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THE IMMIGRANT ENTREPRENEURSHIP PROJECT: RATIONALE, DESIGN, AND OUTCOME

Hartmut Berghoff

The project “Immigrant Entrepreneurship: German-American Business Biographies, 1720 to the Present” was officially finished in the summer of 2016. It had entered its planning stage in the fall of 2008 and its working phase began in 2010, after a grant from the German Economics Ministry was approved. This project met a strong demand for biographical studies that adhere to scholarly standards. As of May 2016, over 200,000 unique users had visited the site since it went online in February 2012. At the date of publication, we had 2,400 visitors per week.

Rationale and Design

The project’s rationale was to transform the abstract phenomenon of immigrant entrepreneurship into concrete biographies. The aim was to give immigrant entrepreneurs a face and to analyze their private biographies and business ventures together, as both are mutually interdependent. The project looked at individual biographies and business histories rather than at statistical aggregates. It pursued a qualitative not a quantitative approach.¹

Why did we embark on such a vast and time-consuming project? Mostly, we wished to fill this academic void. Immigrant entrepreneurship in general and the role of German immigrants within the American business community are extremely important topics but have been neglected, almost ignored, for many years. This project addresses two central themes in the history of the United States: immigration and entrepreneurship. The topics are closely interrelated, since the U.S. developed a strong culture of entrepreneurship as it became the quintessential receiving country of migrants in the nineteenth century. While entrepreneurship still is a key component of American culture and its value is essentially undisputed, the way immigration is viewed has changed considerably. In the course of the twentieth century, immigration policies have become more restrictive. However, the nexus between immigration and economic growth created by immigrant businesspeople is still strong.

Immigration is a rich source of entrepreneurship. Empirical studies confirm that self-employment offers is a strong pull factor for

1 Hartmut Berghoff and Uwe Spiekermann, “Immigrant Entrepreneurship: The German-American Business Biography, 1720 to the Present — a GHI Project,” *Bulletin of the German Historical Institute* 47, no. 2 (2010): 69–82.

- 2 Charles Hirschman, "Immigration and the American Century," *Demography* 42, no. 4 (2005): 595-620, here 612-13.
- 3 Roger Waldinger, "Immigrant Enterprise: A Critique and Reformulation," *Theory and Society* 15, no. 1 (1986): 249-85, here 249-50.
- 4 Vivek Wadhwa, "Foreign-Born Entrepreneurs: An Underestimated American Resource," *Kaufman Thoughtbook* (2009): 177-81, here 177.
- 5 Jan Rath and Robert Kloosterman, "Outsiders' Business: A Critical Review of Research on Immigrant Entrepreneurship," *International Migration Review* 34, no. 3 (2000): 657-81. See also Andrew Godley, "Migration of Entrepreneurs," in *The Oxford Handbook of Entrepreneurship*, ed. Mark Casson (Oxford, 2006), 601-10; Hartmut Berghoff and Andreas Fahrmeir, "Unternehmer und Migration. Einleitung," *Zeitschrift für Unternehmensgeschichte* 58, no. 2 (2013): 141-48; and the other essays in this issue of *Zeitschrift für Unternehmensgeschichte*.
- 6 Georg Simmel, "The Stranger," in idem, *On Individuality and Social Forms*, ed. Donald Levine (Chicago, 1971) (German Original 1908), 143-50, here 143 and 146; and Almut Loycke, *Der Gast, der bleibt. Dimensionen von Georg Simmels Analyse des Fremdschens* (Frankfurt a.M./New York, 1992).
- 7 Mark Granovetter, "The Economic Sociology of Firms and Entrepreneurs," in *The Economic Sociology of Immigration. Essays on Networks, Ethnicity, and Entrepreneurship*, ed. Alejandro Portes (New York, 1995), 128-65, here 147.

immigrants, as other avenues of social integration and advancement are often barred or more difficult to access. The experience of navigating between cultures can be uncomfortable and very challenging but, at the same time, it can be "an asset that sparks creativity and inspiration" and creates "new possibilities for entrepreneurship."² In the U.S., immigrants have always been overrepresented among the self-employed.³ Although small and often unstable businesses predominate in immigrant communities, petty trades can act as springboards to the higher echelons of the business world. In 2005, companies founded by immigrants between 1995 and 2005 generated \$52 billion in revenue and had created 450,000 jobs.⁴

Immigrant businesspeople commonly bring a diverse array of skills and a prodigious work ethic with them. They can, in other words, be seen as imported human capital that is crucial for innovation and economic development. Immigrants themselves can benefit from the specifics of ethnic networks like trust-based cooperation and mutual assistance and credit, the internal cohesion of minorities and their families, and lasting relations to their home country that might involve particular commercial opportunities such as trade or the transfer of knowledge and other resources.⁵

