
Subject Index

- Accounting: financial management with (1950s), 56–62; function and form of data for firm, 73–75; growth in design and use of, 44; as information tool, 2, 4, 42. *See also* Cash flow accounting; Cost accounting systems; Management accounting
- Accounting, financial, 45, 64. *See also* Information, financial
- Accounting rules: effect of inappropriate, 37; effect on management cost information, 52; as framework for financial reporting, 52–56; handling of balance sheets under, 52–53
- Accounting systems: information produced by, 66, 78–81; role of financial, 42–44; techniques to monitor people in, 73–74; use of total cost information in financial, 55
- Activity-based costing (ABC), 58
- Agency theory, 36–37. *See also* Principal-agent relationship
- Agent. *See* Principal-agent relationship
- Allied Stores, 21
- Amalgamated Copper Company, 210
- Armour (packing company), 124
- Asset, specific, 23–28, 30, 39
- AT&T: cost accounting system of, 57; decision for horizontal divestiture of, 25–28, 39–40; role of Morgan and Company in, 224–28. *See also* Bell Labs; Western Electric
- Baldwin Locomotive Company, 221–22
- Baltimore and Ohio Railroad, 245
- Banking system: capital accumulation problems in, 164–68; functions in early 19th century of, 162; in Germany, 228, 230, 248; in Great Britain, 229–30; information problems of, 161–62; insider-lending problem (early 1800s), 162–78; Japan, 228–29; role in New England of (1900s), 196–99
- Bell Labs, 25–26, 39
- Bell operating companies (BOCs), 25–26
- Boston Manufacturing Company, 46
- Bromine market (1890s), 75–78, 80–83, 98–99, 101
- Burgmaster, 61–62
- Business education, 63–64
- Calculators, 128
- Campeau Corporation, 20–22, 31–32
- Capital accumulation: in U.S. banking system (1800s), 164–68
- Capitalism, financial, 205–6, 209–10; comparisons for, 228–30; factors contributing to decline of, 211, 230–32. *See also* Investment banking; Morgan (J. P.) and Company
- Capital markets: expansion in late 1890s and early 1900s, 30, 44; in Germany, 228; as incentive for financial reporting, 44, 52
- Carbon paper, 126, 130, 139–40
- Cartel in bromine market (1890s), 75–77, 83

- Cash flow accounting (Midland Chemical), 81–110
- Chesapeake and Ohio Railroad, 245
- Chicago-Great Western Railroad, 221
- Clearing house, bank, 186
- Communication, 9
- Copier, rolling press, 126, 129, 133, 140
- Corporate structure: conditions creating uncertainty in, 158; creation of divisions in large firm, 55–56, 62–64; decentralized multidivisional organizations as, 55, 62–64; for managers (American railroad industry), 48
- Cost accounting system: Scovill Manufacturing developments in, 145–46
- Cost accounting systems: for products, 53; role as source of cost information, 57. *See also* Activity-based costing; Information, cost
- Costing systems, 54–55
- Data cards, 125, 147
- Data collection (early 1900s), 122–23
- Data display innovations, 128–30. *See also* Graphs and charts; Lantern, reflecting
- Decisions, management: accounting and non-accounting information in, 42–43; effect of flawed information on, 66
- Distribution industry, 48
- Dow Chemical Company, 71–72; accounting system, 78–81; information system development, 88–116; organizational history, 75–78
- Dow Process Company, 76–77, 88, 90–91, 110. *See also* Dow Chemical Company
- Duplication technology, 129–30, 140. *See also* Carbon paper; Copier, rolling press; Mimeograph machine; Stencil technology
- Du Pont: accounting procedures (1940s and 50s), 38; buy out of GM (1920), 30–31; New Venture Program of, 38; reorganization of (1919), 51, 55; use of financial accounting information by, 50–52; use of return on investment information by, 50–52; use of telegraph and typewriter by, 121–24
- Du Pont company: relationship to General Motors of, 16, 19–20, 38–39
- Erie Railroad, 47, 221
- Farm machinery industry. *See* International Harvester; Investment banking
- Federated Department Stores, 20–22
- Feedback as information, 41
- File, vertical, 125–27, 141–43
- File, vertical card, 127
- First National Bank, 206, 210
- Forms, printed, 121–23
- General Electric, 210
- General Motors (GM): executive bonus scheme of, 15–16; illegal purchase of GM stock by principal of, 30–31; relation to Du Pont of, 38–39; reorganization of, 15–16, 18–19, 37–38, 51, 55. *See also* Managers Security Company
- Glass-Steagall Act, 211, 232
- Grameen Bank (Bangladesh), 201
- Graphs and charts, 129, 139, 147–48
- Great Depression, 208, 211, 232, 247
- Hold-up power, 23
- Illinois Central Railroad, 118–19
- Indexing and organizing systems, 127
- Industrial sector: decline in Great Britain of, 229–30; employment policies of (circa 190), 14–15; internal information development by, 119–20
- Information: accounting, 62–64; bank requirement for, 178–84; cost, 47, 56–58; dissemination of, 128–32; effect of demand and supply for, 118–32; held by financial capitalists, 230–31; flows, 41, 120; importance in competitive advantage, 209; importance to businesses, 41; incomplete or imperfect, 8–9, 18; innovations in storage, analysis, and dissemination, 125–30; with innovative marketing and distribution strategy, 80–81; managerial, 52–55; railroad gathering and dissemination of, 118–19. *See also* Accounting; Communication; Feedback as information
- Information, financial: control of operations as source of, 58–62; development as substitute for price signals, 46; disclosure after 1900 of, 52; effect of requirement of capital markets for, 52–56; factors influencing development of, 46; managing with accounting (1950s), 56–

