

ECONOMIC DOMINANCE AND COMMUNITY
POWER IN A MIDDLE-SIZED CITY

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ECONOMIC DOMINANCE AND COMMUNITY POWER
IN A MIDDLE-SIZED CITY

by

DONALD A. CLELLAND

AN ABSTRACT

Submitted to the College of Science and Arts
of Michigan State University in partial
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ABSTRACT

This study of community power in Lansing, Michigan, is a partial replication of the "Cibola" study of Robert O. Schulze. It is an analysis of the historical and contemporary role of "economic dominants" in community power structures. The "economic dominants" were defined as the persons who held the top formal positions in major business units in the community. A second set of power role occupants, the "public leaders," defined as those persons who, in the opinion of a panel of expert judges, exercise major influence and leadership in community affairs, was also examined.

Three major hypotheses were tested. The bifurcation hypothesis suggested that as the community became increasingly drawn into extra-local social systems, the economic dominants, who in former years had been outstanding community leaders, would withdraw from local political and civic power structures, leaving the direction of community affairs to a distinctly new group, the public leaders. The differentiation hypothesis suggested that, currently, the public leaders would be more actively involved in local political and civic organizations than the economic dominants. The relative autonomy hypothesis suggested that the public leaders would be generally independent of the economic dominants in controlling community decision-making. These three hypotheses, all of which were supported by the Cibola data, were only partially upheld in Lansing.

The Lansing data indicated that historically, a marked decline in officeholding by economic dominants in local government and

community organizations had taken place, though neither as rapidly nor as completely as in Cibola. However, a definite bifurcation resulting in two distinct power roles had not occurred, for the economic dominants were well represented among the current public leaders. The differences between current economic dominants and public leaders in involvement in political and associational life were in the expected direction, but were not nearly as extreme as in Cibola. The reconstruction of a number of community issues or projects revealed that few individuals not chosen as public leaders were influential decision makers. However, the economic dominants within the public leader grouping were among the most influential in the resolution of these issues.

It is suggested that the differences in the power roles of economic dominants in Lansing and Cibola may be largely explained by the fact that Lansing is a much more independent community and has had a more stable rate of growth in recent years. The relatively greater power of the Lansing economic dominants is, no doubt, related to the secondary importance of government in community decision-making and the lack of controversial issues. Although the power relationships within the community are by no means neat and well ordered, the economic dominants (including those who represent absentee-owned corporations), public leaders, and governmental officials seem to be in common agreement on their goals for the community.

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Without the example of Robert O. Schultze's research in Cibola, this study would, of course, never have been made. I wish to thank Dr. Schulze especially for the use of an early draft of a forthcoming book based on the Cibola research.

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The author, of course, takes full responsibility for all deficiencies and inaccuracies which may be found in this study.

TABLE OF CONTENTS

	Page
I. Economic Dominance and Community Power	1
A. Introduction	1
B. Review of Related Research Literature.	2
C. The Cibola Research.	8
II. The Research Problem	13
A. The Research Site.	13
B. Lansing and Cibola Compared.	14
C. The Objectives of the Study.	17
D. Theoretical Framework.	20
E. Hypotheses	27
III. Methods of the Study	29
A. Determining the Major Economic Units	29
B. Determining the Economic Dominants	36
C. Determining the Public Leaders	39
D. Determining "Actual" Power on Community Issues	41
IV. The Historical Role of Economic Dominants in Community Power Structures	47
A. Economic Dominants in Public Office.	47
B. Economic Dominants in Elective Public Office	50
C. Economic Dominant Participation in Community ~ Organizations.	53
D. Economic Dominants in Community Leadership Positions . .	67
E. The Socio-economic History of Lansing.	69
1. The Capital Period, 1859-1880.	70
2. Incipient Industrialization, 1880-1900	74
3. The Automotive Boom, 1900-1920	77
4. Industrial Consolidation and Depression, 1920-1940 .	78
5. Renewed Growth and Absentee-Ownership, 1950-1959 . .	81
F. Factors Related to Bifurcation	83
V. The Current Role of Economic Dominants in Community Power Structures	91
A. Economic Dominants and Public Leaders.	91
B. Economic Dominant "Holdovers" Among the Public Leaders .	93
C. Political Involvement of Economic Dominants and Public Leaders.	94
D. Associational Involvement of Economic Dominants and Public Leaders	96
E. Economic Ties Among Economic Dominants and Public Leaders.	99
F. Power Processes on Selected Issues	101
G. Corporation Policy and Community Involvement	112

TABLE OF CONTENTS (Cont.)

	Page
VI. Summary and Conclusions	119
A. Summary.	119
B. The Role of Economic Dominants in Local Government. . .	123
C. Community and Issue Variables in Lansing and Cibola. . .	128
D. Who Has the Power?	134

LIST OF TABLES

	Page
1. Population of Lansing and Cibola, 1860-1950.	15
2. Number and Per Cent of Economic Dominants in Public Office, 1859-1959	47
3. Number and Per Cent of Economic Dominants in Public Office, Lansing and Cibola.	48
4. Number and Per Cent of Top Economic Dominants in Public Office, 1859-1959	49
5. Economic Dominants in Elective Public Office, 1859-1959 . . .	51
6. Economic Dominants on City Governing Body, 1859-1959.	51
7. Economic Dominants in Office of Mayor, 1859-1959.	52
8. Economic Dominants in Offices of Business Associations, 1892-1959	55
9. Economic Dominants in Offices of Business Associations, By Period of Dominance, 1900-1959	59
10. Economic Dominants as Presidents of Service Clubs, 1916-1959..	62
11. Economic Dominants on Community Chest Board of Trustees, 1919-1959	63
12. Economic Dominants on Board of Trustees, E. W. Sparrow Hospital, 1910-1959	66
13. Economic Dominants in "Community Leadership Positions," 1859-1959	67
14. Public Offices in Lansing Ever Occupied by Current Public Leaders and Economic Dominants.	95
15. Public Leader and Economic Dominant Memberships in the Most Influential Associations.	96
16. Public Leader and Economic Dominant Officerships in the Most Influential Associations.	97
17. Public Leader and Economic Dominant Officerships in Two Important Community Organizations	98
18. Number of Known Economic Ties Among Public Leaders and Economic Dominants.	100

LIST OF FIGURES

	Page
1. Known Business Ties Between Economic Dominants, 1859-1880 . .	73
2. Known Business Ties Between Economic Dominants, 1880-1900 . .	76
3. Known Business Ties Between Economic Dominants, 1900-1920 . .	79
4. Percentage of Economic Dominants Having Business Ties with Other Economic Dominants, 1859-1959	86

I

ECONOMIC DOMINANCE AND COMMUNITY POWER

INTRODUCTION

In recent years the number of community power studies and research studies related to the subject of community power has multiplied rapidly. One of the major problems of these community studies is the question of general applicability of the findings. No one can say to what extent the findings of any community power study can be applied elsewhere. The use of replication studies in a wide range of communities is one way in which wider applicability of research findings could be assured. Up to the present time there have been very few replication studies in the area of community power research. However, since a wealth of data in this field have been collected in a comparatively short period, it would seem that now is the time to attempt to verify, in different localities, some of the generalizations which have been spawned by these studies.

Few investigations of community power have dealt with the following problems: (1) historical shifts in the local power structure, (2) the role of economic dominants considered as a category, (3) the role currently played by officials of absentee-owned corporations in the decision-making and control processes within the community. These three problems were foci of the research done in "Cibola" by Robert O.

Schulze.¹ This study, which was carried out in Lansing, Michigan, is a retest of Schulze's major hypotheses and a reconsideration of his conclusions.

. REVIEW OF RELATED RESEARCH LITERATURE

The recognition of the possession of relatively great power within the community by the wealthy and by individuals who control the major local economic units was an early and consistent finding of sociological research in the field of community studies.² Many research investigations, notably those of the Lynds and C. Wright Mills,³ have

¹Robert O. Schulze, Economic Dominance and Public Leadership: A Study of the Structure and Process of Power in an Urban Community, microfilmed Ph. D. dissertation, University of Michigan, 1956, (University Microfilms, Publications No. 21,359.) See also, R. O. Schulze and Leonard U. Blumberg, "The Determination of Local Power Elites," American Journal of Sociology, 63 (November, 1957), 290-296; R. O. Schulze, "The Role of Economic Dominants in Community Power Structure," American Sociological Review, 23 (February, 1958), 3-9. "Cibola" is a pseudonym for a small satellite city in a Midwestern state.

²See, for example, Robert and Helen Lynd, Middletown in Transition (New York: Harcourt, Brace and Co., 1937); W. Lloyd Warner and P. S. Lunt, The Social Life of a Modern Community (New Haven: Yale University Press, 1941); James West, Plainville, U.S.A. (New York: Columbia University Press, 1945); A. B. Hollingshead, Elmtown's Youth (New York: Wiley and Sons, 1949). More than a quarter of a century before any of these studies, the local political power of the economically powerful had been exposed by certain of the "muckrakers." See The Autobiography of Lincoln Steffens (New York: The Literary Guild, 1931). See also Thorstein Veblen, Absentee Ownership and Business Enterprise in Recent Times (New York: B. W. Huebsch, 1923).

³Robert and Helen Lynd, op. cit.; C. Wright Mills and Melvin Ulmer, "Small Business and Civic Welfare, Report of the Smaller War Plants Corporation to the Special Committee to Study Problems of American Small Business," Senate Document No. 135, 79th Congress, 2nd Session, (Washington, 1946); C. Wright Mills, "The Middle Classes in Middle-sized Cities," The American Sociological Review, 11 (December, 1946), 520-529.

been based on the essentially Marxian premise that power is closely related to control over the means of production. Moreover, it is a notable fact that although pluralistic theories of power have become quite popular as applied to the nation as a whole, on the community level a more nearly monistic viewpoint prevails. Thus nearly all community studies to date which have touched on the problem of power have either explicitly indicated, or else implied, a direct relationship between economic position and community influence or power.⁴

Probably one of the first and certainly one of the most famous research efforts which concretely demonstrated the dominant position of the economically powerful in community affairs was the Lynds' study of "Middletown." But although the power of the "X" family was amply demonstrated, the "Middletown" research was neither strictly a study of community power structure nor a study of the economic elite taken as a whole. In "Regional City" Hunter studied community power as structure, but he too did not consider the economically most powerful as an aggregate in his research.⁵ However, the extent of their power in

⁴Political scientists who have become interested in the subject of community power tend to dispute these findings. For example, Dahl claims that sociological studies have indicated that there is a positive correlation between social status and influence but have not answered the more important question, "On what kinds of issues are what kinds of people influential with whom?" Asserting that the existence of community-wide power structures should not be assumed, Dahl would limit power studies to studies of "scopes" of influence. Robert A. Dahl, "Business and Politics: A Critical Appraisal of Political Science," American Political Science Review, 53 (March, 1959), 1-34. See also Norton E. Long, "The Local Community as an Ecology of Games," American Journal of Sociology, 64 (November, 1958), 251-261.

