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管理学

历史与现状 英文版

钱德勒、麦克科劳、特德劳 合著

正版

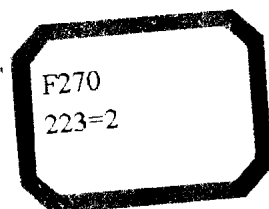
哈佛商学院案例教程

Management: Past & Present

Alfred D. Chandler, Jr.
Thomas K. McCraw
Richard S. Tedlow



东北财经大学出版社



正版哈佛商学院案例教程·英文版

管理学历史与现状

Management Past and Present A Casebook on the History of American Business

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出版者的话

当今的世界是一个变革的世界，政治体制在变革，经济结构在变革，管理方式在变革，思想观念在变革……从东方到西方，从中国到世界，一切无不处在变革之中。毫不例外，管理教育也正面临着一场深刻的变革。在以 MBA (Master of Business Administration, 通常译为“工商管理硕士”) 教育为主干的应用型管理教育大行其道的同时，一种以经典案例为主要素材、强调培养实务操作能力、反对一味灌输抽象理论的所谓“案例教学法”(Cases Methods) 逐渐取代了传统的管理教学模式，并以惊人的速度风靡全球。

作为世界 MBA 教育发祥地的美国哈佛大学工商管理研究生院 (Graduate School of Business Administration, Harvard University, 通常简称 Harvard Business School, 即“哈佛商学院”), 同时也是管理专业案例教学的首创者和积极倡导者。哈佛商学院经过近一个世纪的发展, 已经无可争辩地登上了全世界 MBA 教育的制高点, 哈佛商学院 MBA 已经成为全球企业管理界一块光芒四射的“金字招牌”。个中原因除了素来坚持严格的学员遴选制度之外, 主要应归功于独具一格的案例教学方法。

毋庸讳言, 我国的管理教育尚处于“初级阶段”, 亟待借鉴发达国家的成功经验, 包括先进的教学方法、权威的教学素材和科学的教学体系。为此, 我们通过多方努力, 终于开通了一条通过合法途径引进哈佛商学院案例教程的渠道, 并及时推出了首批十余种图书。按照预定计划, 我们将在今后两到三年内, 陆续推出哈佛商学院 MBA 其他主干课程案例教程的英文 (影印) 版和相应的中译版, 以满足国内管理教育尤其是 MBA、经理培训项目 (ETP) 师生和其他有关人士的迫切需要, 为推动我国管理教育改革和向国际接轨的步伐贡献一份绵薄之力。

对于本套系列教材在选题策划、翻译、编辑、出版以及发行工作中存在的缺点和不足, 恳请广大读者不吝指正, 我们在此先致谢忱!

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1998 年 3 月

P R E F A C E

This book presents thirty cases which we use in teaching the course entitled "The Coming of Managerial Capitalism" at the Harvard Business School. The course has become an integral part of the curriculum of the Harvard Business School, and with the publication of this book, we hope to make the course available to students at other institutions of higher education.

The book and the course from which it is derived address three questions:

1. Two centuries ago, there was no such thing as professional business management. That is to say, there was no group of people who worked in businesses for salaries and held little if any equity stake in the businesses for which they worked. The people who managed businesses were the owners of those businesses. Owners managed and managers owned.

Today, there are still millions of owner-managed businesses in the United States and around the world. There are also, however, many thousands of businesses staffed by professional business managers. And it is these businesses that are the largest.

Thus our first question is: How did the management of business become a profession? How did management of some large businesses become separate from the ownership of those businesses?

2. The development of giant enterprise placed the working man and woman in a fundamentally new relationship with the economic world of which he or she was a part.

Thus, our second question is: How did the working person react to the change from management by owners to management by professional managers and the concomitant growth in size of businesses?

3. The role of the government in the United States is not only to promote the economic progress of its citizens but, more generally, to provide for the common welfare.

Thus, our third question is: How did government, especially on the federal level, react to the size of professionally-managed big business?

This book addresses these issues through the "case method." Cases have been used in business education for many years. If you, the student reading this preface, are enrolled in a bachelor's or master's degree program in business administration, you probably have encountered numerous cases already. If, on the other hand, you are concentrating in history or economics, cases will probably be less familiar to you.

