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SOCIAL MOBILITY AND THE AMERICAN BUSINESS ELITE —(II)

Reinhard Bendix *and* Frank W. Howton

A COMPARATIVE ASSESSMENT OF RESEARCH FINDINGS¹

THE PRECEDING ARTICLE has presented results from a study of the American business elite on the basis of biographical information contained in the *National Cyclopaedia*. The findings call into question, though they do not disprove, the widely-held hypothesis that the American social structure has become more rigid in the course of its history. A test of this assertion would presumably be a finding which showed that in the early period members of the business elite were more frequently recruited from families of small farmers or manual workers than was the case in the later period. Yet, such a test is difficult to execute and it is of considerable advantage that several studies of this problem have been undertaken, which have used different sources of information (though broadly for similar purposes) and which may, therefore, be compared with one another. It is true, of course, that such a comparison is beset with methodological difficulties; nevertheless, a brief comparison will be attempted and may be found useful. A rough cross-checking of the several findings is the best that can be expected.

Further comments on the sampling procedure of the various studies are now in order. C. Wright Mills' data from the *Dictionary of American Biography* included *all* businessmen for whom sufficient biographical information was available. The total number of cases in this study was 1,464, comprising subjects born between 1570 and 1879. Although all businessmen listed in the *D.A.B.* were included in the study, the number of cases in the early period was necessarily small.² A comparison of Mills' study with our own is pertinent here, because both are based on biographical dictionaries. In contrast to Mills' study which included *all* biographical entries for businessmen contained in the *D.A.B.*, our own study includes a *sample* of every ninth businessman contained in the *National Cyclopaedia*. Thus, the *D.A.B.* with an estimated total of 1830 entries for businessmen born after 1570 compares with the *N.C.A.B.* which comprises an estimated total of 9,000 to 10,000 entries for businessmen born after 1771. This contrast confirms the verbal statement by the

editors of the *Cyclopedia* that they placed a heavy emphasis on prominent businessmen, and this was our reason for choosing this source for our study.³

The comparison of sampling procedures in the studies by Newcomer and Keller presents fewer problems. Newcomer chose the years 1899, 1923 and 1948 for her study, and included in it the top-executives (president, board chairman) of the largest non-financial corporations—railroad, public utility and industrial, with primary emphasis on the latter group.⁴ The corporations were chosen from the listings of *Moody's Manual of Investments* in the selected years, and included only those with the largest financial assets. In this fashion 143 executives in 134 corporations were selected for 1899, 282 executives in 206 corporations for 1923, and 374 executives in 253 corporations in 1948. The total number of subjects was 799; information concerning their official position was obtained from *Moody's Manual* and all other biographical information from a wide variety of sources. A similar procedure was followed by Susanne Keller, based in part on earlier studies by William Miller.⁵ The years chosen for this study were 1870, 1900–10 and 1950, comprising an 80-year period which compares with a 50-year period in the Newcomer study. Miss Keller also chose the top-executives in the largest corporations, although she included among them banks and other financial enterprises as Newcomer had not. Also, the enterprises chosen for 1950 included a number in wholesale distribution, entertainment and mass communications. This was done on the ground that the rapidly expanding branches of the economy should be represented, though wholesale distribution hardly qualifies in this respect. The sample of top-executives comprised 401 for 1870, 190 for the decade 1900–10, and 422 for 1950, making a total of 1,013 subjects. Biographical information on these executives was obtained from a variety of published sources and on the basis of a questionnaire which was sent to the executives included in the 1950 sample.

These details concerning the sampling procedure of four of the studies illustrate the specific judgments involved in any definition of the 'business elite' (more general aspects of this definitional problem were discussed in the preceding article). The studies by Newcomer and Keller gain in rigour of selection what they lose in coverage. On the other hand, Mills' and our study are necessarily as vague as the editorial policies of the respective biographical dictionaries. Clearly, the subjects of Newcomer and Keller are all members of the business elite in the literal sense of that term. But what is gained by eliminating from our concept of the 'business elite' subjects whose prominence is, say, political rather than only economic, or who have achieved success in some of the industries excluded by Newcomer and Keller? As in other industrial societies there is considerable uncertainty in the United States con-

cerning the individuals who belong to the 'business elite'. In view of that uncertainty none of the studies can correct adequately for whatever bias is involved in the definition of the population from which they have obtained their basic data, though we will do well to keep the different 'biases' in mind.