⁵Floyd Hunter, Community Power Structure (Chapel Hill: University of North Carolina Press, 1953).

the community is immediately evident. Nine of the top 12 men who make up the "upper-limits" group of leaders and who stand at the very pinnacle of the power pyramid held high formal positions (chairman of the board, president, manager or multiple directorships) in some of the largest business units in "Regional City."⁶ Moreover, the "crowds" which Hunter found to be so influential in initiating community policy were comprised solely of top flight representatives of major business enterprises.⁷

Following Hunter's methods in general, Miller tested, in an American and in a British city, the hypothesis that businessmen exert a predominant influence on the community power structure.⁸ He found that in the American city, "Pacific City," the business class made up two-thirds of the key influentials (the most influential policy makers), but that in "English City" only one-fourth of the key influentials were members of the business class. The greater proportion of businessmen among the key influentials of the American city is in part explained by the fact that in "Pacific City" major decisions are made behind the scenes by economic dominants. Here again research has demonstrated the high position of the economically important in the power structure of an American city.

⁶Ibid. pp. 63, 76. The "upper-limits" group of leaders were those who were chosen as the top leaders by a larger group of community leaders, who had in turn been selected by informed "judges."

⁷Ibid., 79.

⁸Delbert C. Miller, "Industry and Community Power Structure," American Sociological Review, 23 (February, 1958), 9-15; Miller, "Decision-Making Cliques in Community Power Structures," American Journal of Sociology, 64 (November, 1958), 299-310.

Among other community power studies which might be mentioned, which in some measure support the thesis that the economically powerful occupy predominant power statuses in community power structures, are those done by Pellegrin and Coates in "Bigtown," a large Southern city, by Hunter, Schaffer, and Sheps in Salem, Massachusetts, by Hunter in a number of major cities, by Vidich and Bensman in a small upstate New York town, by Baltzell in Philadelphia, by Form and D'Antonio in El Paso, by McKee in "Steelport," a middle-sized industrial city, and by Agger and Goldrich in "Valley City," a small Far West community.⁹ Although few of these studies were intended strictly as documentation of the role of the economically powerful in community power structure, it is evident that those who hold the top positions in largest business units exert very strong influence and control in decision-making in a wide range of community types.

⁹Rolland J. Pellegrin and Charles H. Coates, "Absentee-Owned Corporations and Community Power Structure," American Journal of Sociology, 61 (March, 1956), 413-419; Floyd Hunter, Ruth C. Schaffer, and Cecil G. Sheps, Community Organization (Chapel Hill: University of North Carolina Press, 1956); Floyd Hunter, Top Leadership U. S. A. (Chapel Hill: University of North Carolina Press, 1959); Arthur J. Vidich and Joseph Bensman, Small Town in Mass Society (Princeton: Princeton University Press, 1958); E. Digby Baltzell, Philadelphia Gentlemen (Glencoe: The Free Press, 1958); William H. Form and William V. D'Antonio, "Integration and Cleavage Among Community Influentials in Two Border Cities," American Sociological Review, 24 (December, 1959), 804-814; James B. McKee, "Status and Power in the Industrial Community," American Journal of Sociology, 58 (January, 1953), 364-370; James B. McKee, Organized Labor and Community Decision-Making: A Study in the Sociology of Power, unpublished Ph.D. dissertation, University of Wisconsin, 1953, summarized by Meyer Weinberg and Oscar E. Shabat in Society and Man (Englewood Cliffs, New Jersey: Prentice Hall, 1956), 528-538; Robert E. Agger and Daniel Goldrich, "Community Power Structure and Partisanship," American Sociological Review, 23 (August, 1958), 383-392.

On the other hand, Polsby in New Haven, Agger and Goldrich in "Boomtown," a small Far West city, Form and D'Antonio in C. Juarez, Mexico, Klapp and Padgett in Tijuana, Mexico, and Miller in Bristol, England, have all recorded instances in which the economic elite possibly does not dominate community affairs.¹⁰ However, three of these studies, it should be noted, were of foreign cities. Moreover, only in New Haven was there evidence that the economic elites had only small influence in community decision-making. In the other four cities the community power potential of the economic leaders was great even though not dominant.

Most of the studies mentioned above were of communities in which the economic elite were long time local residents. But increasingly in most American cities, locally owned industry is being replaced by branch plants of absentee-owned corporations. Perhaps, in the past, economic power was more readily transferred to general community power than at present because the business ventures were largely locally oriented. As economic enterprises become more societal in scope, there may be a shift in the character of the local power elite. But until recently there has been little research concerning the effect of economic dominance by absentee-owned corporations on community decision-making and control patterns. A closely related issue, however, is the question of the effect of absentee-ownership on community welfare.

¹⁰Nelson W. Polsby, "Three Problems in the Analysis of Community Power," American Sociological Review, 24 (December, 1959), 796-803; Agger and Goldrich, op. cit.; Form and D'Antonio, op. cit.; Orrin E. Klapp and L. Vincent Padgett, "Power Structure and Decision-Making in a Mexican Border City," American Journal of Sociology, 65 (January, 1960), 400-406; Miller, op. cit.

There are at least four positions found in the literature regarding the role of absentee-owned corporations in community power structures and the effect of the corporation on community welfare:

(1) Corporations are viewed as dominants in the community power arrangement but as somewhat benevolent tyrants. The corporation executives constitute the major part of the power elite in the community, and although looking out for corporative interests, they generally work for the benefit of the community. This appears to be the situation in "Bigtown."¹¹

(2) Corporations are viewed as the dominant powers within the community and as malevolent tyrants. This position is taken by Mills and Ulmer in their Senate report on civic welfare. Since then Mills has re-emphasized a second point made in that report--that the big corporations are not really interested in community affairs and so tend to withdraw from local power structures.¹²

(3) A third position is the pluralistic view held by Fowler, which suggests that growing restraints limit the possibility of economic dominance being carried over into general community policy making.¹³ Absentee-owned corporations, then, are not dominant community powers, and, if anything, they increased the welfare scores of the cities investigated.

(4) A fourth possible view is that absentee-owned corporations do not dominate (and even withdraw from) community power structures, but even

¹¹See Pellegrin and Coates, op. cit.

¹²C. Wright Mills, The Power Elite (New York: The Oxford University Press, 1956), chapter 2.

¹³Irving A. Fowler, "Local Industrial Structure, Economic Power, and Community Welfare," Social Problems, 6 (Summer, 1958), 41-51.

so, the results are detrimental to community welfare. Those who hold this position, for example, Warner and Low,¹⁴ point out the absentee-owned corporation's lack of interest in exercising power within the community. Absentee-owned corporation executives hold positions of great power potential, but withdraw from community affairs and so tend to leave the community without effective leadership.

Up to the present the literature reports very little explicit data about the roles of absentee-owned corporation executives in community power structures. In the large metropolises of "Regional City" and "Pacific City," and in many other cities cited above, the economically powerful comprised very high percentages of the upper-limits or key influential groups. But the extent to which the largest economic units are home or absentee-owned is not indicated. In the 30 small New York cities studied by Fowler and in "Yankee City" and "Steelport," executives of non-locally owned business units have either withdrawn from, or been counterchecked in the over power structure at least.¹⁵ In the city studied by Pellegrin and Coates, the executives followed a middle way, participating in the local power structure, not so much voluntarily, but because they were drawn into a "power vacuum."

THE CIBOLA RESEARCH

The community power study carried out by Schulze in a small Midwestern industrial city which he called "Cibola," a satellite of

¹⁴W. Lloyd Warner and J. O. Low, The Social System of the Modern Factory (New Haven: Yale University Press, 1947).

¹⁵Fowler, op. cit.; Warner and Low, op. cit.; McKee, opera cit.

a large metropolitan center, was an initial effort toward filling in several of the gaps in community power research. Few of the studies of community power have dealt with local power from an historical perspective, and those which have generally have only rather off-handedly made references to the past. The Cibola research was the first published report of an attempt at making a thorough sociological analysis of historical shifts in community power structure. The withdrawal of the "economic dominants"--"those persons who occupy the top formal roles in the major economic units in the community"--from the formal political power structure and "from active and overt participation in the public life of Cibola,"¹⁶ throughout the community's history (1823-1954), was thoroughly documented.

This withdrawal, Schulze suggests, can be most directly accounted for by the following factors:

(a) the establishment by a growing number of locally- owned industrial units of direct supplier relationships with a smaller number of large, non-local manufacturing plants; (b) the subsequent introduction into the local economic system of an increasing number of branch plants of large absentee-owned corporations; and (c) the concomitant dissolution of the extensive networks of inter-locking director and officerships which had formerly served to link significant numbers of local economic dominants within the community.¹⁷

These changes are held to be indicative of the changing functional relationship of the community to the larger society.

As was indicated in the previous section, a considerable body of sociological research can be called upon which presents data which

¹⁶Schulze, Economic Dominance. . ., op. cit., abstract.

¹⁷Schulze, "The Role of Economic Dominants. . .," op. cit., 6.

back the proposition that the economic elite tends to exert strong power in community affairs. A lesser body of literature supports, at least to some degree, the opposite proposition--that the economically powerful exert little influence in community control and decision-making. Clearly, some economically powerful individuals and groups have dominated power structures in some communities, but, with one exception,¹⁸ none of the above studies has segregated all of the economic dominants in the community for consideration as an aggregate. The role of the economic dominants as a category in community power structure was a second major focus of the Cibola research.

One result of the three socio-economic changes mentioned above, according to Schulze, has been the bifurcation of the local power structure--"with those who exercised primary direction over its socio-political system no longer being essentially the same set of persons who exercised primary control over its economic system."¹⁹ Those in the former category were designated as "public leaders." The public leaders were operationally defined as the outstanding reputational leaders in the community in the opinion of the heads of voluntary associations. Very little overlap was found between those designated as current economic dominants and those designated as public leaders. Only two of 17 economic dominants were defined as public leaders.