For sociologist Georg Simmel the "stranger" was a "freer man." "He examines the conditions with less prejudice . . . His actions are not confined by custom, piety, or precedent." He benefits from the "union of closeness and remoteness." He has the "freedom . . . to experience and treat even his close relationships as though from a birds-eye view."⁶ "Strangers," Mark Granovetter demonstrated decades later, can design social relationships in a way that enables them to reap the benefits of an economically more favorable configuration of closeness and distance. Granovetter speaks of the concurrence of "coupling" and "decoupling." In other words, they are not total outsiders but are still different enough to be "less entangled in local obligations" and less restricted by them.⁷

Immigration today is often seen as a burden or even danger to the receiving country and a threat to its social stability. Our in-depth historical analysis of immigrant entrepreneurship and its interrelation with elite formation has corrected this gloomy picture and hopefully will raise awareness that immigration can also be a source of strength that helps create additional wealth not only by bringing cheap labor to the lower end of the market but by providing fresh talent for strategic business leadership.

Immigrant entrepreneurship was one of the decisive factors in the U.S. rising to become an economic superpower in the late nineteenth century. The country's relative openness and freedom attracted talent from around the world and encouraged minorities fleeing from discrimination elsewhere to try their luck. The lack of petrified social divisions, caste-like systems and feudal structures, as well as the high regard for businesspeople and a superior opportunity structure, must be added to the comparative advantages of the U.S. These sparked a self-reinforcing and beneficial circle of wealth creation and immigration: "No other country refreshes itself in quite the same way by continuous waves of immigration."⁸

Entrepreneurship is a *sine qua non* of economic development. Economists have long neglected the study of entrepreneurship "exactly because of the bias to the assumption that profitable activities automatically take place."⁹ The market mechanism prompts rational economic actors to react to opportunities. Economics has trivialized entrepreneurship, although it is obvious that there is no automatic supply of entrepreneurs and that it takes more than opportunity structures to motivate people to set up businesses. Since the 1980s entrepreneurship has attracted growing interest in management studies and economic sociology.¹⁰

Although this project was designed to focus on one specific national group, from the very start it also had a wider perspective and benefited enormously from research done on other ethnic groups. The wealth of literature on recent Asian and Latin American immigrant entrepreneurship in the U.S. also proved useful.¹¹ Although these studies focused on recent decades and the non-European ethnic groups who made up the great majority of immigrants to the U.S. in the second half of the twentieth century, the comparison across different centuries was an important asset for the project. This literature developed general concepts of immigrant entrepreneurship that helped us sharpen our understanding of the phenomenon in different epochs and structure the questions of our project. In sharp contrast to these sociological and ethnological studies, neither immigration history nor business history has dedicated much systematic research to immigrant entrepreneurship up to now.

There is, however, considerable research on diaspora networks in business history.¹² Although immigrant and diaspora businesspeople share many common characteristics, the former tend to stay in the destination country permanently, in many cases integrating into the

8 *The Economist* (no date given), quoted in Thomas K. McCraw, ed., *Creating Modern Capitalism: How Entrepreneurs, Companies, and Countries Triumphed in Three Industrial Revolutions* (Cambridge, MA, 1997), 348.

9 Mark Granovetter, "Business Groups and Social Organization," in *Handbook of Economic Sociology*, ed. Neil J. Smelser and Richard Swedberg (Princeton, 1994), 453-75, here 453.

10 Geoffrey Jones and R. Daniel Wadhwani, "Entrepreneurship," in *The Oxford Handbook of Business History*, ed. Geoffrey Jones and Jonathan Zeitlin (Oxford, 2008), 501-28.

11 For example, see Waldinger, "Immigrant Enterprise," and Alejandro Portes, ed., *The Economic Sociology of Immigration* (New York, 1995).

12 Ina Baghdiantz McCabe, Gelina Harlaffis, and Ioanna Pepelasis Minoglou, *Diaspora Entrepreneurial Networks: Four Centuries of History* (Oxford, 2004).

new society and assimilating over the course of two to three generations. Diaspora businesspeople fill economic gaps as permanent outsiders and remain distinct groups trying to preserve their distinct identity.¹³ In contrast, successful immigrants whose wealth is increasing try to integrate and move into the established bourgeoisie of their new countries. There can be an overlap between diaspora and immigrant business families, and boundaries might be far from clear in individual cases. Portes discovered “transnational entrepreneurs” among Columbians and Dominicans in the U.S. whose success mainly relies on close ties to their home country. These businesspeople constantly move back and forth and live in various places virtually simultaneously.¹⁴

