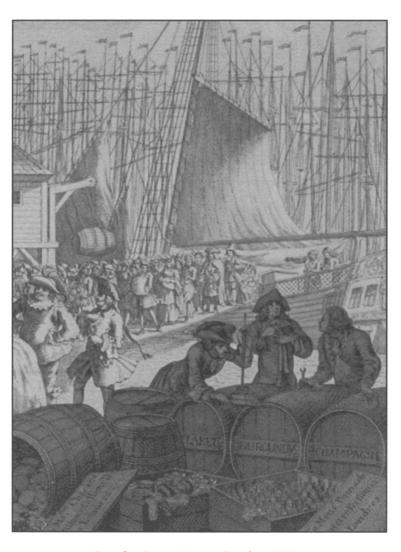
BUSINESS HISTORY

REVIEW

AUTUMN 2005



French wine arriving in London, 1757 SPECIAL SECTION: NETWORKS IN THE TRADE OF ALCOHOL

Cover: Detail of an etching by L. P. Boitard, entitled "The Imports of Great Britain from France," shows the arrival of French claret, burgundy, and champagne on a London dock in 1757. This issue contains a special section, edited by Paul Duguid, on networks in the trade of alcohol, which begins on page 453. Copyright The Trustees of The British Museum.



© 2005 by The President and Fellows of Harvard College.
All rights reserved.

ISSN 0007-6805

Periodical postage paid at Boston, Mass., and additional offices.

REVIEW

Published Quarterly by Harvard Business School Volume 79 Number 3 Autumn 2005

EDITORS · Walter A. Friedman and Geoffrey Jones PRODUCTION MANAGER · Margaret P. Willard PRODUCTION COORDINATOR · Felice Whittum Harvard University

EDITORIAL ADVISORY BOARD

Franco Amatori, Università Bocconi
María Inés Barbero, Universidad de Buenos Aires
Mansel Blackford, Ohio State University
Alfred D. Chandler Jr., Harvard University
Tony Freyer, University of Alabama
Patrick Fridenson, École des Hautes Études
Mark Fruin, San Jose State University
Per H. Hansen, Copenhagen Business School
Richard R. John, University of Illinois, Chicago
Nancy F. Koehn, Harvard University
Angel Kwolek-Folland, University of Florida
John J. McCusker, Trinity University

David A. Moss, Harvard University
H. V. Nelles, York University
Daniel Nelson, University of Akron
Núria Puig, Universidad Complutense de Madrid
Mary Rose, Lancaster University
Philip Scranton, Rutgers University, Camden
Michael S. Smith, University of South Carolina
Susan Strasser, University of Delaware
Richard S. Tedlow, Harvard University
Richard H. K. Vietor, Harvard University
Mira Wilkins, Florida International University
Takeshi Yuzawa, Gakushuin University

BOOK REVIEW BOARD

Jeremy Baskes, Ohio Wesleyan University
Ludovic Cailluet, Toulouse Social Sciences University
Werner Plumpe, University of Frankfurt
Catherine Schenk, University of Glasgow
Wyatt Wells, Auburn University Montgomery
Robert E. Wright, New York University

HARVARD BUSINESS SCHOOL

The Business History Review is published in the spring, summer, autumn, and winter by Harvard Business School and is printed at Capital City Press in Vermont.

- Manuscripts, books for review, commentary, and all editorial correspondence should be sent to Walter A. Friedman, Coeditor, at the address below.
- Queries regarding advertising and subscriptions, as well as changes of address, should be sent to the address given below or by e-mail to bhr@hbs.edu.
- Correspondence regarding rights and permissions should be sent to Permissions at the address given below.

Business History Review
Harvard Business School
Soldiers Field
Boston, MA 02163
Editorial office: 617-495-1003
Subscription inquiries: 617-495-6179
Fax: 617-495-0594

- E-mail correspondence and inquiries can be sent to bhr@hbs.edu.
- Subscription rates for the volume year 2005:

Individuals\$50.00Institutions\$130.00Students (with photocopy of current student identification)\$30.00

- Many issues of volumes 60-78 (1986-2004) are available from our office for \$15.00 per issue. Please contact BHR for details.
- Business History Review articles are listed in Business Methods Index, Book Review Index, The Journal of Economic Literature, Historical Abstracts, America: History and Life, and ABI/INFORM.
- Notice of failure to receive issues must reach the office no later than six months
 after the date of mailing. Postmaster: Send address changes to Business History
 Review, Harvard Business School, Soldiers Field, Boston, MA 02163.
- The paper used in this journal meets the minimum requirements of the American National Standard for Permanence of Paper for Printed Library Materials, Z.39.48 and is 50% recycled, 10% post-consumer.
- Visit our Web site for further details and current information: www.hbs.edu/bhr.

