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Prog Hum Geogr 2010 34: 419 originally published online 26 August 2009
DOI: 10.1177/0309132509342367

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The world was never flat: early global encounters and the messiness of empire†

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Abstract: Thomas Friedman’s 2005 book The world is flat was meant as a wake-up call to those in the United States who direct its corporate boardrooms and govern its political/economic state, a warning that globalization has brought about a level economic ‘playing field’ in which the United States might be losing the game. As rhetoric, the title certainly works well to raise fears about North America’s future economic role. It also works in concretizing a popular view of globalization, a view that obscures its uneven, discordant, and decidedly unflat processes and practices. In this paper I help deconstruct this view by fleshing out the everyday ways through which United States expanded economically in its early (1890–1927) global empire. Based on archival work in Argentina, Russia, Scotland, and the United States, I provide a historical look at encounters between North American business men and women and their foreign customers, students, and workers. Focusing on the diverse practices and personal encounters that were critical to the early global efforts of select United States-based corporations, I expose the uneven, contested, and messy ways in which economic expansion works. By analyzing early global encounters when the economic dominance of the United States was just becoming apparent, I am able to highlight the sheer complexity and truly relational nature of United States’ expansion in the early twentieth century.

Key words: corporations, empire, globalization, United States.

I Introduction

Of the many criticisms that have been leveled against Thomas Friedman’s The world is flat, the least pressing has been his choice of cover image (see Figure 1). Yet an image depicting what presumably many Europeans up through the sixteenth century believed would happen if they traveled beyond the borders of a literal flat earth – they would fall off – does seem a rather odd choice for a book about an increasingly interconnected world. But other, less literal, interpretations of this image suggest how it works to relay Friedman’s arguments. First, much of the rhetorical force of The world is flat is derived from comparing the processes and technologies responsible for shaping the new, twenty-first-century ‘flat earth’ (wireless communication technologies, etc) with technologies of the past, those that shaped an imagined ‘round earth’. Friedman is presenting, in other words, not only a spatial
image of globalization – as a flattening or smoothing-out process – but also a historical image. And, the imagined geography of a round earth is one that, as Denis Cosgrove (2003) has reminded us, assumes a distant vantage point, of someone above and beyond the rest of us looking down; an image in other words that implies hierarchies, domination, surveillance. The cover image presents a very different perspective, a horizontal view of the earth, and this imagined horizontality – a world without vertical hierarchies – is precisely what Friedman believes will be the outcome of twenty-first-century globalizing forces. Second, the image reflects Friedman’s other message, a wake-up call to those in the United States who direct its corporate board-rooms and govern its political/economic state, a warning that because globalization of the twenty-first century has brought about more even economic circumstances the United States is losing its economic advantages and risks losing the game; the United States might, in other words, as the image suggests, be falling off the earth. In fact, the humorous title of this image, by the artist Ed Miracle, is ‘I told you so’.²

I am introducing this paper with an analysis of the cover image not because it is crucial to Friedman’s arguments, but for
two other reasons. First, it serves to point to the power of visual and verbal images in explaining complex ideas like globalization. Friedman’s arguments in his book and on his cover reflect a very powerful and prevalent view of globalization, a view that is similar to and derived from other grand narratives like those of civilization, progress, and development, all historical narratives that are presented as inevitable and unilinear. As scholars have shown, the effects of providing such a stable and linear history and geography of globalization, of fixing it with this pervasive image, are to close the possibilities of questioning its outcomes (Low and Barnett, 2000; Nagar et al., 2002; Sparke, 2004; 2008; Tsing, 2005; Prestholdt, 2008). Of the many myths of globalization that circulate widely today, perhaps the most pernicious is that of its inevitability – as if it has its own internal logic and power to move that is beyond any individual control. This takes away agency from those who wish to counter it, as many people have shown (Glassman, 2001; Tsing, 2005; Gibson-Graham, 2006), but it also denies agency from those who are bound up with it. By engaging with some of the historical complexities that are constitutive of globalization, I hope in this paper to destabilize and problematize the image of the inevitability and unilinearity of today’s ‘flat earth’.

Second, this image focuses our attention on a key element of global discourse, that of travel and encounters across distance, albeit in the very old-fashioned form of clipper ships. For much of the timeframe I will focus on here – the early twentieth century – shipping indeed was the fastest form of transportation; business executives needing to consult with their overseas local managers would set out from New York, for example, aboard ship, with at least a week of travel required to reach their destinations. Even then, they had to contend with the myriad and complex encounters with people who most likely did not speak their language, who came from different cultural backgrounds, and who conducted business in different ways. All of the vicissitudes involved in this travel and in the encounters that resulted – in Anna Tsing’s (2005) words, the friction of motion – is what I will be focusing on in this paper. Rarely did that friction lead to disaster, as we saw in Friedman’s cover image, but it did often get in the way of the ‘smooth operation of global power’ (Tsing, 2005: 6).

