered by trade barriers and other legal restrictions, promoting the efficiencies which arise from the specialization of labor and the economies of large scale production.

But what about individuals? An historian, Harold C. Livesay, argues persuasively that some of the credit for America's achievements is due to the contributions of great men. Livesay profiles nine individuals whose creative endeavors in the field of management revolutionized our system of production and converted the small craft shops of which Adam Smith spoke in 1776 to the

vast industrial enterprises of today.

Livesay begins with Eli Whitney, who introduced not only the cotton gin but also the use of interchangeable parts, thereby extending the employment opportunities for unskilled labor. Whitney also realized that producers should seek out opportunities provided by changing markets, for he switched from manufacturing gins to producing firearms when that became more lucrative.

Second on Livesay's list is Cyrus McCormick, inventor of the reaper. But before it could sweep the plains, the reaper had to be sold to farmers with precious little mechanical knowledge and even less ready cash. So, setting up shop in Chicago, McCormick established a chain of dealers to provide prospective customers with service, information, and financing.

Andrew Carnegie used the new cost accounting when he integrated production of steel. He realized that a corporation's goal is not simply to produce as much output as possible, but to make for stockholders the highest possible return. As an economist would say, if a producer cannot make money on his product, then the scarce resources he employs could be used more effectively elsewhere.

Thomas Edison institutionalized the process of invention. But while cutting costs and enriching himself,

Edison also wrought wonders for us. As Livesay writes, "before electricity most urban Americans lived dark, smelly, tattle-tale gray lives in the homes and streets lit by guttering wicks and flickering gas lamps, suffused with the reek of coal smoke, human excretion, and horse manure." By the same token, before Edison, "farm families (endured) numbing toil and embittering isolation." Edison helped bring an end to all that.

Similarly, Henry Ford made Americans more mobile. Pierre S. du Pont used market forecasting to stabilize production. Alfred G. Sloan likewise put General Motors on a sounder footing. Henry Ford II turned his father's faltering firm into a prodigious business on an international scale. And Edwin Land, in the tradition of Thomas Edison, showed that large modern organizations can enable the inventive inclinations of individuals to enhance the lives of all mankind.

Livesay does not make these men demi-gods. Their quirks and flaws are revealed—from Cyrus McCormick, who despite his openly professed Christianity opposed the abolition of slavery and allowed his hard-working brother a meager salary, to Henry Ford, who bought a Dearborn, Michigan, newspaper to broadcast his harsh and horrid anti-Semitism.

Readers of Livesay's lively book

will learn that, by improving agriculture, transportation, communication, and industrial organization, these American innovators have allowed greater numbers of people than ever before to visit, hear, enjoy, and even photograph the magnificent achievements of the past and to anticipate a more attractive future. That is no mean feat.

It was due in no small part to our open system which allowed for greater economic and social mobility. And now that we have flung open the doors of opportunity for women, blacks, and other minorities, there are even greater chances for individuals not only to advance themselves but also to enhance society. ☉

THE UNITED STATES IN THE 1980S

Peter Duignan and Alvin Rabushka,
editors

Foreword by W. Glenn Campbell
(Hoover Institution Press: Stanford,
California 94305) 1980

868 pages ■ \$20.00 cloth

Reviewed by Roger R. Ream

NO ONE can accurately forecast the events of the future. In today's complex and tension-filled world, it is even difficult to predict what next week's headlines will be. Yet we can make reasonable guesses, based upon the past, as to what problems the