The goal of each of our cases is to act as a vehicle for an intensive discussion of a key issue in the history of American economic institutions. Our book is not a conventional narrative history text. Our goal has not been to be comprehensive, to touch every base so to speak. Rather, we

have sought to be intensive. We have focused on what we believe to be the most important issues and critical turning points and have provided you with a lot of information on them.

Our hope is that you will not spend your time memorizing facts but rather that you will use the data in the cases to form judgements and opinions about the issues which they present. A case discussion must be more than merely a regurgitation of the facts that the case presents. It demands that students take an active and aggressive stance in developing and presenting their views based on those facts. Facts are the means, not the end. You must think beyond the data provided. The instructor may supply you with study questions to encourage this process. You will discover that many of these questions have no one right answer and that they present problems as controversial today as when they first arose.

It is our hope that the students using this material will not only learn from the book and from the instructor, but also that through their own in-class comments they will teach. When you teach, not only do others in the class learn what you have learned—from experiences you may have had in the working world or as a consumer—you also find that you learn more than if you are merely the passive receptacle of words in a book.

There is a Latin proverb—“*Qui docet discet.*” That means that those who teach also learn. This proverb has survived for two millennia because it is true. The case method enables this conception of education to become a reality.

ACKNOWLEDGMENTS

Many people at the Harvard Business School have helped make this book a reality, and it is a pleasure here to express our appreciation for their contributions.

Our first expression of thanks is to John H. McArthur, the School's Dean. Through his decade-and-a-half in that position, Dean McArthur has vigorously supported all the activities of the School's business historians, of which this book is an example.

We would also like to express our gratitude to the three Senior Associate Deans in charge of the Division of Research who have generously provided the funds which the research, travel, and production of these cases have required. These three individuals have been Professors E. Raymond Corey, Jay W. Lorsch, and F. Warren McFarlan.

Our other colleagues on the faculty have been exceptionally generous in their support of this book. A special person involved has been Professor Nancy F. Koehn, who wrote the case on Michael Milken and supervised the case on Patricia Ostrander. Students have found the classes based on these cases to be especially gripping.

Others among our present and former colleagues have provided generous help and advice as well. They include (in alphabetical order): James P. Baughman, the late N.S.B. Gras, the late Ralph W. Hidy, Arthur M. Johnson, the late Henrietta Larson, George C. Lodge, Albro Martin, Thomas R. Navin, Glenn Porter, Stephen Salsbury, Bruce R. Scott, Barry Supple, and Richard H.K. Vietor. We have benefited from the contributions of several Harvard/Newcomen Post-doctoral Research Fellows, including especially William E. Lazonick, Daniel A. Pope, and Susan Strasser. Research assistants have provided ideas and have conducted research for this book; and we would like to thank them as well: Takashi Hikino, Josepha M. Perry, Lygeia M. Ricciardi, David B. Sicilia, and Audrey T. Sproat.

Yet another debt of gratitude—and a very big one—is to our several thousand MBA students over the years. They have provided a limitless fund of enthusiasm, ideas, and constructive criticism. Two students—Donald J. Edwards and Antonio F. Weiss—deserve special mention because of all the effort they put into the Patricia Ostrander case.

This is a better book because of the help of all those named above. The responsibility for any shortcomings the book may possess rests solely with us.

Alfred D. Chandler, Jr.
Thomas K. McCraw
Richard S. Tedlow

案例教学 风靡全球 哈佛案例 世界一流

正版

哈佛商学院案例教程

内容提要

伴随着企业演进过程中的每一次大的转折，所有者、工人和政府之间都会形成新的关系，以便适应市场的需要。本书作为哈佛商学院“管理发展史（管理资本主义的到来）”课程核心案例教程，正是从这一历史性的角度讨论美国企业管理的变革。本书作者均是哈佛商学院著名教授，他们精选了三十项典型案例，勾画出企业管理发展和演进的历程和趋势，并重点回答了以下问题：