This paper then is based on a larger project where I am trying to document and understand economic global encounters between US-based international companies and ‘foreign’ consumers, workers, and students in the first decades of the twentieth century. My primary conceptual goals in doing so are twofold: (1) to bring scholarly attention – particularly among geographers – to a period and to places where the machinery of US-based global dominance was just being assembled and put into motion. In other words, I am calling for an engaged and critical historical geography of United States’ economic expansion. With few exceptions (Smith, 2004), American historical geography has yet to tackle this important work, leaving it to economic and business historians who for the most part ignore the contingencies and complexities of place and space; and (2) to mark an ontological shift in our interrogations of globalization that allows for it to be understood as an ongoing and ever-changing set of material practices, so that what we call globalization can be seen as always being made and unmade (Thrift, 2000; Latham and McCormack, 2004; Anderson and Tolia-Kelly, 2004; Law, 2004; Katz, 2004; Jacobs, 2006; Whatmore, 2006). For the most part, geographers who have taken critical looks at globalization have done so either through studies of contemporary patterns and processes of market expansion (Yeung, 2000; Dicken et al., 2001; Hess, 2004; Coe, 2004; Peck, 2005; Wrigley et al., 2005; Dicken, 2007), or critical geopolitical analyses of shifting power relationships between and
Within political states (Sparke, 2004; 2008; Gregory, 2004; Smith, 2005b; Dalby, 2007). To paraphrase David Harvey (2003), geographers have examined in general the dynamic relationship between the ‘logic of capitalism’ and the ‘logic of territory’. I argue for an approach that looks at the material and discursive practices that comprised these overall ‘logics’, that shifts attention to the actual cultural encounters between different groups of people, and that focuses on the times and places where these logics were still remote and embryonic. This is an approach that is political, economic, and cultural/historical all at the same time, and that attends to the everyday practices that make and unmake American hegemony. It also allows us to see the uneven, always contingent, and even at times illogical nature of the production of American global power, power that is often obscured in the imagined geography of a ‘flat earth’ (Sparke, 2003; Smith, 2005a), or a ‘logic of territory’.

To begin to grapple with the nature of this uneven power, I have been conducting archival research for the past five years, trying to uncover, piece together, interpret, and interrogate the practices of some of the largest United States-based international companies in Scotland, Russia, and Argentina. The companies that I am focusing on in this large project include the National City Bank of New York, International Harvester, Singer Manufacturing Company, New York Life Insurance Company, and Eastman Kodak, companies chosen because of their relative importance to American international economic expansion in the last decades of the nineteenth century and the first three decades of the twentieth century, and because of the availability of archival materials pertaining to these companies’ material practices. Though drawing my conceptual framework from this larger study, I focus in this paper on empirical material based on three companies – the National City Bank of New York, Singer Manufacturing Company, and International Harvester – and on diverse archival sources located in Glasgow, Buenos Aires, and Moscow, and closer to home in Washington, DC, at the National Archives and Madison, Wisconsin, at the Wisconsin Historical Society, the library that holds the collections of Singer and International Harvester. The narratives that form the empirical heart of this paper were chosen from this work to exemplify the particular ways in which the spatial expansion of American commerce – the beginning of its global hegemony – was a messy and contingent set of processes and practices, highlighting, in Matthew Sparke’s words, the ‘non-infinite, non-inexorable, non-inevitable and profoundly uneven patterns of global hegemony’ (Sparke, 2003: 386).

To accomplish this, I have organized this paper around three practices of modern capitalism that US-based international companies sought to expand in their global operations: (1) controlling workers; (2) creating new consumers; and (3) keeping money moving. Each of these practices forms the core of a set of interrelated empirical stories of encounters between US-based companies and local workers, consumers, or students. Through each of the empirical examples that follow, I highlight how the expansion of American ways of doing business as interpreted through these three practices of modern capitalism was an incredibly complicated and messy affair, with some successes and many failures; that the encounters that constituted this expansion were contingent on time and place; and that the outcomes of these encounters were unpredictable and often unintended. I conclude by showing how this inherent messiness of early global expansion intervenes in and at times disrupts three dominant sets of ideas associated with globalization:

(1) the global expansion of capitalism requires and produces the disciplining of workers and consumers;
the global expansion of capitalism requires and creates a seamless flow of money and information;

(3) corporations’ profits go hand-in-hand with the ‘development’ of regions.

By so doing, I hope to contribute to scholarship that questions the inevitability and unilinearity of globalizing processes, past and present.

II Controlling workers

In late March 1911, the employees of the Singer Manufacturing Company’s enormous plant in Clydebank, Scotland, just outside Glasgow, went out on strike.7 The strike began when 12 women who worked as cabinet polishers walked out of their jobs to protest about their increased workload and the two shillings per week wage decrease (Glasgow Labour History Workshop, 1996: 193). The majority of the other 11,000 workers joined them in the strike, effectively shutting down Singer’s largest factory, the one that produced almost all of the machines for the company’s foreign sales. As early as 1879, the company was selling more of its machines overseas than in the United States, and by 1906 approximately two-thirds of its production was for sales outside the country (Davies, 1976). By the time of the strike, the Clydebank plant that had opened in 1885 was producing over 900,000 machines a year (Dorman, no date).

