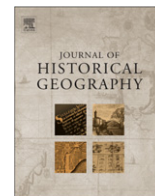


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American capitalist experiments in revolutionary-era Russia

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Abstract

In this paper I document one particular moment in the making of the United States' hegemony by tracking the lives of two American businessmen in revolutionary-era Russia. Drawing on a diverse array of archival sources (letters, diaries, photo albums, memoirs), and focusing on the training, practices, encounters, degrees of embeddedness and personal situations of two men (Walter Dixon and Boies Hart), I suggest that revolutionary-era Russia served in some ways as a proving ground for testing the effectiveness of American corporate structure, geoeconomic imaginations, and commercial practices. Although these two businessmen were minor figures in the much larger story of the making of American hegemony, their experiences in revolutionary Russia – experiences that were mediated through geoeconomic imaginations, local knowledge of place, degrees of embeddedness, personal encounters with people, places and networks, early twentieth-century ideals of manliness, and feelings of trust, anxiety, and fear – bring to life the uneven, chaotic, risky, and at times unsuccessful and violent ways that American capital began to move through difference in space.

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On November 11, 1917, Boies Hart, an employee of the National City Bank of New York working in their new Moscow office, wrote in his journal: 'Another day and the situation is unchanged except that fighting has increased in this end of town. I attempted to get to the Bank this morning but didn't get as far as I did yesterday. Twice soldiers stuck a gun under my nose and searched for a revolver. Luckily I'd left mine at home, not knowing who to shoot with it. All during lunch the firing grew fiercer.'¹ Living literally in the middle of the Bolshevik revolution,² Hart and his National City Bank of New York (NCBNY) colleagues faced first-hand the obstacles to the smooth flow of capital: lack of food and shelter, guns on the street, soldiers occupying offices, no transportation. Not more than thirty miles away, in Podolsk, Russia, a different sort of encounter between United States-based commerce and Russian political upheaval had occurred. Singer Manufacturing Company's production facility – the largest American-owned factory in Russia – operated here, and its workers had demanded wage increases, better working conditions, and in effect control over its operation.³ The factory's manager Walter Dixon negotiated, capitulated and

moved quickly to save whatever he could for himself, his family and his company.⁴ By the time soldiers arrived in late November, Dixon had already fled the country with his family after working assiduously to save as much of his company's assets in Russia that he thought possible. Hart and his NCBNY colleagues stuck it out through the revolutions but the bank sustained large economic losses. Russia in late 1917 was a country in turmoil and in revolution; a space in other words amenable neither to transnational banking nor international commerce.

In this paper I document the lives of these two men – Walter Dixon, the manager of Singer Manufacturing Company's large factory in Russia, and Boies Hart, a banker who helped open National City Bank of New York's (NCBNY) branch offices in Petrograd and then in Moscow – as they confronted the turmoil of Russia's revolutionary-era in order to interrogate an important site in the complex genealogy of American hegemony. As John Agnew has argued, the practices that created American hegemony – practices that enroll others in the 'exercise of ... power by convincing, cajoling, and coercing them that they should want what

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¹ Boies Hart wrote a memoir that focused on his career working for the National City Bank of New York. The memoir was never published; the edited manuscript is at Citi Center for Culture (this Center houses the company's archives) in New York City [hereafter CCC]. Hart includes in his memoir journal entries that he wrote at the time of the Bolshevik revolution. This quote is from one of those journal entries, page 60 of the unpublished memoir.

² On November 7, 1917 (October 25, 1917 according to the old style Julian Calendar) the Bolsheviks overthrew the Provisional Government of Russia (headed by Alexander Kerensky) in Petrograd, ushering in a socialist form of government. Fighting associated with the revolution continued in places like Moscow for two weeks.

³ *Demands of the All-Russia Conference of Delegates of the Singer Company Workers*, translated from Russian by Walter Dixon, June 1917, National Archives, Record Group 59, College Park, MD [hereafter NA].

⁴ *Answer of the Directors of the Singer Company to the Demands of its Workers*, translated from Russian by Walter Dixon, June 1917, NA; Walter Dixon, *The Reasons Compelling the Singer Company to Discontinue its Business*, September 1917, NA.

you want' – were not born anew in the post-1945 era, but have a deep history in the making of a distinctive American culture and economy in the nineteenth and early twentieth centuries.⁵ David Harvey has similarly pointed to the first decades of the twentieth century as the time when the United States developed 'its own distinctive form of imperialism,' one whose overt goals were driven by logics of capital, while its territorial aims required to secure that capital extension, were masked under a 'spaceless universalization of its own values.'⁶ A key component of this economic imperialism was the development of corporate practices and structures that facilitated the movement of capital through national and international space. As Agnew suggests, the new transportation, production, and communication technologies of the nineteenth century combined with the dispossession of Native lands enabled the diffusion of a marketplace-based society from the eastern part of the United States to the Pacific, and with this spatial expansion corporations developed practices that took advantage of economies of scale. As a result, corporations grew in scale and scope into what Chandler has called 'multiunit enterprises,'⁷ enterprises that were effective at mass producing, transporting and selling commodities throughout a large national, and then in the late nineteenth and early twentieth centuries, international market. Both Singer Manufacturing Company and the National City Bank of New York were examples of these multiunit enterprises, using a hierarchical management system that allowed them to operate successfully within the United States and outside of it.