1. 企业管理是怎样成为一门职业的？
2. 工人是怎样适应从所有者管理到职业经理人员管理的变化的？

3. 政府是怎样对待企业管理职业化的？

本书全面涵盖了管理发展史的要害，从铁路行业的兴衰到通讯革命，使读者可以透彻地了解职业管理产生和发展的原因和背景。

我社即将出版本书的中译版。

作者简介

阿尔弗莱德·D. 小钱德勒，哈佛商学院管理学教授，著名的管理学家和管理史学家，《看得见的手（The Visible Hand）》等多部经典著作的作者。托马斯·K. 麦克科劳和理查德·S. 特德劳均为哈佛商学院管理学教授。

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FORGING A NATIONAL ECONOMY

Module

The cases in this module deal with the United States roughly from 1750 (Benjamin Franklin's "The Way to Wealth" was published in 1758) to 1840, just prior to the first railroad boom. The changes in the nation during this period were immense.

The most important and most obvious change was independence itself. The first permanent English settlement in what was to become the United States was at Jamestown, Virginia, in 1607. From that year until 1776, the thirteen colonies which became the original states of the United States were a part of a global empire ruled by Great Britain with sovereignty centered in London. On July 4, 1776, the United States became a nation, thus passing from the colonial to the early national period in its history. These first six cases treat this transition.

The six cases which comprise this module include the following:

1. Benjamin Franklin and the Definition of American Values.
2. The Strategic Vision of Alexander Hamilton.
3. John Jacob Astor, 1763–1848.
4. The Rise of New York Port.
5. The Second Bank of the United States.
6. Samuel Slater, Francis Cabot Lowell, and the Beginnings of the Factory System in the United States.

Benjamin Franklin lived almost his whole life as a colonist rather than as a citizen of an independent country. Alexander Hamilton's strategic vision helped transform this "first new nation" into a unified political entity in fact as well as in name. John Jacob Astor's career was hampered by the new nation's weaknesses, but he cleverly took advantage of the growing strength that it also possessed. New York City, Astor's home base and the source of much of the fortune he made toward the latter part of his career, became the commercial center of the new nation and has remained the focal point for many industries down to the present day. The Second Bank of the United States was a private/public institution designed to span the growing nation. And finally, with the stories of Samuel Slater and Francis Cabot Lowell, we see the challenges involved in the attempt to establish factories in an overwhelmingly agrarian emerging nation.

Each of these six cases contributes in some measure to our discussion of management, labor, and government as they change over time. Each case focuses more on some of these elements than it does on others, as the following exhibit illustrates.

Exhibit 1**Management, Labor, and Government in Module 1 Cases**

- 1 indicates highly important
2 indicates moderately important
3 indicates a marginal role

	Franklin	Hamilton	Astor	N.Y. Port	2nd Bank	Slater and Lowell
Management	1	2	1		1	1
Labor	3		3			1
Government		1	2	1	1	3

Before beginning the analysis of these cases, it will be helpful to provide a brief overview of important developments of a general nature from 1750 to 1840. Similar summaries of U.S. history will be presented at the beginnings of each of the other five modules. For a listing of events in this book arranged chronologically and keyed to presidential administrations, the reader is directed to the **Appendix**.

The first and most obvious general contextual occurrence has already been mentioned—the American Revolution and the construction of a new nation. With independence and the crafting of its fundamental law, the United States had become a political entity which was, in theory, master of its fate.

Second, population and geographic area grew at a dramatic pace. On the eve of the Revolution, the population was about 2.5 million. It was almost 4 million by 1790, and it continued to grow rapidly. In every census until 1870, the population exceeded that of the previous census by over 32%. Thus, on the eve of the Civil War, more than 31 million people lived in the United States, and the place of residence of the population was changing. People were moving west. The center of population in 1790 was 23 miles east of Baltimore, Maryland; in 1850, it was 23 miles southeast of Parkersburg in what is now West Virginia. As important, the United States was becoming increasingly urbanized. The United States was born in the country and moved to the city. That movement was under way by 1860, when more than 16% of the population lived in cities of over 8,000.

Territorial growth was hardly less impressive. At independence, the United States covered somewhat over 865,000 square miles. By the eve of the Civil War, it encompassed almost 3 million square miles.