This strike is significant for many reasons: it was the largest single company strike in Scotland during the years of great ‘labour unrest’ (Glasgow Labour History Workshop, 1996: 193); it shows the influence of the Industrial Workers of Great Britain and the Socialist Labour Party in promoting industrial labor solidarity; it highlights the significance of women in the labor history of Scotland; and, most interestingly for my purposes here, it represents, in the words of the Glasgow Labour History Workshop (1996: 193), ‘the first explicit confrontation between capital and labour resulting from attempts to graft American-inspired “scientific management” practices onto the more indigenous working practices in Scotland’. What I want to highlight here are not only the difficulties Singer faced in trying to impose its Taylorist labor practices on the Scottish population, but also how this particular historical encounter shaped Singer’s labor management policies for decades after. By so doing, I hope to disrupt our general understanding of the disciplining practices and spaces8 of early globalization: yes, new forms of controlling workers were introduced and resistance was evident, but the resultant encounters altered the practices of both Singer and labor activists in the area. In other words, even though the results of this particular global encounter – this strike – did not stop Singer’s global expansion efforts, it shaped those efforts in significant ways and led to consequences for labor activism and for Singer that could never have been predicted.

At its core, the 1911 strike was precipitated by the attempts of Singer executives to adopt Taylorist scientific management principles to factory work, thereby increasing efficiency and reducing labor costs. In the years preceding the strike, Singer had begun to reorganize its labor processes by dividing the factory work into 41 distinct departments, breaking up jobs into smaller repetitive tasks, and using machines to set the work pace (Glasgow Labour History Workshop, 1996; Davies, 1976). The socialist newspaper Forward (1 April 1911, quoted in Glasgow Labour History Workshop, 1996) summarized the situation: ‘In many of these departments foremen stand with watches in their hands timing the men and girls so that the maximum amount of labour can be exacted from the operatives in return for the minimum wage.’ In addition, the company also set piecework rates by what the fastest and most experienced workers could produce, thus creating a situation where workers were always racing just to keep their minimum wage (Glasgow Labour History Workshop, 1996). Bill Lang, a Singer employee who was...
interviewed in 1988, recounted a story of the ‘presence of American “efficiency engineers” sent over to examine the way work was performed and to make economies, thus placing pressure on wages and forcing on the pace of work’ (Glasgow Labour History Workshop, 1996: 196).

Given this level of discontent, and given the fairly successful scale of labor organizing at the plant, one can understand how the March 1911 strike that began in the polishing department spread quickly. During the first day, several thousand workers walked out in sympathy, and on the second day the majority of the 11,000 workers joined them. The strike continued for weeks, with Singer management refusing to speak to the strike committee, to participate, that is, in collective bargaining, staying committed to what the Glasgow Herald (4 April 1911, quoted in Glasgow Labour History Workshop, 1996) called the ‘American Way’, which meant that the company would negotiate only with those who had brought the initial complaint. The company closed the plant, and finally broke the strike by sending out postcards to all its workers, having them vote on whether or not they would return to work if over a half of the other workers agreed to. Work resumed on 10 April. Singer Sewing Machine Company had won – yes, but the friction of the strike shaped the company’s directions in several ways.

Since Clydebank was Singer’s largest factory, this strike made clear to management the disastrous results of shutting down production. Despite repeated support for Franklin Park, the factory’s general manager who refused to negotiate with the strikers, company executives in New York were extremely concerned about the situation. Even while planning to increase production at their Elizabeth, New Jersey, factory to help compensate for the decline in production at Clydebank, they were aware that this was barely a stop-gap measure, and that if the strike went on much longer it would have significant impacts on sales and profits (Alexander, 1911; Davies, 1976). Singer’s President Douglas Alexander and other top executives were also concerned that the strike could have spread to their other factories, aware for the first time that labor organizing, like the company itself, was international in scale (Renouf, 1911; Park, 1911c; 1911d). In addition, they took very seriously the threatened boycott of Singer products that was called for by the socialist newspaper Forward after all of the union activists had been fired, realizing that a positive public perception of the company relied not only on good products, but also on what consumers perceived of as good labor relations (Park, 1911a; 1911b; 1911c; Davies, 1976).

As a result, the company set off on a sustained campaign not necessarily to change their labor policies per se, but to fashion a more benign ‘labor management strategy’ (Castree et al., 2004). In essence, they sought to reinforce the company’s paternalism and create a benevolent image of Singer, one that would align the interests of the workers with that of the company by portraying all of them as participants in a large, paternal family. They did so primarily by investing in educational and recreational activities for workers. For example, Singer organized hundreds of sporting and social events each year, built fieldhouses and clubhouses for the use of their workers, supported local organizations, held yearly balls for the awarding of sports and other prizes, and, in effect, turned parts of Clydebank into a company town (The Red S Review, 1921a; 1922).