This project focused on one important and often overlooked nationality and evaluated its contribution to the American economy. 1720 has been chosen as a starting point because around that year immigration reached a new dimension. Germans in particular were arriving in hitherto unprecedented numbers, which, however, were still modest compared to the peaks of the nineteenth century. The project covers this whole century, as well as the twentieth, which saw several fundamental changes in immigration patterns and business careers. It brings the story of German-American immigrant entrepreneurship right up to the present and addresses current debates on immigration. The German-American case is particularly suited to this kind of study as it exemplifies the history of immigrant-related entrepreneurship in the U.S. in an outstandingly rich way. In detail, there are four main reasons to justify this project’s focus on the German-American case:

1. Germans were one of the main sources of immigration to the United States. Today, some forty-three million U.S. citizens claim German heritage, which is about fifteen percent of the total population. For much of the nineteenth century, Germans were the largest group of immigrants.¹⁵
2. German immigration to America never dried up even if it declined markedly in both absolute and relative terms over the course of the twentieth century. Economic crises, political upheavals, and the persecution of minorities and political dissenters during the Nazi period were strong push factors. The continuing attractiveness of “the American Dream,” the multitude of economic opportunities for immigrants, the country’s high level of wealth, and its appreciation of the entrepreneurial spirit acted as powerful pull factors — and still do.

13 Stephane Dufoix, *Diasporas* (Berkeley, 2008); Ioannides Stavros and Ioanna Pepelasis Minoglou, “Diaspora Entrepreneurship between History and Theory,” in *Entrepreneurship in Theory and History*, ed. Youssef Cassis and Ioanna Pepelasis Minoglou (New York, 2005), 163–89.

14 Alejandro Portes, Luis E. Guarnizo, and William Haller, “Transnational Entrepreneurs: An Alternative Form of Immigrant Economic Adaptation,” *American Sociological Review* 6, no. 2 (2002): 278–98; Steven Vertovec and Robin Cohen, eds., *Migration, Diasporas, and Transnationalism* (Cheltenham, 1999); Steven Vertovec, *Transnationalism* (London, 2009).

15 “People Reporting Ancestry,” 2014 *American Community Survey 1-Year Estimates*. U.S. Census Bureau, <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk> (accessed 21 July 2016).

3. German immigrants and their descendants played a disproportionately large role in building up the American business community. This impact reached its pinnacle in the late nineteenth century, and it never became insignificant thereafter. This prominence of German Americans in the American business community can be assessed by statistical data. When New York was the financial hub of American industrialization and attracted business elites from all over the country, almost half of its wealthiest inhabitants were foreign-born. Among the 1,571 richest New Yorkers in 1870, 56 percent were natives and 44 percent foreign-born. Among the latter group Germans dominated. They represented almost one quarter of all top-wealth holders (23 percent) in the city, ranking well ahead of the Irish (11 percent) and the British (6 percent).¹⁶

4. In the rich literature on German immigration to the United States, entrepreneurs are often missing completely or only mentioned in passing. They seem to be the “forgotten siblings” of all the oft-mentioned farmers and craftsmen as well as eminent intellectuals and scholars. For some reason or another, they seem to not have been deemed worth historical attention although they did so much to turn the U.S. into the world’s strongest economy. Although the majority of German immigrants in the nineteenth century were farmers or craftsmen, a considerable number of businesspeople entered the country, too, and a considerable number of immigrants became businesspeople after entering the U.S. The emerging industrial economy offered so many opportunities and the country was developing such an almost infectious infatuation with entrepreneurship that immigrants were literally drawn into the world of business.

Andrew Godley compared migrants of Jewish faith to London and New York between 1880 and 1914 and found that in New York immigrants with the same kind of background had a much higher propensity to become businesspeople. In fact, the percentage of businesspeople within the Jewish community increased in New York four times as much as in London at the same time.¹⁷ Obviously, not only the demand for new entrepreneurs was larger but the value system of American society also encouraged entrepreneurship to a significantly higher degree than the European one did. The Horatio-Alger myth of rags-to-riches had an enormous radiance and it appealed to many German immigrants as they tried to adopt the cultural values of their host nation.

16 Sven Beckert, *The Monied Metropolis: New York City and the Consolidation of the American Bourgeoisie, 1850-1896* (Cambridge, 2001), 147.

17 Andrew Godley, *Jewish Immigrant Entrepreneurship in New York and London, 1880-1914: Enterprise and Culture* (Basingstoke, 2001).

In the present discourse on immigration, there is little awareness of this very successful group. Germans are “among the least visible of American ethnic groups,”¹⁸ which in itself is a sign of successful integration and assimilation but also mirrors the legacy of the world wars of the twentieth century, which accelerated the dissociation of German-Americans from their country of origin.