Third, the years from the Revolution to 1840 (the latter year is chosen because the impact of the railroad and telegraph had yet to be felt fully) saw major changes in the economy. Political independence and the Constitution had facilitated a nationally integrated economy within which there was a degree of regional specialization unknown in the colonial period. Cotton, which had yet to be grown commercially in the pre-Revolutionary era, emerged as the great engine of economic growth, constituting in a number of years between the War of 1812 and the Civil War over one-half of American exports by value. With the commercial cultivation of cotton, the slave labor system fastened itself more firmly on the nation. Anthracite coal from the fields of eastern Pennsylvania was becoming available in abundant quantities, freeing entrepreneurs for the first time in history from reliance on wind, water, and human or animal muscle for power. Engines

powered by steam from coal had profound significance very early for textile manufacture and metalworking. The canal system had eased transportation problems and new ships were helping to regularize coastal and international trade.

Fourth, the impact of the government at both the state and the federal levels, but especially at the latter, was beginning to diminish in economic life by the late 1840s. The efforts toward some sort of central bank died with the Second Bank of the United States and were not revived until the Federal Reserve System was created during the first administration of Woodrow Wilson in 1913. To be sure, the federal government was still to play an important role in the economy through tariff policy, delivery of the mails, land grants to railroads, and, especially later in the nineteenth century, through providing troops to quell labor unrest. Furthermore, although it is not usually looked at in this light, the Thirteenth Amendment to the Constitution, which abolished slavery in 1865, may have been the most important labor legislation passed in American history. But of the micro- and macroeconomic management which are so important for understanding modern America, the nineteenth century was to see very little. Leading entrepreneurs of the early national period, such as John Jacob Astor, Nicholas Biddle, and Francis Cabot Lowell (all of whom we will encounter in Module 1), devoted sustained attention to relations with Washington. That was a good deal less true of John D. Rockefeller, Andrew Carnegie, and most of the great entrepreneurs of the second half of the century.

This point deserves emphasis because it comes as a surprise to most Americans. The stereotypical view they hold of their nation is of one which began with unregulated free and private enterprise and which slipped slowly and steadily toward greater public and government control.

It is not so easy to make this argument when looking at the nineteenth century. John Jacob Astor was highly sensitive to activity on the federal level, as were many other businesspeople. Compare his attitude to that of Andrew Carnegie at the end of the century who, when asked about the Sherman Act, stated to a congressional committee:

Do you really expect men engaged in an active struggle to make a living at manufacturing to be posted about laws and their decisions, and what is applied here, there, and everywhere? . . . Nobody ever mentioned the Sherman Act to me, that I remember.¹

One can hardly imagine Francis Cabot Lowell making such a statement in, say, 1815.

In addition to activities on the federal level, we will see the important role played by states and by cities in the promotion of business enterprise. This was especially true in canal building. But even here, government became relatively less important as time passed. Many canals turned out to be unproductive public investments, leaving several states severely embarrassed financially. The Pennsylvania Constitution of 1840 specifically forbade state underwriting of bonds for canals or for railroads.

* * * * *

Having surveyed the big picture, let us now take a brief look at the changes within the business world itself. Four points deserve our attention.

First, the volume of business transactions in the nation as a whole, though unmeasured and probably unmeasurable, increased enormously. And these transactions were taking on an increasingly impersonal nature as their number and the geographic expanse over which

¹ Edward C. Kirkland, *Industry Comes of Age* (Chicago: Quadrangle, 1967), p. 323.

they took place grew. The world of the colonial merchant, even though it might have been international in scope, was in many ways a small world. Merchants were often bound together by close ties of kinship, and many knew personally or by reputation the people from whom they bought, to whom they sold, and to whom they advanced credit. By 1840, a more freewheeling market economy had developed.

Second, the specialist was taking the place of the generalist. This transition can be seen in the mercantile world, and John Jacob Astor is the example our book uses. Early in his career, Astor did a little of everything. By late in his life, he was concentrating on investing in Manhattan real estate. To be sure, the country store persisted, but in the cities, which were growing larger and more numerous, businesspeople tended to specialize in, for example, either importing or exporting. They also were specializing by product line.

