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American Historians and the Business Elite

I

ONE might have supposed that historians, largely occupied as they have been with the activities of ruling classes, would have been among the first to study systematically the problem of the recruitment and tenure of elites. This problem is an especially interesting one in a country such as the United States which has had no official caste systems and no legally established hereditary hierarchies. Yet most American historians have shied away from it.¹ Few of them have even raised questions about the locus and transmission of power or status in modern times. Moreover, those who have discussed in particular the ascent of nineteenth- and early twentieth-century business leaders have tended to attribute their success simply to the possession of more shrewdness or trickiness or more pluck or luck or other private qualities than competitors who failed to rise; the very few historians who have considered social determinants such as family background or work experience have, by stressing the alleged values of poverty or of starting business in boyhood, placed their emphasis, as we shall see, quite at the opposite pole from where it belongs.²

The present study of 190 business leaders of the first decade of the twentieth century and of 188 contemporary political leaders on whom data are presented for comparison aims to call historians' attention to the critical but neglected field of elite recruitment, to suggest a method by which data may be collected and analyzed,³ and to present some of the results of applying this method to a particular area in which a few historians have speculated to strikingly misleading effect.

¹ One reason for this may be that the traditional framework and the traditional assumptions of American history writing preclude serious questions about personal aspirations and the patterns of ascent. This framework is the "presidential synthesis," and one of the key assumptions is equality of opportunity. On this theme see Thomas C. Cochran, "The 'Presidential Synthesis' in American History," *American Historical Review*, LIII (1948), 748-59. See also N. W. Stephenson, "Roosevelt and the Stratification of Society," *Scripps College Papers*, No. 3 (1930), esp. pp. 71-72.

² The role of such social factors and of others to be considered here, such as education, nationality, and faith, in the selection of men even for training for high executive posts in modern corporations is brilliantly set forth by the former president of the New Jersey Bell Telephone Company, Chester I. Barnard, in his book, *The Functions of the Executive* (Cambridge: Harvard University Press, 1938). See also "The Thirty Thousand Managers," *Fortune*, February 1940.

³ Sociologists (and a few others in special fields) were the first to adapt to the analysis of elite recruitment in social terms quantitative methods evolved by statisticians and used initially in elite studies by eugenicists. For the early literature, see J. McKeen Cattell, *American Men of Science* (2d ed.; New York: The Science Press, 1910), p. 537.

II

This essay is not wholly a pioneer effort to analyze the social characteristics of the American business elite, and a word should be said about the work already done in this field. I am not concerned with full-length biographies of business leaders, of which there are very few of value, nor with popular studies of groups of businessmen, such as Matthew Josephson's *The Robber Barons* or Frederick Lewis Allen's *The Lords of Creation*. Of somewhat greater interest, at least methodologically, are two books by Fritz Redlich—*History of American Business Leaders* and *The Molding of American Banking: Men and Ideas*.⁴ These discuss certain "entrepreneurial" characteristics⁵ of *sizable numbers* of business leaders; the first, leaders in the iron and steel industry in England, Germany, and the United States, largely in the nineteenth century; the second, American bankers and related politicians, 1781-1840. Unlike the more popular books, Redlich's are long on theory; but, like them, his are short on synthesis. Systematic summaries of his data can be made, but he has not made them.⁶

Most germane to the field of the present essay are the following *statistical* studies of American business leaders:⁷ Pitirim Sorokin,

⁴ The first was published in 1940 by Edwards Brothers, Inc., Ann Arbor, Michigan; the second in 1947 by Hafner Publishing Co., New York.

⁵ The problem of defining "entrepreneurial" functions in modern business and of locating the actual "entrepreneurs" in modern corporate bureaucracies has been occupying economists and business historians for some years. Probably the best book on the subject, one rich in bibliography, is Robert A. Gordon's *Business Leadership in the Large Corporation* (Washington: The Brookings Institution, 1945). Also suggestive are the papers read at the 1946 meeting of the Economic History Association and collected in *THE TASKS OF ECONOMIC HISTORY* (Supplemental Issue of *THE JOURNAL OF ECONOMIC HISTORY*), Vol. VI (1946), and the papers and discussion at the 1948 meeting of the American Economic Association, published in the *American Economic Review* (1949), XXXIX, 322-55.

⁶ For a provocative explanation of why Redlich himself has not synthesized his findings, see his preface to *The Molding of American Banking*.

⁷ These are the major statistical studies. A few others discuss certain limited groups of business leaders or only one or two factors in the lives of national samples of the business elite. Of the first, one of the best, on New England railroad men in the later nineteenth century, is in Edward C. Kirkland, *Men, Cities and Transportation: A Study in New England History 1820-1900* (Cambridge: Harvard University Press, 1948), II, 452-79. Two examples of the second type are J. R. Shannon and Maxine Shaw, "Education of Business and Professional Leaders," *American Sociological Review*, V (1940), 381-83; Scott Nearing, "The Younger Generation of American Genius," *Scientific Monthly*, II (1916), 48-61. There are useful tables in Pitirim Sorokin, *Social Mobility* (New York: Harper & Brothers, 1927). A few tables appear in such inspirational books as B. C. Forbes, *Men Who Are Making America* (New York: B. C. Forbes Publishing Co., 1917), and B. C. Forbes, ed., *America's Fifty Foremost Business Leaders* (New York: B. C. Forbes & Sons Publishing Co., 1948). Popular but informative is "The Thirty Thousand Managers," *Fortune*, February 1940. Not designed as a study of business leaders but actually concerned with them in a social capacity is Hubert P. Beck, *Men Who Control Our Universities* (New York: King's Crown Press, 1947). An interesting study of English business leaders is Simon Haxey, *England's Money Lords, Tory M.P.* (New York: Harrison-Hilton Books, 1939). Useful

"American Millionaires and Multi-Millionaires";⁸ Chester M. Destler, "Entrepreneurial Leadership Among the 'Robber Barons': A Trial Balance";⁹ C. Wright Mills, "The American Business Elite: A Collective Portrait";¹⁰ and, the only full-length book, F. W. Taussig and C. S. Joslyn, *American Business Leaders: A Study in Social Origins and Social Stratification*.¹¹

The first two, by Sorokin and Destler, are suggestive, but certain internal weaknesses reduce their scientific value. Sorokin lumps many kinds of millionaires and near millionaires; his 668 persons selected haphazardly (but not, statistically speaking, at random), over a period of some two hundred years, include actors, preachers, statesmen, and physicians as well as businessmen, and in his tables he seldom distinguishes the last group from the rest. The difficulty with Destler's work lies mainly in the vagueness of some of his categories, though the small number of businessmen studied by him (43) also diminishes confidence in his results.¹²

The essay by Mills and the book by Taussig and Joslyn, while satisfactory as starting points for additional studies, present their own problems, the first mainly because of the nature of its sample, the second partly because of the nature of its questionnaire. Mills selected his men only from the *Dictionary of American Biography*. The subjects for

statistical studies of leaders in other fields include Cortez A. M. Ewing, *The Judges of the Supreme Court 1789-1937* (Minneapolis: University of Minnesota Press, 1938); E. Pendleton Herring, *Federal Commissioners: a Study of Their Careers and Qualifications* (Cambridge: Harvard University Press, 1936); George H. Haynes, *The Senate of the United States, Its History and Practice* (Boston: Houghton Mifflin Co., 1938); C. Wright Mills, *The New Men of Power: America's Labor Leaders* (New York: Harcourt, Brace & Co., 1948); and Edwin L. Clarke, *American Men of Letters: Their Nature and Nurture* (New York: Columbia University Press, 1916).

