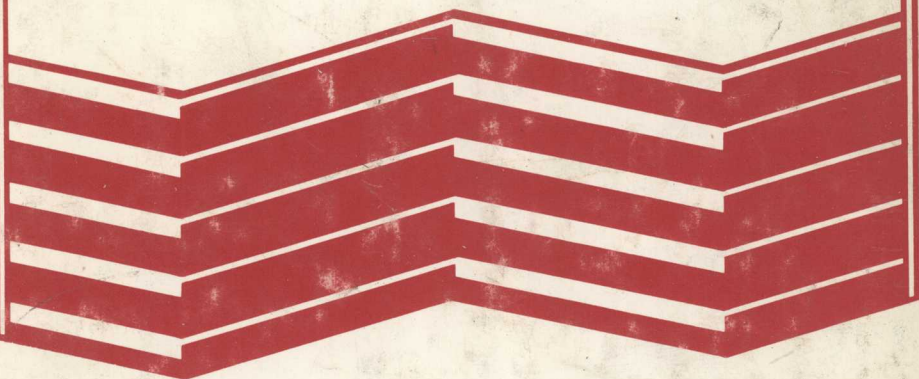


**SAGE Studies in 20th Century History Volume 10**

**Jürgen Kocka**

**WHITE COLLAR  
WORKERS  
IN AMERICA  
1890-1940**

**A Social-Political History  
in International Perspective**



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**Jürgen Kocka**

**Translated by Maura Kealey**

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# **WHITE COLLAR WORKERS IN AMERICA 1890-1940**

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## Foreword

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This book looks at American social history from a European perspective. It probably shares some of the strengths and weaknesses of the reports of foreign travelers who consciously or unconsciously compare the country they visit with their homeland. For in exploring the United States the foreign observer also seeks to better understand his own society; and if he succeeds, he may present Americans with a new view of their social world. The outsider often sees what the native overlooks, and comparison casts new light on both societies. Of course, the outsider must be careful not to thoughtlessly apply foreign assumptions and categories to the new society so that his portrait is false.

These observations certainly apply to the historian who hopes to explain American social development by comparing it with that of Germany. I can only hope that this book better exploits the opportunities of a comparative perspective than suffers from its dangers.

The book addresses a series of problems which are not usually examined together. It describes and analyzes the development of white collar workers in the US from the late 19th century to the second world war. It places particular emphasis on their fluctuating economic situation, working conditions, and attitudes and con-

duct, but also looks into to a lesser extent their living conditions, organizations, political behavior, and changing place in US society and politics. A double comparative perspective frames the analysis. First, American white collar workers will be continuously compared with American blue collar workers; the economic, social, psychological, and political significance of the distinction between wage worker and salaried employee — the significance of the ‘collar line’ in the system of classes and strata — becomes of central concern. The lower and middle levels of the white collar world — sales clerks, office workers, technical draftsmen, and similar occupational groups in the private economy — are the book’s chief subjects. In the second place, the analysis draws questions and categories from comparing American white collar workers with their contemporary German counterparts. This cross-cultural comparison opens up a previously thinly researched territory in American social history, i.e., white collar workers, as an interesting problem for historical investigation.

Reciprocally, comparing the history of German and American white collar employees may help to bring the details of German development into clearer focus and, above all, help to explain it. Through the confrontation with the US experience — economically similar, but socially and politically so dissimilar — it is possible to isolate, and interpret the special character of German white collar history from the late 19th century to the triumph of National Socialism. Although this book deals mainly with American developments, and extended archival research was undertaken primarily on the American side, the book’s arguments and conclusions are as much a contribution to German as to US history. Comparison with the US places the development of German white collar workers in a new light. Comparison with Germany makes the history of American white collar workers as such a subject worth researching.

Chronologically, the book focuses on the half-century from the first impulses toward ‘organized capitalism’ in the late 19th century to the second world war (in the US) and the triumph of fascism in Germany; these two countries are at the center of attention. The final section, however, extends the comparison to England and France and also outlines American and German white collar history to the present. Of course, both social groups can be properly understood only within the context of their contemporary societies. Thus in some places, the comparison of white collar workers broadens into a comparison of the basic characteristics of American and German social history since industrialization.