Third, new wealth was being created. Especially in the case of Astor, we will see how a man of little means other than his own extraordinary entrepreneurial abilities created a fortune. Samuel Slater did the same, although his wealth never approached the magnitude of Astor's. Numerous other examples could be cited.

Fourth, the result of this increased business activity was an improving American standard of living. A good illustration of how this came about can be found in the case on Slater and Lowell.

Thus, much was happening in the business world. Nevertheless, much had yet to transpire. How was business in 1840 different from business in the modern era?

The most important difference is that in 1840 there were no really big businesses by any measure: number of employees, number of transactions per day, or total sales volume. There were very few professional managers. Astor, the biggest businessperson of the day, relied on a handful of clerks. In the central office of the Second Bank of the United States, a similarly small number of clerks assisted Nicholas Biddle, who did the bulk of the work himself. Fewer than half a dozen people who could be called managers worked for the Erie Canal. In textile manufacture, only a small number of mill agents were needed to represent the owners on-site. In the South, there were overseers who managed plantations, but these men and the system of which they were a part were relics of the past rather than harbingers of things to come. Even including overseers, of the more than 17 million people living in the United States in 1840, probably fewer than one-tenth of one percent could be called salaried managers.

Thus, with no large-scale organization, it is not surprising that there were few managers. Neither is it surprising that with few managers there were no managerial hierarchies. Why is it that despite the great changes outlined above, these basic characteristics of big business today were absent in 1840? There were more people, more territory, and more business transactions nationwide but not big business in the modern sense.

Two basic reasons can be advanced for this situation. First, transportation was still inefficient. Second, the lack of easy availability of coal made large scale industrial production infeasible. But in the late 1820s, coal was first commercially usable for New England textile mills. In the 1830s, anthracite production began its rapid increase. And, in the late 1840s, the great railroad building boom got under way.


* * * * *

History is the study of change over time. What the first six cases which comprise Module 1 do is to set the stage for the dramatic changes that are about to take place.

Module 1 is the prehistory of big business.

Case 1

BENJAMIN FRANKLIN AND THE DEFINITION OF AMERICAN VALUES



Benjamin Franklin, who through versatile talents became internationally the most widely known American of his time, was born in Boston in 1706. His father, Josiah, had left England about 1685, partly to better his economic condition and partly because of his dissension from the Church of England. He had settled with his wife and children in Boston, then a town of 5,000 or 6,000 inhabitants, and finding no demand for his skill as a dyer of cloth had turned to making and selling candles and soap to support a growing family. Within a few years his wife died and Josiah soon married Abiah Folger, the daughter of one of the early English settlers on Nantucket. She bore him 10 children; Benjamin was the youngest of the six boys.

Benjamin's father contemplated educating him for the ministry and to this end sent him to a classical grammar school at the age of eight. But a few months later when the full impact of the expense involved in such training, including four years at Harvard, came to Josiah, Benjamin entered a more practical academic environment where the chief subjects were writing and arithmetic. Thus his acquisition of Latin was postponed until he himself decided to tackle it some 20 years later, along with French, Italian, Spanish, and German.

His father took him at the age of 10 into his chandler's shop. Ben did not like the work and betrayed a restless interest in going to sea. Seeking to place him in a more

congenial occupation, Josiah apprenticed him to his half-brother James, a printer, who shortly thereafter started to publish the weekly *New England Courant*.

This newspaper was the voice of a group of liberal minds frequently at odds with the city government, and Ben worked in a stimulating intellectual atmosphere. He had been an avid reader of such books as he could lay hands on, notably essays and the *Spectator*, which served as inspiration for his own writings. His first published pieces were the "Silence Dogood Papers," slipped anonymously under the door of his brother's office and printed in the *Courant* on their own merit with no suspicion of their authorship.

After five years Ben quarreled with James and, heedless of family attempts to effect a reconciliation, ran away to New York and then on to Philadelphia in search of work in a printing office. This he found with Samuel Keimer before he had quite spent the Dutch dollar and copper shilling that comprised his entire financial resources on arrival. At 17 he was a well-trained printer, capable of handling plain typesetting and presswork. Just as important, he had already acquired the ability to make friends and attract favorable attention that later smoothed his path in public life.