The reason German-American entrepreneurs have so far received relatively little attention and why most of them did not even want to be identified as German Americans for a long time is deeply ingrained in the political history of the twentieth century. Prior to 1914, German Americans proudly presented themselves as eminent Americans of German origin. To mark the 225th anniversary of the arrival of Germans in Philadelphia in 1683, the “Deutsch-Amerikanische Nationalbund” published a 1,000-page “Book of Germans in America” in 1909. It explains how “Germans” helped win independence and the Civil War, and how they built universities and hospitals. German-American “captains of industry,” of course, had their own extensive chapter.

Germans generally encountered positive attitudes. On April 1, 1914, more than 4,000 people gathered in Ann Arbor to celebrate Bismarck’s birthday. The crowd applauded when the university’s president said that 25 percent of the students were of German descent.¹⁹ Four exact copies of the Goethe-Schiller Monument of Weimar were commissioned by German Americans to celebrate their cultural heritage. The monuments were erected in San Francisco (1901), Cleveland (1907), Milwaukee (1908), and Syracuse (1911). The dedications of these respective monuments were well attended: 30,000 people in San Francisco, 65,000 in Cleveland, and 35,000 in Milwaukee.²⁰ In Cleveland, a congratulatory cable by German Emperor Wilhelm II was read aloud. German gymnastics clubs (“Turner”), singing societies (“Sänger”) and many other German-American social clubs, thousands of German-language periodicals, as well as a plethora of festivals and parades bore witness to the rich German-American culture and the proud “public display of German-ness” in late nineteenth- and early twentieth-century America.²¹

Very soon neither self-congratulatory celebrations of German Americans nor their public praise was conceivable. The German-American National Alliance (“Nationalbund”) had to suspend its activities in 1918 following a general rise in anti-German sentiment and a Senate investigation. This sociopolitical umbrella organization, founded in

18 Kathleen Neils Conzen, “Germans,” in *Harvard Encyclopedia of American Ethnic Groups*, ed. Stephan Thernstrom (Cambridge, MA, 1980), 405-25, here 408.

19 See <http://www.celticgerman.com/ethnic-cleansing.html> (accessed 20 July 2016).

20 See, for example, Goethe-Schiller Denkmal Gesellschaft in San Francisco, “Das Goethe-Schiller Denkmal in San Francisco: Erinnerungen an den ‘deutschen Tag’ der California Midwinter International Exposition, 1894, an das ‘Goethe-Schiller Fest’ 1895 und an die ‘Enthüllung des Denkmals’ im Golden Gate Park, San Francisco 1901”; and *Cleveland und Sein Deutschtum* (Cleveland, A blank is missing 1907).

21 Willi Paul Adams, *The German Americans: An Ethnic Experience* (Indianapolis, 1990), chapter 5.

1900 as German immigration had dropped to a sixty-year low, was meant to keep German-American culture thriving. Its membership was between two and three million before it had to fold. From then on most of this group wanted to be inconspicuous largely for political reasons. The cultivation of their language and culture did not stop but lost much of its vigor. This tendency was strengthened by the Second World War and the Holocaust. German Americans became largely invisible for the majority of Americans. When new historical narratives came to the fore in the 1970s, nothing seemed more out of place than studying German-American capitalists. The new social history and, with it, the history of immigration concentrated on the proletariat, on farmers and craftsmen.

This is why a sober look at the German-American business community was long impossible. When we conceptualized this project, we wanted to fill that void without falling victim to worn-out stereotypes such as tales of exceptionalism and superiority. We aimed at an unbiased analysis with strong linkages to immigration and business history to allow comparisons with non-immigrant businesspeople and immigrant entrepreneurs from other countries. Openness to comparative research and interdisciplinary exchanges were priorities from the beginning.

In contrast to many immigration studies that confine themselves to the first generation of foreign-borns, this project deliberately includes the second generation because social mobility and economic success in many cases only take place once the initial difficulties of settling in have been overcome. The native-born children of foreign-born immigrants find themselves in a unique position. They have much higher chances of integrating themselves into the culture of the new country and making use of the economic opportunities it offers. At the same time, they have not yet lost the cultural heritage of their parents' country of origin. In a way, some of them might have "the best of two worlds."²²

The general approach of combining individual biographies with the history of corporations was inspired by the highly praised *British Dictionary of Business Biography*,²³ which was published in the 1980s and is still considered the state of the art for detailed business biographies. But our project was designed to move beyond that model and fully utilize online publishing opportunities. Thus, the biographical entries were published on an online platform that, at the same time, serves as a repository for additional source material like pictures,

22 Hirschman, "Immigration," 597.

23 David J. Jeremy, ed., *Dictionary of Business Biography*, 5 vols. (London, 1984).

diaries, letters, business records, newspaper and magazine articles, as well as advertisements. In addition, to contextualize individual lives, general articles on various epochs, on immigration policy, economic history and special themes like female entrepreneurship are published alongside the biographies. All articles are generally available and can be used free of charge, especially for teaching and research purposes. This platform constitutes a unique and dense collection of historical source material on immigrant entrepreneurs and is meant to serve as a basis for further research. To facilitate the use of the dictionary as a teaching tool, the website also has study aids for college and graduate students as well as instructors.