These practices might seem trivial on the surface, but, judging success by the lack of a major labor disturbance for the next 30 years, they were clearly effective at cementing the image of Singer as a benign and paternal company, and as a company that was ‘at home’ in Scotland. The Singer Pipe Band, formed in 1914, played throughout the country, and was one of several effective symbols that naturalized the place of Singer within the town and the nation (The Red S Review, 1921b). No longer an ‘American’
company, Singer had become a fully Scottish one. And, although these new labor strategies did improve the lives of many of its workers somewhat, the Glasgow Labour History Workshop (1996: 208) is assuredly correct when it calls these tactics ‘not … an expression of altruistic benevolence but rather … an alternative method of exerting social control over the workforce’. The company found these practices so successful that it used them in its other factories, particularly in its Elizabeth, New Jersey, plant and its factory in Wittenberge, Germany.

The 1911 strike also had profound effects on union and labor organizing in Scotland. Singer fired approximately 500 workers after the strike, including of course those most active in union activity (Davies, 1976; Glasgow Labour History Workshop, 1996). This had the immediate effect of curtailing labor activities at Singer and elsewhere, but in the long run many of these activists took on positions as shop stewards and organizers throughout the Clyde area, particularly in the vast shipyards. They brought with them what they had learned at Singer – the more radical techniques of calling for direct action such as strikes, and for organizing workers into collectives instead of by craft, thus allowing for sympathy strikes. Glasgow Labour History Workshop (1996) also suggests that the Singer strike was a critical factor in shaping the wartime and postwar labor activities in the area. By firing these radicalized employees, Singer ‘cast forth a raft of committed and hardened activists who generalized their ideas and experiences of the organization of militant rank-and-file trade unionism far and wide within the metal working factories of Clydeside’ (Glasgow Labour History Workshop, 1996: 211).

The strike was, in other words, a key element in the creation of what today is referred to as ‘Red Clydeside’. Even though Singer managed to keep unions out of its factory, the atmosphere of labor activism in which it was embedded kept the company constantly aware of labor issues and involved in an ongoing series of informal and formal negotiations with workers and unions. Singer’s attempts at creating modern, efficient workers through expanding its Taylor-ist inspired labor practices to its large Clydebank factory was successful in the short run (workers returned after the strike under conditions dictated by Singer executives in New York City), but its long-term consequences were far from what Singer had in mind: more radicalized local labor, an expensive infrastructure of workers’ benefits (sporting events, classes, etc), and an ongoing anxiety among executives concerning international labor actions and potential consumer boycotts.

III Developing new consumers

The early global expansion of American-made products was based primarily on international sales of domestic machinery – sewing machines and farm equipment – fairly new products that required the creation of new consumers (Domosh, 2006). Much of that creation relied on teaching potential consumers how to use and then repair these technologies. The narratives I discuss here point not necessarily to the successes or failures of these disciplining practices, but to their uneven, recurring, and costly nature. In this way, I hope to disrupt the development narratives told by American companies and later the American government, ie, that the introduction of technologies to new places helps business at the same time that it brings ‘development’ (Rist, 1997; Mitchell, 2002; Chio, 2008). In other words, in the following discussions of International Harvester’s and Singer’s attempts to teach people how to use, maintain, and/or repair their machinery, I highlight how one of the key elements of American commercial dominance – its technological expertise (Adas, 2006) – did not always, or all at once, lead to more sales or more profits for the companies.

I start with an account by an employee of International Harvester (IH) in Siberia in the first decade of the twentieth century. IH
had been active in Russia from the early years of the twentieth century, and with sales increasing rapidly the company had opened a factory just outside of Moscow (Carstensen, 1984). Siberia presented IH with a huge marketing opportunity, and the company established hundreds of branch offices and warehouses to supply the population. They also sent out salesmen and ‘experts’ as they were called to show the local population how to use and repair the machines. One such man, Mr F.B. Stork, wrote of his work in Siberia in a memo to his boss, relating all of the trials and tribulations of traveling in Siberia and of trying to sell to people who have no technical or cultural experience with such machinery. It was extremely difficult work, partly because ‘local’ people did not particularly welcome them or treat them well. The spread of American technical know-how was, in other words, sometimes met with outright resistance, or with other tactics that switched power positions.

Stork relates a story of a visit to one farmer in the countryside whose machine was out of order. Given travel conditions (this is 1904), Stork arrived by local transit knowing he would need to spend the night. According to Stork, ‘he [the farmer] agreed to bring me back the following morning’ (Stork, 1913: 2–3). However, after the work was completed, instead of taking Stork back to town, the farmer:

made me understand that not far away there was another machine out of order ... On arriving at the village, I found that the machine was a competitor’s machine, so I refused to put same in order, but that did not go. They finally made me understand that when I had put the machine in order then I would get something to eat and be taken back to town. After refusing all day, I finally saw that was not to be the end. They transferred me to another farmer and he took me to the third village. There I repaired two competitors’ machines and one of ours. The fourth machine was the means of my returning to town. On this machine there were parts broken and it was necessary to go to town to get them, so the farmer to be sure that he got the right parts, took me to town with him, so in this way on the fourth day, I again reached town. (Stork, 1913: 2–3)

