

# The Importance of Corporate Archives to Economic and Business History: A Case Study

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**Abstract:** This paper evaluates how the historical comprehension about businesses in the United States was throughout the 20th century, in order to build knowledge in the field of Corporate Archives. Remarkable authors and their works expressed different points of view, as much as different ways and means of investigation. Considering this approach as a field of Business History, within the broad area of Economic History, it is possible to propose a historical synthesis of research produced until now and developed from a possible interpretation towards a new approach, in which the Corporate Archives must have an essential participation. A case study about Cargill Incorporated illustrates some guidelines.

## Introduction

“In any field of endeavor, the historical perspective is important. We can learn from the past and history has a way of repeating itself.”<sup>1</sup> This speech from Robert S. Ames, an executive vice president of a technologically based aerospace business, has also a way which converges to the same perspective of our own programs of actions, considering the dissimilar places that they come from. He is right when he says that history can be auxiliary to business management activities, like offering examples from the past. However, it is not just this contribution.

History can offer something else, because when historians are looking for the evidences of facts and process in the past, they have an unlimited vision that reaches beyond the business. One good example to illustrate this ability, is that historians are expecting the “time’s intelligence,” whereas businessmen are expecting the “crunch time.” If it is true that history is important to business, it is not so true that historical science including and stressing business history, serves just to this purpose.

No less important is that historical science has a fundamental principle: the records are the raw material to the historian reconstructing the history or the historical narrative. They are responsible to give objectivity to the analysis, to make the discourse become trustworthy, almost near the truth. Archival programs in corporations are necessary to the correct maintenance of business records. Herein, the aspiration is to manifest that the historical perspective with its approaches, methods and theories, can offer much more than basic material to businesses and companies making decisions; and therefore, in order to reach this goal, it is essential the aid of their archives.

The historical exam of this relationship demonstrates how comprehensive this long-term is, and sometimes conflictive existence—from the muckraking literature to the biographies, the public history and the corporate culture as well as the dialog between the historians and the archivists, entrenches the notion of corporation’s records as a historical source—a case study in the field of Economic and Business History, will make possible the understanding of this partnership.

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<sup>1</sup> Fred V. Carstensen, “On Corporate Records Management,” *Business and History* (Summer, 1981): 104.

## History, Businesses, and Corporate Archives

The interest in doing historical studies about businesses did not happen aimlessly—it is the History of the United States itself and the development of capitalism in the United States.<sup>2</sup> In Richard Berner words, “the History of the United States has been the history of business enterprise *par excellence*.”<sup>3</sup> The first-generation of entrepreneurship used to commerce with their experiences, habits and traditional ways of dealing. There were generally familiar business making profits from an initial investment in land, some equipment and other resources, supported by law and political influence. “A perception of the need for a business history did not develop in America until late in the nineteenth century when many companies were beginning to emerge from a period of first-generation entrepreneurship.”<sup>4</sup> The History appears as a powerful instrument to produce knowledge about the decision-making process, which could be profusely used by the second-generation of managers that have not had the experiences and the manners of the founders.

However, the first publications were very depreciative about the role of business in the United State History probably because the hard life’s conditions of those workers had to confront during the first ages of capitalism. *The History of the Standard Oil Company*, written by Ida M. Tarbell, and the Upton Sinclair novel *The Jungle*, published respectively in 1904 and 1906, are examples from a critical phase when the consequences of the economic development went described targeting a social and inquisitive perspective about the American reality. In 1906, Theodore Roosevelt first used the term “muckraking literature” to name those works. Despite of the reaction, the muckraking era developed “a sense of social concern by the readers of this literature and by the public in general.”<sup>5</sup>

To become itself an area with strong potential of research, the vast and largely unexplored field of business and industry’s records must to be confirmed by historians’ convictions. At the Harvard Business School, the idea of collecting unpublished business records dates from its foundation. In January 1909, the school’s visiting committee called for “a systematic and serious attempt to collect unprinted documents relating to business.”<sup>6</sup> Later, the Business Historical Society would have had interrelated goals to discover and preserve business records, to devise ways to classify and catalogue these records, to promote the study of the history of business and to assist in the publication of business history.<sup>7</sup>

After the historiography’s experience of American business, it became common to criticize corporate enterprise. During the 1950s, a new school spread favorable views of American business along the two following decades, in the sixties and seventies. These works were focused on managing the problems, the market reality, the competition and other issues concerning business itself. The biographies of famous entrepreneurs, as Alan Nevins’ *Rockefeller: The Heroic Age of American Enterprise* and another kind of research, mixing of historical perspective with managerial interests, gave a momentary rest to the infamous reputation based on the “Beard-Josephson

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<sup>2</sup> Cristopher J. Castaneda, “Writing Contract Business,” *The Public Historian* 21, No.1 (Winter 1999): 29.