Further investigation of the nature and level of participation in the local community by the individuals comprising these two cate-

¹⁸The single exception is the current study of New Haven, which post-dates the Cibola research by several years. Polsby, op. cit.

¹⁹Schulze, "The Role of Economic Dominants. . .," op. cit., 4.

gories revealed rather sharp differences between them. The public leaders were much more involved in local political, civic, and associational activities than were the economic dominants, and there were relatively few social or business ties between the two groups.²⁰ Among the economic dominants the executives of absentee-owned corporations were considerably less active than the officers of local economic units.

In order to verify the position of the public leaders in the community power structure a series of recent community episodes was reconstructed, largely from interviews with both the public leaders and the economic dominants. The decision-making processes in these episodes indicated that the public leaders actually were the most influential leaders in Cibola and that the economic dominants, especially the absentee-owned corporation executives, tended to adopt a "hands-off" policy toward community issues. In Cibola, then, the largest economic units (the five largest units were absentee-owned) have withdrawn from active direction of the political and civic life of the community, leaving these tasks almost wholly in the hands of middle class businessmen and professionals. As a consequence of this shift in the community power structure the current local leaders' ability to resolve important community problems has been greatly impaired. These leaders have no strong power bases, and without the backing of the economic dominants, they have lost their initiative. A major reason for this situation is that the economic dominants never really give up their

²⁰Schulze also found that economic dominants and public leaders differed in regard to general characteristics, informal relationships, and community orientations. These differences are not particularly relevant to the present research.

power by withdrawing from community affairs, but merely lay it aside. The corporations have retained their power as potential for determinative action but have refrained from using this power, except for veto purposes.

Given the acceptance of economic position as a "legitimate" source of power in the American community, Schulze offers the opinion that the large corporations have been somewhat irresponsible in their withdrawal from the community power structure in small satellite communities. Having examined the role of absentee-owned corporation executives in community power structure, Schulze concludes that in Cibola they do not, by any means, dominate that structure but that the effect of corporation's withdrawal is detrimental to the welfare of the community.

II

THE RESEARCH PROBLEM

THE RESEARCH SITE

Lansing is a middle-sized city of 100,000 population located in south-central Michigan approximately 85 miles from Detroit.¹ Since Lansing is the state capital and a large state university is located in a suburb, the city's economy is diversified and there is a higher than average representation of white-collar workers in its population. Approximately 18% of the labor force is employed by government; only 34% of employed persons have jobs in manufacturing as compared with a state-wide average of 41%.² Nevertheless, the city's principal industries for the past six decades have been the automotive and metal manufacturing industries, which in 1950 employed approximately 27% of the employed labor force of Lansing proper. In 1954 there were 209 manufacturing establishments in the Standard Metropolitan Area employing 29,394 people.³ General Motors, with four plants in the community, employed nearly half of these. The mean number of employees per manu-

¹Schulze's research site, Cibola, was about one-fifth the size of Lansing. It was located 30 miles from a large Midwestern metropolis, "Metro City," and was considered a satellite city.

²Department of Commerce, Bureau of Census, 1950 Census of Population, Volume 2, Part 22, U. S. Government Printing Office, Washington, D. C., 1952.

³Department of Commerce, Bureau of Census, U. S. Census of Manufacturing, Volume 3, U. S. Government Printing Office, Washington, D. C., 1954.

facturing establishment was 141.⁴ A 1950-51 sample of wage earners in the Lansing labor market revealed that 60% worked for absentee-owned corporations.⁵ Since two-thirds of the wage earners worked in plants employing over 500 workers,⁶ and since all plants employing over 250 workers were defined as dominant economic units, we are able to estimate that economic dominants managed over 70% of the industrial labor force. As a whole, dominant economic units employ between 35% and 40% of the total labor force which now numbers about 75,000.

LANSING AND CIBOLA COMPARED

Although the differences between the two research sites, Lansing and Cibola, are great, and partly because of certain differences, it is felt that there are good grounds for comparing the cities. Cibola is almost a polar type of city in which pressures toward the withdrawal of economic dominants from community leadership are present in the extreme. The sudden introduction during World War II of absentee-owned industry on a truly gigantic scale, the resulting boom, rapid fluctuation and high turn-over in population, the extreme instability of the absentee-owned industry are conditions which would be difficult to match

⁴In Cibola this figure was just 14. In 1954 there were just 33 industrial firms and 2 banking units in Cibola. R. O. Schulze, Economic Dominance and Public Leadership: A Study of the Structure and Process of Power in an Urban Community, microfilmed Ph.D. dissertation, University of Michigan, 1956, (University Microfilms, Publication No. 21,359), 36.

⁵Wage earners were defined as "manual workers who were unskilled, semi-skilled or skilled and the 'first line' supervisors who were in charge of manual workers." Sigmund Noscow, "Labor Distribution and the Normative System," Social Forces, 35 (October, 1956), 29, 31.

⁶Ibid. 30.

elsewhere. The proximity of "Metro City," the fact that the giant production plant which wrought so many changes in Cibola was located well outside the city limits (two miles), and the fact that superior housing for economic dominants was not available in Cibola but could be found elsewhere, all were factors contributing to the withdrawal of the economic dominants from community leadership which must be counted as most unusual.

Like Cibola, Lansing's economy has long been based on the production of automobiles and automobile parts. But Lansing's period of most rapid industrial and population growth occurred between 1900 and 1920 (see Table 1) and was based on the foundation and success of a large number of locally owned plants. Since 1920, with the exception

Table 1:--POPULATION OF LANSING AND CIBOLA, 1860-1950

Date	Lansing		Cibola	
	Population	Percent Increase	Population	Percent Increase
1860	3,074	--	3,955	29.6
1870	5,241	70.5	5,471	38.3
1880	8,319	58.7	4,984	- 8.9
1890	13,102	57.5	6,129	23.0
1900	16,485	25.8	7,373	20.4
1910	31,229	89.4	6,230	-15.6
1920	57,327	83.6	7,413	19.0
1930	78,397	36.8	10,143	36.8
1940	78,753	0.5	12,121	19.5
1950	92,129	17.0	18,302	51.0

(Source: U. S. Census of Population, 1950, Volume I, Number of Inhabitants, U. S. Government Printing Office, Washington, D. C., 1952.)

of the depression period, Lansing's growth has been quite steady. Cibola, on the other hand, grew quite slowly until the advent of World War II when the establishment of a large absentee-owned defense plant outside its limits caused the population to more than double in less than three years. Although a high degree of absentee-ownership has come to Lansing only quite recently (beginning in the late thirties), compared with Cibola it has come gradually.

Except for the depression, Lansing's firms have been relatively stable operations. Its main plants have never been further removed than a few blocks from the city limits; few of its economic dominants have lived beyond the suburbs; and the city is much farther from the influence of a metropolis. In Lansing, then, we have tested Schulze's hypotheses concerning the bifurcation of community leaders in a much more stable, one might say, more "normal" setting. Despite the many differences in the research sites the three social factors, quoted previously, which Schulze considers to be most closely related with the withdrawal of economic dominants from active participation in the politico-civic life of the community are as applicable to Lansing as to Cibola. These factors will be discussed later.

One further difference between the two research sites must be considered. Schulze places heavy emphasis on Cibola's status as a satellite city as an explanatory factor in the economic dominants' withdrawal from community leadership. Lansing certainly cannot be considered a geographic satellite in the same sense as Cibola, but along with such cities as Flint, Pontiac, and Toledo, it is a satellite of Detroit as

an automobile producing city.⁷ Moreover, Lansing may be thought of as a satellite of a larger power system. In the words of C. Wright Mills, "The strivings of the new upper class and the example of the new managerial elite of the national corporations cause local societies everywhere to become satellites of status and class power systems that extend beyond their local horizon."⁸

Finally, in terms of size, Lansing stands mid-way between "Big-town"⁹ and Cibola, cities in which the influence of economic dominants, especially absentee corporations dominants, in decision-making on community-wide issues differed considerably. The Lansing research is compared with both of these studies.

THE OBJECTIVES OF THE STUDY

As pointed out previously, the Cibola research was an attempt to fill several existing gaps in the growing body of community power studies. Since three of the main foci of that study, (a) the historical examination of community power, (b) the community power roles of economic dominants taken as a whole, and (c) the power roles of absentee-owned corporation executives in the local community, have not been dealt with extensively elsewhere, it was felt that it would be beneficial to add to the research in these areas. The present research is not an attempt to retest all of the problems considered in the Cibola research.

⁷See Eli Chinoy, Automobile Workers and the American Dream (New York: Doubleday and Co., 1955), 15.

⁸C. Wright Mills, The Power Elite (New York: Oxford University Press), p. 46.

⁹R. J. Pellegrin and C. H. Coates, "Absentee-Owned Corporations and the Community Power Structure," American Journal of Sociology, 61 (March, 1956), 413-419.

We have, however, attempted to use essentially the same methods used by Schulze in order to retest his three main hypotheses: (1) that over an extended period of time a bifurcation has developed in the local power structure; (2) that the economic dominant and public leader categories are clearly differentiated; and (3) that the public leaders are relatively autonomous in making decisions on public issues.

The aims of such studies as this one have been succinctly stated by Rose: "The scientific function of replications, in addition to verification, is to set the limits under which the generalization is valid."¹⁰ Unfortunately, it is, to say the least, quite difficult to fulfill these ideal functions in a study of community power. Certain qualifications must therefore be made at the outset. First, strict verification or rejection of the broad hypotheses to be tested, like strict replication of the important constants and variables is, of course, impossible. This study can at most lend some weight toward support or modification of the hypotheses tested. Second, this study is only a step taken in the direction of setting the limits of the community type for which Schulze's generalizations are valid.

In comparative community power studies such as this one, Rossi has observed that three broad types of variables should be noted: "Decision makers of different types, operating within different community and institutional settings, should be compared as they come to the settlement of a range of issues."¹¹ For the present research, the

¹⁰Arnold M. Rose, "Generalizations in the Social Sciences," American Journal of Sociology, 59 (July, 1953), 54.

¹¹Peter H. Rossi, "Community Decision Making," Administrative Science Quarterly, 1 (March, 1957), 438.

potential decision makers were the same type as those in the Cibola study; and the communities were similar in at least one essential aspect. But the outstanding issues in the two communities differed considerably.