With such treatment, no wonder that IH began to establish schools to train Russians how to be experts themselves, and Stork was put in charge of one of these:

in 1906 I was put in charge of a school for drilling Russian experts. That year there were working with me, six other American experts. We had in our hands in all, 175 men and out of this lot of men, we finally kept thirty for harvest work. (Stork 1913: 3–4)

The goal of all of this technical training was of course to produce new consumers, thereby keeping sales of machinery brisk, but also, in Stork’s words (1913: 7), to ‘develop Siberia’. He ended his memo to the Chicago office with:

Before the time of the International Harvester Corporation the farmers only sowed enough grain for their own use. To-day Siberia exports grain ... so it truly can be said that the International Harvester Corporation are the builders of Siberia. Only by their large capital and resources could they have accomplished in Siberia what they have. (Stork, 1913: 7)

The analogy to today’s development work is of more than passing interest: both IH then and development agencies today are involved in training people to use new technologies, thus theoretically improving their lives and along the way helping to sell American products, and both have been met with varying degrees of success or failure, depending of course on how one measures such things.

What exactly happened to this cohort of trained technicians, to these early development workers, is difficult to tell. Ten years later, of course, the Russian revolution put a very different spin on the term ‘development’, and many employees of US companies were forced to leave Russia. But this did not necessarily lead to the end of attempts
by American companies to ‘spread’ their technology to the Soviet Union; several companies like International Harvester attempted to maintain economic ties throughout the early twentieth century and into the cold war. In 1930 Jacob Reimer, a Russian-born American citizen and employee of International Harvester, set sail, along with 16 other International Harvester employees, for London, on his way to Western Siberia (Reimer, 1976). Sponsored partly by the Soviet government and partly by IH, Reimer spent one year on a collective farm near where he grew up and where his father had worked for IH; he was in charge of repairing farm machinery and training farmers to repair and use the equipment.

If we believe Reimer’s report (Clawson, 1976: 209), then almost all of the previous training had been for naught, since he had to start from scratch in training people how to use and repair farm machinery. Here is how he describes the machine shop located at the collective farm: ‘it was already crowded to capacity with routine work and short of men, only a few being skilled, and the rest just learning. The cast iron was very low quality, and the poor workmanship that the machine shop added to it brought the normal scrap figure up to 50 or 60 percent’ (Clawson, 1976). ‘Development’ of technical know-how had started all over again, prompted by the recent thaw in trade relations between the two countries. But these encounters came to an abrupt end within a year or two, as political/economic relationships again became more difficult. Yet, for some, hopes for US–Soviet trade were irrepressible. For example, Reimer’s story was found and published in the Business History Review in 1976, yet another time of renewed trade relationships, and filled again with ever-optimistic discourse of using US technical skills to develop the world. Robert Clawson, the editor, writes:

Now, once again American technicians are packing their bags and heading for duty in the Soviet Union to encounter, without doubt, similar problems and pitfalls. Wishing them the best of luck one can only add the hope that they display as much flexibility, resourcefulness, and good sense as did Jacob Reimer, over forty years ago. (Clawson, 1976: 203)

Similar ‘development’ work was being done by Singer Sewing Machine company, who established throughout much of their ‘empire’ sewing instruction schools that trained women to use different types of sewing machines, thus increasing sales for them. Starting in 1915, for example, Singer offered 25 free sewing lessons to every woman in Argentina who purchased a machine (Buenos Aires Herald, 1923). By 1923, the company had established 210 schools throughout most of the country, and was providing approximately 10,000 students with free lessons, lessons that would allow Argentine women to ‘earn their living’ (Buenos Aires Herald, 1923). A description of the final examinations given in 1923, printed in the Singer Company newsletter, The Red S Review, provides a glimpse into the disciplining process that Singer established there:

The examinations were conducted with the customary strict discipline; all of the girls brought the white over-dresses they use in the daily classes; they commenced work at 8am, stopped at noon sharp, returned at 2pm and continued until 6. Each machine had a number as had each pupil; all of the examining board – which was made up from among our own teachers – was in ignorance of which pupil’s work was being considered. (The Red S Review, 1924: 6)

These exams were the result of different types of training facilities throughout the country run by Singer employees, all using, as the company newsletter wrote, ‘progressive, scientific instruction’ (The Red S Review, 1924: 7). Much work went into creating this ‘progress’, work that Singer is proud to mention in its newsletter. After summarizing why it was difficult to boost sales through sewing schools – the article made sure to mention the nature of Argentine women...
who ‘do not take kindly to innovations nor to collective discipline’ – the company admits that many of their sales problems were self-made: ‘the paramount difficulty was our own appalling ignorance, and the errors we made were legion. We had no text books, we had no methods, we had no trained teachers’ (p. 7). The article concludes by stating how, after an eight-year investment in the Singer schools throughout Argentina, the company now believes it will be able to recoup some of the costs: ‘our outlay for schools and academies is decreasing and we hope to have them self-supporting before many years have passed’ (p. 8).