⁸ *The Journal of Social Forces*, III (1925), 627-40.

⁹ THE TASKS OF ECONOMIC HISTORY (Supplemental Issue of THE JOURNAL OF ECONOMIC HISTORY), VI (1946), 28-49.

¹⁰ THE TASKS OF ECONOMIC HISTORY (Supplemental Issue of THE JOURNAL OF ECONOMIC HISTORY), V (1945), 20-44.

¹¹ New York: The Macmillan Co., 1932.

¹² In extenuation it should be said that Destler's list makes his study more interesting than it would have been had he taken seriously the instructions to participants in the "program on entrepreneurial leadership" for which he wrote his paper. In a note (p. 29) he says: "In a circular memorandum sent in advance . . . to the contributors to the program . . . the suggestion was made that each select the 'typical entrepreneur' of his epoch and then analyze his career in reference to his personal life . . ." No suggestion appears to have been made as to how such a "typical entrepreneur" could be selected without *first* making a study such as the one Destler made. He continues: "A cursory examination of the personalities and careers of the so-called 'robber barons' revealed that there was no one figure who might be regarded as typical of the group. Instead of the study of an individual career, therefore, an analysis of a relatively large group of 'robber barons' seemed called for if significant results were to be attained."

which were named on grounds that made some businessmen eligible for reasons that had little to do with their business achievements and others ineligible however eminent they may have been in the business community of their time.¹³ Taussig and Joslyn, in turn, setting out to prove that heredity is more important than environment in business success, asked their respondents for so little information that, as William F. Ogburn said in a review of their book, they have "such a small fraction of the environment measured that they, in the nature of the case, cannot do much toward a solution of the problem."¹⁴ Yet Taussig and Joslyn's initial data were carefully gathered and as presented in some of the tables in their book are available for more scholarly and scientific use.¹⁵

III

The present study is focused upon "career men"—bureaucrats, that is—who often must have been as occupied with getting and staying ahead in their companies as with keeping their companies ahead of the field. In studying the so-called "robber barons," Destler was impelled to consider also a few early "career men," an odd-sounding designation for "semi-piratical entrepreneurs who roamed the United States virtually unchecked before 1903."¹⁶ I, in turn, have had to include some atavistic captains of industry. Nevertheless, except for a few partners in unin-corporated investment-banking houses, the men discussed in these

¹³ Mills was aware of this but concluded that the *DAB* nevertheless "forms a convenient point of departure for an over-all view of the social characteristics of eminent American businessmen" (p. 20). On this no one yet really can gainsay him; by using the *DAB* he naturally lost a number of the topmost business leaders, but any more objectively composed list would also have lost some. In my list, for example (see pp. 191-96), neither John D. Archbold nor Thomas F. Ryan appears; to have stretched a point to include them would have meant to distort the objective criteria by which the others were named or to alter those criteria in such ways that others would have fallen out. Not until a good deal more is known about the whole universe of American business leaders (for which a dictionary of such leaders would be an excellent starting point) or about commensurable parts of that universe can anyone say with precision how good or how bad the *DAB* is as a source of a representative sample of the business elite; and not until we can make samples that we have confidence in—as market researchers have confidence in national samples based on national censuses—will we be able easily and scientifically to extend and deepen our knowledge of that universe.

¹⁴ *The Journal of Political Economy*, XLII (1934), 404-6.

¹⁵ Taussig and Joslyn used mail questionnaires to get information from about 7,000 businessmen, selected in a thoroughly objective fashion from Poor's 1928 national *Register of Directors*, on the following points: age, age on first entering business, most important position now held, age on assuming this position, size of company, occupation of father and grandfather, education, assistance from relatives and friends. Mills used the *DAB* for both his names and his information and sought the following data for 1,464 business leaders born between 1570 and 1879: date of birth, region of birth and of "success" (objectively defined by him), social class of family, education, father's occupation, political activity.

¹⁶ Destler, "Entrepreneurial Leadership," *THE TASKS OF ECONOMIC HISTORY* (Supplemental Issue of *THE JOURNAL OF ECONOMIC HISTORY*), VI, (1946), 28.

pages were all officeholders; many of them *never* organized a business of any kind.

Yet the dull titles by which these men are called and the bureaucratic maneuvering in which they must often have engaged should not suggest that these were petty men exercising small powers in petty domains. The mere fact that they were bureaucrats should suggest the contrary, for, while there are many examples of petty bureaucracies, generally speaking only large enterprises operating in large theaters need hierarchical structures. The fact is, the men discussed in this essay were at the apex of some of the mightiest organizations the world up to then had seen. In the vernacular of their times, their bureaucratic structures were among the first great industrial, commercial, and financial “trusts.”

As late as 1896, except for some railroads, there were probably fewer than a dozen American corporations capitalized at more than \$10 million. By 1903, again excepting railroads, there were more than three hundred corporations capitalized at \$10 million or more, approximately fifty at \$50 million or more, and seventeen at \$100 million or more.¹⁷ A similar change may be traced in the modern history of other capitalist nations in which, as in the United States, the startling upward curve in the productivity of workers, attributable in part to the new technology of electricity and alloys, helped bring about an unprecedented speeding up in the accumulation of money and power and in the combination of business firms.

In this period one after another of the key segments of the world's economy was engrossed by the world's business leaders, Americans not least among them. And in the United States as elsewhere it became possible in regard to scores of commodities and key services such as transportation, communication, and the granting of credit to name the corporations or clusters of corporations that dictated the quantities which could be produced or employed and the prices and places at which they could be sold. Such fateful decisions were in the domain of the early business bureaucrats studied here and were communicated to and carried out by the bureaucracies they controlled—organizations that would scarcely have been understood by early nineteenth-century entrepreneurs or by those Jacksonian politicians who had sought, in the name of equal entrepreneurial opportunity, to make the establishment of corporations so easy.

¹⁷ See John Moody, *The Truth About the Trusts* (New York: Moody Publishing Co., 1904), pp. 453–76.

IV

At the start of this work I had decided that two hundred men were all that an individual could study in a reasonable time and that from that number (various contingencies reduced the final group to 190) statistically reliable results could be obtained.¹⁸ If these men were selected from the largest companies regardless of field, the bulk of them would have come from the railroads; if, on the other hand, an equal number were taken from each major business field, representatives of small insurance companies and banks would have mingled with the elite while many from great railroads would have been excluded. This dilemma could be solved only arbitrarily.