Several interesting theoretical questions fall, implicitly and

explicitly, within the scope of the investigation. In Germany and the US, it will be argued, the basic characteristics and chronology of capitalist industrial development were remarkably similar. To what degree did this fundamental socio-economic congruence mean that both countries would also develop similar social-structural, social-psychological, and social-political characteristics? To what extent did similar economic developments in these two bourgeois capitalist systems dictate similar patterns of class formation and social stratification, parallel tensions, protests, and social conflicts? The book concludes by stressing the differences in the two countries' social development despite their great economic similarities. These differences are explained primarily by the impact of diverse pre-industrial, pre-capitalist, and pre-bourgeois traditions, which continued to shape both societies even at a quite advanced stage of industrialization.

The book also contributes to the sociological discussion about white collar workers which has been going on in Europe since the beginning of the century, but which has not yet produced a thorough comparative study. Many authors have analyzed, described, or assumed a distinction between blue and white collar workers as if this distinction appeared in the same way and meant about the same thing in all advanced industrial societies or all industrial capitalist systems. The following investigation demonstrates that the collar line was (and is) much more strongly historically conditioned and culturally varied than sociological studies without a basic historical and comparative perspective can portray.

Finally, this study takes up the still intense and politically relevant debate on the relationship between capitalism and fascism. In both the US and Germany around 1930, bourgeois capitalist systems faced very similar economic challenges from the world depression. In Germany the groups under study, along with other sections of the lower middle class, were overrepresented in the mass base of National Socialism. The extended debate on the connection between capitalist crises, the potential for right-wing protest in the lower middle classes, and the rise of fascism has always and still does draw primarily on Germany's historical experience. (These arguments will be reviewed at the beginning of Chapter 1 and the supporting evidence on the German side presented in Chapter 1, III, 2.) If the line of argument that posits a necessary connection between capitalism, the lower middle class, and fascism is correct, then, under a similar challenge, similar tendencies toward right-wing protest should have appeared in the American lower middle classes (though of course not with the same content and certainly not with the same intensity, in non-fascist North America).

The search for just such a rightist protest potential specific to white collar workers or the lower middle classes has guided this study. The conclusion that emerges is that such a right-wing extremist potential scarcely existed in the US. To explain this difference between Germany and the US one must explain why in one case the capitalist economic and bourgeois social order were perverted to fascism, while in another — despite a similar challenge — they were not. These conclusions should point the way toward working out a future theory of fascism grounded in social history. This investigation can promise only a small, but empirically based, comparatively pursued, and theoretically grounded, contribution to the problem. Comparison can help the historian identify the features of the American social and political system which have contributed to the new world's relative immunity to some of the problems that have burdened the European democracies. And the study may also shed some light on why in recent decades, these European-American divergences seem to have narrowed.

Chapter 1 presents a skeletal explication of the project's design and theoretical foundations. It defines the study's key concepts and places them in the context of several social-theoretical controversies of the last years and decades. It also describes the comparative method selected and justifies the concentration on Germany and the US. A quick sketch of German white collar history to 1933 provides a foil for the detailed analysis of the American case which follows. Chapters 2 through 4 are divided chronologically; they explore American white collar history from the late 19th century to the second world war within the framework of American social history and in comparative perspective. Chapter 5 summarizes the conclusions with reference to the problems raised in Chapter 1. It also extends the comparison to England and France. The study closes with a quick glance toward present-day America and Germany and a brief examination of the implications of the book's conclusions for more general questions of historical sociology.