These considerations suggest that numerically comparable results may not be expected from the studies now available. But differences in magnitude should not affect the relative similarity of trends. We turn first, then, to a comparison of the studies with reference to 'father's occupation', which for want of more complete information we must confine to 'businessmen', 'farmers', and 'professionals'. For the sake of emphasizing the trends involved we have represented the changes in percentage of fathers in each of these three occupations on a semi-logarithmic graph (Fig. 1).

The most notable discrepancy in the trends which characterize the changing social derivation of the American business elite is apparent in the period before 1800. We have only data from the *Dictionary of American Biography* and the *National Cyclopaedia* for this period for which information on the fathers of successful businessmen is especially difficult to evaluate. Still, assuming that the results are not wholly fortuitous, what can we make of them? Mills' data show a proportionate decline of businessmen and a proportionate increase of farmers among the fathers of the business elite until a little after the turn of the century. Our data show exactly the reverse, a decline in the proportion of farmers and simultaneously an increase in that of the businessmen.⁶ The discrepancy of the trends is unmistakable, however much allowance we may make for the distortion in time (and hence in the placing of the curve to the right or the left on the graph), which the arbitrary comparison of the data entails.⁷ Further study of the problem is obviously indicated, since available historical studies would give qualitative support to both propositions.

These discrepancies vanish, however, when we examine the graph for the period after 1810. Whatever the differences in the proportion of businessmen coming from one or another family background, the similarity in the *trends* shown by the several studies is impressive. Though the proportion of businessmen among the fathers is greatest in our sample and smallest in Mills' (Newcomer's, Keller's Taussig and Warner's data for the later period place it in between), it is striking that in four out of five comparisons this proportion has steadily risen, presumably at the expense of the 'gentry farmers'.⁸ It is equally striking that aside from the obvious decline of the farmers there is evidence of some increase in the proportion of prominent businessmen coming from professional families in the period up to 1850. Four out of five studies show a stabilization or slight decline of this 'professional family background' in the second half of the nineteenth century.⁹

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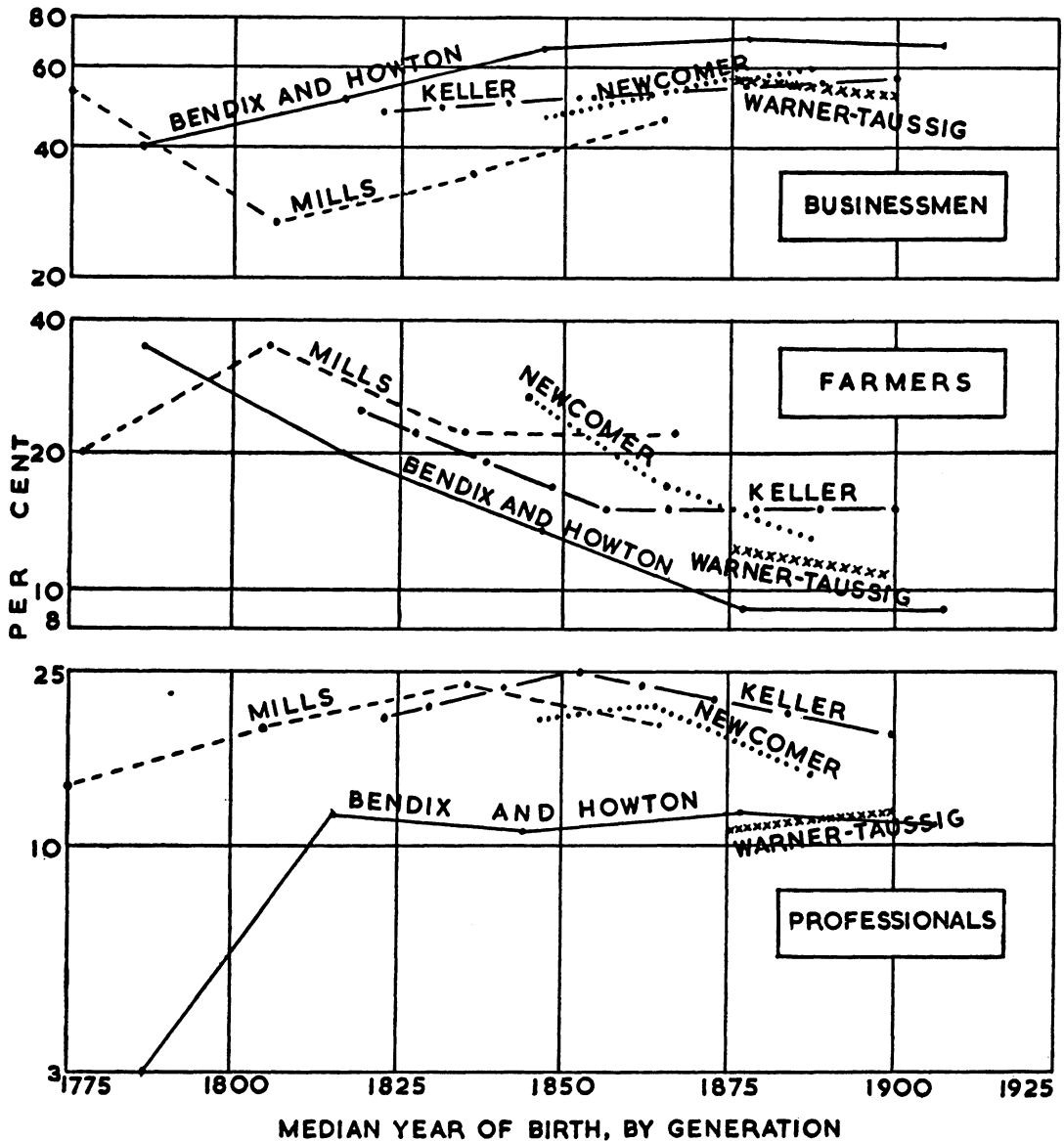