The companies from which men were chosen were taken from the following major fields: (1) manufacturing and mining, (2) steam railroads, (3) public utilities, (4) finance (commercial banking, life insurance, investment banking).¹⁹ Companies in the first three fields were ranked by capitalization, the commercial banks by deposits, and the life-insurance companies (no other types of insurance companies approach the life companies in size) by assets.²⁰ From the *Statistical*

¹⁸ For a study of business bureaucrats it seemed reasonable to select the leaders from among those who held the topmost *positions* in the largest business companies. This was done without regard to the problem of getting biographical information on the men who happened to hold these positions. As it turned out, most of the information sought (approximately thirty questions to be answered for each of these men were put on a schedule, the answers then being coded and punched on Hollerith cards) could be obtained for all but a few of these men. Only a part of this information is analyzed in this essay; I hope in later studies to present more of it.

To describe in detail the sources used for information would use up far too much of the space available here. Besides obvious sources such as individual biographies (of which only eighteen of these business leaders have been subjects), the *DAB* (which has essays on only fifty-six of these men), the *National Cyclopedia of American Biography* (a much more useful source than the *DAB* and often more accurate), and other encyclopedias, state and local histories, and diverse *Who's Who's*, I consulted magazine articles, newspaper files, folders of clippings in morgues of newspapers and magazines, and carried on an extensive correspondence with business companies, historical societies, and relatives of men discussed here.

¹⁹ Of the seventy-four nonfinancial corporations represented by the men studied here, fifty-eight (under original or other names) are among Berle and Means' two hundred. Forty-five are among the two hundred (as of 1937) listed in Monograph 29, "The Distribution of Ownership in the 200 Largest Nonfinancial Corporations," of the TNEC *Investigation of Concentration of Economic Power* (Government Printing Office, 1940). See pp. 346-47.

²⁰ Those in the first three fields were taken from Part VI of Moody's *The Truth About the Trusts*, published in 1904. Financial companies are not listed in Moody's book, hence they were taken from Moody's *Manual*, 1903. The leading investment-banking houses were named not on the basis of size but largely on that of testimony before the Pujo Committee, of which the following is a pertinent example: Louis Untermeyer questioning George F. Baker: "Will you be good enough to name a single transaction in the last 10 years of over \$10,000,000 in amount which had been financed without the participation of Messrs. Morgan & Co., or the City Bank, or Kuhn, Loeb & Co., or Speyer & Co., or Lee, Higginson & Co., or Kidder, Peabody & Co., of Boston, and the First National Bank and the Illinois Trust and Savings Bank, of Chicago?" Mr. Baker could not name one. See United States Congress, Committee on Banking and Cur-

Abstract of the United States and other sources summarizing census information, I then took the capitalization of the entire manufacturing and mining, steam railroad, and public-utilities industries in the United States in or near 1910, the total deposits of the national banks, and the assets of the life-insurance companies. These I simply added together and distributed the leaders among the four fields more or less according to the proportion of the total represented by the figure used for each. This total of capital, deposits, and assets came to \$57 billion. Table I shows how the leaders would have been distributed had the proportions been followed exactly, and how they actually are distributed in this study.

TABLE I
DISTRIBUTION OF BUSINESS LEADERS BY TYPE OF INDUSTRY

Industry	Number of Men from Each Industry if Repre- sentation Were Propor- tionate to "Size" of Industry		Actual Number of Men from Each Industry	
Manufacturing and Mining	65		64	
Steam Railroads	58		58	
Public Utilities	29		31	
National Banking } Finance	16 }	19 }		
Life Insurance }	13 }	9 }	28	
Total	181*		181*	

*The nine investment bankers, selected on a different basis, are excluded from this table. See n. 20.

The next step was to choose the topmost positions from which these men should be selected. Should directors be included, or chairmen and members of key panels such as finance or executive committees? What of executive vice-presidents, general managers, or cashiers of banks? Investigation of the locus of different types of power in large corporations has only just begun;²¹ for the period of this work it may fairly be said that there are no studies. The decision to limit this work to presidents and board chairmen of corporations and some partners of unincorporated investment-banking houses permitted me to choose men from a larger group of companies that would have been possible

rency, *Money Trust Investigation* (Government Printing Office, 1913), II, 1540. Men from all the banks named here are included in this study; those italicized are the five investment banking houses from which nine partners were selected.

²¹ Among the leading studies in this field are those already cited, by Gordon, Barnard, and Berle and Means.

had men from more positions been selected; it may have caused some persons of great importance to be excluded, but all of those included, at any rate, were bound to be men of first rank.²² These men and their companies are listed at the end of this section. No one who was president or board chairman in a listed company in the decade 1901-1910 has been excluded.²³

One hundred and seventy-four of these men (information on this score is lacking for sixteen) held approximately 2,720 business directorships. A few held more than 100 each; the average was about 16.²⁴ Clearly, these men were leaders not only in their own companies but in the entire business community.

A LIST OF THE MEN AND THEIR COMPANIES USED IN THIS STUDY †

<i>Size, in Millions, 1903</i>	<i>Company</i>	<i>Presidents and Chairmen</i> (* denotes board chairman)
<i>A. Manufacturing and Mining Companies</i>		
\$1,370	United States Steel Corp.	Schwab, Charles M. Corey, William E. *Gary, Elbert H.
503	Consolidated Tobacco Co. } American Tobacco Co. }	Duke, James B.
201	American Smelting & Refining Co.	Nash, Edward W. Guggenheim, Daniel
175	Amalgamated Copper Co.	Rogers, Henry H. Ryan, John D.
170	International Mercantile Marketing Co.	Griscom, Clement A.
145	American Sugar Refining Co.	Havemeyer, Henry O. Thomas, Washington B.

²² I plan in another place to discuss in detail the selection of the 188 political leaders for this study. It is sufficient to state here that this number includes *all* the presidents, vice-presidents, cabinet members, and United States Supreme Court judges in the decade 1901-1910, these being 44 men plus 67 United States senators and 77 representatives. Twenty-three of the senators and 31 of the representatives held *all* the chairmanships in the 57th through the 61st Congresses of "major" committees in their respective houses, the list of committees being adapted from that in George H. Haynes, *The Senate of the United States*, II, 1059, and that in DeAlva Stanwood Alexander, *History and Procedure of the House of Representatives* (Boston: Houghton Mifflin Co. 1916) pp. 399-410. The remaining 44 senators and 46 representatives held all the chairmanships of certain other committees designated "minor" but sometimes of major importance in channeling legislation. Of the total of 144 senators and representatives, only 14 were not members of some "major" committee.

²³ The only exception is Bruce H. Ismay, an Englishman, who was president of the International Mercantile Marine Company beginning in 1904 and who served in this capacity abroad.

²⁴ This information is based on listings for 85 men in the *Directory of Directors*, City of New York, 1909-1910; for 58 men, in similar directories issued during the decade 1901-1910; for 31 men, on other sources. Two thousand seven hundred and twenty directorships is a conservative figure; were the maximum number ever held by each of these men available, the total would be appreciably higher.