Contents

ARTICLES

SPECIAL SECTION:
NETWORKS IN THE TRADE OF ALCOHOL
EDITED BY PAUL DUGUID

Paul Duguid, Introduction: The Changing Organization of Industry • 453

David Hancock, The Trouble with Networks: Managing the Scots' Early-Modern Madeira Trade • 467

Paul Duguid, Networks and Knowledge: The Beginning and End of the Port Commodity Chain, 1703–1860 • 493

James Simpson, Cooperation and Conflicts: Institutional Innovation in France's Wine Markets, 1870–1911 • 527

Teresa da Silva Lopes, Competing with Multinationals: Strategies of the Portuguese Alcohol Industry • 559

Thomas P. Hughes, From Firm to Networked Systems • 587

Alfred D. Chandler Jr., Commercializing High-Technology Industries • 595

ANNOUNCEMENTS • 605

BOOK REVIEWS • 613

Claudia Becker-Doering, Die Aussenbeziehungen der Europaeischen Gemeinschaft fuer Kohle und Stahl von 1952–1960:
Die Anfaenge einer europaeischen Aussenpolitik?
[The external relations of the European Coal and Steel Community from 1952 to 1960: The beginnings of a European foreign policy?]

Reviewed by John Gillingham • 682

Anne Clendinning, Demons of Domesticity: Women and the English Gas Industry, 1889–1939. Reviewed by Katrina Honeyman • 670

L. Sharon Davidson and Steven Salisbury, Australia's First Bank:
Fifty Years from the Wales to Westpac. Reviewed by David Merrett • 691

- Renato Gianetti and Michelangelo Vasta, editors, L'impresa italiana nel novecento [Italian business in the twentieth century].

 Reviewed by Jon S. Cohen 686
- Patrick J. Hearden, Architects of Globalism: Building a New World Order during World War II. Reviewed by Patrick D. Reagan 642
 - Thomas Heinrich and Bob Batchelor, Kotex, Kleenex, Huggies: Kimberly-Clark and the Consumer Revolution in American Business. Reviewed by Rowena Olegario • 635
- Kenneth R. Hoover, Economics as Ideology: Keynes, Laski, Hayek, and the Creation of Contemporary Politics. Reviewed by Jerry Z. Muller 673
 - Margaret C. Jacob and Larry Stewart, Practical Matter: Newton's Science in the Service of Industry and Empire, 1687–1851. Reviewed by Thomas J. Misa • 668
 - Geoffrey Jones, Multinationals and Global Capitalism:
 From the Nineteenth to the Twenty-First Century. Reviewed by
 Franco Amatori 654
 - Thomas A. Kinney, The Carriage Trade: Making Horse-Drawn Vehicles in America. Reviewed by Domenic Vitiello 622
 - Harvey Levenstein, We'll Always Have Paris: American Tourists in France since 1930. Reviewed by Stephen L. Harp 679
 - James R. Lincoln and Michael L. Gerlach, Japan's Network Economy: Structure, Persistence, and Change. Reviewed by W. Mark Fruin • 693
 - Muriel McAvoy, Sugar Baron: Manuel Rionda and the Fortunes of Pre-Castro Cuba. Reviewed by Alan Dye 658
 - James C. McCann, Maize and Grace: Africa's Encounter with a New World Crop, 1500–2000. Reviewed by Robert L. Tignor 689
 - Yanek Mieczkowski, Gerald Ford and the Challenges of the 1970s.

 Reviewed by Edward D. Berkowitz 649
 - Kathryn Morse, The Nature of Gold: An Environmental History of the Klondike Gold Rush. Reviewed by Joseph Cullon • 620
- Marina Moskowitz, Standard of Living: The Measure of the Middle Class in Modern America. Reviewed by Tracey Deutsch 632
 - Johann Peter Murmann, Knowledge and Competitive Advantage: The Coevolution of Firms, Technology, and National Institutions.

 Reviewed by Christian Kleinschmidt 684

- Kathy M. Newman, Radio Active: Advertising and Consumer Activism, 1935–1947. Reviewed by Douglas B. Craig 630
- David E. Nye, America As Second Creation: Technology and Narratives of New Beginnings. Reviewed by Scott Gabriel Knowles 617
 - J'Nell L. Pate, America's Historic Stockyards: Livestock Hotels.

 Reviewed by Louis P. Cain 625
 - Thomas Pinney, A History of Wine in America: From Prohibition to the Present. Reviewed by Mansel G. Blackford 613
 - Paul Sabin, Crude Politics: The California Oil Market, 1900–1940.

