

reason to blunder on in trial-and-error. For a good, short course in how to do effective public relations in a museum or historical society, I recommend this book. It should become a basic addition to the bookshelf of any staff person. Not only will it help the public relations of an institution, it will also clarify other parts of the operation, and make cooperation between the component parts much easier to achieve. The book is an excellent addition to the literature in the field, and one that has few flaws.

STATE HISTORICAL SOCIETY OF IOWA

LOREN N. HORTON

American Enterprise in Foreign Markets: Singer and International Harvester in Imperial Russia, by Fred V. Carstensen. Chapel Hill: University of North Carolina Press, 1984. 289 pp. Notes, bibliography, index, table, charts. \$29.95 cloth.

American Enterprise in Foreign Markets is no ordinary business history. Fred V. Carstensen is a very capable Russian scholar who has put together two unrelated industries and traced their development in the Russian market as multinational corporations. By examining their corporate structures he has provided excellent illustrations of how the Singer Sewing Machine Company and International Harvester developed their production and sales techniques in foreign markets and then specifically focused their largest overseas enterprises in Imperial Russia. As business history, the study develops a theme about the early operation of multinationals, and as Russian history it notes the peculiarities of the Russian environment which often remain constants Americans dealing with the Soviet Union would do well to understand. For example, the author gives the Russian branch of Singer, *Kompaniya Singer*, high marks for its vertical integration and understanding of the nation in which it operated. Meanwhile, International Harvester gets some kudos for its sales organization and for expanding Russian agriculture to the point where many Russian peasants were capable of leaving subsistence farming to produce for broader internal markets and exports. This extended the purchasing power of average Russians so they could afford to buy both reapers and Singer sewing machines. In essence, Carstensen tells the story of modernization in Russia, from about 1881 to 1914, and how it was in part stimulated by outside enterprise, especially American entrepreneurship.

Carstensen's case-study approach is useful for illustrating how Singer learned from its mistakes and served both its own profit interests and the public it sought as purchasers, while International Harvester was less successful in this regard. Singer learned to operate in

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Russia without attempting to grease the palms of officials and without antagonizing the government. To some degree the company assisted the Russian government's objectives by promoting the expansion of business enterprise via a company chartered in Russia, and the company remained aware of and sensitive to Russian laws and customs. International Harvester, on the other hand, tried to fathom government policy, influence it to the company's benefit, and thereby wasted much time and resources before it created a Russian subsidiary company which could serve both corporate and Russian national objectives. Singer attempted within limits to "Russify" its company and make it more compatible to its environment; International Harvester did not. Because it was attuned to its locale, Singer was knowledgeable about changes in the local markets. International Harvester did not seek enough people in management who knew the Russian scene or were Russians. Therefore, the company was too often unaware of changes in tariff schedules, or of ways to trade without expensive mistakes. Company leadership failed particularly to comprehend Finance Minister Serge Witte's objective to make Russia a self-sustaining industrial nation whereas Singer played on these ambitions.

Kompaniya Singer succeeded, between 1904 and 1914, in selling five million machines in a country of 159.2 million people. This was accomplished by a long-term contract-sales approach, by not pressing for collection too harshly, and by easing off on those who honestly intended to pay but were facing illness, unemployment, or other unavoidable difficulties. Even though Singer machines averaged 74.40 rubles in 1900, when the national income was around 70 rubles per capita, the company's hold on the market still steadily improved and in the period from 1906 to 1910 suffered only a 3 percent default rate. By 1914 Singer had captured nearly 90 percent of the sewing-machine market in Russia.

International Harvester was a merger of five American harvester companies in 1902. Two of the families involved in the merger, the McCormicks and the Deerings, fought for control of the corporation and thus could not get a clear policy until Cyrus McCormick, Jr., emerged with absolute authority in 1904. Still, indecision over creating a Russian division delayed that move perilously long, and when it did happen, company management debated what its factory in Russia should produce. Thus it was not productive capacity in Russia which gave International Harvester the major share of the Russian market for harvesters. Rather it was the sales organization, which used commission contracts and recruited small merchants in surrounding villages. This kept the trade from going into the towns where competition was stiffer. Through a shrewd market analysis, the International Harvester

sales organization decided that the major locus of buyers was in non-urban areas; with only 28.1 million of Russia's 159.2 million people in urban areas, it was wise to concentrate where the market was located. This sales practice was enormously successful after 1909, and by 1913 the total number of agencies more than doubled to 3,558, of which nearly half worked on commissions. Part of the success was due to effective evaluations of where agricultural expansion was taking place, and to constricting where the market was shrinking and expanding where it was developing rapidly. When new lands opened in Siberia, International Harvester moved with the pioneer farmers and profited mightily. Also, the company learned to adapt its machines to local conditions and demands.

There is a certain irony in the effect of the two companies on one another. International Harvester admired but seemed incapable of duplicating Singer's internal operation of factory production and distribution. International Harvester, however, by modernizing Russian agriculture, provided the market for Singer among peasants by enabling the rural population to buy the machines. Both companies provided the foundation for a middle class in Russia, which unfortunately did not develop rapidly enough to avoid the catastrophic collapse of the archaic Russian economy when its back was broken during the strains of world war.

This study would be instructive for corporate managers trying to improve operations in a developing nation. Carstensen illustrates that knowing the market, dealing with its realities, and effecting gradual concepts of real service to the nation and populace involved made Singer an effective agent and provided the climate for mutually beneficial cooperation with the Russian government. He also establishes that government policy in Imperial Russia was intended to improve the lot of its farming population and to make farmers competitive in the world market. The government waited too long, however, before assisting its agricultural producers who provided the wherewithal for rapid industrial expansion.

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EDWARD M. BENNETT

Ceremonial Time: Fifteen Thousand Years on One Square Mile, by John Hanson Mitchell. New York: Anchor Press/Doubleday, 1984. 222 pp. End paper maps, illustrations. \$15.95 cloth.

At first glance, *Ceremonial Time* seems to be a book about an unremarkable square mile of Massachusetts countryside; there are no tourist attractions and no important industries. The human population of 150 is

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