FIG. 1. PROPORTIONS OF BUSINESSMEN, FARMERS, and PROFESSIONALS AMONG THE FATHERS OF AMERICAN BUSINESS LEADER, BY MEDIAN YEAR.

Mills' and our data are grouped by 25-year periods; whereas Newcomer's and Keller's consist of samples for 3 selected years. To make these data comparable we have listed Mills' and our data by the median year of birth for each period and we have estimated the median year of birth for the Newcomer and Keller sample. The Warner-Taussig data are also listed by the median year of birth.

The sources for these data are cited in the footnote to Table 1.

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As we pointed out in the preceding article, father's occupation is a rather unsatisfactory index of family background. Yet, in the absence of better indicators it is necessary to utilize this information and combine it, if possible, with some corroborative evidence. Accordingly, each of the studies here under consideration has attempted to combine 'father's occupation' with some other classification of the data, in order to arrive at a better clue to the social recruitment of the American business elite over time. Thus, Mills and Newcomer utilize a variety of indexes which supplement father's occupation; as a result they employ categories such as 'Upper class' or 'Wealthy' and 'Lower class' or 'Poor', although admittedly these categories are tenuous also.¹⁰ Keller has adduced considerable circumstantial evidence concerning the religious affiliation, the national origin and the 'social stability' of the parental families, while in our own study an attempt has been made to classify the careers of business leaders in terms of the direct or indirect aid given them by their families or through family connections. Such classifications and supplementary evidence are necessary in order to utilize the data in these studies for an analysis of social mobility over time. But such procedures are feasible only at the price of considerable ambiguity in the meaning of the categories and the evidence so that conclusions with regard to the 'circulation of the American Business Elite' remain matters of reasonable inference. These difficulties are compounded of course, where a comparison of different studies is attempted, though it may also be suggested that we are obliged to do what we can with the inadequate evidence that is available.

We may begin by comparing the studies with regard to the evidence on 'father's occupations' including such supplementary categories as 'upper class', etc. The following Table 1 gives the relevant data for each of the studies, the listed years being the estimated median year of birth for each generation of business leaders. In evaluating this table it should be remembered that considerable differences of magnitude must be expected in the results of these studies in view of the diverse data and categories on which they are based. It is, moreover, inadvisable to attempt interpretations where the respective studies show changes over time up to 10–15 per cent, since these may easily result from the crudity of the data or from chance. In spite of such shortcomings it is possible to derive some tentative conclusions from this comparative table. Four of the studies indicate that the proportion of business leaders who have come from families of businessmen, of businessmen and Gentry farmers, or from families classified as 'wealthy' and 'middle class' has remained remarkably *stable* over time. Keller's study and our own show increases of 10 per cent or 8 per cent respectively, but these increases only reflect the growing importance of businessmen at the expense of farmers which is shown by all four studies and which is familiar enough. Newcomer's and our proportion of business leaders

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TABLE 1

Percentage of American Business Leaders Born in Specified Eras, by Selected Occupations of Fathers, in Five Studies