The first patron he attracted, however, proved a feeble support. Sir William Keith, Governor of Pennsylvania, heard of Ben through Ben's brother-in-law and

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encouraged him to set up his own printing business. Ben's father refused to supply the capital for such a precocious venture, so Keith sent Ben off to London to buy equipment, promising him letters of credit to finance the project. But Keith was not a man to keep promises, and Franklin found himself in London with no money for equipment or for passage home. He was, however, sufficiently expert at his trade to earn a good living.

In spite of his now-famous veneration of thrift as the chief virtue, Franklin seems to have been vulnerable to the claims of improvident friends, and in London he laid out a considerable amount of money for James Ralph, who had come with him from Philadelphia full of literary aspirations and with small ability to get a livelihood. Moreover, in company with Ralph, Franklin took advantage of metropolitan attractions such as the theater and other amusements. In consequence he saved nothing for transportation back to America. But life in London in 1725 was a stimulating experience. It was an "age of intellect" influenced by the presence of Hogarth, Fielding, Defoe, and Isaac Newton. Franklin wrote and printed a pamphlet entitled *A Dissertation on Liberty and Necessity, Pleasure and Pain*, partly a rationalization of his own pleasure-seeking existence at the time. This publication brought him to the notice of interesting and companionable people. And withal, he worked diligently at his job, perfecting his typographical skill.

After 19 months, however, Franklin was ready to accept a proposition that he return to Philadelphia with Thomas Denham, a wealthy Quaker merchant who had met him on the ship to England and who now wanted him to go back and assist in a store Denham was going to open. After less than a year, Denham's death ended Franklin's career as clerk and bookkeeper; and he went back to run the printing house for Keimer, his first Philadelphia employer.

Relationships were rather strained at Keimer's; and Hugh Meredith, a fellow worker, persuaded Franklin to take him as a partner and start a printing office with capital supplied by Meredith's father. The father sent to London for the necessary equipment and early in 1728 Meredith and Franklin took a house on Market Street for £24 a year. They rented part of it to a family with whom they boarded and set up their printing paraphernalia in the rest.

Competition was keen at first with three printers in the city. Keimer, however, was not long a threat since

he failed in 1729. Franklin bought the newspaper he had recently started and issued it as the *Pennsylvania Gazette*. Andrew Bradford was a stronger rival; as government printer for Pennsylvania, he had a backlog of lucrative jobs. Franklin made short work of this advantage of Bradford's by printing an "Address from the Assembly to the Governor" in his own paper and giving a copy to every Assembly member. The workmanship was so superior that in 1730 Franklin obtained the government contract. Later he became public printer for New Jersey and Maryland.

Meredith was proving an unstable partner and his father had not completed payments on the imported equipment. Franklin finally agreed to assume his partner's personal debts as well as those of the firm and pay back £100 of the elder Meredith's capital, whereupon the partnership was dissolved.

Established independently, Franklin set out by industriousness and thrift to acquire a competence. He was becoming well known in the city; he had an enthusiastic group of friends; and he was the best writer in America at that time. Columns of his worldly wise humor increased the circulation of his *Gazette*. In his *Autobiography* he wrote:

In order to secure my credit and character . . . I took care not only to be in reality industrious and frugal but to avoid all appearance to the contrary. I dressed plainly; I was seen at no places of idle diversion. I never went a-fishing or shooting; a book, indeed, sometimes debauched me from my work, but that was seldom, snug, and gave no scandal; and, to show that I was not above my business, I sometimes brought home the paper I purchased at the stores through the streets on a wheelbarrow.¹

In 1730 he married Deborah Read, a woman incapable of sharing his intellectual interests but a devoted and patient wife. They lived in the house where the printing office was located, and she helped with the shop he set up there to sell stationery and books imported from England. Over a period of years his stock expanded to include, as occasion offered, foodstuffs such as coffee, Rhode Island cheese, codfish, and mackerel in barrels, as well as cloth, stockings, spectacles, maps, compasses, and a multitude of other goods. He could without expense apprise the public of items on hand by advertisements in his *Gazette*. In 1737 he became

1 Leonard W. Labaree et al., eds., *The Autobiography of Benjamin Franklin* (New Haven: Yale University Press, 1975), pp. 125-126.

postmaster of Philadelphia with the legal right to send his newspaper out by the postriders. He published books and pamphlets as well as doing job printing. Capital began to accumulate to a point where he felt ready to invest it.