Yet, as the events of revolutionary-era Russia make clear, even this distinctive corporate structure – one that Chandler has argued was different from smaller, closer-knit European corporations, and that was a key to the success of United States' economic expansion – was no match for geopolitical turmoil and political revolution.⁸ Like almost every other foreign-owned or foreign-managed company operating in Russia during the years 1917–1919, Singer and NCBNY sustained huge losses.⁹ Yet as Agnew and Harvey have argued, it was through these experiments that the United States' distinctive form of hegemony, one based on economic dominance that 'nominally respects the independence of countries yet dominates them through some mix of privileged trade relations, patronage, clientelism, and covert coercion' was developed.¹⁰ The Russian 'experiment' then served in some ways as a proving ground for testing the effectiveness of differing geo-economic knowledges and practices in regard to managing

businesses overseas without any direct political or military control.¹¹ This paper highlights those knowledges and practices as embodied in the lives of two businessmen (Walter Dixon and Boies Hart) and two corporations as they tried to manage the geopolitical tumult of revolutionary Russia, thereby interrogating a key moment in the shaping of American hegemonic practices. To do so, I first examine what these individuals and corporations thought they knew about Russia's economic, social and cultural situation – their geo-economic knowledge – before documenting the ways that that 'knowledge' shifted with the day to day encounters of running a business and trying to get it to succeed in the middle of a revolution. I conclude by examining the lessons learned by these capitalists and their companies in this early experiment in capitalist expansion, and what this can tell us about the making of American hegemony.

Geo-economic knowledges

Although the United States in general was as much 'a potential absorber as a producer of surplus capital'¹² throughout the early decades of the twentieth century, particular corporations were heavily invested in overseas expansion.¹³ Hart and Dixon worked for two of those corporations. Already by the time of the American civil war, Singer Manufacturing Company was selling more of its sewing machines outside of the United States than they were inside. In 1900 sales of machines in Russia alone totaled over 110,000, machines that were sold in the more than 700 shops located throughout the country.¹⁴ Such sales numbers precipitated Singer executives in the late 1890s to seriously consider plans to open a production site there, hoping to avoid the high cost of tariffs, a plan that they put into effect in 1901 when they opened their Podolsk factory complex.¹⁵ National City Bank of New York was the first United States bank to take advantage of the opportunity of opening branches outside of the country after the Federal Reserve Act of 1913 went into effect. After opening a branch in Buenos Aires in 1914, the company looked to Russia. In 1916 their Petrograd office opened, followed soon thereafter by their Moscow branch in late 1917.¹⁶ Like many of their business peers, the Bank's executives believed in the economic growth potential of Russia.

That belief was part of a common global imagination that circulated widely in the United States in the late nineteenth and early twentieth centuries, a global vision in which each country was potentially an equal trading partner. In place of the nineteenth-

⁵ J. Agnew, *Hegemony: The New Shape of Global Power*, Philadelphia, 2005, 1–3.

⁶ D. Harvey, *The New Imperialism*, New York, 2003.

⁷ A. Chandler, *The Visible Hand: The Managerial Revolution in American Business*, Cambridge, MA, 1977, 3.

⁸ See A. Chandler and G. Winder, *Webs of enterprise 1850–1914: applying a broad definition of FDI*, *Annals of the Association of American Geographers* 96 (2006) 788–806.

⁹ For works that discuss the importance of the Russian market for American goods, see F.V. Carstensen, *American Enterprise in Foreign Markets: Studies of Singer and International Harvester in Imperial Russia*, Chapel Hill, NC, 1984; R.B. Davies, *Peacefully Working to Conquer the World: Singer Sewing Machines in Foreign Markets, 1845–1895*, New York, 1976; G. Owen, *Dollar diplomacy in default: the economics of Russian–American relations, 1910–1917*, *Historical Journal* 13 (1970) 251–272; E. Rosenberg, *Spreading the American Dream: American Economic and Cultural Expansion 1890–1945*, New York, 1982; M. Wilkins, *The Emergence of Multinational Enterprise: American Business Abroad From the Colonial Era to 1914*, Cambridge, MA, 1970.

¹⁰ Harvey, *The New Imperialism* (note 6), 48.

¹¹ Eventually the United States intervened militarily, joining the other Allies in their attempts to fight the Bolsheviks and keep the Eastern front 'open,' sending troops to Archangel and others to Vladivostok (most coming from the Philippines), but to little political or military avail. For analyses of Wilson's policies of intervention in Russia, see L. Bacino, *Reconstructing Russia: U.S. Policy in Revolutionary Russia, 1917–1922*, Kent, Ohio, 1999; D. Fogleson, *The American Mission and the 'Evil Empire': The Crusade for a 'Free Russia' Since 1881*, Cambridge, UK, 2007; P. Filene, *Americans and the Soviet Experiment, 1917–1933*, Cambridge, MA, 1967.

¹² See Harvey, *The New Imperialism* (note 10).

¹³ Carstensen, *American Enterprise in Foreign Markets* (note 9); Davies, *Peacefully Working to Conquer the World* (note 9); M. Domosh, *American Commodities in an Age of Empire*, New York, 2006; Rosenberg, *Spreading the American Dream* (note 9); Wilkins, *The Emergence of Multinational Enterprise* (note 9).

¹⁴ Carstensen, *American Enterprise in Foreign Markets* (note 9); *Directory of Shops for the Sale of Singer Machines Throughout the World*, unpublished document, 1906, Singer Collection, Wisconsin Historical Society, Madison, Wisconsin [hereafter SC].

¹⁵ Davies, *Peacefully Working to Conquer the World* (note 9).

¹⁶ H. Cleveland and T. Huertas, *Citibank 1812–1970*, Cambridge, MA, 1985.

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