Estimated Median Year of Birth	Father's Occupation						Number of Subjects
Keller:	Businessmen			Wage-earners and Office Workers			
	1820	47		8			254
	1855	50		4			168
	1900	57		12			348
Bendix-Howton:	Businessmen	Gentry Farmers	Sub-total	Middle Class	Farmers and Manual Workers		
	1785	40	25	65	23	12	125
	1815	52	11	63	25	13	89
	1845	66	3	69	19	11	360
	1875	70	3	73	19	8	380
	1905	69	5	74	20	7	143
New-comer:	Wealthy		Medium		Poor		
	1849	46		42		12	118 ^a
	1873	36		48		16	253
	1898	36		52		12	342
Mills:	Upper	Upper Middle	Sub-total	Lower Middle	Lower	Sub-total	
	1805	26	37	63	29	8	37
	1835	20	37	57	30	13	43
	1865	41	29	70	18	11	29
Warner-Taussig:	Businessmen (large)	Businessmen (medium)	Sub-total	Skilled and Unskilled labourers			
	1875	31	26	57	11		— ^c
	1900	23	29	52	15		

Notes to Table 1

^a The number of subjects for this table is taken from the corresponding data in Miss Newcomer's earlier publication, *The Chief Executive in Large Business Corporations*, p. 26.

coming from well-to-do families is substantially higher than Keller's but this discrepancy is only apparent since Keller's data on professionals and farmers no doubt include many who might be either 'wealthy' or 'middle class'. The data from the Taussig-Warner studies show similar results. Thus, the proportion of business leaders coming from economically privileged families has remained remarkably stable, whether the categories used lead to an estimate of one-half, two-thirds, or four-fifths.

This conclusion is at variance with the one reached in Mills' study, whose major finding is the notable *instability* of the recruitment pattern of the American business elite during the nineteenth century. Disregarding again minor changes in percentage, the data of this study show first a marked decline in the proportion of business leaders coming from upper-class families from 1715 (69 per cent) to 1835 (20 per cent) and, secondly, a marked increase of that proportion from the low of 20 per cent in 1835 to 41 per cent in 1856 with indications that this upward trend has continued since then.¹¹ This discrepancy between Mills' study and the four others is reflected necessarily in the related findings concerning the proportion of business leaders coming from families variously designated as 'skilled and unskilled labourers', 'poor', 'farmers and manual workers' or 'wage-earners and office workers'. Again we should ignore differences of magnitude and relatively small differences of proportion. Thus, neither the increase by 4 per cent in Keller's data for 1820-1900, nor the decrease by 5 per cent in our data for 1785-1905, nor the increase by 4 per cent in the Taussig-Warner data for 1875-1900 warrant any conclusions with regard to the social mobility of 'poor' or 'lower class' families.¹² The notable fact is that these three studies as well as Newcomer's show a more or less *stable* proportion of business leaders in each generation coming from relatively under-privileged families. And this result differs again from Mills' findings which seem to indicate a decline in the upward social mobility of 'lower middle' and 'lower class' families (from 43 per cent in 1835 to 29 per cent in 1865).¹³ On the basis of his evidence Mills concludes, however tentatively, that 'in the nineteenth century the business elite was composed of significantly more men from the lower classes than was the case previously or than has been the case since', thus apparently

Notes to Table 1 (continued).

^b No totals are given, but Mills notes that they comprise 78.8 per cent of the 'total elite' or 1,155 out of 1,464 subjects.

^c No totals are given. The total number of cases available for comparisons between the Taussig and the Warner study is given as 7,371. Cf. Warner and Abegglen, *op. cit.*, p. 234.

SOURCES: S. I. Keller, *op. cit.*, p. 69; Mabel Newcomer, *The Big Business Executive*, p. 63; C. W. Mills, *The American Business Elite*, p. 30; Warner and Abegglen, *op. cit.*, pp. 62, 135; the Bendix-Howton data have not been previously published.

confirming the widely held belief that a significant decline has occurred in the upward social mobility of individuals from 'lower class' or 'lower class' families.

