

Electric guitars: capitalism built that

Chris Edwards – October 19th, 2012

The magazine *Guitar World* is not known for addressing public policy questions, but a recent issue reminded me of President Obama's July 13 comments on business. The president said, "If you've got a business, you didn't build that. Somebody else made that happen." Les Paul and other guitar industry pioneers must have turned over in their graves.

Guitar World usually reports on musicians and playing techniques, but a new issue focuses on the guitar companies that powered the 20th-century music explosion. Behind every company is a story of entrepreneurial struggle. There are failures, successes, and innovations that have improved the lives of millions of music lovers — and the word "government" isn't mentioned anywhere.

The electric guitar story usually begins with Les Paul, who was a musician and a tinkerer. During the 1930s, Paul experimented with electrifying acoustic guitars, but he realized that an electric guitar with a solid body might be even better. In 1941 he took his creation — "the Log" — to established guitar maker Gibson in Michigan. The company laughed at Paul's strange instrument and "saw no reason to take a chance with some newfangled solid body contraption," says *Guitar World*.

Paul also ran into doubters with his multi-track recording experiments. In 1947 one of his multi-track guitar songs sounded so weird that his label Decca Records refused to release it. So Paul took his talent to Capitol Records and recorded many hits for them. Paul also got the last laugh with Gibson. Rival guitar maker Fender had successfully released the Broadcaster in 1950, which became the world's first commercially produced solid body electric. Gibson, realizing its mistake, scrambled to get Paul's help in designing its own solid body electric.

There was no grand plan in Les Paul's advances. He simply loved exploring new ideas and getting feedback from musicians and the public. *Guitar World* notes that Paul "created extraordinary opportunities where none existed." Paul faced many challenges, but he noted: "If it was all a gravy train, you wouldn't fight so hard and you'd probably never accomplish anything."

Leo Fender was a lot like Les Paul. He fiddled around with electronics at his California radio shop, and he also stumbled on the idea of making a solid body electric guitar. His Broadcaster, renamed Telecaster in 1951, was a sleek design that used modern manufacturing techniques and "broke with centuries of luthier tradition." Like many

entrepreneurs, Fender's idea was to produce a high-quality product at the lowest possible price so that as many consumers as possible could enjoy it.

Fender and Gibson have long been the dominant electric guitar makers, but to the benefit of consumers they have faced intense competition. Both firms began failing in the 1970s. Leo Fender sold his guitar company to conglomerate CBS in 1965, and within a few years musicians began noticing substantial drops in product quality. A similar quality decline happened at Gibson in the 1970s, which was also controlled at the time by an ineffective corporate parent.

Japanese guitar firm Ibanez saw an opportunity. The company had expanded into electric guitars in the 1960s with the idea of making cheaper copies of American products. But by the 1970s the firm realized that it could make higher-quality products than the American firms, but at very competitive prices. And like Honda and Toyota in automobiles, Ibanez focused on product innovation, while the American firms seemed to rest on their laurels. Ibanez has been a big success, and it is one of the top guitar firms today.