<i>Size, in Millions, 1903</i>	<i>Company</i>	<i>Presidents and Chairmen</i> (* denotes board chairman)
\$130	United States Leather Co. } Central Leather Co. }	Horton, James Hoyt, Edward C. *Valentine, Patrick A.
120	International Harvester Co.	McCormick, Cyrus H. Deering, Charles
97	Standard Oil Co.	Rockefeller, John D.
84	Pittsburgh Coal Co.	Robbins, Francis L. Taylor, Matthew H. Field, William K.
82	American Can Co.	Norton, Edwin Assmann, Franz A. Graham, William T. *Reid, Daniel G.
74	Pullman Co.	Lincoln, Robert T.
71	Corn Products Co. } Corn Products Refining Co. }	Matthiessen, Conrad H. Bedford, Edward T.
60	American Car & Foundry Co.	Bixby, William K. Eaton, Frederick H.
60	Crucible Steel Co. of America	Halcomb, Charles H. Smith, Frank B. Ramsey, Charles C. *Park, William G. *DuPuy, Herbert
58	United States Rubber Co.	Colt, Samuel P.
56	National Biscuit Co.	Crawford, Benjamin F. Green, Adolphus W.
56	Lackawanna Steel Co.	Scranton, Walter Clarke, Edmund A. S.
52	International Paper Co.	Chisholm, Hugh J. Burbank, Alonzo N.
50	United Copper Co.	Heinze, F. Augustus
50	American Locomotive Co.	Pitkin, Albert J. Marshall, Waldo H.
50	Distillers' Securities Corp.	Curley, Edmund J.
50	Cambria Steel Co.	Stackhouse, Powell Price, Charles S.
49	American Woolen Co.	Ayer, Frederick Wood, William M.

<i>Size, in Mil- lions, 1903</i>	<i>Company</i>	<i>Presidents and Chairmen</i> (* denotes board chairman)
\$48	Colorado Fuel & Iron Co.	Osgood, John C. Kebler, Julian A. Hearne, Frank J. Welborn, Jesse F.
47	Republic Iron & Steel Co.	Thompson, Alexis W. Topping, John A. Guthrie, Tracy W. *French, G. Watson
46	General Electric Co.	Coffin, Charles A.
45	Associated Oil Co. of Calif.	Canfield, C. A. Chanslor, J. A. Herrin, William F.
44	Westinghouse Electric Corp.	Westinghouse, George Atkins, Edward F. *Ives, Brayton

B. Steam Railroads

873	Pennsylvania Railroad Co.	Cassatt, Alexander McCrea, James
490	The Rock Island Co.	Leeds, William B. Mather, Robert Walker, Roberts *Yoakum, Benjamin F.
460	The Southern Pacific Co.	Hays, Charles M. *Tweed, Charles H.
458	Atchison, Topeka & Santa Fe Railway Co.	Ripley, Edward P.
451	Union Pacific Railroad Co.	Burt, Horace G. Harriman, Edward H. Lovett, Robert S.
394	The Reading Co.	Harris, Joseph S. Baer, George F.
392	Baltimore & Ohio Railroad Co.	Loree, Leonor F. Murray, Oscar G. Willard, Daniel
382	New York Central & Hudson River Rail- road Co.	Callaway, Samuel R. Newman, William H. Brown, William C. *Depew, Chauncey M.
372	Erie Railroad Co.	Thomas, Eben B. Underwood, Frederick D.

<i>Size, in Millions, 1903</i>	<i>Company</i>	<i>Presidents and Chairmen</i> (* denotes board chairman)
\$365	Southern Railway Co.	Spencer, Samuel Finley, William W.
303	Chicago & Northwestern Railroad Co.	Hughitt, Marvin
297	Atlantic Coast Line Co.	Walters, Henry Elliott, Warren G. Jenkins, Michael
286	Northern Pacific Railway Co.	Mellen, Charles S. Elliott, Howard
233	Missouri Pacific Railroad Co.	Gould, George J.
230	Chicago, Milwaukee & St. Paul Railroad Co.	Earling, Albert J. *Miller, Roswell
226	Illinois Central Railroad Co.	Fish, Stuyvesant Harahan, James T.
205	Great Northern Railway	Hill, James J. Hill, Louis W.
152	Chicago, Burlington & Quincy Railroad Co.	Perkins, Charles E. Harris, George B. Miller, Darius
149	Missouri, Kansas & Texas Railway	Rouse, Henry C. Finney, Frederick N. Allen, Andrew A. *Joline, Adrian H. Hawley, Edwin
142	Norfolk & Western Railway Co.	Kimball, Frederick J. Fink, Henry Johnson, Lucius E.
138	Chesapeake & Ohio Railway	Stevens, George E. *Trumbull, Frank
127	Denver & Rio Grande Railroad Co.	Jeffery, Edward T.
119	Delaware, Lackawanna & Western Railroad	Truesdale, William H. *Sloan, Samuel
118	Western Maryland Railroad Co.	Hood, John M. Pierce, Winslow S. Ramsey, Joseph, Jr. Bush, Benjamin F.

C. Public Utilities

392	American Telephone & Telegraph Co.	Cochrane, Alexander Fish, Frederick P. Vail, Theodore N.
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<i>Size, in Mil- lions, 1903</i>	<i>Company</i>	<i>Presidents and Chairmen</i> (* denotes board chairman)
\$224	Metropolitan Securities Co.	Fowler, Thomas P. Vreeland, Herbert H.
176	Public Service Co. of New Jersey	McCarter, Thomas N.
170	Brooklyn Rapid Transit Co.	Greatsinger, Jacob L. Winter, Edwin W. *Brady, Anthony N.
150	Consolidated Gas Co. of New York	Gawtry, Harrison E. Cortelyou, George B.
127	Interborough Rapid Transit Co. } Interborough-Metropolitan Co. }	Belmont, August Bryan, Edward P. Shonts, Theodore P.
121	Western Union Telegraph Co.	Eckert, Thomas T. Clowry, Robert C.
117	Philadelphia Rapid Transit Co.	Parsons, John B. Kruger, Charles O.
111	Chicago Union Traction Co. } Chicago Railways Co. }	Roach, John M. *Foreman, Henry G. *Blair, Henry A.
100	United Gas Improvement Co.	Dolan, Thomas
80	North American Co.	Wetmore, Charles W. Campbell, James
76	St. Louis Transit Co.	Carleton, Murray
70	United Railway & Electric Co. of Baltimore	Perin, Nelson House, William A.
69	Massachusetts Electric Co.	Abbott, Gordon
68	Boston Elevated Railway Co.	Bancroft, William A.
67	People's Gas, Light & Coke Co.	Billings, Cornelius K. G. Knapp, George O.

D. Finance

1. National Banks

148	National City Bank (New York)	Stillman, James Vanderlip, Frank A.
90	National Bank of Commerce (New York)	Hendrix, Joseph C. Snyder, Valentine P.
84	First National Bank (New York)	Baker, George F.
75	National Park Bank (New York)	Delafield, Richard
74	Hanover National Bank (New York)	Woodward, James T.