<sup>3</sup> Richard C. Berner, “Business Archives in Perspective,” *Journal of Forest History* 18, No. ½ (April 1974): 32.

<sup>4</sup> Barbara Benson Kohn, “Corporate History and the Corporate History Department: Manufacturers Hannover Trust,” *The Public Historian* 3, No. 3, Business and History (Summer 1981): 32.

<sup>5</sup> Ibid: 36.

<sup>6</sup> Florence Bartoshesky, “Business Records at the Harvard Business School,” *Business History Review* 59, No. 3 (Autumn 1985): 476.

<sup>7</sup> Ibid: 477–478. From 1926 to 1953 the Society published the *Bulletin of the Business Historical Society*. Other specialized publications appeared, like the *Journal of Economic and Business History*, until 1932; and *Business History Review*, since 1954.

school,”<sup>8</sup> because, even in the 1960s and 1970s, public historians reclaimed the critical tradition, showing credible relationships between the growing of corporations and actual new problems, in different levels, as urban crisis, consumerism and pollution. There was a change from the moral and ethical judgments to the analysis of real consequences emerged of the influence of enterprises in the whole society’s life. This attitude in front of the contemporary challenges directed the investigation to that field called “Corporate Culture,” in which the Business History broke the “aid-management” habit, introducing the discussion about how people nowadays suffer a deep interference of all sort of businesses in their lives.

The period between the years 1969 and 1983 has been called as the “golden age” of Corporate Archives, because there was a significant increase in their number, keeping up with the growth of companies and, consequently, the proliferation of records. The change in the manager’s posture about the importance of Corporate Archives to the research and the Business History was other characteristic of this period, too.<sup>9</sup> However, this notion of “golden age” has been decisively confronted, because is not possible to confirm that it really occurred.<sup>10</sup> The custom is that business records are generally restricted to the use of internal employers, only to managerial goals and disallowed for external scholars.

That is why the biographies became important examples of Business History, in a moment that only the corporate managers or retiree employers could have access to the whole records. Therefore, they “tend to interpret experience as being something possessed only by individuals and history as a series of events rather than developments of policy, organizational evolution, or production or service management.”<sup>11</sup> If this question about the preservation and accessibility, mainly for outside researchers to corporate records was not resolved in the past, it is quite certain that it is not resolved until this moment and should be asked for the future. Therefore, the golden age of Corporate Archives did not correspond to the development of historians thought; on the contrary, with the enlargement of it, “many businesses which maintain historical records of their activity refuse to open their archives to scholars for fear that they will selectively publish material which portrays the businesses negatively.”<sup>12</sup>

Considering that historians study “the past,” with business historians concentrating on past economic circumstances, markets, systems, and businesses,<sup>13</sup> a reliable assertion about the corporation could not be just a opinion, but should be the result of an investigation made with professionalism and methodical procedures. There are not “bad facts” or “good facts,” but different interpretations for events, process, conjectures, structural developments, contexts and material conditions of existence, actions and any other kind of subject that historians are able to put on trial by the historical methods. The foundations of these methods are practically, in an empirical sense, related with the historical sources of research. There is a way for these sources to be studied nowadays, although the archives’ file until today continues being one of the most important historical sources. The problem then is the dependence, or better, the radical correlation between the

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<sup>8</sup> Richard Forman, “History Inside Business,” *The Public Historian* 3, no. 3, *Business and History* (Summer 1981): 43–44. That is a reference of Charles and Mary Beard’s *The Rise of American Civilization* (1927) and Matthew Josephson’s *The Robber Barons* (1934).

<sup>9</sup> Linda Edgerly, “The Present and Future of Corporate Archives: A Golden Age?” *Business and Economic History* 15 (Second Series, 1986): 197–200.

<sup>10</sup> *Ibid.*: 201–203. L. Edgerly noted that the oldest corporate archives, founded prior to 1955, were more open to outside users than the recent ones. Better than a golden age, there was an age of change in the creation, use and availability of records.

<sup>11</sup> *Ibid.*: 197.

<sup>12</sup> Forman: 44.

<sup>13</sup> *Ibid.*: 41–42.

improvement of historical knowledge in the important field of Business History, and the possibility of historical sources becoming available by archival programs in corporations.