- 62; use in late 1890s and early 1900s of, 45
- Information systems: development of Dow Chemical accounting, 80–81; development of financial and nonfinancial, 42; functions and forms of accounting data in firm, 73–75; to monitor costs and profits (early 1900s), 118
- Information technology: changes between 1840 and 1920 in, 130–32; effect of changes in today's, 151–52; effect on supply and demand for, 120–32. *See also* Duplication technology; File, vertical; Forms, printed; Graphs and charts; Telegraph; Telephone system; Typewriter
- Integration: horizontal, 17–22; vertical, 17, 22–28
- International Harvester, 212, 220, 224–28
- International Mercantile Marine Company, 219, 221–22, 241–42
- Investment banking: association with industry (pre-World War I), 205–6; importance of information for, 209; presumed barriers to entry into, 207–8; rationale for so-called money trust in, 214–18; role before World War I, 206–10; role in International Harvester and AT&T, 224–28; seen as money trust, 210–11. *See also* Morgan (J. P.) and Company
- Kidder, Peabody and Company, 206
- Kuhn, Loeb and Company, 206–7, 210
- Lantern, reflecting, 148
- Lee, Higginson and Company, 206
- Lending, insider, 162–65, 168–78, 195, 197, 199–203. *See also* Banking system; Monitoring function
- Lending, outsider, 195
- Letter boxes, 125–26
- Louisville & Nashville Railroad, 47
- Lyman Mills Corporation, 46–47, 50, 67
- Machines to analyze information, 128
- Mallinkrodt Chemical Works, 75–77, 82
- Management, financial, 45–48
- Management accounting, 42–43, 62–64
- Management philosophy, systematic: effect on information technology development, 120–21, 149–50; emergence of ideology of (late 1900s), 119–20; expansion of internal information as product of, 136–49
- Management role, 8–9
- Managers as agents, 28–32
- Managers Security Company, 16, 52
- Market power, 23
- Marshall Field, 48
- Maverick National Bank, 186–87
- Midland Chemical Company, 81–116. *See also* Dow Chemical Company
- Mimeograph machine, 130
- Modigliani-Miller theorem, 29
- Money trust. *See* Investment banking; Morgan (J. P.) and Company; Progressive Party
- Monitoring function: incentives for bank, 200–201; of people and processes in firm, 73–74
- Morgan (J. P.) and Company: 209, partners on boards of directors, 218; analysis of partners' added value, 218–24; analysis of what its influence was, 224–28; competitive advantage of, 207–8; as market makers, 237–38, 243–46; performance of client companies of, 205–6
- National Banking Acts, 187
- National Carbon Company, 77
- National City Bank, 206
- New York, New Haven, and Hartford Railroad, 215, 219, 241–43
- New York and Erie Railroad, 118
- Olympia and York, 31
- Pacific National Bank, 186
- Pennsylvania Railroad, 47, 118, 244
- Philadelphia and Reading Railroad, 244–45
- Planning function, firm, 74–75
- Powers and Weightman (chemical company), 75–77, 82
- Price signals, 46
- Principal-agent relationship, 9–17, 20, 28–32. *See also* Managers as agents; Tenant/landlord relationship (Marshall)
- Progressive Party: belief in money trust dominance, 211–12; claims barriers to entry in investment banking, 207–10. *See also* *Name Index*: Brandeis, Louis D.
- Pujo Committee, 206n2, 213, 218
- Railroad car, refrigerated, 24–25
- Resource management, business, 45

- Retailing, 20–22
Return on investment (ROI), 50–52, 63
Richmond Terminal, 214
ROI. *See* Return on investment
Rolling press copier. *See* Copier, rolling press
- Scovill Manufacturing Company: evolution of information system in, 132–43; Statistics Office of, 143–49
Sears, Roebuck, 48
Securities and Exchange Commission (SEC), 231–32
Southern Railroad, 221
Statements, financial (before 1920s), 48–49
Statistical analysis, 144–49
Stencil technology, 130
Stock market crisis (1920), 30
Storage technology, information, 125
Swift (packing company): use in integration of specific asset, 23–25; use of telegraph by, 124
- Tabulators, 128, 147
Telegraph, 123–25, 134
Telephone system, 136
Tenant/landlord relationship (Marshall), 11–14
Textile industry, 46–47, 118
Trading companies (*keiretsu*), Japan, 228–30
Transaction-specific assets. *See* Asset, specific
Transportation industry, 47–48
Typewriter, 121–23, 130, 136
- Uncertainty, 158
U.S. Steel, 207–8, 220, 225–26
Western Electric, 25–27, 39
Westinghouse, 210, 222