The public leaders, as well as a second grouping of potential decision makers, the economic dominants, were selected in both Cibola and Lansing by essentially similar techniques. The communities differ in a number of important respects, but the major independent variable--involvement in the larger social system--as well as three subsidiary explanatory factors, quoted in the previous chapter,¹² which Schulze uses to account for his main findings, are formulated broadly enough to be applicable to Lansing, or, for that matter, to most middle-sized and small American cities, although to a lesser degree than to Cibola. To the extent that these three factors are indeed the most crucial ones in causing a bifurcation in community power structure, the two cities are similar in their essential characteristics. The issues which were studied were selected in general, in the same manner for both studies. In Cibola, however, there were a few issues which stood out as obviously the most important. In Lansing, a wider range of issues was reconstructed. These issues were not as widely recognized as crucial as were those in Cibola and differed greatly in substance.

Since the bifurcation and differentiation hypotheses may be retested without reference to issues, it is assumed that any differences in the historical or reputational power structures of Lansing and Cibola can be explained by community variables. The relative autonomy hypothesis, on the other hand, cannot be as easily retested, for

¹² See page 9 above.

both community factors and the issues involved may be important variables in determining perceived decision-making processes. The main emphasis of this replication study will therefore be on the first two major hypotheses.

THEORETICAL FRAMEWORK¹³

It is not within the limits of this thesis to present an extensive treatment of sociological theories of power and community power structure. We will at this point, however, define major concepts as we will use them.

By "community" we mean simply "people living in one locality or region under the same culture and having some common focus for their major activities."¹⁴ The community is a roughly integrated social system, parts of which function to serve the economic and social needs of its members.

Most discussions of social power by sociologists refer back to Max Weber's famous definition:

In general, we understand by "power" the chance of a man or of a number of men to realize their own will in a communal action even against the resistance of others who are participating in the action.¹⁵

As put more simply by Loomis, power "refers to the capacity to control

¹³For a major part of this framework, we have relied heavily on Schulze, Economic Dominance. . ., op. cit., chapter 1.

¹⁴William H. Form and Delbert C. Miller, Industry, Labor, and Community (New York: Harper and Brothers, 1960), 19.

¹⁵From Max Weber: Essays in Sociology, tr. and ed. by Hans H. Gerth and C. Wright Mills (New York: Oxford University Press, 1946), 180.

others."¹⁶ It should be noted that these definitions emphasize the potential aspect of power--the probability that it can be exerted and the capacity to exert it--rather than the act itself. This emphasis can be contrasted with Hunter's definition of power as "the acts of men going about the business of moving other men to act in relation to organic or inorganic things."¹⁷ Although we will later on be interested in examining the perceptible acts of men which influence the outcome of community decisions, we do not wish to limit ourselves to that power which is used. According to our conception, power is a characteristic of certain positions or status-roles within the social system. This is not to say, however, that power is derived solely from the authority of office. In some cases the possessor of power derives that power from the status-role that he occupies; in other cases a recognized power status-role within the social system may devolve from an individual's demonstrated capacity to exert personal influence. But for the purposes of this study no differentiation will be made between power and influence.

Based on the premise that power is linked to positions within the social system, Schulze has formulated the following definition of power which will be used in this research:

power denotes the capacity or potential of persons in certain statuses to set conditions, make decisions, and/or take actions which are determinative for the existence of others within a given social system.¹⁸

¹⁶Charles P. Loomis, Social Systems: Essays on Their Persistence and Change (Princeton: Van Nostrand, 1960), 20.

¹⁷Floyd Hunter, Community Power Structure (Chapel Hill: University of North Carolina Press, 1953), 2-3.

¹⁸Schulze, Economic Dominance. . ., op. cit., 2 (underline omitted).

The "certain statuses" with which we will be here concerned are those which are functionally most important for the maintenance of the American community as an on-going social system.

Although the American community comprises a large number of diverse interests and thus cannot be considered as an extremely well integrated social system or as a system in which a high degree of consensus exists in regard to specific common ends, nevertheless, it may probably be assumed that most of the members of a community value the goal of maintaining the community as a social system. According to Homans, the total social system is made up of an external system, which emphasizes the relationships involved in the pursuance of group survival in an indifferent environment, and an internal system, which emphasizes the group behavior involving the expression of sentiments among group members.¹⁹ It is postulated that the two broadest common ends most highly valued by the members of the community are the goals of maintaining the external and internal systems of the community. These two community ends are roughly similar to Schulze's postulated "broad values" which are "most crucial to a community's viability as a social system":

first, the goal of maintaining the community as an economic system which provides for the sustenance and physical well-being of its members; and secondly, the goal of maintaining the community as a socio-political system within which its members may organize their lives and toward which they may experience some meaningful sense of identification and belonging.²⁰

¹⁹George C. Homans, The Human Group (New York: Harcourt, Brace and Co., 1950), 90, 109-110.

²⁰Schulze, Economic Dominance. . ., op. cit., 3-4.

Although the economic institution within the community cannot be equated with its external system, in the American community it is certainly dominant in that system.²¹ Those individuals who hold the top positions in the local economic institution are presumed to have greatest potential for control over the external system. These individuals will be designated as the economic dominants.²² Those who occupy status-roles which are indicative of the greatest capacity to control the internal system of the community will be designated as public leaders.²³ The economic dominants gain their power from their position in formal organizational hierarchies; the public leaders gain informal status as top influentials by their reputation for demonstrated power in community affairs. The methods by which these two types of leaders were selected will be stated explicitly later.

Since community power is related to certain positions within the community social system according to the theoretical framework of this research, it follows that community power is structured. This is not to say, however, that community power structure necessarily takes a hierarchical or highly rigid form. Rather, power may be structured in a large number of different ways.²⁴ The rigidity and

²¹See Form and Miller, op. cit., chapter 2.

²²Throughout the remainder of this paper the economic dominants will also be referred to as economic elites, the economically most powerful, or just plain dominants.

²³Alternative terms: reputational leaders, top influentials

²⁴Form and Miller have suggested five different power models which "enclose differences in power structures of communities." Three of these models are variations of a pyramidal structure, a fourth is characterized by two or more independent power pyramids, and the fifth model, a "ring or core structure," is characterized by a heterogeneity of interests and some degree of autonomy between institutional sectors of the community. It is probable that the power structures of most American communities approximate the fifth model. See Form and Miller, op. cit., 538-543.

"shape" of the power structure are empirical questions as is the extent to which decision-makers remain the same from issue to issue. By applying the term "structure" to this study of community power, we are, as Polsby has pointed out,²⁵ implying that we are studying a repetitive pattern of events; but we will attempt to test this proposition empirically. In claiming to study the "structure" of community power we are simply assuming that it is possible to differentiate between those who have relatively much power and those who have relatively little, and that power relationships are not random, but tend toward consistency and repeatability. This is not to deny that power may generally be exercised only within relatively narrow "scopes of influence" or primarily in relation to "games" which occupy the powerful individual's first interests.²⁶ Scopes of specialized power and the probability of shifts in the distribution of power from issue to issue are recognized, but it is to be expected that certain statuses can still be considered as dominant. As Schulze has pointed out, ". . . maintenance of control and coordination centers is a functional prerequisite of any increasingly interdependent and internally differentiated social system."²⁷ It is assumed that these power centers change as the social system of the community and the community's relationship with the larger societal system change.²⁸

²⁵Nelson W. Polsby, "The Sociology of Community Power: A Reassessment," Social Forces, 37 (March, 1959), 232.

²⁶Robert A. Dahl, "A Critique of the Ruling Elite Model," American Political Science Review, 52 (June, 1958), 463-469; Norton E. Long, "The Local Community as an Ecology of Games," American Journal of Sociology, 64 (November, 1958), 251-261.

²⁷Schulze, Economic Dominance. . ., op.cit., 9.

²⁸Ibid.

Although we have spoken heretofore of the community power structure, we do not wish to imply the necessary existence of a neat or unified model. As has been pointed out above, the larger community power structure may be sharply segmented into two or more separate power structures. Although sharp segmentation appears to be the exception rather than the rule, it is probable that there are a large number of major and minor power arrangements in every complex community so that a great deal of instability exists in the power structure just as in the status structure of the community.²⁹

Up to now there has been no complete study of all the power arrangements which make up the total community power structure.³⁰ Such a study would entail a thorough investigation of the institutionalized power structure of the community and the community power complex as well as of the top and key influentials.³¹ Like most other community power studies, this research is limited to the investigation of certain elite groups or aggregates in community power structures. The aggregates studied in this research are those which have previously been designated as economic dominants and public leaders. One of the power

²⁹See Gregory P. Stone and William H. Form, "Instabilities in Status: The Problem of Hierarchy in the Community Study of Status Arrangements," American Sociological Review, 18 (April, 1953), 149-162.

³⁰Even Hunter, who has been castigated for forcing his research data into the procrustean bed of a rigidly hierarchal power model (see Herbert Kaufman and Victor Jones, "The Mystery of Power," Public Administration Review, 14 (1954), 205-212), states, ". . . I doubt seriously that power forms a single pyramid with any nicety in a community the size of Regional City. There are pyramids of power in this community which seem more important to the present discussion than a pyramid," op. cit., 62.

³¹See Form and Miller, op. cit., chapter 11.

structures which was examined was the formal or political power structure of the community. Latent power structures, as revealed by an examination of reputational influence and of the formulation and solution of a series of community problems or issues, were also studied. Any informal power arrangements which a researcher finds in a community are, no doubt, partially determined by his methodological techniques. The latent power structures with which we will be dealing therefore are not claimed to be either the only such structures in the community or a complete picture of community power structure. We do, however, contend that the individuals who theoretically possess the greatest potentials for power within the community have been included within the scope of our investigation.

According to Rossi there are three basic approaches to the study of community power and influence: (1) the study of "potentials for power" based on positions in the community or within important organizations in the community, (2) the study of "power or influence reputations" based on the opinions of community members, and (3) the study of "actual power" based on the parts played by persons or organizations in determining the outcome of an issue or project.³² The attempt has been made in this research to integrate these three approaches. As defined above, both the economic dominants and the public leaders occupy positions which give them potential for power. The public leaders are at the same time reputationally defined men of power. Finally, the roles of both the economic dominants and the public leaders in actually determining the outcome of community issues or projects were examined.