### **Corporate Records as Historical Sources: The Example of Cargill Inc.**

As well as the historical method shall be the divisor of historical knowledge, guaranteeing a variety of products belonging to the major field of History studies, the disposition of records in Corporate Archives shall also be done under the archival methods induction. The concept itself implies methodology, because “careful selection is required if the records of business and industry are to be both management tool and historical resource.”<sup>14</sup> The Corporate Archives, as the organization responsible for maintaining a collection of historical materials of corporations, has a central position in the relationship with other companies’ offices and historical researches well. This external access is not a question of public relations, but an archives’ function. Like so,

The business archivist surveys and appraises his records, selecting some for preservation. He organizes the retained records to promote their use. He prepares finding aids to assist in the use of the records. All of this, ideally, is done in a spirit of impartiality, without political or personal bias. (...) He should have training in history, political science, and economics. He must have the ability to appraise the relative value of his records and be willing to take an occasional calculated risk. He must know the organization and operations of his corporation as well as the content of the records in his care. And, perhaps most important of all, he must be able to sell an abstract idea in a market place where abstract ideas and future intangible returns are seldom in demand. In addition to being a salesman, an archivist must also be a manager—a manager who can define the objectives of his organization and translate them into practical plans, and who can select competent staff members. Finally, he must be able to interpret his operation for a variety of observers ranging from corporate officers to the scholar who has obtained access to the records.<sup>15</sup>

These are not easy tasks, logically; for which are necessary to be prepared and well-trained. Favorable external factors such as financial and organizational support, joining together a well delineated collecting policy are indispensable to the success of the archives programs in corporations. Archival training is also necessary in arrangement and description. The principles of provenience and original order are basic to the first, whereas the users’ direct command of information is the second’s key. Bearing in mind that refinement of the filing order may be appropriate, it is possible to propose a prototype of retention schedule in which some records have been described as records of historical, scientific or cultural interest to different kind of research and whose destination is the permanent retention, actualizing a long-term preservation of these records: initially, the research in the field of Business History highlights six possible function due to the historical or informative value of the records that are produced over there—Publicizing, Operational, Communication, Human Resources, Assets and Patrimony, Financial and Budgetary (Appendix I). However, it is important to underline the fact that just a professional archivist is able to manage these resources.

Certainly, a meticulous exam of the repositories joined together with other studies necessary to formulate the archival knowledge about the corporation, including its organizational structure, one would find out a large variety of permanent retention records, which should be arranged to the Corporate Archives. If the choice must be just one amongst others, the dialog between historians and archivists could be useful. Obviously, including the helpfulness of History and other sciences

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<sup>14</sup> Julia Niebuhr Eulenberg, *The Public Historian* 6, No. 1 (Winter 1984): 21.

<sup>15</sup> Joseph W. Ernst, “The Business Archivist: Problems and Perspectives,” *The Business History Review* 44, No. 4 (Winter 1970): 540–541.

would be a prerogative to archival programs in corporations, because the methodical learning can provide criteria to value corporation's records.

The case study of Cargill Incorporated and the development of agriculture in Mexico and Brazil is an example of how the research in History can enhance the task of records valuation. Inside the field of Economic History, the research aims the understanding of agriculture changes: its origins, contexts, causes, instruments, paths and consequences. Specifically, it is a comparative perspective of time and space, which defines the object: "Brazil and Mexico—decades of 1960 and 1970." The comparisons are not just between these two countries, but also between two historical situations of agriculture activities (in the far past and in the more recent past): the colonial era founded the system of production that existed for more than three centuries; on the other side, in the contemporary era, radical transformations occurred with the advent of Industrial Revolution. Therefore, the research tries to demonstrate the passage from a pre-capitalist unity of production in agriculture to the capitalistic one.

In Brazil, it was common the "plantation system"—large land properties with slaves, monoculture (sugar cane, coffee, cocoa, cotton etc.) and production focused on exportation. In view of the slavery abolition, in 1888, there were other forms of labor exploitation, still rarely wage-earner. In Mexico, there was no "plantation system," but an adapted labor system which originated from the ancient past, in the pre-Colombian era. Mines had a very well-known, strong economic role, mainly with the silver extraction. At the Mexican hinterlands, there was the consolidation of agriculture units of production called *haciendas*, with large land properties, a labor system of *peonaje*, sorted cultures, focused on the internal market.

Within this past, in which it is possible to recognize several parallel features in Brazil and Mexico, it is also relevant to understand the persistence in both countries, of a predominant agrarian structure derived from the old colonial conditions, until the first decades of the 20th century. In this new context, those former ways of production were replaced by advanced, modern agriculture units of production. In other words, the capitalistic one, the agroindustry: not just large land properties, but the best ones; with amounts of capital inversions and mechanization; wage-earning labor; turned towards any market, multi and transnational capitals, aiming large profits etc. The Cargill Incorporated was chosen because it is a significant and relevant agroindustry model, based on many countries, but also, in Brazil and Mexico. Besides the interest in Cargill's history and, most particularly, in its distinctive features as examples of the transformations mentioned above, Cargill is a profitable case study about the characteristics of the entire capitalistic agriculture unit of production and the establishment of the current agribusiness.