<i>Size, in Millions, 1903</i>	<i>Company</i>	<i>Presidents and Chairmen</i> (* denotes board chairman)
\$59	United States Trust Co. (New York)	Stewart, John A. Gage, Lyman J. Sheldon, Edward W.
54	Mercantile Trust Co. (New York)	Deming, Henry C. Fitzgerald, Louis
92	First National Bank (Chicago)	Forgan, James B.
73	Illinois Trust and Savings Bank (Chicago)	Mitchell, John J.
46	Corn Exchange National Bank (Chicago)	Hamill, Ernest A.
46	National Bank of Commerce (St. Louis)	Thompson, William H. VanBlarcom, Jacob C.
47	National Shawmut Bank (Boston)	Stearns, James P. Gaston, William A.
<i>2. Life Insurance</i>		
382	Mutual Life Insurance Co.	McCurdy, Richard A. Peabody, Charles A.
359	Equitable Life Assurance Co.	Alexander, James W. Morton, Paul
322	New York Life Insurance Co.	McCall, John A. Orr, Alexander E. Kingsley, Darwin P.
89	Metropolitan Life Insurance Co.	Hegeman, John R.
63	Aetna Life Insurance Co. (Hartford)	Bulkeley, Morgan G.
<i>3. Investment Bankers</i>		
	J. P. Morgan & Co.	<i>Partners</i> Morgan, J. Pierpont Perkins, George W.
	Kuhn, Loeb & Co.	Schiff, Jacob H. Warburg, Paul M.
	Kidder, Peabody & Co.	Winsor, Robert Peabody, Frank E.
	Lee, Higginson & Co.	Higginson, Henry L. Lane, Gardner M.
	Speyer & Co.	Speyer, James

† Some of these men served in more than one listed company or in more than one eligible position in the same company. Each man is listed according to the first eligible position he held, and only there. Some of these companies changed names and otherwise were recognized during the decade studied; others expired during this decade. All companies are listed by their names in 1903; for some the new names are included in brackets.

V

As stated earlier in this essay, some general American historians have made enough casual remarks about the recruitment of modern business leaders to form a rough explanatory model. I want now to point out

some of the facets of this model and then to introduce some of my own findings to show how obsolete it had become by the first decade of this century, if, indeed, it ever fitted the facts.

Virtually all the generalizations that go to make up this model are based upon a few remarkable life histories from the “robber baron” period; thus in most of the books that are at all concerned with the recruitment of business leaders one finds accounts of Andrew Carnegie, John D. Rockefeller, J. Pierpont Morgan, James J. Hill, and Edward H. Harriman. In *The Growth of the American People 1865-1940*, Arthur M. Schlesinger, Sr., cites in addition such older heroes as Cornelius Vanderbilt and Gustavus F. Swift but not later ones.²⁵ Charles A. and Mary R. Beard, in *The Rise of American Civilization*, add to the ubiquitous five Jay Gould, William H. Vanderbilt, Collis P. Huntington, Jay Cooke, William A. Clark, and Philip D. Armour.²⁶ Few general historians discuss a greater number of men than do the Beards; but much more significant, practically none discusses any *later* men.

The last extended discussion of the “typical” business leader by Samuel Eliot Morison and Henry Steele Commager in *The Growth of the American Republic*—a widely used textbook—follows (*italics mine*):

The *most typical figure* of the industrial age was undoubtedly Andrew Carnegie. A *poor immigrant boy* from Scotland, he followed and helped to *perpetuate* the American tradition of rising *from poverty to riches*, and his success he ascribed entirely to the political and economic democracy which obtained in this country. By dint of unflagging industry and unrivalled business acumen and resourcefulness and especially through his extraordinary ability to choose as associates such men as Charles Schwab, Henry Frick, and Henry Phipps, and to command the devotion of his workmen, Carnegie built up the greatest steel business in the world, and retired in 1901 to chant the glories of “Triumphant Democracy” and to give away his enormous fortune of three and a half hundred millions.²⁷

Arthur Schlesinger says vaguely of the latest group of business leaders he discusses that they arose “in most cases from obscure origins and unhindered by moral scruples, they were fired by a passionate will to succeed.”²⁸ In the last discussion of business leaders in *The American Nation*, John D. Hicks says: “Typical of the railroad builders was James J. Hill,” who, he points out, was an immigrant from Canada.²⁹ The

²⁵ P. 129.

²⁶ II, 172-73.

²⁷ II, 134.

²⁸ *Growth of the American People*, p. 129.

²⁹ P. 168.

Beards' analysis of the life histories of American business leaders ends with the eleven men named above, of whom they write:

Of the group here brought under examination only two, Morgan and Vanderbilt, built their fortunes on the solid basis of family inheritances while only one had what may be called by courtesy a higher education: Morgan spent two years in the University of Göttingen. Carnegie began life as a stationary engineer; Jay Cooke as a clerk in a general store in Sandusky; Jay Gould as a surveyor and tanner; Huntington, Armour, and Clark as husky lads on their fathers' farms; Hill as a clerk for a St. Paul steamboat company; Harriman as an office boy in a New York broker's establishment; Rockefeller as a bookkeeper in Cleveland.³⁰

The Beards' inference is that these men, starting from the lowliest jobs as exemplars of the tradition, rose from the most humble origins to the very top. This may actually have been so, not only of these few men but of the large majority of business leaders whom they are taken to represent. But, it may be asked, how many in modern times start much higher than these men did, even among the well-born, college-trained young men who, as *Fortune* put it, spend a few years in "the mummery of 'working in the plant'" before ascending to the highest executive levels? ³¹ Surely, of itself, an initial low-status job does not necessarily imply lowly origins.³²

³⁰ *Rise of American Civilization*, II, 173.

³¹ "The Thirty Thousand Managers," *Fortune*, February 1940, p. 61.