³²Peter H. Rossi, "Community Decision Making," Administrative Science Quarterly, 1 (March, 1957), 425.

HYPOTHESES

The three main hypotheses to be tested in this research are those used by Schulze for the Cibola study. Certain of his sub-hypotheses have also been selected and are quoted below.³³

1. THE BIFURCATION HYPOTHESIS: that as the urban community becomes increasingly involved in the larger social system its power structure bifurcates, resulting in two fairly distinct and delineable sets of power roles--the economic dominants and the public leaders.

Sub-hypotheses:

- a. The proportion of economic dominants who have served in public office in the community has declined with increasing urbanization (1859-1959).
 - b. Of those economic dominants who have served in public office (1859-1959), there has been a relative decline in the proportion holding elective positions and therefore, a relative increase in the proportion holding appointive positions.
 - c. The proportion of economic dominants who have served as president and officers of important voluntary associations in the community has declined with increasing urbanization (1859-1959).
 - d. The persons who currently occupy both public leaders and economic dominant roles tend to represent "hold-overs"--in either a personal or familial sense--from past decades in which considerable overlap existed.
2. THE DIFFERENTIATION HYPOTHESIS: that significant differences exist between economic dominants and public leaders in terms of the nature and level of involvement in the local community--their political and civic activities and their participation in local associations.

Sub-hypotheses:

- a. The number of public offices (both elective and appointive) held by public leaders is greater than that of the economic dominants.

³³Schulze, Economic Dominance. . ., op. cit., 22-26. The differentiation hypothesis and its sub-hypotheses are slight modifications of those used for the Cibola research.

- b. The number of memberships in the most influential local associations held by public leaders is greater than that of the economic dominants.
 - c. The number of high offices which the public leaders have held in influential voluntary associations is greater than that of the economic dominants.
3. **THE RELATIVE AUTONOMY HYPOTHESIS:** that the working relationship between the economic dominants and the public leaders cannot be conceived as hierarchical, that the public leaders are relatively independent of the economic dominants in the control of the socio-political life of the community.

III

METHODS OF THE STUDY

DETERMINING THE MAJOR ECONOMIC UNITS

Unless one has become involved in the painstaking process of reconstructing the past, one is not likely to be aware of some of the difficulties involved. The common-place, everyday facts of yesterday are today often forgotten or are only dim unrecorded memories. In order to test the bifurcation hypothesis, it was necessary to compile the names and community activities of Lansing's business leaders throughout the city's history. Although business success has always been an American ideal, records of who exactly the successful individuals were, except for those who reached the highest rungs on the economic ladder, are not easily found. Since we were interested in this research not only in the top five or six economic dominants in each period, but in a larger group of dominants, considerable digging was required in order to obtain even an imperfect picture of historical economic dominance.

Many local historical accounts were available in books and newspapers,¹ but these were useful only for gaining a start toward identifying the economic dominants, since the information they contained was primarily of an anecdotal nature. The problem was not in identify-

¹J. P. Edmonds, Early Lansing History (Lansing: Franklin DeKleine Co., 1944); Birt Darling, City in the Forest: The Story of Lansing (New York: Stratford House, 1950); The Lansing State Journal, Lansing and Its Yesterdays (Lansing: The State Journal Co., 1930); The Lansing State Journal, 100th Anniversary Edition, January 1, 1955; The Lansing State Journal, Lansing Centennial Edition, May 24, 1959.

ing a number of local businessmen for each era, but in objectively determining which among these business leaders were the economic elite. This problem was difficult because, in this study, once having established the criteria by which economic dominants were to be defined, we wished to include in the economic dominant category all those and only those who fulfilled the requirements. We could not be satisfied with including only those who were mentioned by informants or in local histories because of the possibility that such sources would prejudice the selections in favor of leaders in community affairs; and one of the major purposes of the research was to determine to what extent economic dominants were or were not public leaders. In order to make as objective an analysis as possible, exhaustive library research was required. A considerable amount of unrewarding time had to be spent in finding the reference books which contained the relevant data. A multitude of library sources were used, but once these sources had been discovered the compilation of data was a relatively straightforward task.

Testing the bifurcation hypothesis, which involved investigating historical shifts in community power, required the determination of economic dominants and public office holders in Lansing between 1859, the year of the city's incorporation, and the present. Economic dominants are here roughly defined as the top executives (owner, president, manager) of the largest business units in Lansing. The first task that we faced was that of identifying the changing group of economic enterprises which most probably dominated the Lansing market by virtue of their position as the largest businesses in town. The major barrier

which stood in the way of this accomplishment was the lack of a common base for comparing economic units which could be used for every period.

Various measures can be used to estimate the size of a firm, e.g., number of employees, capital worth, assessed valuation, payroll, total sales. Schulze used the first three named measures as criteria in his study of Cibola. In this research we have used assessed valuation as the main criterion for determining economic dominance for several reasons. First, it was the one measure which could be used at every point in Lansing history, from 1859 up to the present. Second, since Lansing is larger and its economic base quite a bit more complex than that of Cibola, it was necessary to limit our criteria as much as possible for the sake of simplicity.

In Cibola, there were so few businesses of major importance that no matter what criteria were used the resulting group of largest economic units could vary only slightly; in Lansing, however, there was a large number of business units, some of which rated as very large using one criterion, but were rated as quite small using other criteria. Schulze had used the same cutting points for capital worth and for assessed valuation, thus implying that these were approximately equal measures. In Lansing, we found that these standards were far from equivalent, since companies tended to maintain their paper value after assessed personal property value had been greatly reduced. In addition, a few companies with a very high listed worth never actually produced anything. For these reasons, we used capital worth only as a check on the validity of our selections according to assessed valuation. Employment figures were also used whenever possible in the selection of dominant

economic units but were not relied upon as the primary criterion, because they were incomplete and drawn from a number of often conflicting sources, and because use of employment figures alone would have eliminated non-manufacturing enterprises from the economic dominant group.² Financial units were, of course, judged by entirely different standards than the industrial and commercial units. The criteria used for banks, savings and loan companies, and insurance companies were resources, total admitted assets and gross assets respectively.

It is obvious, of course, that although the same criteria were being used for the entire 100-year period under investigation, different cutting points had to be selected for different sub-periods. Schulze had divided his Cibola study into four periods: 1823-1860, the groundling period; 1860-1900, the period of consolidation of leadership; 1900-1940, the period of bifurcation of leadership; and 1940-1954, the period of deepening bifurcation. Schulze used a single cutting point in each period for each of his criteria of economic dominance. For Lansing this technique was not feasible, for assessed property values increased at such a rapid rate that business units could not be justly compared over 40-year periods according to unchanging standards. As a result, for this research, we have divided the total time covered into five 20-year periods. Through the use of these shorter time periods, rather than the 40-year periods utilized in the Cibola study, we have been able

²Only manufacturing firms, banks, and savings and loan companies were included among the major economic units in Cibola. In Lansing some stores, utilities, insurance companies, hotels, transportation companies, communication firms, and real estate companies were also rated as dominant units.

to keep the standards for the selection of economic dominants constant within each period. Moreover, the use of the shorter periods is an aid in making a more detailed analysis of the process of change. But since the 40-year periods used by Schulze have simply been divided in half, the present research can still be easily compared with the Cibola study. The time periods used in this study also differ from those used in the Cibola study in that we collected no data for the period prior to 1859 and in that this study extends five years beyond the Cibola study, up to 1959.

The following criteria and cutting points were used in establishing dominant economic units by period:

1859-1880

The five largest property owners (total assessed real and personal property valuation), whether individuals or firms, in the years 1860, 1870 and 1880.

Chartered banks

The largest manufacturing company

1880-1900

Industrial and commercial units--incorporated firms with assessed real and personal property value of \$25,000 or 100 employees.

Banks--resources, \$250,000

Insurance companies--total admitted assets--\$250,000

Property owners--top ten local residents

1900-1920

Industrial and commercial units--assessed valuation, \$200,000, or 150 employees.

Financial units:

Banks--resources, \$1,000,000

Savings & Loan Companies--gross assets, \$1,000,000

Insurance Companies--total admitted assets, \$1,000,000

1920-1940

Industrial and commercial units--assessed valuation, \$500,000, or 250 employees

Financial units:

Banks--resources, \$4,000,000

Savings & Loan Companies--gross assets, \$4,000,000

Insurance Companies--total assets, \$4,000,000

1940-1959

Industrial and commercial units--assessed valuation, \$750,000,
or 250 employees

Financial units:

Banks--resources, \$6,000,000

Savings & Loan Companies--gross assets, \$6,000,000

Insurance Companies--total assets, \$6,000,000

The assessment figures used as a criterion in rating the economic dominance of industrial and commercial units were derived from an examination of the city assessment rolls at ten-year intervals beginning in 1860. There were thus three check points for each 20-year period, one at the beginning, one in the middle and one at the end of the period. Business units were considered as economic units five years prior to and five years after the check points at which they met the criteria listed above, providing that they were in existence at these times. Business units were thus not necessarily considered as dominant units throughout the entire period in which they at some time met our operational standards for dominance.

The cut-off points which were established for each period to differentiate between the dominant and non-dominant units were necessarily chosen quite arbitrarily. Because of the difference in size between Lansing and Cibola, use of the same cutting points in defining the dominant economic units in both cities would have yielded a very large, unwieldy number of so-called dominants for the former city. Rather, we have attempted to establish these points at places where there seemed to be a definite break between "hoi polloi" and "hoi oligoi." It will be noted that the cutting points for assessed valuation sometimes differ sharply from period to period. This fact is explained by steep upgradings in assessment by the city assessor's office sometime between 1900 and 1910 and again in 1921.

There are, of course, certain difficulties which had to be faced and which may not have been solved in establishing the above criteria for economic dominance. The use of assessment data as an index of size of economic units is questionable, especially for the early years covered in this research. Until recent years assessment has always been more casual than scientific, and even today assessed values may reflect political influence. It is quite possible that in Lansing's early years some of the economically most powerful individuals may have been able to exert considerable influence over the assessor's estimates, with the result that these same individuals do not appear in the tax records among the top few property owners and so are not here defined as economic dominants. It is impossible, of course, to determine whether or not past tax assessment was just, but it is true that four individuals whose great wealth has been noted in the city histories, did not possess property of highly assessed value. However, these four, three lumber and railroad barons and a newspaper publisher, all gained their wealth outside of Lansing. For this study all four have been included among the economic dominants.