Apparently with two purposes in mind—to make money and to encourage the spread of printing—Franklin became a silent partner in several enterprises, usually setting up a protege with presses, paying one-third of the going expenses, and receiving one-third of the profits. In Charleston, South Carolina, in Antigua and Jamaica, and in Lancaster, Pennsylvania, printing houses were started with his participation. In Philadelphia he had two or three partners publishing German books and papers. The most enduring of these ventures was with one of his journeymen, James Parker, whom he sent to New York. Upon the retirement of the only other printer there, Parker took over the *New York Gazette* and became public printer for the province. He also established in partnership with Franklin an office in New Haven, procured the printing business of Yale College, and established the *Connecticut Gazette*.

With modest financial success achieved, Franklin took a partner into his own printing office and retired from active operation of the business to a life of leisure for the writing, study, and scientific experimentation that his inquiring mind craved. From England in 1743 he had, upon the recommendation of a friend, hired David Hall, who proved a satisfactory manager. In 1748 at the age of 42, Franklin wrote that he had put his printing house under the care of his partner, absolutely left off bookselling, and removed to a quieter part of town. Until 1766 the business was known as Franklin and Hall, and, according to agreement, Hall paid Franklin £1,000 a year from the partnership during that period.

In addition to Hall's payments, Franklin had, when he retired, a small salary as postmaster of Philadelphia and an income estimated at about £700 a year from invested savings. Some part of his wealth was in houses and lots in Philadelphia. After the Revolution this property increased in value to perhaps three times its original cost to him. From the public positions he later held he received varying stipends.

Franklin's fame as well as his fortune were enhanced by the publication of *Poor Richard's Almanack*, the first number of which was for the year 1733. Almanacs had a ready market in the eighteenth century; they circulated far outside of towns in peddlers' packs, sometimes the only bit of reading matter that a family purchased. Cal-

endars, tide tables, phases of the moon, weather prophecies, and scraps of astrology were supplemented by recipes, poems, and jottings of wit and wisdom. In this latter field, Franklin's almanac outdid its rivals. In the person of Richard Saunders he created a mouthpiece for old sayings, frequently with a new and pithy twist, and original quips for the edification and amusement of a solid colonial citizenry.

Under the title of "The Way to Wealth," the preface to the 1758 edition contained a compilation of these sayings, particularly the ones dealing with thrift and wise enterprise, purporting to be an old man's speech to a crowd attending an auction (reproduced as **Exhibit 1**). It was widely reprinted and translated into 15 languages. It was published in broadsides and posted on walls in England; it was handed to parishioners by the clergy in France.

Poor Richard's Almanack was an immediate success, selling 10,000 copies within the first three months of publication. Franklin's partners stocked it in their bookshops and advertised it in the various *Gazettes* they published.

Franklin's creative talents had a practical turn and, as is well known, he invented a number of useful contrivances. The "Pennsylvania fireplace," an open-front stove with doors, allowed all the cheer of a crackling fire in a grate and gave good circulation of heat besides, since it could be set well out from the wall. Bifocal spectacles and a "long arm" for reaching and clasping books or merchandise on high shelves are credited to his ingenuity. His most famous invention was the lightning rod, an outgrowth of experiments with flying a kite in a thunderstorm to prove a connection between lightning and electricity. Such a connection was being studied by many scientists in Europe, and Franklin's independent proof added luster to the reputation he was already achieving abroad. His lightning rod was widely and enthusiastically adopted in this country as a protective device. Franklin took out no patents on any of his inventions. The model for his stoves he turned over to a friend with an iron foundry who manufactured them on his own account. A concern for human welfare seems to have been a genuine motive in much that Franklin did.

Among other public services, Franklin established a circulating library, organized the first fire brigade in Philadelphia, helped to start a hospital, and also the Academy of Philadelphia, which eventually grew into the University of Pennsylvania.

From 1750 to 1764 Franklin was annually elected to the Assembly of Pennsylvania by the popular, or