³² In fairness to the Beards it should be pointed out that they were aware of changes in the recruitment of business leaders by the turn of the century. They write: "By the end of the century the government of American railways and staple industries, with exceptions of course, had been lost by the men who had grown up in the roundhouses and the mills through all the technical processes. On the whole, the high command in the empire of business was now in the hands of great banking corporations, and captains of industry were as a rule no longer evolved by natural selection; they were chosen by the dominant bankers who served as financial guardians."—*Rise of American Civilization*, II, 196–97. Two things must be said about this statement. (1) After making it, the Beards say nothing more about the leaders selected under the new conditions; they name no men and make no comparisons with the older group discussed earlier in such detail. (2) Much more important, they fail to focus upon the lasting change that took place in the period of which they write. They say the new men no longer were selected from the plants. But whence, then, did they come? The Beards do not even raise this question. They do not, in fact, even establish that the older business leaders did rise from long years in "the roundhouses and the mills," and indeed it is more likely that, except for some in railroads, the older leaders started their own enterprises at early ages and rose *with* not *in* those enterprises. But whatever may be said of the older men, the majority of the *new* business leaders, along with hundreds of thousands of others who never rose out of the "ruck," did spend many years in the plant, or, in more instances, in the offices of their industries—for the problems of administration had already become complex enough to take an entire career to master. Bankers and other directors at the turn of the century did place "outsiders" at the head of the companies they financed—after all, many of these were newly organized or reorganized companies into which the introduction of outsiders early in their history probably was necessary and expedient. No one, to my knowledge, has studied the business backgrounds of these outsiders. I suggest that they were frequently experienced in the industries if not the companies into which they were placed. But the lasting change was not the importation of out-

It is instructive to note that even the more perspicacious historians, when they err on the origins of business leaders, do so on the side of the tradition. Thus the Beards describe Rockefeller, the son of a "Barnumesque" itinerant entrepreneur, as "the son of a farmer";³³ and Henry B. Parkes writes of F. Augustus Heinze, the copper magnate who was born in Brooklyn, New York, into a comfortable business family, as a "young German immigrant."³⁴

Though most historians say little about it, there has been in the United States for well over a century a sizable and growing working class, propertyless, segregated, often remarkably apathetic to the alleged opportunities of American business and political life. Into this class most immigrants, starting with the Irish in the 1840's, have been channeled. Historians generally imply by the individuals they select as examples that this class and (for so little is said in this connection of rich men's business-bred, college-educated sons) this class alone has supplied our business leaders, that their school, to quote Carnegie himself, was "the sternest of all schools—poverty," that they were graduated from it early in life into apprenticeships as "mechanics" or "poor clerks," and that "against the boy who swept the office, or who begins as a shipping clerk at fourteen," the college graduate "has little chance, starting at twenty."³⁵

Yet to read the lives of business leaders, even of those who presumably are the pillars of this tradition, is to look almost in vain for working class or foreign origins, and even poor and unschooled farm boys are not conspicuous among such leaders. Of Rockefeller and Heinze I have already spoken. The historians themselves have accounted for

siders by the bankers; it was the tendency to select top bureaucrats from the hierarchy below. And the question of lasting social import is not whom did the bankers select from the outside but whom did the top bureaucrats select from the whole eager army of aspirants *within* the hierarchies to develop for, and finally install at, the top? Virtually all the candidates have been, in recent decades, so to speak, in business, often in *the* business. What then were the factors that differentiated the more from the less successful? If this was not the key question earlier in our history when business bureaucracies, in the main, were nonexistent, since the turn of the century it has been a question the answer to which has been of increasing social moment—a question, nevertheless, that most historians have not yet asked.

³³ *Rise of American Civilization*, II, 181. The adjective "Barnumesque" is Allan Nevins'; see his *John D. Rockefeller, the Heroic Age of American Enterprise* (New York: Charles Scribner's Sons, 1940), I, 15–16. See also I, 39–40, for Nevins' discussion of the role of the business background in Rockefeller's life. See, too, John D. Rockefeller, *Random Reminiscences of Men and Events* (New York: Doubleday, Page & Co., 1909) p. 33.

³⁴ Henry B. Parkes, *Recent America* (New York: Thomas Y. Crowell Co., 1945), p. 55. Heinze's father was a German immigrant.

³⁵ Andrew Carnegie, *The Empire of Business* (New York: Doubleday, Page & Co., 1902), pp. 107–11.

J. Pierpont Morgan and William H. Vanderbilt. Jay Cooke's father, Eleutheros, was "a lawyer who was sent to Congress." Harriman's father, Orlando, was an Episcopal clergyman, "the one exception of his generation in a family of several brothers" who followed the family tradition of successful "trading and commercial pursuits." Harriman himself married the daughter of a banker and railroad president who started him on his railroad career. Even a farm boy such as Elbert H. Gary, who "experienced early in life the arduous regimen of work on a pioneer farm, an experience which endowed him with excellent health and a robust physique," was raised in a settlement named after his forebears and in a house that "was a large one for the time—the largest in the settlement . . . 'the big white house on the hill' it came to be called."³⁶

Doubtless examples can be found in the period emphasized by the historians of men whose life histories more fully substantiate the tradition. What of the men in the later period to which the historians tacitly allow their explanations of origins and ascent to apply and which is the subject of this essay?

VI

Had the "typical" American business leader of the first decade of the twentieth century been an immigrant? Was he best represented in manufacturing, for example, by Franz A. Assmann, the German-born president of the American Can Company; or in railroading by Edward T. Jeffery, the English-born president of the Denver and Rio Grande; or in insurance by Alexander E. Orr, the Irish-born president of the New York Life; or in banking by Jacob H. Schiff, the German-born Jew who became senior partner of Kuhn, Loeb and Co.?

Simply to ask the question is to answer it. Of the 187 businessmen studied here whose birthplaces are known, only 18, or less than 10 per cent, were born abroad.³⁷ Surely these men were less "typical" of the topmost business leaders of their time than the 55 per cent who were born in the eastern part of the United States, in New England and the middle Atlantic states.³⁸

³⁶ The last quotation in this paragraph is from Ida M. Tarbell, *The Life of Elbert H. Gary* (New York: D. Appleton & Co., 1925), p. 20. The other quotations are from the *DAB*.

³⁷ The average age of the 190 business leaders in 1905 was 54 years; of the political leaders, 57 years.

³⁸ In his study of 1,464 businessmen born between 1570 and 1879, Mills found that 18.6 per cent had been foreign-born. He divided his men, by birth dates, into seven generations

TABLE II

AMERICAN BUSINESS AND POLITICAL LEADERS BY REGION OF BIRTHPLACE*

<i>Birthplace</i>	<i>Business Leaders (per cent of)</i>	<i>Political Leaders (per cent of)</i>
New England	18	22
Middle Atlantic	37	27
East north central	22	27
South	9	11
West	4	7
	<hr/>	
United States	90	94
Foreign	10	6
	<hr/>	
Total cases (= 100 per cent)	187	188

* These are census regions. Combined in "South" are south Atlantic, south central, west south central; in "West" west north central, mountain, Pacific.

Of the eighteen business leaders who were foreign-born, moreover, scarcely two or three fit the historians' concept of the *poor* immigrant who made good, and even these men had been brought to the United States at such an early age that they may be said to have been bred if not born here. Two of the eighteen men were of rich, colonial American business families who happened to be residing temporarily in Canada when they were born. Four more, rich and highly placed abroad, either settled here as representatives of big foreign business firms or were brought over by fathers who represented such firms. At least two others had letters of introduction from their fathers or other relatives abroad to American bankers and merchants who helped to establish them here. Thus it appears to be unsafe in writing of elites to associate immigrant status, even where that fits, with the idea of poverty.

