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the failure of U.S. antipoverty efforts. "Goodness," he says, "admirable as it is in private affairs, may be disastrous in public ones. What is required . . . is not goodness but virtue [which] often necessitates actions that are harsh or even cruel."

Cars and Snobs In Detroit, 1910

"The Price of Conspicuous Production: The Detroit Elite and the Automobile Industry, 1900–1933" by Donald F. Davis, in *Journal of Social History* (Fall 1982), Carnegie-Mellon University, Pittsburgh, Pa. 15213.

In the 1980s, the U.S. auto industry's woes appear to be strictly a matter of markets, competition, and interest rates. According to Davis, a University of Ottawa historian, the first upheaval in Detroit was caused not by economics but by the snobbery of some auto-makers.

Spurred by the success of Samuel Smith's Olds Motor Works, which paid annual dividends of 105 percent between 1899 and 1903, Detroit's "establishment" families invested heavily in the fledgling auto industry. By 1905, the companies they owned—Olds, Packard, Cadillac—were building 12,000 cars annually, half of Detroit's output.

But the auto market changed drastically after Henry Ford, scorned by Detroit's old guard, set up his own company in 1903; he was determined to build "a motor car for the multitude." By 1907, Ford was Detroit's leading producer. Within three years, Detroit's old-line families had dumped most of their holdings and owned less than three percent of the industry.

What happened? Davis argues that snobbery blinded the older companies. Cars had become America's ultimate status symbols, and the old-line auto-makers insisted on producing only luxury models, "particularly as the product carried the family name into every neighborhood and country club in the nation," Davis says.

Indeed, he notes, "In choosing a price class auto manufacturers almost invariably elected to serve their social peers." The directors and top executives of firms like Packard and Cadillac were mostly college-educated sons of successful businessmen and professionals. But "lower class" companies that mass-marketed cheap autos, such as Ford and Dodge, were led by a different breed. Twenty-two percent of their top executives were sons of workingmen, 24 percent were foreign-born, and only 25 percent had attended college. General Motors and Maxwell (later Chrysler) were exceptions: Owned by many far-flung stockholders rather than a few families, they were run by impersonal bureaucracies and thus, Davis says, manufactured cars in every price range.

In the end, the old families were doomed by their own parochialism. They lost their last strongholds in Detroit, the banks, when the Big Three automakers refused to bail them out during the 1930s. Thereafter, Detroit became a "satellite" of Wall Street, Grosse Pointe auto executives, and other outsiders.