In order to offset any bias which may result from the use of assessment data alone in ranking economic dominants, employment figures were gathered from whatever sources were available, notably from the Directory of Michigan Manufacturers for data since 1940 and the Annual Reports of the Michigan Bureau of Labor for data between 1893 and 1920. These employment figures were used as a check on the size of firms. Likewise, it was possible to use capitalization figures as a check point for some firms. This information was obtained from Moody's Industrials,

early city directories, and Thomas' Register of American Manufacturers, but was not wholly reliable.

Since the liquid and invested assets of financial units are not included in the determination of their assessed valuation, other criteria were used in determining which units would be regarded as economic dominants. For banks, total resources was the criterion used as indicated in Annual Reports of the State of Michigan Banking Department and the Rand McNally International Bankers Directory; for building and loan companies, gross assets as indicated in Annual Reports of the State of Michigan Department of State on Building and Loan Associations; for insurance companies, total admitted assets as indicated in Annual Reports of the Michigan Commissioner of Insurance and Moody's Manuals of Investment.

DETERMINING THE ECONOMIC DOMINANTS

The individuals whom we call economic dominants have been operationally defined as: (1) the top executives (owner, president, manager) of the largest business units; (2) individuals who have served on the boards of directors or as officers of two or more dominant economic units at the same time; and (3) the largest local property owners.³ In addition, Schulze, in Cibola, arbitrarily designated the top two officials of the two leading economic units as economic dominants. In Lansing, since it was often difficult to determine from listings of company officers just who, if anyone was regarded as second in command,

³Before 1880, when firms were small, the economic dominants were primarily individual property owners. As economic units became larger few individual property owners could meet the minimum criteria.

and since the persons known to be second in command were rarely, if ever, involved in community affairs, we have considered only the top executives as economic dominants in order not to bias the findings toward non-participation in the community as more second in command executives were added to the economic dominant listing. However, since the larger firms are often represented in the community by second level personnel, we have introduced the rather cumbersome term "representatives of dominant economic units" to include both economic dominants and the subordinate officers of dominant units.

The dominant economic units having been selected, the economic dominants themselves were hunted down by a search through the following sources:

- Lansing City Directories
- The Directory of Michigan Manufacturers
- City and county histories
- The Lansing State Journal--Centennial issues (1955 and 1959)
- The Lansing State Journal--Annual January 1 Business Reviews
- Poor's Register of Directors and Executives
- Moody's Industrials and Investment Guides
- Rand McNally International Bankers Directory
- Dun & Bradstreet Million Dollar Directory
- Annual Reports of the State of Michigan Banking Department
- Annual Reports of the State of Michigan Commissioner of Insurance
- Annual Reports of the State of Michigan Department of State on Building and Loan Associations
- Annual Reports of certain dominant economic units

Whenever possible officers and directors were checked at five-year intervals. A few officers, who held dominant positions for less than five years, have not been included among the economic dominants. In a great many cases for the years 1920 and earlier, and in a few cases since that time, only the names of the officers, not the boards of direc-

tors, were available.⁴ Consequently, even using our own criteria, we cannot claim a complete listing of economic dominants. But the use of a wide variety of sources has enabled us to check the accuracy of our selections of both economic dominant units and individual economic dominants, so that we feel that the listings are as complete and as accurate as is possible. Only rarely did the sources fail to agree.

Unlike the Cibola study, individuals were often considered as economic dominants in more than one period. Individuals have been classified as economic dominants for any and all periods in which they fulfilled our operational requirements for dominance for five or more years within the period. A few individuals were thus classified as dominants for as many as three different periods.

Once the groupings of individuals who met the established qualifications for designation as economic dominants had been determined, the task of discovering the extent of their overt participation in community affairs was simply a matter of digging through old minute books. The names of economic dominants who had held public office were determined by a year by year search through the city council minutes available at the city clerk's office. The minutes of the Chamber of Commerce and antecedent business groups were also examined and the names of economic dominants who had served as officers and directors were recorded; a similar procedure was carried out using the minutes of the Community Chest. Finally, lists of past presidents provided by

⁴ However, the names of the board members of the major banks from 1873 to the present were secured.

the Rotary, Kiwanis, and Lions Clubs were scrutinized and the presence of economic dominants noted. From the examination of these records we were able to gain a picture of the changing pattern of participation by economic dominants.

DETERMINING THE PUBLIC LEADERS

The final proof of the bifurcation hypothesis and the testing of the differentiation hypothesis required an examination of current power structure. Community influentials were determined by two methods and compared. The first method is based solely on position; it assumes that individuals who occupy certain positions are potentially powerful by virtue of their place in the community. The aggregate of economic dominants for 1958-1959, as determined by using the criteria of the final period described above, hypothetically hold positions of potential power in community power structures. The second method is based on reputational status; it assumes that individuals who are believed to be influential by "experts" really do possess power. Following Schulze, we have labeled the reputational leaders as "public leaders." The public leaders were selected by asking two knowledgeable in seven institutional sectors of the community to provide lists of 50 names of the most influential people in the community. Knowledgeables were interviewed from mass communication, business, unions, welfare, education, government, and religion. Forty names on which there was the most consensus were considered public leaders. All but one of these people were then interviewed, so that the final list of public leaders contained 39 names. During their interviews each public leader was asked to designate from the list ten leaders whom they would choose if they were

"responsible for a major project which was before the community that required decision by a group of leaders that nearly everyone would accept."⁵ The 11⁶ individuals who were most often selected by other public leaders as being among the ten most influential in the community were called key influentials.

This method of selecting the public leaders is essentially the same as used by Schulze. The main difference is that Schulze used the heads of local voluntary associations as his panel of knowledgeable.⁷ The technique of determining the individuals within a community who have reputations for power by putting a set of "perception of influence" questions to a panel of "expert judges" is a variation of that used by Hunter and by Miller.⁸ The public leaders in the Lansing research are similar to Hunter's "people in the top levels of power" and to Form and Miller's "top influentials."

Since the economic dominants were not interviewed except in those cases in which individuals were both economic dominants and public

⁵The respondents were also given the opportunity to add names to the list, but no individual was added by more than one respondent.

⁶There was a two-way tie for tenth place.

⁷Schulze also cross-checked the selections made by the association heads by asking two independent panels of experts--the economic dominants and the public leaders themselves--to designate community influentials. All three lists of "public leaders" were in fundamental agreement. See Schulze and Blumberg, "The Determination of Local Power Elites," American Journal of Sociology, 63 (November, 1957), 290-296.

⁸Floyd Hunter, Community Power Structure (Chapel Hill: University of North Carolina Press, 1953), 11; Delbert C. Miller, "Industry and Community Power Structure: A Comparative Study of an American and an English City," American Sociological Review, 23 (February, 1958), 10-11.

leaders, we were not able to examine the two groupings as closely as Schulze did. We did not attempt to replicate Schulze's comparison of the general characteristics of the two groups, their informal relationships, or their perceptions of influence. However, the economic dominants and public leaders were compared as to overt political involvement and voluntary associational activities. Data concerning such activities on the part of public leaders was obtained from the interviews. Similar data on economic dominants was obtained from city hall and associational records.

DETERMINING "ACTUAL POWER" ON COMMUNITY ISSUES

One of the most neglected problems in community power studies has been the failure to investigate closely the effect of issues on the determination of the power elite and, conversely, the effect of the power elite which has been selected on the determination of the issues which are considered important.⁹ To my knowledge, no one has as yet ever explicitly defined what he meant by "community issue." Various researchers have indicated that essential characteristics of such "issues" are that they affect the "entire community,"¹⁰ affect

⁹See Ernest A. T. Barth and Stuart D. Johnson, "Community Power and a Typology of Social Issues," Social Forces, 38 (October, 1959), 29-32; Robert A. Dahl, "A Critique of the Ruling Elite Model," American Political Science Review, 52 (June, 1958), 463-469; Nelson W. Polsby, "The Sociology of Community Power: A Reassessment," Social Forces, 37 (March, 1959), 232-236; Peter H. Rossi, "Community Decision Making," Administrative Science Quarterly, 1 (March, 1957), 415-453.

¹⁰Nelson W. Polsby, "Three Problems in the Analysis of Community Power," American Sociological Review, 24 (December, 1959), 798.

"community-wide institutions,"¹¹ are "critical,"¹² or are based on "key political decisions."¹³ But none of these characteristics has been defined operationally.

Each of these proposed essential properties of community issues is either too vague or too limiting. Only rarely does any problem capture the attention of the majority of the members of a community--a fact which is indicated by consistently low turn-outs of voters for local elections and referendum issues. Moreover, even majority concern for a "problem facing the community" does not mean that there are not large segments of the community who remain completely indifferent. Issues which really affect the "entire community" do not occur frequently. Just how the researcher is to determine which institutions are "community-wide" and which issues are "critical" is not fully set forth by those who have used these terms.

Dahl, because he believes that the specific area of influence must be specified if the term "power" is to be meaningful, prefers that issues be defined as "key political decisions," so that the supposed influence of any hypothetical "ruling elite" may be tested in concrete cases in which it is faced with opposition. This definition seems to preclude from power studies any power which is not open to public display, and which is not openly opposed, as non-testable. Moreover, there seems to be no good objective method for determining which

¹¹Rossi, op. cit., 416.

¹²Robert O. Schulze, "The Role of Economic Dominants in Community Power Structure," American Sociological Review, 23 (February, 1958), 8.

¹³Dahl, op. cit., 466.

political decisions are "key" ones. Finally, the existence of strong opposition does not seem to me to be a necessary characteristic of "issues." As Rossi has said, "By and large we can expect that most issues up for decision are settled without becoming controversies."¹⁴

Lacking any more objective way for determining the important issues before the community, Hunter asked the top leaders themselves to designate the top issues and to describe how these issues were resolved.¹⁵ Nearly all community power studies following Hunter have used this procedure. It is hardly surprising that the top leaders themselves have been described as most influential on the issues which they themselves have selected. To use the reconstruction of these issues as proofs of the power of the top leaders borders dangerously close to tautology. Basically, Schulze used this method in selecting the "critical" community issues in Cibola; at the same time he was able to claim some measure of objectivity on the grounds that the resolution of the issues which he studied was necessary for the viability of the community.¹⁶ As it happened, Cibola had been subject to rather violent change in recent years, and so it was quite easy to locate major issues. In Lansing, on the other hand, and Lansing is probably not unique in this respect, there were no such major issues. Nevertheless, in spite of recognized short-

¹⁴Rossi, op. cit., 441.