If not typically poor immigrants, were these business and political leaders the sons of foreigners? More of them were, surely, but the next table shows that the typical leader in each field was born into an American family.

starting in the following years (in parentheses after each date is the proportion of foreign-born businessmen in the generation starting at that date): 1570 (78.4%), 1700 (28.3%) 1730 (28.1%), 1760 (22.3%), 1790 (10.2%), 1820 (17.5%), 1850 (10.9%). Thus, in each of these generations, except that born between 1790 and 1819, there was a greater percentage of foreign-born businessmen than in Mills' last generation, which is nearest to the period of the present study and in the group used in this study. (Mills, "The American Business Elite," *THE TASKS OF ECONOMIC HISTORY* (Supplemental Issue of *THE JOURNAL OF ECONOMIC HISTORY*), V, (1945), 22).

TABLE III

AMERICAN BUSINESS AND POLITICAL LEADERS BY REGION OF FATHER'S BIRTHPLACE

<i>Father's Birthplace</i>	<i>Business Leaders (per cent of)</i>	<i>Political Leaders (per cent of)</i>
New England	27	33
Middle Atlantic	31	28
East north central	4	5
South	12	17
United States, unspecified*	7	4
<hr/>		
United States	81	87
Foreign	19	13
<hr/>		
Total cases (= 100 per cent)	176	176

* Fathers of none of these men were known to have been born in the "West" as defined in Table II. All those known to have been born in the United States, the exact region being unknown, are counted here.

Moreover, these families themselves had, in most instances, been in America for many generations. Almost three fourths of the business and political leaders were at least of the fourth generation of their paternal lines to reside in America; many were of the seventh and even the eighth generations. Colonial families were represented by 73 per cent of the business leaders and 79 per cent of those in politics.³⁹ Fifty-six per cent of the former and 47 per cent of the latter were of families that had settled in America in the seventeenth century.

Even were they not of colonial ancestry, most of these leaders could point to British, and many to English, forebears.

TABLE IV

AMERICAN BUSINESS AND POLITICAL LEADERS BY PATERNAL FAMILY'S ORIGIN*

<i>Family Origin</i>	<i>Business Leaders (per cent of)</i>	<i>Political Leaders (per cent of)</i>
England and Wales	53	56
Ireland	14	13
Scotland	7	8
Canada	3	1
British Empire, other, or unspecified	5	5
<hr/>		
British Empire	82	83
Germany	12	8
Other countries	6	9
<hr/>		
Total cases (= 100 per cent)	162	162

* Or country of leader's own origin if he was the first in the family to settle in America. In either case, *last country* before settlement in America.

³⁹ Defining "colonial" families as those settled in America before 1776.

They could claim Protestant, and often Episcopal or Presbyterian, backgrounds.

TABLE V
AMERICAN BUSINESS AND POLITICAL LEADERS BY RELIGIOUS BACKGROUND*

<i>Denomination</i>	<i>Business Leaders (per cent of)</i>	<i>Political Leaders (per cent of)</i>
Episcopal	25	12
Presbyterian	21	17
Methodist	9	13
Baptist	5	7
Other Protestant	14	20
Protestant, unspecified	16	25
<hr/>		
Protestant	90	94
Catholic	7	4
Jewish	3	2
<hr/>		
Total cases (= 100 per cent)	174	165

*In almost all instances this is the religion of the leader himself and most likely of his family as well. In a few instances where a shift in religion is known to have occurred, only the old religion is counted.

If not of recent foreign origin, was the typical American business leader of the early twentieth century a migrant from a farm?

Table VI shows that the political leaders far more frequently than those in business came from rural areas, that almost 60 per cent of the latter were recruited from the larger towns and cities. Indeed, more than 20 per cent of them were born in cities that around the middle of the nineteenth century had populations of 100,000 or more. Upon these men rural influences even in a predominantly rural society must have been at a minimum.

TABLE VI
AMERICAN BUSINESS AND POLITICAL LEADERS BY SIZE OF BIRTHPLACE*

<i>Size of Birthplace</i>	<i>Business Leaders (per cent of)</i>	<i>Political Leaders (per cent of)</i>
Rural (under 2,500)	41	75
Town (2,500-8,000)	19	9
City (over 8,000)	40	16
<hr/>		
Total cases (= 100 per cent)	164	180

*Population is from the census nearest each man's date of birth. In a few instances of men raised in places (that is, moved there before reaching the age of 7) sufficiently larger or smaller than their birthplaces to alter their classification in the scale used in the table, that place, not the birthplace, was used.

Yet more significant in answering the question are the occupations of the fathers of these business leaders. Here we find that even of those born in rural areas fewer than one third (and only 12 per cent of the whole group) had fathers who were mainly farmers. Fifty-six per cent of all the business leaders, on the other hand, had fathers who had been in business—often big business—before them; eight of ten, indeed, came from business or professional families.

TABLE VII
AMERICAN BUSINESS AND POLITICAL LEADERS BY FATHER'S OCCUPATION*

<i>Occupation</i>	<i>Business Leaders</i> (<i>per cent of</i>)	<i>Political Leaders</i> (<i>per cent of</i>)
Businessman	56	33
Professional	23	18
Farmer	12	38
Public official.....	7	9
Worker	2	2
<hr/>		<hr/>
Total cases (= 100 per cent)	167	167

* Some fathers engaged in more than one occupation. The one used here was dominant in the period in which each man was raised. In a few instances this was not clear so a choice was made more or less arbitrarily (considering our lack of knowledge of income and status factors in the early nineteenth century) by which business (including higher company positions as well as company ownership) took precedence over farming and professional or public-official positions over both. This conforms roughly to the ascending order of status used in classifying occupations today. In no instance was there a problem of a father who was a worker (including wage as well as salaried occupations). About one third of the professionals were lawyers or engineers who might have been called businessmen, given the nature of their professional work; the others were clergymen, doctors, writers, etc. "Public official" includes professional politicians (even if not officeholders) and lawyers who were chiefly public men.

Darwin P. Kingsley, who was president of the New York Life Insurance Company from 1907 to 1931 and chairman of the board from 1931 to his death two years later, once said of his impoverished early years:

On the 40-acre farm, in Vermont, where I was born, everything we wore and everything we ate was grown on the farm, except a little sugar once in a while in place of maple sugar, which was indigenous, and a little tea. From a dozen sheep came wool which was first spun and then woven by hand into winter clothing. Our garden supplied flax which was made into summer garments . . . I well remember the first time my father took his wool and swapped it for fulled cloth. We all regarded that as an epochal advance into a higher state of civilization. At Alburg, where I was born, there were not then (1857) enough houses to form even a hamlet. In the summer I attended the old "deestrick" school, a primitive

affair innocent of any suggestion of higher education. In our home were very few books. Life there was clean through and through, self-respecting, and full of moral and religious discipline. But it was extremely narrow, uninspiring, and unimaginative. There was little or nothing to fire a boy with ambition or enthusiasm or to acquaint him with the world that lay beyond his “cabined, cribbed, and confined” sphere.⁴⁰

Yet it was not this kind of poverty that Carnegie had in mind when he recommended his “sternest of all schools”; this kind of spiritual and intellectual poverty was probably most prevalent among the poor, but this much at least they shared with large segments of the population at all levels, including those born and raised among the very rich. Call Kingsley’s family poor in material things as well; but compared with the sons of many urban and rural wage workers even in the 1850’s he and other farmers’ sons like him were not worse off.