Preliminary Outcomes

It might be too early to conclude, but based on the broad empirical evidence, six preliminary results of our project stand out.

The Significance of the German-American Experience

We were struck by the sheer number of potential candidates from which we could make a selection. As already pointed out, the political history of the twentieth century dissociated German Americans from their country of origin. It was in their best interest to anglicize their names and hide their German roots. One example is Wilhelm Böing. He came to the U.S. in 1868 and became a timber magnate. His son, William Edward Boeing, founded a firm, which became the Boeing Airplane Company. Boeing today silently passes over that fact and presents itself as an all-American success story.²⁴ Donald Trump, a third-generation immigrant from Germany, claimed to have Swedish roots. His father, a property developer, knew that German descent could harm his business and invented the Swedish connection in the 1920s. Trump repeated this tale over and over again up to the 1990s.²⁵

There are two examples from our sample among many more of people who left an enormous footprint. Joseph Seligman was born into a Jewish family in Franconia. To escape poverty and discrimination he emigrated to the U.S. in 1837. He worked first as a railway clerk, then as a peddler. As he built up a successful mercantile business, Joseph encouraged his brothers to join him. The Seligman brothers turned their attention to California during the gold rush. They sold mostly European products to the miners and sold Californian gold in New York.

24 Brian Schefke, "William Edward Boeing," in *Immigrant Entrepreneurship: German-American Business Biographies, 1720 to the Present*, vol. 4, ed. Jeffrey Fear. For this and all the other biographies cited from the project (*IE*), visit the website www.immigrantentrepreneurship.org.

25 "Trump's German Roots: Kallstadt's King. How the German Heritage He Has Hidden Shaped Donald Trump," *Economist*, 13 Feb. 2016, 171.

In 1860 Joseph bought a clothing factory just in time to provide the Union Army with uniforms in the Civil War. From there it was a small step into government finance as the government was unable to pay for the uniforms. Then Joseph Seligman helped President Lincoln raise funds in Europe. The Seligman brothers' rise to the top of the U.S. banking community is remarkable. And they truly changed the course of American history. They helped the North to win the Civil War and the U.S. to remain solvent in the decades that followed.²⁶

Henry Kaiser was a second-generation immigrant and built up a construction conglomerate employing 250,000 workers in the inter-war period. His most important accomplishment was building 1,490 transport vessels for the U.S. Navy during World War II, without which the war effort could have hardly been won. Kaiser reinvented shipbuilding by transferring mass-production technology from car manufacturing to the shipyards. While the construction of the first "Liberty Ship" had taken 244 days, the average construction time soon dropped to forty days thanks to a modular building method.²⁷ These examples should suffice to show that German-American entrepreneurs made a difference, even if only a small number had such a decisive influence on the course of U.S. history as Seligman and Kaiser.

Diversity of Motives and Experiences

The reasons for immigration and career patterns were manifold. Emigration in the seventeenth to nineteenth century was motivated by such diverse factors as religious discrimination or poverty, political upheaval, or military conscription. Many young men emigrated without permission in order to avoid military service. Some deserted from the Hessian units that fought alongside the British Army against American independence. Restrictions on marriages also played a role. Upgrades in transportation, better roads, and the removal of tolls on major German rivers in the 1830s made it easier and cheaper for would-be emigrants to reach port cities. The railroads greatly improved transport before and after emigration from the 1840s. Sailing times and ticket cost greatly decreased.

Shipping companies sent out agents who actively canvassed specific areas and sold shipping contracts to prospective emigrants. Emigration agencies relieved them of many obstacles. Very often relatives and friends in America encouraged emigration, paid for the journey, and helped emigrants settle in.

26 Elliott Ashkenazi, "Joseph Seligman," in *Immigrant Entrepreneurship (IE)*.

27 Tim Schanetzky, "Henry J. Kaiser," in *IE* and his article in this volume. See also Tim Schanetzky, *Regierungsunternehmer. Henry J. Kaiser, Friedrich Flick und die Staatskonjunkturen in den USA und Deutschland. Beiträge Zur Geschichte des 20. Jahrhunderts* (Göttingen, 2015).