¹⁵Hunter, op. cit., 214-227.

¹⁶Robert O. Schulze, Economic Dominance and Public Leadership: A Study of the Structure and Process of Power in an Urban Community, Ph. D. dissertation, University of Michigan, 1956, 3-4.

comings, for the sake of simplicity, the issues which were analyzed for this study were those chosen by the public leaders. These issues were certainly not all "critical" or "key" political decisions," nor were they problems facing "the entire community." However, large segments of the population were indirectly affected by the outcome of each issue.

Testing the relative autonomy hypothesis depended upon determination of the individuals who were actually powerful on community issues. In the Cibola research, information concerning the extent to which public leaders operate without interference from the economic dominants was obtained from reconstruction of community issues from interview accounts given by both economic dominants and public leaders, as well as from news items in the local newspaper. For Lansing, power processes were analyzed from resu^més of a range of issues gained from interviews with the public leaders only.

Each respondent was asked to discuss at length the following question:

Now we would like to discuss how issues get resolved in Lansing. We are not primarily interested in your stand for or against community issues or projects. However, what, in your opinion, are some of the major issues before Lansing--either recent or current?

Six examples of such issues followed. Other formal questions were planned but were dropped in favor of the openness of more spontaneous, free-rambling accounts of power processes on issues. Twenty-six accounts of issues were given by 24 individuals. The other 15 respondents discussed only the general topic, "how issues get resolved in Lansing." Exactly half of the resu^més of specific issues dealt with the hospital fund raising drive. There were 11 issues discussed in all. Many of

these were discussed by only one respondent, and some quite obviously reflected the respondent's own personal interests and biases. Even these issues, however, were community issues in the sense that a large segment of the population had at least peripheral interest in them. Since the accounts given by a single respondent were more likely to reflect bias and were often incomplete, major emphasis is placed on the analysis of the hospital fund issue.

Most of the issues which were reconstructed for this study were not real tests of power in the sense that one group or individual was able to exert his will even against the opposition of others. Since there was little opposition to most of these issues, they might more correctly be termed "projects." Although one such project was easily considered most important, the ten other issues or projects have been included in order that power processes in a fairly wide range of community decision-making problems might be examined. This range of issues has enabled us to gain at least a rudimentary idea of the specialization or generalizability of reputed power.

The possible one-sidedness of these accounts is, of course, a methodological weakness. The choice of issues by the public leaders themselves reflects only those issues which this limited portion of the knowledgeable population considers important to the community. Moreover, any individual's description of the resolution of a community issue may be inaccurate because of lack or withholding of information, personal bias, or faulty memory. Probably more important is the fact that the public leaders would tend to choose issues which are nearest to themselves personally and in which others defined as public leaders

would also tend to be involved. However, since many of the public leaders were also economic dominants, we were able to compare this group with the non-dominant public leaders. Moreover, these descriptions of the resolution of issues should, at least, serve as a cross check of the public leaders' sociometric choices of key influentials. If economic dominants are found among the key influentials, as chosen by the public leaders, it is to be expected that the public leaders would also indicate that dominants are powerful in the resolution of issues. To the extent that the public leaders (aside from those among them who are themselves dominants) indicate that economic dominants do indeed exert power within the community, further validation by the dominants not interviewed is unnecessary.

There can be little doubt that the type of issues chosen by the investigator for the analysis of power dynamics, shapes his conception of the community power structure. This research, however, was not conducted primarily for the purpose of determining the precise patterning of power relationships in Lansing, if indeed enduring patterns do exist. Rather we were interested in whether or not the economic dominants play an active role in determining the outcomes of at least some important community issues. If so, we can conclude that the economic dominants do hold some important positions in community power structures, whether those structures be stable or fluid, temporary or enduring.

IV

THE HISTORICAL ROLE OF ECONOMIC DOMINANTS
IN COMMUNITY POWER STRUCTURES

Schulze's historical hypothesis and his findings in Cibola suggest that a gradual division of labor develops within the community power structure of cities as they become increasingly involved in larger economic complexes. In order to retest this hypothesis we made a quantitative historical analysis of the participation of economic dominants in public life in Lansing. As in the Cibola study, the measurement of the overt involvement of economic dominants in the community was intended as a rough indication of the changing relationships between economic dominants and public leaders.

ECONOMIC DOMINANTS IN PUBLIC OFFICE

The first sub-hypothesis states that the proportion of economic dominants who have served in public office in the community has declined with increasing urbanization. Table 2 clearly supports this hypothesis.

Table 2.--NUMBER AND PER CENT OF ECONOMIC DOMINANTS IN PUBLIC OFFICE,
1859-1959

Period of Dominance	Number of Economic Dominants	Number of Economic Dominants in Public Office	Per Cent of Economic Dominants in Public Office
1859-1880	20	17	85
1880-1900	29	16	55
1900-1920	38	17	18
1920-1940	57	13	23
1940-1959	73	10	14

Insofar as the holding of public office is a measure of local involvement, it appears evident that, as in the Cibola study, there has been a definite historical drift toward withdrawal from local affairs on the part of economic dominants in Lansing. During the first 20 years of the city's history it was rare to find that an economically powerful individual was not politically involved. Today it is equally rare to find that the reverse is true. The similarity between the patterns of withdrawal from public office by economic dominants in Lansing and in Cibola is seen in Table 3. Although the percentage of economic dom-

Table 3.--NUMBER AND PER CENT OF ECONOMIC DOMINANTS IN PUBLIC OFFICE, LANSING AND CIBOLA

Period	Number of Economic Dominants		Number of Economic Dominants in Public Office		Per Cent of Economic Dominants in Public Office	
	Lansing	Cibola	Lansing	Cibola	Lansing	Cibola
1823-1860	--	12	--	10	--	83
1860-1900 ^a	44	21	32	17	73	81
1900-1940	80	43	20	12	25	28
1940-1959 ^b	73	31	10	7	14	23

^a For the Lansing study this period was actually 1859-1900.

^b For the Cibola study this period was actually 1940-1954.

(Source for Cibola data: Robert O. Schulze, Economic Dominance and Public Leadership, 79.)

inants in Lansing who held political office is consistently slightly lower, the pattern of change is remarkably parallel. In both cases a sharp break in political participation occurred around 1900.

Although there is a definite absolute decrease in the number of economic dominants who have held political office in Lansing over the past hundred years, it might be argued that the decline in the proportion

of office-holders is exaggerated by the sheer increase in the number of economic dominants in each succeeding period. In order to test such a possibility, the standards for qualification for economic dominance in each period were raised to points at which all but approximately 20 top economic dominants were eliminated. Table 4 indicates that participation by the top dominants, so defined, is proportionally similar to participation on the part of the more broadly defined aggregates of economic dominants. A quick glance at Tables 2 and 4 will reveal

Table 4.--NUMBER AND PER CENT OF TOP ECONOMIC DOMINANTS IN PUBLIC OFFICE, 1859-1959

Period of Dominance	Number of Top Economic Dominants	Number of Top Economic Dominants in Public Office	Per Cent of Top Economic Dominants in Public Office
1859-1880	20	17	85
1880-1900	19	11	58
1900-1920	22	3	14
1920-1940	23	4	17
1940-1959	20	2	10

this similarity. Moreover, it should also be pointed out that the number of available offices in city government has increased steadily from period to period thus providing increased opportunity for participation. Many of these positions have become increasingly professionalized, but in every period at least eight new positions were created which were filled by non-career office holders. Since 1952 alone there has been an increase of approximately 40 committee positions in city government which were filled by the general citizenry. It would appear that the decline in participation in city government by economic dominants is not due to lack of opportunity.

ECONOMIC DOMINANTS IN ELECTIVE PUBLIC OFFICE

The second sub-hypothesis suggested that, among those economic dominants who served in public office, there has been a relative decline in the proportion holding elective positions and consequently an increase in the proportion holding appointive positions. Prior to 1900 fully four-fifths of the economic dominants who served in public office were elected officials. In the final period all of the few economic dominants who were overtly involved in city government were appointed to their positions. Similarly, the percentages of politically active economic dominants who served on the city governing body and in the office of mayor dropped drastically from highs of 76 per cent and 41 per cent respectively down to zero. The last economic dominant who was elected to office was an alderman who served from 1929 to 1932; the last economic dominant who served as mayor was in office from 1897 to 1899. The extent to which the economic dominants controlled the mayoralty during the first two periods under consideration in this study can be seen from the fact that during the 41 years between 1859 and 1899 an economic dominant held this top position in 25 of the years. During this same interval the economic dominants were represented on the six to eight member city council by an average of two aldermen per year.

The decline in the proportion of economic dominants holding the most important governmental posts is indicated in Tables 5, 6, and 7. To the extent that appointive officers can be considered as less representative of public leadership than elective officials, these tables further support the bifurcation hypothesis. The economic dominants,

once an active force in overt political life within the community, have, since the turn of the century, divorced themselves from such activity; quite possibly the role of public leader has been taken over by others.

Table 5.--ECONOMIC DOMINANTS IN ELECTIVE PUBLIC OFFICE, 1859-1959.

Period of Dominance	Number of Economic Dominants in Elective Office	Per Cent of Economic Dominants in Elective Office	Per Cent of Politically-Active Economic Dominants ^a In Elective Office
1859-1880	14	70	82
1880-1900	14	48	88
1900-1920	4	11	57
1920-1940	5	9	38
1940-1959	0	0	0

^a In Tables 5, 6, and 7 "politically-active" refers to all those economic dominants who held any public office during the period under consideration.

Table 6.--ECONOMIC DOMINANTS ON CITY GOVERNING BODY, 1859-1959

Period of Dominance	Number of Dominants on Governing Body	Per Cent of Dominants on Governing Body	Per Cent of Politically-Active Dominants on Governing Body
1859-1880	13	65	76
1880-1900	13	45	81
1900-1920	2	7	29
1920-1940	1	2	8
1940-1959	0	0	0

By reverting to the use of 40-year time periods the data of this study were again compared with the Cibola research, this time in regard to the proportion of economic dominants in elective offices. For the 1860-1900 period, rates of participation in the two cities were almost

Table 7.--ECONOMIC DOMINANTS IN OFFICE OF MAYOR, 1859-1959.