Nevertheless, in the next table, showing the social status of the families of these business and political leaders, Kingsley and a few others with apparently similar or poorer backgrounds were classified as lower class. Men were classified as of the upper class when it was clear that their fathers, like those of August Belmont, Cornelius K. G. Billings, or Charles Deering, were themselves big businessmen, or where their families, like those of Robert Todd Lincoln or Winslow Shelby Pierce, were politically eminent. Generally speaking, those in between—including some businessmen with no special claims to wealth or power or professionals like the average clergyman, doctor, or lawyer—were ranked as of middle-class origins. This does not mean that their fathers were not of help to them. James B. Duke, for example, rose to wealth and power with a company founded by his father; George W. Perkins moved to a partnership in the House of Morgan—probably the acting head of the house at one stage—from a vice-presidency in the New York Life Insurance Company in which his father, a minor executive there, had given him his business start.

Not all the men ranked in the upper class, of course, had fathers as rich and powerful as those of Belmont or Billings, or families as well connected as those of Lincoln or Pierce. Many in the middle bracket, likewise, probably were not as fortunate in their upbringing as Elbert H. Gary, whose family is classified there; probably few so classified were as poor in material things as the Harrimans.

⁴⁰ Forbes, *Men Who Are Making America*, p. 232.

TABLE VIII
AMERICAN BUSINESS AND POLITICAL LEADERS BY FAMILY STATUS

<i>Status</i>	<i>Business Leaders</i> (<i>per cent of</i>)	<i>Political Leaders</i> (<i>per cent of</i>)
Upper	50	36
Middle	45	50
Lower	5	14
Total cases (= 100 per cent)	179	180

Poor boys, as Carnegie rightly said, usually go to work early in life. Clearly few of these business and political leaders were poor boys. And, as the following table shows, few of them went to work at an early age.

TABLE IX
AMERICAN BUSINESS AND POLITICAL LEADERS BY AGE ON GOING TO WORK*

<i>Age</i>	<i>Business Leaders</i> (<i>per cent of</i>)	<i>Political Leaders</i> (<i>per cent of</i>)
15 or under	20	13
16-18	35	10
19 and over	45	77
Total cases (= 100 per cent)	179	182

* This is age on taking first regular business, professional, or other job (except work on father's or other relative's farm) after leaving school or, in a very few instances, after leaving the Union or Confederate armies.

Only one in five of these business leaders had a job before he was 16; slightly more than half of them had jobs before they were 19. Delaying the business debuts of most of the others—their late start, according to the tradition, being itself a handicap—was the pursuit of higher education, an undertaking that should so have altered their characters as to make them even poorer prospects for business success. The educational levels attained by all the leaders studied here are shown in the following table.⁴¹

⁴¹ Henry Lee Higginson, senior partner in Lee, Higginson & Co. early in this century, once said: "If there were just one thing I could tell the boys of this country it would be to tell them to be expert in whatever they set out to do. This country sorely needs experts. There is a scarcity of experts and a great opportunity for the boy who wants to be of the greatest service."—Quoted from Samuel A. Eliot, *Biographical History of Massachusetts* (Boston: Massachusetts Biography Society, 1911-1918), Vol. IX (no pagination). Since Higginson spoke, this scarcity of experts in some lines has been so fully overcome that big corporations sometimes seem to be choked by them. The early business bureaucrats studied here, however, as a rule had no formal

TABLE X

AMERICAN BUSINESS AND POLITICAL LEADERS BY HIGHEST EDUCATIONAL LEVEL ATTAINED*

<i>Education</i>	<i>Business Leaders</i> (<i>per cent of</i>)	<i>Political Leaders</i> (<i>per cent of</i>)
Grammar school	22	18
High school	37	27
Some college	12	11
College graduate	29	44
	41	55
Total cases (= 100 per cent)	183	188

* I have reduced the many types of older schools to this modern terminology, including in "grammar school" institutions called by that name, as well as district, public, common, and similar schools; in "high school," academies and others of similar rank. Counted among grammar-school boys are those who had little or no formal education as well as graduates; among high-school boys, all those who attended whether graduates or not. A few who had private tutors well into their teens but did not attend college are counted with the high-school group.

Of the business leaders who did not go to work until they were 19 or older, 76 per cent had gone to college. Four out of five of these, in turn, were of the upper class. No group, if the traditional account of the origins and ascent pattern of the American business elite truly represented the facts, could have been worse off than this one in the competition for business eminence. Yet about 28 per cent of the business leaders are found in it.⁴² These men shared *all* the alleged handicaps: upper-class upbringing, college education, a late business start; yet, if speed of ascent be taken as the measure of the *greatest* attainment, these men were actually the most successful of all. Not only did they spend less time after starting to work in getting to the top,⁴³ but, as the following table shows, they got there on the whole earlier in life than those allegedly most favored. This table shows the ages at which the two polar groups attained the high positions that made them eligible for this study.

business or professional training. Those who went to college found few courses in business subjects when they were in attendance. About 9 per cent of the whole group attended secretarial, bookkeeping, or technical schools; 10 per cent had formal engineering training; 16 per cent had legal educations. Sixty-five per cent had no formal vocational, business, or professional education.

⁴² Based on 180 business leaders about whom all three kinds of data are known.

⁴³ An estimate based on data about the presidents and partners studied here showing elapsed working time indicates that 61 per cent of the middle- and lower-class, noncollege, early starters (before 19 years of age) spent *more* than thirty years at work before acquiring the position that made them eligible for this study while 66 per cent of the upper-class, college, late starters (19 years of age or older) spent *less* than thirty years.

TABLE XI

AMERICAN BUSINESS LEADERS BY AGE ON BECOMING PRESIDENT OR PARTNER OF MAJOR COMPANY*

<i>Age</i>	<i>Late-Starting, Upper-Class, College Men (per cent of)</i>	<i>Early-Starting, Middle- and Lower-Class Noncollege Men (per cent of)</i>
Under 45	43	26
45-49	23	22
50 and over	34	52
<hr/>		<hr/>
Total cases (= 100 per cent)	40	53

* Board chairmen are a special case in regard to age on attaining the position and were omitted from this table.

Still, one has to stretch a point to attribute to more than two or three general American historians *any* discussion of the speed of ascent of the business elite. More of them stress this elite's typically lower-class, foreign, or farm *origins* and speculate on the forces that impelled men upward from such insalubrious environs. Yet poor immigrant boys and poor farm boys together actually make up no more than 3 per cent of the business leaders who are the subject of this essay. If men with such backgrounds had been in fact representative of the great entrepreneurs of the later nineteenth century, they must have been supplanted with extraordinary rapidity by the higher status, more highly educated bureaucrats of the following generation. More likely, poor immigrant and poor farm boys who become business leaders have always been more conspicuous in American history books than in the American business elite.

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