At this point Keller's study of this problem, and so some extent data from our own study, enable us to arrive at tentative conclusions, largely based on circumstantial evidence. If we consider Mill's data concerning the proportion of business leaders coming from 'lower class' families exclusively, we find that they show a very small and probably fortuitous increase during the nineteenth century. This increase is quite comparable with that shown by Keller; it turns into a decline only if business leaders from 'lower middle class' families are added. Keller has contributed substantially to our understanding of this equivocal evidence by examining the family background of her subjects. In the 1870 generation of business leaders she found that 86 per cent came from 'colonial' families who had settled in the United States before 1777, the remaining 14 per cent being 'later settlers'. By 1950, 50 per cent of the business leaders came from 'colonial families' and 50 per cent from 'late settlers', paralleling the proportion of these two groups which was estimated for the population as a whole.¹⁴ A similar contrast exists with regard to foreign vs. native birth. Native-born business leaders of native-born fathers constituted 90 per cent of the business elite in 1870, but 76 per cent in 1950, while the proportion of native-born business leaders whose fathers had been born abroad, increased from 2 per cent in 1870 to 18 per cent in 1950.¹⁵ With regard to religious affiliation Keller shows that the business elite has always been and continues to be predominately Protestant. Nevertheless, the proportion of Catholics, Jews, and Free Thinkers among American business leaders has increased from 1½ per cent in 1870 to 15 per cent in 1950.¹⁶ And there is also evidence of a parallel and probably related shift in the national origin of the business elite, the proportion of business leaders from Southern Ireland and South Eastern Europe, i.e. of people who are presumably Catholic or Jewish and, also presumably, lower or lower-middle class, having increased from 3 per cent in 1870 to 12 per cent in 1950.¹⁷

Admittedly, these several trends do not modify the established conclusion that the American business elite is disproportionately derived from Protestant, Anglo-Saxon, native-born, well-to-do families. But they point consistently to the increasing, if continuously small proportion of business leaders who come from families outside this privileged minority. Such lack of privilege is not a synonym for 'lower class' in the economic sense, as Keller emphasizes, and hence this finding does not bear directly on Mills' assertion that the proportion of business leaders coming from 'lower middle class' families has declined. It *suggests*, however, that upward social mobility into the *top* echelons of the business elite has occurred during the last two generations from

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among well-to-do families, whose children had the advantage of a high economic but the disadvantage of a *relatively* low social status. For Keller's data show a far more conspicuous and clear-cut increase in the proportion of business leaders coming from families whose social status is outside that of the privileged minority, than from families categorized as 'wage-earners and office workers'. Given the great obstacles standing in the way of very rapid mobility, it is *prima facie* probable that persons who come from well-to-do families but suffer from social discrimination can overcome these obstacles more readily than can persons who come from 'lower class' families, even if these are Protestant, Anglo-Saxon and native-born. And since the findings of all five studies show that the proportion of business leaders coming from 'lower class' or 'poor' families has remained more or less stationary, it appears legitimate to conclude that upward mobility into the top echelons of the business elite typically involves a successful fight against social discrimination rather than a 'rags to riches' story.

It is apparent, however, that this is not the whole picture. For it omits the majority of those business leaders who belong to the business elite without belonging to its 'top-echelons' (i.e. the largest corporations). Does the changing social composition of the American business elite in this sense give us any clue with regard to its ability to reserve career opportunities for members of the family? Has this ability increased or decreased? We have attempted to answer these questions on the basis of the data from the *National Cyclopaedia*. The total context of each biographical entry, included in the sample, was judged in terms of a threefold distinctions. Was the subject's business career directly favoured by his family? Is there inferential evidence to indicate that this was the case? Is there general evidence of the middle class status of the family without either direct or indirect evidence of its effect upon the subject's career? We have judged a subject's career to have been 'directly favoured' by his family, when the biographical information indicates that he has inherited control of a firm or has been given an important position within an enterprise in which the father or a relative occupied a dominant position. Other cases were included under this category when there was evidence that the subject had inherited a large estate. A career is also 'directly favoured', at least in part, when subject's have received substantial assistance at some time, through friends of their family. The data presented in Table 2 indicate that from 43 per cent to 50 per cent of the businessmen in our sample have been directly favoured in this sense.

It did not seem to us, however, that such direct evidence was quite sufficient. Since the information in a biographical dictionary is necessarily compiled to answer questions other than those which we have raised here, it seemed legitimate to use the information which *was* supplied as circumstantial evidence. In this way we assessed the *probable*

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TABLE 2

Percentage Distribution of the American Business Elite Born in Specified Years receiving varying degrees of Career Assistance