The superior opportunity structure in North America was a strong pull factor. The availability of land, the scarcity of qualified workers, high wages, and the often exaggerated reports in media and letters from earlier generations of immigrants motivated Germans to leave their homeland. The opening of government lands and land sold by railroads — both heavily advertised — encouraged many of them to cross the Atlantic and move westward. Later on, another pattern of emigration involved the deployment of employees of German firms or members of family firms. For some of them, a temporary stay morphed into permanent residency.

Some people led unusual lives and followed highly unusual careers, even engaging in illicit entrepreneurship. Impoverished Fredericka Mandelbaum (1825-1894) started as a peddler following her arrival in 1850 but then became New York's most famous receiver of stolen property. The article on her life concludes: "She worked with the most gifted shoplifters, bank robbers, and thieves of the Gilded Age and made at least one million dollars over the span of her career."²⁸

In the twentieth century, crises in Germany repeatedly acted as push factors. The hyperinflation period, the Great Depression, and the poverty of the immediate postwar periods are the most salient examples. Besides, anti-Semitism and the Holocaust drove many Germans out of the country. Love also became a strong motive for immigration. The mother of television industry mogul John Werner Kluge took him to the U.S. in 1922 after having met a German-born widower visiting from Detroit.²⁹ After 1945, millions of American troops were stationed in Cold-War Germany; this circumstance, along with academic exchange programs, provided ample opportunities for German-American relationships to blossom. The publisher of children's literature, Marianne Carus, married an American student whom she had met at Freiburg University in 1949 and relocated with him to Illinois.³⁰

After 1945, institutions of higher learning became important avenues of immigration and qualifications for business life, especially in high-tech sectors. Andy von Bechtolsheim (b. 1955) co-founded Sun Microsystems in 1982 and later provided major funding for Google. A Fulbright Award had brought the engineering student from the Technical University of Munich to Carnegie Mellon University in 1975, where he received a master's degree in computer engineering. He then became a Ph.D. student at Stanford in electrical engineering. In 1982 he started Sun Microsystems together with Scott McNealy and

28 Rona Holub, "Fredericka Mandelbaum," in *IE*.

29 Caitlin Cieslik-Miskimen, "John Werner Kluge," in *IE*.

30 Jessica Csoma and Lillian Forman, "Marianne Carus," in *IE*.

Indian-American Vinod Khosla, another immigrant entrepreneur, who had attended Stanford Graduate School of Business.³¹ PayPal's co-founder and later hedge fund manager and venture capitalist Peter Thiel (b. 1967) came out of Stanford Law School and used the cluster dynamics of Silicon Valley.³² John Kluge studied at Wayne College and Columbia University, gaining multiple chances to develop his business acumen along with his economics degree. He ran a shoe, garment, and stationery business and engaged in on-campus gambling, which almost cost him his scholarship.

Entrepreneurs as Transnational Actors

Even after they settled in the U.S. for good, many businesspeople used connections to Europe to foster their American ventures. Heinrich Hilgard was born in 1835 to a financially comfortable family in Speyer, emigrated to the U.S. in 1853, and changed his name to an anglicized version of a former schoolmate's name, Henry Villard. Becoming estranged from his father, neglecting his studies, and financial troubles seem to have motivated this step. Without any knowledge of English, he moved from one odd job to the other and seems to have survived through the support of the German community. He then made a career as a journalist and married an American: the daughter of the well-known abolitionist William Lloyd Garrison.

By the late 1860s Villard began marketing American securities abroad. Through the American networks of his father-in-law and his command of German and English, he had enough contacts and financial competence to sell American securities in Europe. He convinced the Frankfurt banker Jacob S. H. Stern to increase his American railroad investments. With German backing, Villard effectively bought up most lines between Oregon and San Francisco and founded a railway empire that reached its apogee when the second transcontinental rail connection, the Northern Pacific Railroad, was completed in 1883.³³ He was a transatlantic intermediary, raising amounts of money mainly in Frankfurt and New York, and had an enormous impact on the infrastructure of the U.S. Banks like J.P. Morgan — co-founded by Anton Drexel — and Kuhn, Loeb & Company also linked the American and the German capital markets. Many German-Jewish bankers financed the exports of large German firms to the U.S.

The fact that immigrant entrepreneurs not only moved between Germany and the U.S. but also initiated flows of capital and products and of skills and knowledge falls very much in line with the

31 Helmut Werb, Interview mit Andreas von Bechtolsheim, "Mich interessiert nur meine Arbeit," *Karriere.de* (<http://www.karriere.de/karriere/mich-interessiert-nur-meine-arbeit-9266/>), accessed July 20, 2016).

32 Meghan O'Dea, "Peter Thiel," in *IE* and her article in this volume; Mick Brown, "Peter Thiel: The Billionaire Tech Entrepreneur on a Mission to Cheat Death," *Telegraph*, 19 Sept. 2014.