The large amount of records produced by Cargill Incorporated along the centennial way, from the 19<sup>th</sup> century to this present, it is much more than corporation's property; it is archival heritage, with the whole characteristic richness that only archives are able to offer. On the other hand, the material available supports the work of the historian, who is directly responsible for the products of research. The strictness in the use of method is not just a point to the accuracy of historical knowledge, but a requirement to allow the dialogue with the records appraisal and their selection to the Corporate Archives.

## **Conclusion**

The long tradition involving the research in Business History demonstrates that this is not a depreciative field of knowledge, on the contrary; there is a very proactive attitude and a constructive perspective to turn the formulations produced about corporations into a learning process to the society. The proceedings to write Business History have already important and unquestionable

justifications. However, the reasons to write it differ from one author to another who is not necessarily a historian; this specific point has produced two effects in the use of businesses records as a research resource:

- a) The positive one is that the information becomes public, independently of the theory or point of view related through the work. Surpassed the boundaries of the 20th century, society needs more information to throw light on the making of our actual contemporary age. A huge part of this question, maybe the main one, concerns to the role of industry in the economic development. An industrial society like ours, which is spreading on the Earth since the 19th century, has generated a form of organization that occupies a central position in the system, bringing cultural, social, compartmental influences and much more: this organization is the large business, the national and multinational corporations. Everyone need to get information of how they work, and such consummation shall be provided through the records, which are ones of the best means to reflect the reality with some objectivity, so much necessary to gain a correct understanding.
- b) The negative effect is related to the fact that because the results of the analysis which have been done have not been ever favorable to the corporations points of view, most of these organizations are forbidding the access to external researchers and even scholars turned to academic studies. It is important to understand, as was commentated before, that the corporations are not the exclusive targets of research: they have performed an essential role in the economic development and in the contemporary capitalism. So, beyond the enterprises, there is a way of economic organization. This is the principal issue to be asked and, for this, the historian or another researcher needs to have some access to the corporate archives. Moreover, in such situations, neither a records management plan associated with a recordkeeping action is supported.

At last, a possible solution to this deadlock is the implementation of solid archival programs in corporations, which are capable to identify the availability of records to research. Just the archival theory that manages this process can provide important criteria to the understanding of corporation records as records of the human experience, entirely.

## Resources

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## Appendix I – Example of a group of long-term preservation records in Corporate Archives

Function	Record Type	Description	Retention	Historical Value
Publicizing	House Magazines	Published sporadically for the benefit of employers	Permanent	Company policies and employee benefits; photographs.
Publicizing	Official Bulletin	Published internally to staff and branch system	Permanent	Company policies and employee benefits; photographs.
Operational	Minutes of meetings	Short notes detailing the proceedings of a meeting	Permanent	Includes critical events, problems and their resolutions.
Operational	Annual Reports and Statements	Published as a general overview or main points	Permanent	Summarizes the outlines of the firm's history.
Communication	Executive Correspondence	Personal and eventual, among operators	Permanent	Includes critical events, problems and their resolutions.
Communication	Memoranda	Personal, in general for internal and eventual communication	Permanent	Includes critical events, problems and their resolutions.
Human Resources	Capacitating Plans / Courses	In general, related with equipment acquisition and business expansion	Permanent	Modernization, mechanization, technological improvement. Photographs.
Human Resources	Campaigns for Prevention of Accidents Health or Environment	Regular or eventual, according to legal obligations	Permanent	Points the business infrastructure and the affairs / tasks of the firm or social concerns. Photographs.
Human Resources	Programs for Childhood	Turned towards employers' children or low-income children	Permanent	Points the business infrastructure and the affairs / tasks of the firm or social concerns. Photographs.
Assets and Patrimony	Inventories	Formal regular account to registering and control of the former and updated firm's wealth	Permanent	Development of Estate, Technological Improvement, modernization.
Assets and Patrimony	Blue Prints, Building Projects	Process of infrastructure expansion	Permanent	Development of Estate, Technological Improvement, modernization.
Financial and Budgetary	Balance Sheets	Formal regular account to registering and control, regularly, the capital movement, in detail.	Permanent	Analysis of statistics data and time series, identifying real economic cycles.
Financial and Budgetary	Profit and Loss Statements	Formal regular account to registering and control, regularly, the capital movement, in detail.	Permanent	Analysis of statistics data and time series, identifying real economic cycles.
Financial and Budgetary	Budgetary Plan, Spending Plan	Formal regular account to project, regularly, the future capital movement, in detail.	Permanent	Analysis of statistics data to do linear regressions, verifying economic projections.

(Adapted from) Information extracted of the specialized literature reported in references and others.