Degree of Career Assistance	Year of Birth				
	1771-1800	1801-1830	1831-1860	1861-1890	1891-1920
Total	100	100	100	100	100
Received substantial assistance (direct evidence):	43	44	44	50	47
Probably received significant assistance (inferential evidence):	12	19	11	15	12
Sub-total	55	63	55	65	59
Some enabling circumstance (no evidence of direct assistance):	22	20	22	18	15
No information	23	17	23	17	26
Number of Subjects	125	89	360	380	143

ability of a relative or a patron to lend substantial aid in furthering a subject's career, even though there was *no direct evidence* that such aid had actually been given. In applying this admittedly elusive category, we have judged each case in terms of two criteria: the economic or political 'power' of a mentioned relative or sponsor which clearly put him in a position to give substantial and effective aid, and, secondly, the circumstantial evidence which makes it probable that such aid was actually given. To illustrate: one subject is recorded as having held a 'minor position' in a bank. At the age of 27 he is the proprietor of a retail stationery store; a year after marrying the daughter of a manufacturer he is employed by the firm his father-in-law founded, and six years after that he is the first vice-president of this firm. It seems to us reasonable to infer that in this case the son-in-law was substantially aided in his career. In another case, the son of a department store executive was employed by, then becomes a partner in, and finally moves up to a vice-presidency and the board-chairmanship of a cotton textile concern. It is quite possible that in this case the father helped the son, but we did not feel it was safe to infer this from the evidence available to us.

Several observations may be made with reference to these findings.

They show, first of all, that the proportion of business leaders who received direct assistance has remained *stable* over time.¹⁸ These results contrast with the findings of Keller and Newcomer, though they are not incompatible with them. Keller shows that between 1870 and 1950 the self-made and the family-made career-types have declined sharply (from 68 per cent to 17 per cent), while the bureaucratically-made careers have increased accordingly (from 18 per cent in 1870 to 68 per cent in 1950).¹⁹ But these findings are to a large extent preconditioned by her sample, since the top echelon of the business elite is bound to reveal most clearly this decline of the self-made and the family-made careers in the giant corporations of today. If our findings reveal a rather stable proportion of business leaders receiving direct assistance during their careers, they probably reflect a characteristic of elite formation outside these top echelons, for the subjects from the *National Cyclopaedia* constitute a business elite in the broad rather than the restricted meaning of that term.²⁰ This interpretation is confirmed indirectly by Newcomer's findings which parallel Keller's as do the procedures on which the samples of the two studies are based. For Newcomer shows that the proportion of business leaders who received *no direct aid* during their careers, has remained quite stable though it increased somewhat, from 56 per cent in 1899 to 70 per cent in 1948.²¹ While Newcomer's criteria of 'direct aid' are more stringent than ours, this hardly explains the striking contrast between the findings of these two studies. Since it is based upon a sample of the top echelons of the business elite, Newcomer's study indicates that direct career assistance by the family is of minor importance among business executives in the giant enterprises, and this conclusion confirms the well-known decline of family influence in the largest corporation. But the findings from the *National Cyclopaedia* suggest in addition that family influence has remained a very significant career factor in the recruitment of the business elite, *broadly defined*.

This conclusion bears on a larger theoretical issue. A century ago, Sir Henry Maine advanced the theory that modern society is one of contract rather than status. This distinction was defined by Maine in the following terms:

The individual is steadily substituted for the Family, as the unit of which civil laws take account. . . . Nor is it difficult to see what is the tie between man and man which replaces by degrees those forms of reciprocity in rights and duties which have their origin in the family. It is Contract. Starting, as from one terminus in history, from a condition of society in which all the relations of Persons are summed up in the relations of Family, we seem to have steadily moved towards a phase of social order in which all these relations arise from the free agreement of Individuals.²²

This theory has become popular among sociologists since Maine's day, but they have interpreted it in a manner which Maine studiously

avoided. Their interpretation ignored the legal context of the theory, somehow posited the notion that in the course of the nineteenth century the autonomy of the individual had developed *de facto* rather than *de jure*, and then proceeded to the demonstration that modern society was on the way to develop a status-society out of a contractual society.²³

But the *de jure* autonomy of the individual never implied that the individual would wilfully divest himself of the advantages which the status of his parental family afforded him. It would be closer to the mark to contend that the contractual autonomy of the individual has enabled him to escape many of the family liabilities which had been his merely by virtue of his birth. But the family and the individual have always jealously guarded the rights and privileges of their social and economic status against encroachment and diminution. And on the whole, families have probably continued the practice of conferring as many advantages upon their individual members as lay within their power, even though for the individual the recognition of duties towards the family had become in some measure a discretionary act. It is in line then with this understanding of the transition from a society of status to a society of contract that the families of the American business elite, whose major socio-economic characteristics we have examined over time, have persisted in preserving for, and in passing on to, their descendants as much of their economic success and their social status as they were able to do. But while this effort has persisted successfully, it has not been able to withstand the inroads of bureaucratization upon family influence, especially in the largest corporations.²⁴ And in view of the increasing role which large-scale organizations generally play in affecting and frequently determining the rights and duties of the individual, we seem to move steadily towards a phase of social order in which the relations of persons are summed up, neither in the relations of Family, nor in the free agreement of Individuals, but in the hierarchical regulation of official duties. The paradox is that this bureaucratization of economic enterprises also serves in some measure to facilitate the upward social mobility of the individual.