 Reviewed by Hugh S. Gorman 640
 - Scott A. Sandage, Born Losers: A History of Failure in America.

 Reviewed by Jean-Christophe Agnew 614
 - Allen J. Scott, On Hollywood: The Place, The Industry.

 Reviewed by Douglas Gomery 645
- Charles A. Sengstock Jr., That Toddlin' Town: Chicago's White Dance Bands and Orchestras, 1900–1950. Reviewed by Kenneth J. Bindas • 627
 - David Skeel, Icarus in the Boardroom: The Fundamental Flaws in Corporate America and Where They Came From. Reviewed by Sanford M. Jacoby • 647
- B. Mark Smith, The Equity Culture: The Story of the Global Stock Market.

 Reviewed by Wyatt Wells 656
- Alessandro Stanziani, Histoire de la qualité alimentaire, XIXe–XXe siècles [History of food quality during the nineteenth and twentieth centuries].

 Reviewed by Marie-Emmanuelle Chessel 676
- Steve Striffler and Mark Moberg, editors, Banana Wars: Power, Production and History in the Americas. Reviewed by Ron Harpelle 661
 - William R. Summerhill, Order Against Progress: Government, Foreign Investment, and Railroads in Brazil, 1854–1913.

 Reviewed by Seth Garfield 665
 - Keith J. Voltano, Texas, Cotton, and the New Deal. Reviewed by Sara M. Gregg • 638
 - Julian E. Zelizer, On Capitol Hill: The Struggle to Reform Congress and Its Consequences, 1948–2000. Reviewed by Allan J. Lichtman 651

Contributors

Alfred D. Chandler Jr. is Isidor Straus Professor of Business History, Emeritus, at Harvard Business School. Among his extensive writings on the evolution of the modern corporation are Strategy and Structure: Chapters in the History of the Industrial Enterprise (1962) and Scale and Scope: The Dynamics of Industrial Capitalism (1990). His book The Visible Hand: The Managerial Revolution in American Business (1977) won the Pulitzer Prize and the Bancroft Prize. Most recently, he has published Inventing the Electronic Century: The Epic Story of the Consumer Electronics and Computer Industries (2001) and Shaping the Industrial Century: The Remarkable Story of the Evolution of the Modern Chemical and Pharmaceutical Industries (2005).

Paul Duguid is adjunct professor at the School of Information & Management Systems at the University of California, Berkeley, and professorial research fellow at the School of Management and Business, Queen Mary, University of London. He is coauthor, with John Seely Brown, of *The Social Life of Information* (2000). He is currently investigating the role of brands in supply chains.

David Hancock is associate professor of American and Atlantic history at the University of Michigan in Ann Arbor. He is the author of *Citizens* of the World: London Merchants and the Integration of the British Atlantic Community, 1735–1785 (1995) and the editor of The Letters of William Freeman, London Merchant, 1678–1685 (2002). Currently, he is completing a study of the emergence and self-organization of a global wine market between 1640 and 1815.

Thomas P. Hughes is Mellon Professor of the History and Sociology of Science, Emeritus, at the University of Pennsylvania and Distinguished Visiting Professor at MIT. He has published widely on technology, science, and culture. His many books include Human-Built World: How to Think about Technology and Culture (2004), Rescuing Prometheus: Four Monumental Projects that Changed the Modern World (1998), American Genesis: A Century of Invention and Technological Enthusiasm, 1870–1970 (1989), and Networks of Power: The Electrification of Western Society, 1880–1930 (1983). Professor Hughes is a member of the U.S. National Academy of Engineers and of the American Philosophical Society.

Teresa da Silva Lopes is senior lecturer in international business at Queen Mary, University of London, research fellow at the Universidade Católica Portuguesa, and research associate at the University of Reading. She has written articles and books on the growth of firms and the evolution of global brands in alcoholic beverages, including Internationalization and Concentration in Port Wine, 1945–1995 (1998) and Global Brands: The Growth of Multinationals in Alcoholic Beverages (forthcoming). She is currently studying the evolution of the trademark in theory and practice.

James Simpson is professor of economic history at the Universidad Pablo de Olavide in Seville and visiting professor at Universidad Carlos III de Madrid. He is the author of Spanish Agriculture: The Long Siesta, 1765–1965 (1995, 2002), and, with Juan Carmona, of El laberinto de la agricultura española: Instituciones, contratos y organización entre 1850 y 1936 (Zaragoza, 2003). Recent articles include "Selling to Reluctant Drinkers: The British Wine Market, 1860–1914," Economic History Review (2004), and "Too Little Regulation? The British Market for Sherry, 1840–90." Business History (2005).