It is a pleasure to thank a great number of individuals and institutions without whose support and assistance this work would have been impossible or much more difficult. A fellowship from the American Council of Learned Societies allowed me to spend a year and a half as a Fellow of the Charles Warren Center for Studies in American History at Harvard University in 1969/70 and collect the greater part of the materials used in the study. I am very grateful for the stimulating atmosphere at the Center, then under the direction of Oscar Handlin, and for the close working relationship arranged above all by the late Fritz Redlich with the Business History Section of the Harvard Graduate School of Business Administration. The Widener Library of Harvard University, the



Baker Library of the Harvard Business School, the AFL-CIO Library in Washington, DC, the Labor History Archives of Wayne State University in Detroit, the State Historical Society of Wisconsin in Madison, the Ford Archives at the Henry Ford Museum in Dearborn, Michigan, the Archives and Library of the General Electric Company in Schenectady, NY, the New York Public Library and the Firestone Library in Princeton, NJ gave me access to their collections; I wish to thank the archivists and librarians who helped me at these institutions. The early Gallup and Roper Public Opinion Polls used in the study were made available by the Databank of the Public Opinion Research Center in Williamstown, Mass., under the direction of P. K. Hastings, with the financial assistance of Harvard University. Completion of the first version of the study (1972) was facilitated by a useful and pleasant month at the Villa Serbelloni, Bellagio; for it I thank the director, William C. Olson, and the Rockefeller Foundation in New York. Bielefeld University has supported my further research on this project since 1973, particularly into materials on the European side of the comparison. Finally, I owe the time and opportunity to finish the American research and revise the manuscript — and much lively encouragement also — to a seven month stay at the Institute for Advanced Study in Princeton, NJ (1975/76). For reading and criticizing the first manuscript version or individual chapters, thanks are due to Gerhard A. Ritter, Hans-Ulrich Wehler, Heinz Gollwitzer, Hartmut Kaelble, Hans-Jürgen Puhle, Gustav Schmidt and Richard Tilly. Many people on both sides of the Atlantic have assisted me since 1969 with discussions, information, references and criticism. Only a few are mentioned here, with my thanks: Gerald D. Feldman, Frank Freidel, Felix Gilbert, Herbert G. Gutman, George Green, Samuel P. Hays, Albert O. Hirschman, Charles Maier, Arno Mayer, Samuel J. Meyers, Glenn P. Porter, Hans Rosenberg and Fritz Stern. I am grateful also to the participants in discussions at various (mostly American) universities and conferences which have offered me the chance to present theses and conclusions from this study. Heidrun Homburg provided exacting criticism and assistance in the preparation of the manuscript, Claudia Huerkamp prepared the index. For this English edition I have abridged and revised the book which appeared in Germany in 1977 under the title *Angestellte zwischen Faschismus und Demokratie. Zur politischen Sozialgeschichte der Angestellten: USA 1890-1940 im internationalen Vergleich*. Maura Kealey has produced the English manuscript. She has done more than merely translate it, she has written it anew.

Bielefeld, January 1980  
J.K.

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# 1. The Framework and the Aims of the Study

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## I. CAPITALISM, THE LOWER MIDDLE CLASS, AND FASCISM: THE RECEIVED THESIS AS A STARTING POINT

The role of the lower middle class becomes a key question if one wants to explore the social conditions that have nurtured democracy in western industrial societies in the 19th and 20th centuries. Understanding its history is crucial to explaining the creation, destruction, and defense of social and political democracy in the past as well as to assessing present opportunities and obstacles to democracy. Since the rise of fascist movements between the world wars, historians have been critical of the lower middle class. It is commonly regarded as more of a handicap to than a support for democratic society, especially since the end of the 19th century. Many different authors have contributed, explicitly or implicitly, to creating a complex social-historical argumentation about the lower middle class. The present investigation will be basically critical of this argumentation. But I shall use it as a starting point, as a frame of reference, and as a device for structuring a comparative study. So I shall briefly reconstruct it at the outset without even trying to do justice to the individual authors who have contributed to it.