NOTES

¹ All but one of the studies used for this comparative assessment have also been examined by Bernard Barber, *Social Stratification* (New York: Harcourt Brace & Co., 1957), 443 ff. However, Barber did not examine the definitions of the elite which are implicit in the sampling methods used in the various studies. C. Wright Mills' summary evaluation of the evidence relies primarily upon the study by Suzanne Keller and concentrates on the composition of the business elite in 1950. See his *The Power*

Elite (New York: Oxford University Press, 1956), 126-34.

² See C. Wright Mills, 'The American Business Elite: A Collective Portrait', *The Tasks of Economic History* (Supplementary issue to the *Journal of Economic History*), V (December, 1945), 20-44. For the period 1570-1760 Mills had 221 cases and for the period 1760-89 his cases numbered 162. The total number of cases after 1760, which we can use for comparative purposes, numbered 1,243.

³ The total number of businessmen on

every twentieth page of the index were counted. On this basis it was estimated that nine to ten thousand out of about 49,000 entries in the *National Cyclopaedia* (or about one-fifth) were businessmen; we decided to select every ninth subject listed by a business occupation. Very incomplete sketches were eliminated *ad hoc*. This accounts for the difference between the *anticipated* size of the sample (1,100 to 1,200) and its actual size (887). If one assumes that the proportion of usable entries is the same in both Dictionaries (80 per cent of the entries appeared usable on the basis of our estimates for the *N.C.A.B.*), then one businessman out of every 5 entries in the *N.C.A.B.* compares with one out of every 13 entries in the *D.A.B.* Mills states that the *D.A.B.* contained 1,464 usable entries on businessmen, which compares with an estimated 1,830 entries for businessmen.

⁴ Mabel Newcomer, *The Big Business Executive* (New York: Columbia University Press, 1955), 10.

⁵ See Suzanne Keller, *The Social Origins and Career Lines of Three Generations of American Business Leaders* (Unpublished Ph.D. dissertation, Columbia University New York, 1953).

⁶ It should be remembered that the years are 'years of birth' so that those born in, say, 1780 may have been successful by 1810, while those born in 1800 became prominent in the 1830's.

⁷ Mills has 162 cases for 1760-89 and we have 125 cases for 1771-1800.

⁸ It may be mentioned that our data level off, beginning in the 1860's, while the Taussig-Warner data show a slight decline. Our use of the studies by F. W. Taussig and C. S. Joslyn, *American Business Leaders* (New York: Macmillan, 1932), and of W. Lloyd Warner and James C. Abegglen, *Occupational Mobility in American Business and Industry, 1928-1952* (Minneapolis: University of Minnesota Press, 1955), is explained in footnotes 3 and 10 of the preceding article. Taken together, the two studies cover a shorter time-span than the other studies considered here.

⁹ In view of the differences in magnitude between the findings of the five studies with regard to father's occupation, it is reassuring that the studies are in close accord with reference to the more tangible criterion of educational attainment. Among the members of the Ameri-

can business elite there is an increasing proportion of college students and a decreasing proportion of subjects who have only attended grammar school. Along with other groups businessmen have benefited from the increasing educational opportunities of American society. Data on the educational background of business leaders have been omitted here for reasons of space.

¹⁰ For explanations of these terms cf. Mills, *op. cit.*, p. 31 and Newcomer, *op. cit.*, p. 25.

¹¹ Mills, 'The American Business Elite', *op. cit.*, p. 30. The 1715 figure was not included in Table 1 because none of the other studies has data for this early period.

¹² This interpretation differs from Keller's who sees evidence of upward mobility in the change from 4 per cent in 1855 to 12 per cent in 1900. It may be noted, however, that small as it is, this difference is in part due to the puzzling decline from 8 per cent to 4 per cent between 1820 and 1855. See Keller, *op. cit.*, pp. 70, 76-7. The interpretation also differs from that of Warner (*op. cit.*, p. 25 and *passim*), who now sees evidence of increased vertical mobility on the strength of a 4 or 5 per cent difference where he saw evidence of decreased mobility before. See the references in S. M. Lipset and R. Bendix, 'Social Status and Social Structure', *B.J.S.*, II (1951), pp. 233-41.