Thus training people to use new technology in order to create new consumers – a key element of early as well as contemporary globalization – was neither a linear nor an inevitable process. Some farmers in Siberia took advantage of IH ‘experts’, using them to repair all manner of machines, and IH’s attempts at developing Siberia as a market were aborted in 1917, retried in 1930 under a different guise altogether, and at least imagined in 1976. Singer apparently fumbled around for a decade trying to find a system that would get Argentine women to buy more of their machines, eventually establishing a costly educational organization that proved beneficial to many women, but lacked any significant economic benefit for the company.

IV Keeping money moving
As the 11 September 2001 attacks on the World Trade Towers in New York City have made perfectly clear, it is often the global power of banking and financial institutions that form the mainspring of anti-American feelings. Popular protests aligned under the banner of anti-globalization most often target symbols of global capital control like the World Bank or IMF. This is certainly nothing new. In 1927 two American banks in Buenos Aires were targeted as symbols of the United States. A bomb exploded in the National City Bank of New York, killing one and injuring many; a bomb that did not explode was found in the building of the First National Bank of Boston, a building that also housed, coincidentally or not, the offices of the United States consulate (Caras y Caretas, 1927; La Nacion, 1927; Wiltshire, 1927). The bomb attacks were part of a large international protest against the arrest and execution of Ferdinando Nicola Sacco and Bartolomeo Vanzetti, a transnational movement that took many forms, including the 1920 bombing of Wall Street (McGirr, 2007; Davis, 2007). In Argentina, the Italian-born anarchist Severino Di Giovanni spearheaded a series of violent attacks on symbols of the United States, including these two prominent banks that symbolized American financial power (Bayer, 1998). These forms of violent encounters often parallel other, more subtle, financial relationships between American businessmen and foreign customers.

Many key aspects of a United States-style credit system, with its disciplining functions built in, were spread outside the United States not by banks but by industrial companies who used installment payment plans to increase their sales (Gordon, 2006). I relate here one story of introducing such a credit system to Russia, highlighting its unintended effects. I do so in order to disrupt another set of dominant ideas about globalization, this one in relation to the purported seamless way that money and its surrogate – credit – move through space.

In June 1915, 500 branch offices of Kompaniya Singer, a wholly owned subsidiary of Singer Manufacturing Company operating in Russia, were searched in midnight raids by the Russian army (Lohr, 2003). Rumors that the Company was German-owned and its employees involved in spying had been sparked by intercepted letters of dubious origin, and had spread through the military intelligence. What they found at those offices only confirmed their suspicions: shops that held files containing detailed information about local residents’ ages, incomes, and employment histories, as well
as general economic and demographic data, including such things as, in agricultural areas, predictions of the next harvest, and military records outlining who had been called up and when (Lohr, 2003). This seemingly secretive information could no doubt be considered proof that Singer employees were spies for the enemy. With such evidence the military and government became emboldened; other midnight raids occurred, and within two months over 700 stores were forcibly closed and the company’s assets and accounts were frozen (Lohr, 2003).

The truth of the matter soon came out. An unofficial investigation of the situation, headed by a highly prominent and respected public figure – Prince L’vov – and supported by the US government through its ambassador in Russia, was published in August. The report stated in unequivocal terms that the company was a wholly owned subsidiary of the American company, and that of its 30,328 employees in Russia only 131 had been found to be German citizens, and these had been fired or had left the company (Lohr, 2003: 80). In addition, the report stated that Singer was working for the Russian government holding 82 defense contracts from the military.

Despite this very public document, the campaign against Singer continued throughout the Fall and into 1916, with many of Singer’s employees jailed, and its whole operation ‘surveyed’ by 11 government inspectors. At Kompaniya’s Singer’s annual meeting in its Moscow headquarters, the directors wrote: ‘The misfortunes which fell to the lot of the Company in the year 1915, continued in 1916 and in part the persecution of The Singer Company and its employees also continued’ (Kompaniya Singer, 1917). Singer estimated that combined losses for 1915 and 1916 amounted to 16 million roubles, approximately 8 million dollars (Singer Company, 1916; Kompaniya Singer, 1917), more than the company held in reserve. Calling this a ‘pogrom’, historian Eric Lohr (2003) argues this military and populist crusade against Singer was part of a nationalist campaign in wartime Russia that fed on and reshaped an ongoing xenophobia.