33 Christopher Kobrak, "A Reputation for Cross-Cultural Business: Henry Villard and German Investment in the United States," in *IE* and this volume.

multifaceted effort now underway to situate the American past in a transnational framework. Immigrant entrepreneurs played a key role in the formation — and continuous re-formation — of the American business elite.

Immigration as Skills, Knowledge, and Technology Transfer

The U.S. has always been able to tap into the qualifications of immigrants and to strengthen its own skills base. This was particularly pronounced in sectors that grew out of craft traditions. Johann Andreas Albrecht (1718-1802) was a European-trained gunsmith who supplied arms to Pennsylvania during the American Revolution and trained young rifle makers in the eighteenth century.³⁴ In the nineteenth century August and George Gemünder, producers of high-quality violins, thrived by continuing the Italian, German, and French violin-making tradition, “just as they combined European and American wood in a single instrument.” Their success was due to the merging of “European craftsmanship with American production and marketing strategies.”³⁵ There was also knowledge transfer outside the formalized apprenticeship system. Heinrich Steinweg, later Steinway, was originally a cabinet-maker and organ builder before he became an autodidact in piano construction.³⁶

In the 1930s, Christian Heurich was the most prominent brewer in Washington, DC. Only the government owned more land and employed more people there. In Germany, Heurich had learned to brew beer in an apprenticeship. After two years he went on his obligatory journeyman trip and learned different brewing methods from various master brewers. He wanted to open his own brewery, which was impossible in Germany. The prospect of being able to do so in the US and the encouragement of his sister, led him to follow her in 1866. After several years of work for various German-American brewers, he took over a run-down brewery in Washington. Heurich switched the brewery from wheat beer to the barley-based, light lager he had become familiar with during his time as a journeyman. The ensuing success would have been impossible without the thorough training he had received in Germany.³⁷

Jacob Beringer (1845-1915), who like other European winegrowers brought skills and grapes to California’s Napa County, had worked as an apprentice with a cellar master in Berlin and practiced the wine trade in Mainz prior to emigrating in 1868. He became one of the world’s most successful wine entrepreneurs.³⁸ Claus Spreckels

34 Scott Paul Gordon, “Johann Andreas Albrecht,” in *IE* and his article in this volume.

35 Thomas Baumert, “George Gemünder,” in *IE*.

36 Claudius Torp, “Heinrich Engelhard Steinway,” in *IE*.

37 Mark Benbow, “Christian Heurich,” in *IE*.

38 Kevin Goldberg, “Jacob Beringer,” in *IE*.

(1828-1908), probably the richest and most successful German-American entrepreneur of the late nineteenth century, imported knowledge and technology from Germany after he had come to the U.S. in 1848. Once he had moved into the sugar business, he repeatedly traveled to Germany to learn about beet-sugar production. He worked in a factory near Magdeburg, the center of the beet sugar industry of Germany. Later he set out on fact-finding missions to various European countries and imported machinery as well as beet seeds from Germany.³⁹

When brewer Adolphus Bush encountered quality problems, he took a series of trips to European brewing centers in Bohemia and Bavaria. The amount of back and forth was astounding. Connections to Germany remained intact and were used strategically. In other cases immigrant entrepreneurs imported skilled workers to staff their factories, especially as foremen and supervisors.⁴⁰

The Transitory Character of the Ethnic Enclave

German immigrant businesspeople generally did not remain isolated from their new environment for long. The German-American community did provide essential support at the initial stage from the first orientation in the new environment to social provisions through institutions like the German General Benevolent Society. The ethnic enclave was an important stabilizing factor without inhibiting assimilation and expansion. Most immigrant entrepreneurs learned to speak English pretty fast and built up contacts to other ethnic groups. Even if their customer base was initially German, they sought to expand it sooner rather than later. They chose English product names and advertised mainly in English, and they displayed a high degree of regional mobility.

The optical industrialist John Jacob Bausch began by selling products from home through advertising in a German-language newspaper, but once he moved into an arcade in the center of Rochester in 1853, his customer base outgrew the German community.⁴¹ Henry John Heinz sold his processed foodstuffs to all ethnic groups from the beginning although some of his recipes had German origins.⁴² Emil Julius Brach (1859-1947) opened a small candy shop in Chicago's largely German-American North Side in 1904 out of which grew "the world's largest maker of popular-priced bulk candies." The move from the neighborhood store to the mass market was a step out of the confines of the ethnic enclave.⁴³

39 Uwe Spiekermann, "Claus Spreckels: Robber Baron and Sugar King," in *IE*.

40 Sven Beckert, "Migration, Ethnicity, and Working Class Formation: Passaic, New Jersey, 1889-1926," in *People in Transit: German Migrations in Comparative Perspective, 1820-1930*, ed. Jörg Nagler and Dirk Hoerder (Cambridge, 1995), 347-79.