¹³ This decline is made more striking perhaps by the fact that Mills' data also shows a secular increase in the proportion of business leaders coming from 'lower middle' and 'lower class' families, ranging from a low of 14 per cent in 1715 to the high of 43 per cent in 1835. Furthermore, Mills adds a reference to an unpublished study of 328 subjects born during the period 1800-39, which showed that one-third of the business elite came from 'lower class' families. Cf. Mills, 'The American Business Elite', *op. cit.*, 29-31. None of the other studies has data for the eighteenth or early nineteenth centuries which could be compared with Mills' study.

¹⁴ Keller, *op. cit.*, 37-9. It is rather difficult to determine what the relevant population is whose composition may be compared with that of the business elite at a particular time. Keller compares the composition of the business elite with the composition of the U.S. population

at the median year of birth. For example, the business elite was about 50 years of age, on the average, in 1950; hence, she compares the 1950 sample with the population in 1900, or as near to that date as possible. This is better than nothing, but it ignores important differentials; for example, business leaders are proportionately more urban than the general population, minority groups are also concentrated in urban areas, hence comparisons between the business elite and the general population tend to underestimate the disadvantages of minority groups with regard to elite-access. Such difficulties would be compounded if the attempt was made to compare the changing composition of the business elite with changes in the economic structure of American society. The data contained in the studies here under review are not good enough, in our judgment, to permit such a comparison.

¹⁵ *Ibid.*, 40-1. The remainder of the business leaders were foreign-born, 8 per cent in 1870 and 6 per cent in 1950. These data compare with an estimate for the population of 1900 of 61 per cent native-born sons of native-born parents, 23 per cent native-born sons of parents one or both of whom were foreign-born, and 15 per cent who were foreign-born themselves.

¹⁶ *Ibid.*, 62-3. Compared with the population as a whole the 1900 sample of business leaders shows a slight over-representation of Catholics and Jews, while the 1950 sample shows a slight under-representation.

¹⁷ *Ibid.*, p. 44. Compared with the general population they are still under-represented in the business elite.

¹⁸ Table 2 indicated that this conclusion is not modified by the inferential evidence concerning career assistance.

¹⁹ Keller, *op. cit.*, p. 82. Her fourth type, the 'professionally-made' career, showed no significant change.

²⁰ Keller already notes this possibility when she states that her findings on career-types may not hold true for the business leaders of substantial enter-

prises which are not included in her study. Cf. *ibid.*, 83-4.

²¹ Newcomer, 'The Chief Executive of Large Business Corporations', *Explorations in Entrepreneurial History*, V (1952), 23.

²² H. Maine, *Ancient Law* (Everyman's Library Edition) (New York: E. P. Dutton, 1931), p. 99.

²³ The most clear-cut statement of this thesis is contained in P. Drucker, 'The Employee Society', *Amer. J. Sociol.*, LVIII (January, 1953), pp. 358-63. Despite a clarifying footnote concerning the term 'status' Mr. Drucker fails to use the term as Sir Henry Maine intended it, even though he makes specific reference to Maine's work. It may be added that Drucker's thesis would gain in clarity if it did not presuppose the earlier existence of a *de facto* contractual society and if it was made clear that the status-system of modern enterprise is in part the consequence of contractual agreements among competing power-groups mediated by government intervention. It is worth recalling that Maine advised against 'applying the term (status) to such conditions are the immediate or remote result of agreement'. (See Maine, *op. cit.*, p. 100.)

²⁴ Warner and Abegglen point out that over 40 per cent of the business elite in 1928 and 1952 were sons of owners of large business firms or of major executives, but that by 1952 there was a marked decline in 'occupational inheritance' as the size of the firm increased. See Warner and Abegglen, *op. cit.*, 164-9. Even in the large corporations major executives use their influence in favour of their sons, though there is also much self-conscious concern with the problem of nepotism. See the discussion of Perrin Stryker, 'Would you Hire Your Son?', *Fortune Magazine* (March, 1957), 132-5, 220-30. Other aspects of this process are analysed in W. H. Whyte, Jr., *The Organization Man* (New York: Simon & Schuster, 1956), and in R. Bendix, 'The Bureaucratization of Economic Enterprises', in *Work and Authority in Industry* (New York: John Wiley & Sons, 1956), 198-253.