Although xenophobia may have fueled the raids, I suggest that Singer was singled out among the many foreign companies operating in Russia in part because of its financial hold on many of the country’s citizens. The reason Singer offices collected and maintained detailed records of local economic conditions and individuals’ economic standing was because almost all of the machines it sold were to families on credit, paid through a regularized allotment system (Davies, 1976; Carstensen, 1984). This meant that families purchased the machines with a very small down payment, and then paid weekly or monthly installments to the company. Singer managers, therefore, maintained detailed records – credit reports, in essence – concerning potential customers, and payment records that documented collections. It is estimated that at the time, in 1915, almost 20% of all households in Russia owned a Singer machine; one in five families, in other words, was indebted to the Kompaniya Singer company (Godley, 2006: 278). It is not difficult to understand therefore why the rumors about the company’s German ownership and the purported spying of its employees spread so rapidly and with such devastating results. With their stores and offices closed, the company had no ability to access their account sheets and credit records; even the offices that remained open had difficulty collecting money from customers who now had ‘official’ justification for not paying their debts. The company was finally able to regain control over its shops and its debt collections only in late 1916 and early 1917 (Kompaniya Singer, 1917), just barely before the Russian revolutions, but it never regained control over its image. During those revolutions, the anti-Singer feelings among much of the Russian population were refueled, and Singer’s shops and offices were attacked and looted – this time not by military authorities, but by
local populations. These populist uprisings throughout the Russian and then Soviet empire – from Moscow to Vladivostok – led to the destruction or confiscation of most of Singer’s vast investments in the country, including thousands of offices and retail shops, and millions of dollars of machines, equipment, stock, and government bonds. The company estimated later that total losses in Russia exceeded 84 million dollars, including over 30 million dollars that Russian citizens owed to the company for their machines (‘Application for the support of claims’, 1920; Davies, 1976: 330).

In effect, Singer’s practices that were disciplining the Russian population through the normalization of weekly or monthly payments mirrored what was happening at a different scale with US and European banks. European and American banks had lent large sums of money to the Russian government, with the primary goal of keeping Russia in the war (Filene, 1967; Malle, 1985; Lohr, 2003). Believing that holding 5 million dollars worth of Russian government bonds would provide a good deal of safety, the National City Bank of New York continued to see no danger throughout 1917, thinking that the government would never ‘repudiate their debts’ (Cleveland and Huertes, 1985: 101). When the new Bolshevik government nationalized the banking industry in December of that year, NCBNY lost in one fell swoop 10 million dollars, approximately 13% of its total capital (Cleveland and Huertes, 1985). This introduction to what the bank called ‘sovereign risk’ (Cleveland and Huertes, 1985: 107) led to the resignation of the executive manager for international banking, and eventually the company president.

During the postwar economic boom, this sovereign risk created not so much a more conservative expansion policy, but one that was directed at countries within the purported sphere of American influence, particularly South America and the Caribbean (O’Malley, 1920; Austin, 1920). In 1919 alone, 22 new branches of the bank were opened in Cuba, primarily in support of sugar interests (Austin, 1920). The ensuing story of boom and bust in the global sugar trade led again to a serious economic crisis for the bank, one that reshaped the management of the bank’s expansion overseas for the next 30 years. By the time the bomb exploded in National City Bank’s office in Buenos Aires in 1927, the company had become a well-known symbol of American financial power in South America. It was one of many incidents that formed the trajectory of the bank’s global expansion efforts.

V Conclusion

Ending my analysis of early global encounters with this story of the global expansion of National City Bank of New York – now Citibank – makes it easy to show the connections between then and now. What will be the results from today’s global financial crisis and the dire economic circumstances surrounding Citibank are unclear. Citigroup is one of the largest financial companies in the world but, as I have shown, it did not get that way through a unilinear or smooth process. Its historical trajectory, like all the companies I discussed here, was comprised of innumerable starts and stops, of economic gains and huge losses, of many encounters with different places and peoples who clashed with them and were disciplined by them and made money from them and ignored them and worked with them. Each of these encounters was contingent on time and place and culture. Each of these encounters shaped the companies in particular ways. As I have tried to demonstrate here, these encounters are part of the friction that shapes the direction and the form of capitalism as it moves through space.

The challenges of finding and critically interpreting archival information about everyday encounters and material and discursive practices of United States’ businesses as they operated outside the country in the first decades of the twentieth century...
were immense, to say the least. The diverse array of documents I examined did not form something as cohesive as a ‘corporate’ archive, analogous to the ‘colonial’ archive, but many of those documents were examples of the colonial archival penchant for collecting, enumerating, and categorizing ‘foreign’ peoples and cultures, a penchant that can and has been unwittingly reiterated in scholarly accounts of globalization. But, as Ann Stoler and others (Duncan, 1999; Stoler, 2008) have suggested, we can read these collections of documents for the uncertainties and anxieties that are manifest in particular moments, thus revealing the messiness both of the archive and of early global encounters. The encounters I have traced here represent several of those moments. Some are writ large – strikes, protests, bombings, revolutions – while others speak to the everyday and smaller encounters of people living on a daily basis with and through US-based global companies: women training to become seamstresses to earn a living, factory workers choosing collective action to gain labor rights, farmers manipulating mechanics in order to get their farm machines repaired, and small entrepreneurs borrowing money to enlarge their businesses. These encounters – and many others not discussed here and/or yet to be discovered – constituted and shaped US-based global expansion. If we accept John Agnew’s (2005) arguments about the origins of American hegemony – the economic, cultural and political dominance that has today morphed into neoliberal globalism – then it was in this period and in these places that that hegemony was being formed.

