



What Price Competition: Strategic, Economic, and Leadership Insights from a History of the US Stove Industry.

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This talk is based on Professor Harris' paper (downloadable from <http://www.dur.ac.uk/h.j.harris/1003-WhatPriceCompetition.pdf>), which offers a guided tour through one of the neglected backwaters of late 19th and early 20th-century American capitalism, the manufacture of cast-iron stoves for cooking and heating – the most important new domestic technology of the C19th before the coming of gas and electricity. The stove industry, with its hundreds of proprietary firms scattered right across the US industrial belt and extending, by the early C20th, into the Upper South, offers us an example of an alternative path of capitalist development from that with which we may be more familiar – no giant firms, few public corporations, little consolidation via merger or acquisition; instead, the persistence well into the C20th of a more typically 19th-century pattern of industrial organization. How and why did this major 19th-century industry manage to continue for so long down this road less travelled? The paper explains how stove manufacturers built something apparently paradoxical, a community of competitors – a voluntary organization enabling small and mid-sized firms to maintain their autonomy and a modest profitability within a mature, then stagnant, and eventually declining industry, through six decades. Outside of the boundaries of common and statute law, they worked together to mitigate the rigors of competition in pursuit of an ethic of “fairness” -- good products, fair prices, fair wages, fair returns. Hundreds of independent-minded proprietary capitalists cooperated with one another through several decades, driven by a sense of collective self-interest, and helped by the fact that they even enjoyed one another's company.