41 Berti Kolbow, "John Bausch," in *IE*.

42 Robert C. Alberts, *Good Provider: H. J. Heinz and His 57 Varieties* (Boston, 1973); and Nancy F. Koehn, "Henry Heinz and Brand Creation in the Late Nineteenth Century: Making Markets for Processed Food," *Business History Review* 73, no. 3 (1999): 349-93.

43 Leslie Goddard, "Emil Julius Brach," in *IE*.

All businesspeople in our sample fostered an image of themselves as American entrepreneurs even if they remained a part of German-American networks and preserved German traditions in their private lives. At least until 1914, many ostentatiously cultivated their cultural roots by means of clubs and churches or synagogues, the education of their children — often in Germany — and by maintaining the German language. In a way these entrepreneurs had a dual identity and enjoyed the best of two worlds. In the twentieth century, pressure to assimilate mounted, with third and later generations losing interest in their roots. Whereas links to Germany and German culture weakened, there were several cases especially after 1970, in which immigrant entrepreneurs from Germany never even entered the German-American scene.

However, there was ambivalence even before the First World War. From 1858, Henry Miller built up America's largest integrated cattle and meatpacking enterprise from a butcher shop in San Francisco. Although he benefited tremendously from German-American networks on the West Coast, he "displayed almost no desire to stay connected to his German cultural roots." Unlike the majority of German-American entrepreneurs, he "avoided participating in the social activities of the German community of San Francisco" and never joined "any of this group's many associations." "All of his correspondence, even with other German companies" and with his own German employees and German friends, was "written in English."⁴⁴

The American Dream was Real, at least for Some

The project recorded spectacular cases of upward social mobility. On the one hand, this was to be expected as we selected biographies on the basis of "significance," which was often but not always tantamount to economic success. On the other hand, these rags-to-riches stories are astonishing by their magnificence. As icons of the American dream and sociocultural scripts, they attracted further immigrants in large numbers.

John Jacob Astor (1763-1848) was well known in Germany, nurturing the hopes of many to be able to imitate his success. The son of an impoverished butcher, he excelled in fur trading and moved into real estate. Due to the beginning boom of New York, he became the first multimillionaire of the U.S. It was impossible for most immigrants to follow Astor's example. Failure and disappointment

44 Britta Waldschmidt-Nelson, "Henry Miller: The Cattle King of California," in *IE*.

prevailed among those who wanted to become rich in America. Even those who accumulated considerable wealth later on often went through struggles and flops.⁴⁵ Astor did not remain the only self-made millionaire. Claus Spreckels, a former farmhand, arrived virtually penniless but died one of the wealthiest Americans of his time.

These kinds of meteoric careers were not limited to the nineteenth century. Christel DeHaan, who met her husband on a U.S. army base in Germany and followed him to Indianapolis in 1962, started an ironing and typing business in her home. Later she built up a timeshare-vacation business. When she sold her company in 1996, she became one of the wealthiest American women.⁴⁶ Lillian Vernon (1927-2015) was one of the most successful female entrepreneurs in the U.S. She was born into a wealthy Jewish family in Germany that fled the Nazi regime. With an entrepreneurial spirit inherited from her family but without their financial backing, the “Queen of Catalogs” built her mail-order empire from scratch, “to be precise from her kitchen table. . . . 30 years later her company” became the first business founded by a woman to be publicly listed on the New York Stock Exchange.⁴⁷

Conclusion

It is hard to summarize the varied findings of this rich project. I’ve presented some key aspects. I hope it has become clear that these biographies deserved to be taken out of obscurity. The project has demonstrated that immigrant entrepreneurs matter even though general historical accounts hardly ever acknowledge their significance. The transnational dimension of the U.S. rising to become an economic superpower is regularly missing, and this project amply demonstrates that the ability to draw on immigrant entrepreneurship has always been a key factor in the economic dynamism of the United States.

It is for others to evaluate the quality of the articles on the project’s website. In all modesty, I do believe that this online dictionary adds significantly to our knowledge of immigration and entrepreneurship. The facets of these lives have increased our knowledge of the German-American community, of U.S. business history and the value of immigrant entrepreneurship in general. These findings have not only a high scholarly value but also important policy implications.

45 Alexander Emmerich, “John Jacob Astor,” in *IE*.

46 Dane Starbuck, “Christel DeHaan,” in *IE*.

47 Ute Mehnert, “Lillian Vernon,” in *IE* and her article in this volume.

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