The lessons from this period have yet to be fully unpacked and analyzed, by myself and others. What I have learned so far is that the ‘logic of capitalism’ and the ‘logic of territory’ were comprised of many and diverse small disruptions and illogics that were contingent, multidirectional, and messy. As I have highlighted throughout this paper, uncovering this ‘messiness’ – this making and unmaking of globalization at a critical time in American history – is important, not only for those seeking ways to resist globalization, but also for those trying to understand how certain of its practices produced ‘truths’ (seamless flows of money and information, disciplining of workers and consumers, ‘development’ working hand-in-hand with profit) while other practices were forgotten (banks seized by governments, technical expertise subverted, labor activism shaping management practices, technical development too costly, etc). We are only now hearing about, for example, the dodgy history of Citigroup (Fox, 2009), and in the seemingly comprehensive list documenting the history of Citi’s offices outside the United States that appears on its website Cuba is strangely missing. Citigroup’s corporate history does not even mention the Buenos Aires bombing (Cleveland and Huertes, 1985). This is not unexpected, of course, but we (critical scholars) too have overlooked these matters.

If today’s financial crisis has taught us anything, it is that even the best economic advisors of the largest global companies never really know what is lying just ahead of them, beyond the next curve. As we have seen from these case studies, the course of globalization is always uncertain and is being re-recreated all the time, especially now. Understanding the everyday encounters and practices that comprise its historical geography might provide some directions.

Acknowledgements
I am indebted to the editors of Progress in Human Geography who paid me the great honor of inviting me to deliver a talk at the Association of American Geographers conference in Las Vegas, 2009, and to the members of the audience who provided important feedback and critical suggestions. Almost all of the members of the geography department at Dartmouth College heard one or another version of this paper and were kind enough to encourage me along with helpful questions, insightful comments, and
humorous anecdotes. Rod Neumann provided invaluable feedback on this manuscript at a point when I could no longer ‘see’ it. I could not have conducted this work without the help of my terrific research assistants, Mónica Farias (in Buenos Aires) and Elena Trufanova (in Moscow). The research for this article was supported by the National Science Foundation, grant number 0647818. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author and do not necessarily reflect the views of the National Science Foundation. I also received funding from the Dickey Center for International Understanding at Dartmouth College.

Notes
1. Friedman’s work has been reviewed widely in the popular and scholarly press. In geography, see Sparke (2003).
2. Miracle’s online website provides a very interesting context in which to view this image: http://www.miraclesart.com (last accessed 15 July 2009).
4. For a similar argument, see O’Neill (2003).
5. Here I am drawing on the rich body of postcolonial literature that has clearly demonstrated how the intimate, tactile, and everyday cultural encounters of empire are as crucial to its operations as are government decrees and economic transactions. For two superb edited collections, see Stoler (2006) and Ballantyne and Burton (2005).
6. These countries were chosen because of their significance to the early expansion of American commerce, and because of their differing geopolitical situation vis–à-vis the United States at the turn of the nineteenth century. I chose Russia since it was the largest national market for United States-produced commodities before 1917, Scotland because it was the site of the largest factory owned by an American corporation located outside the United States, and Argentina since it was the most significant market and resource base for United States’ companies in South America, the region where the United States hoped to exert its political and economic dominance in the first decades of the twentieth century (Wilkins, 1970; Rosenberg, 1982; Domosh, 2006).
7. In this discussion of the Singer strike at Clydebank, I draw heavily on a previously published essay where I compare this strike to a later strike at the Singer plant in Podolsk, Russia. See Domosh (2008).
8. Here I am drawing on Foucault’s compelling interpretations of the disciplining practices that constitute modern power (Foucault, 1977). In geography, those interpretations have been used to analyze a range of spaces, from lunatic asylums (Philo, 1989) and poorhouses (Driver, 1993) to police stations (Herbert, 1996). Emma Wainwright has brought those insights to the factory floor (Wainwright, 2005; 2006). For recent overviews of the influence of Foucault on contemporary human geography, see Hannah (2003) and Crampton and Elden (2007).
9. By development narratives, I am referring to a prevalent set of ideas about how countries and cultures that have been classified according to indicators of economic and social well-being are in the process of changing over time from one stage of development to another stage. For the most pertinent critiques of these narratives, see Sachs (1991), Escobar (1994), Rist (1997), Peet and Hartwick (1999) and Mitchell (2002).
10. For a more detailed analysis that compares the fate of Singer in Russia with International Harvester, see Domosh, 2009.
11. I am summarizing here information derived from the Singer Company’s claim to recoup some of its losses through the Roosevelt-Litvinov agreement. The claim included a lengthy set of affidavits by former Singer employees who recounted the company’s losses in different regions of Russia and in different types of investments (land, stock, accounts receivable, building, etc). All of these documents are held at the National Archives, College Park, Maryland, under the title ‘Application for the support of claims against foreign governments, The Singer Manufacturing Company’ (1920).
12. The following URL links you to this list: http://www.citigroup.com/citi/corporate/history/data/presence.pdf?ieNocache=250

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