The terms *Kleinbürgertum*, *Mittelstand*, *classes moyennes*, *petite bourgeoisie* and *lower middle classes* (their individual differences will be treated later) describe a social grouping that has appeared

demarcated both from manual workers and other lower social strata, on one hand, and from the bourgeoisie and other upper class groups, on the other, since the beginning of industrialization. These boundaries are not sharply marked, but vary from author to author and context to context. Occasionally the term is stretched to include the best situated skilled workers, on one hand, and professionals and academics, on the other. Usually, however, it describes a somewhat narrower grouping with independent craftsmen, shopkeepers and small businessmen (the old middle class) and most lower and middle level white collar workers (the new middle class) at the center. The small town storekeeper, craftsman, insurance agent, and in fact all those who worked for themselves, were part of the old middle class. Only those who made their living by working for others and thus belonged to the broad ranks of dependent labor — even though they performed non-manual work and were paid in salary — will be included in the white collar category and the new middle class as these terms are used in this study.<sup>1</sup>

The old as well as the new middle class, to resume sketching this thesis, were losers in the process of transformation that began with industrialization. The rise of industrial capitalism brought technological innovations and changes in the market which undermined the competitive position of the independent small businessman. Independent producers and small shopkeepers found their economic viability increasingly called into question by big business, on one side, and the workers and the increasingly powerful labor movement, on the other. New life styles and values threatened the cultural and ideological symbols with which the 'old middle class' most closely identified: thrift, hard work, independence, established order and respect for tradition. Relative to other social groups small businessmen's economic opportunity, social status, and often their access to political power declined as well. Although a good part of their sense of identity and self-respect rested on being different from and better than manual workers and the lower classes, in fact they were gradually becoming more like them in income, property, security, education, standard of living, political influence and other objective characteristics. In part this was because the workers, at least those best situated, were advancing more quickly; in part it reflected the actual decline of the 'old middle class'. At least over the long run these small businessmen saw the basis of their independence crumbling and concluded that they were very likely on the way to becoming wage workers themselves. This they viewed as a danger and a threat.<sup>2</sup>

The objective differences between lower and middle level white collar workers (the new middle class component of the lower middle class)<sup>3</sup> and blue collar workers gradually dwindled in much the



same fashion. These differences had been quite pronounced in the early stages of industrialization, but they too tended to crumble with changes in technology, the organization of work, personnel policies, the educational system and public values. A large part of the rapidly growing army of white collar workers approached the condition of the better situated manual workers. Both groups' income and job security, skills and career possibilities, opportunity to exercise initiative and authority on the job, share of company social programs, legal position, level of education, and life chances tended to converge. This leveling process was not at all complete; naturally it affected various categories of salaried employees to varying degrees. Nevertheless, the convergence contradicted the sense of identity and self-respect of many white collar employees, who placed great emphasis on the distance between themselves and the workers and who in fact even defined themselves as not belonging to the proletariat.<sup>4</sup>

In other words, both old and new middle class, according to this thesis, felt threatened by some aspects of the modernization that accompanied industrialization. They feared the dismantling of traditional differences between themselves and manual workers and they feared the growing demands of an increasingly organized proletariat. At the same time neither branch of the lower middle class thought they were in the same boat as large entrepreneurs, big landowners, and top administrators, though at times the socially and politically powerful sought to exploit their anti-proletarian anxieties and, by wooing them with minor concessions, to keep them marching behind the banner of an anti-proletarian, anti-socialist politics. Both the old and the new middle class developed defensive-conservative, sometimes even reactionary and backward looking attitudes in the course of distinguishing and defending themselves from those above and below them. They fought to retain their traditional advantages in income, status, and influence. They clung to non-proletarian life styles and ideologies, even though their social-economic basis was becoming questionable. They disapproved of the on-going transformation of their society in which they seemed to be losing ground compared to other groups; they especially resented those groups which they saw as causing or benefiting from these changes. They frequently looked to the state to prop up their special position and to protect them with legislative and administrative measures; they often organized on a socio-economic basis to lobby for such protection.

Under the pressure of an economic crisis like that of the 1930s, the reactionary attitudes and resentments of these groups between bourgeoisie and proletariat became sharper. Most of them shunned left-wing protest movements, since these were egalitarian and iden-