Period of Dominance	Number of Dominants in Office of Mayor	Per Cent of Dominants in Office of Mayor	Per Cent of Politically-Active Dominants in Office of Mayor
1859-1880	7	35	41
1880-1900	7	24	43
1900-1920	0	0	0
1920-1940	0	0	0
1940-1959	0	0	0

identical. There was only a three per cent difference in the proportion of economic dominants in elective public office (for Lansing 64%, for Cibola, 67%). The percentage of politically-active dominants in elective office was the same (88%). Both cities had the same percentage of dominants on the city governing body (57%); and representation of politically-active dominants on the governing bodies differed only slightly (78% for Lansing, 71% for Cibola).. Thirty per cent of the dominants in Lansing occupied the office of mayor during this period as compared with 33% in Cibola. In both cities 41% of the politically-active dominants had held the highest local office.

Following 1900 the differences between the two cities in participation in elective office by dominants became increasingly greater. The dominants in Lansing withdrew from this form of public leadership to an even greater degree than those in Cibola. As indicated in Table 2, the Lansing dominants, especially since 1940, were slightly less politically-active. But a better measure of their more thorough retreat is

the extent of participation by those who are politically-active in elective office. Only 45 per cent of the Lansing dominants who served in public office were elected as compared with 64 per cent in Cibola during the 1900-1940 period. In the final period absolutely no economic dominants were elected to office in Lansing; in contrast 57 per cent of the politically-active dominants in Cibola were elected officials and 43 per cent served on the governing body. To the extent that Lansing became more quickly and more intimately involved in a larger economic system due to its more rapid industrial growth, the more complete withdrawal of economic dominants from local government in Lansing follows Schulze's reasoning in explaining the dominants' withdrawal from political positions in Cibola. In a later section of this study, we will trace the general pattern of industrial growth in Lansing in each of the five 20-year periods indicated above.

ECONOMIC DOMINANT PARTICIPATION IN COMMUNITY ORGANIZATIONS

On the supposition that local public leadership on the part of economic dominants may have shifted around the turn of the century from politics to voluntary associations, an attempt was made in the Cibola study to measure economic dominants' participation in the most important of these associations. There is evidence that such a shift did occur in Cibola, but it was at best only temporary. Declining activity on the part of dominants in the community's most influential association, the local Chamber of Commerce, substantiated Schulze's third sub-hypothesis in regard to bifurcation of local leadership.

The third sub-hypothesis states that the proportion of economic dominants who have served as president and officers of important volun-

tary associations in the community has declined with increasing urbanization. Evidence in support of this hypothesis can be found in Tables 8, 9, 10, and 11.

The first Lansing businessmen's association was organized in 1873 under the title, Lansing Improvement Association. Its first executive committee, which numbered seven, included four economic dominants among its members including the first president and secretary-treasurer. Unfortunately, the official records of the association date back only to 1892 when it was reorganized under the same name with Edward W. Sparrow, who had been secretary-treasurer in the 1873 organization, as president. This association was an incorporated organization with a tightly knit leadership group comprised of the leading stockholders. There were relatively few changes in the composition of its directorate during the 15 years of its existence between 1892 and 1906. Sparrow continued as the group's president throughout the whole period.

In 1901 the Lansing Businessmen's Association was organized. This organization had a much broader membership base than the Lansing Improvement Association being ordered along the same lines as the present Chamber of Commerce. All local businessmen were invited to join and by 1906 the association had 600 members. But as indicated in Table 8, economic dominants controlled the directorate of the organization from the beginning.

During the first five years of the century, the two business groups, each dominated by the economic elite of Lansing, existed concurrently. The economic dominants in each association, however, were essentially different groupings. The earlier organization, the Lansing

Table 8.--ECONOMIC DOMINANTS^a IN OFFICES OF BUSINESS ASSOCIATIONS,
1892-1959.

Period	Organization	Mean Number of Mem- bers per Year on Board of Directors ^b	Number Serving as President	No. of Years with a Dominant as President ^c
1892-1906	Lansing Improvement Association	9.5 (13)	1	15 (15)
1901-1911	Lansing Business- men's Association	9.5 (15)	6	10 (11)
1912-1920	Chamber of Commerce	8.7 (15-20)	5	9 (9)
1921-1930	" " "	9.4 (20-21)	4	7 (10)
1931-1940	" " "	9.7 (21)	3	5 (10)
1941-1950	" " "	4.2 (21)	1	1 (10)
1951-1959	" " "	3.1 (21)	2	2 (9)

^a For this table all individuals who met the standards for designation as economic dominants at any time were considered as dominants whether or not the period of their dominance coincided exactly with the period in which they held office.

^b The total number of members of the board during each period is indicated in parentheses. The number of directors was increased to 20 in 1913 and to 21 in 1928.

^c The number of years in each period is indicated in parentheses.

Improvement Association, was largely controlled by the financial and industrial giants of the late nineteenth century; the Lansing Businessmen's Association was largely controlled by young bloods who became economic dominants on the basis of the development of the automotive industry in Lansing. (Three individuals, all economic dominants were members of the boards of directors of both groups.)

One of the first acts of the Businessmen's Association was the purchase of a 34 acre tract of land which was offered to the Olds

Motor Works as inducement to return to Lansing. This company had been organized in Lansing under R. E. Olds, a native Lansingite, but had subsequently been moved to Detroit in 1897 in order to obtain greater financial backing. Following a fire which gutted its Detroit plant in 1901, the company accepted the offer of the land as a factory site and was producing Oldsmobiles in Lansing by 1902. It is of interest that of the seven members of the association who signed the note on the loan which was contracted for the purchase of the above mentioned land, six shortly became economic dominants on the basis of their controlling positions in companies which were direct suppliers of the Olds Motor Works, and the seventh also had interests in supplier companies.

In 1912 the Lansing Businessmen's Association became the Lansing Chamber of Commerce. Up until about 1940 economic dominant participation, as measured by the mean number of dominants on the board of directors, in this body remained rather constant. At the same time, however, there was a gradual decline in the number of dominants who served as president in each successive decade. Combining the records of the Lansing Businessmen's Association and the Chamber of Commerce, we find that, during the first two decades of these organizations' existence, the top officials were economic dominants for 19 of the 20 years. Further, 15 of the first 17 presidents were economic dominants, as were 18 of the first 23. For 15 straight years, from 1906 to 1920, an economic dominant occupied the presidency. In contrast, there have been but three dominants in the top position in the past 20 years.

Table 8 indicates that there was a sharp drop in active participation in the Chamber of Commerce by economic dominants in the decade

of the forties, a decline which has been further accentuated in the past decade. Nevertheless, Lansing dominants apparently have wished to retain their leadership positions in the Chamber to a greater extent than those in Cibola. In the latter city the median number of economic dominants per year on the board of directors fell gradually from a high of six between 1920 to a low of one between 1948 and 1955. Between 1934 and 1955 only one dominant held the presidency in Cibola as compared with six during this period in Lansing. Unlike the political arena from which the more complete withdrawal by dominants seems to have made in Lansing, in associational participation, the Lansing dominants appear to be more active. Moreover, the economic dominant units, which the economic dominants presumably in some manner represent in their various forms of community participation, have not withdrawn from local affairs to anywhere near the extent that might be supposed if only the top executive of each dominant unit were considered as its representative.

The dominant economic units have always to some extent been represented in community organizations by underlings in the companies' bureaucratic hierarchy. In the Chamber of Commerce, up until 1940, each board of directors averaged approximately one such representative, personally a non-dominant but an officer of a dominant unit. In the past 20 years however, increasingly larger numbers of lower echelon personnel from the larger companies have sat on the Chamber's board or directors. Between 1941 and 1950 the mean number of memberships per

year held by these second level representatives increased to 2.4;¹ during the most recent period (1951-1959), this figure has risen to 3.4. This latter figure is slightly higher than the mean number of positions per year on the board held by dominants themselves during the last period. The dominant economic units of the community are then, more often than not, now represented by other than their top executives. If all officials of dominant economic units, regardless of their status in the corporative hierarchy, are considered as economic dominants, then representation on the board of the Chamber has ranged from a high of 10.4 (1931-1940) to a low of 6.5 (1951-1959), a decline considerably less than that indicated in Table 8.

There are two ways of measuring the extent of participation by economic dominants in various formal spheres of influence within the community. Emphasis can be placed on the number and proportion of dominants who turn up in leadership positions within an organization or sphere of activity; or emphasis can be placed on the number and proportion of leadership positions within an organization or sphere of activity which are filled by economic dominants. Following Schulze, we have used the first method in examining dominants in politics and the second in examining dominants in a leading voluntary association, the Chamber of Commerce. In Table 9 the method of measuring economic dominants in business associations is reversed so that the number and proportion of dominants serving as officers and directors is indicated.

¹Two individuals who were actually second in command in dominant organizations during this period but who shortly thereafter gained promotion to the leading position were considered as economic dominants rather than included in the reckoning of this figure; one such individual in the 1951-1959 period was treated similarly.

Table 9.--ECONOMIC DOMINANTS IN OFFICES OF BUSINESS ASSOCIATIONS. BY PERIOD OF DOMINANCE, 1900-1959.

Period of Dominance	Number of Dominants	Number Serving as Directors and Officers	Per Cent Serving as Directors and Officers	Number Serving as President
1900-1920	38	25	66%	10
1920-1940	57	22	38%	5
1940-1959	78	29	40%	3

At first glance, the findings of this table seem to contradict those of Table 8, for the percentage of dominants serving as officers and directors during the past 20 years has actually increased over the percentage of the previous 20 years. Table 8, it will be remembered, indicates that a drastic reduction in economic dominant representation on the board of the Chamber occurred following 1940. There are two explanations for the apparent disparity between the findings of the two tables. First, a different definition of duration of economic dominance has been used in each of the tables. In Table 8 no account has been taken of possible differences of time at which an individual qualified as an economic dominant and at which he served on the board of directors. To a certain extent, such a loose definition of the duration of economic dominance is probably valid, for no attempt was made to pinpoint the exact dates at which individuals became and ceased to be dominants. It was taken for granted that individuals did not all of a sudden become dominants at the point in time when they met our rather arbitrarily selected qualifications. Moreover, our soundings were made only at five and ten year intervals, and such qualifications as directorships are often more an indication of previous possession of economic power than they are levers which can be wielded to produce future economic power.

However, the loose definition of the duration of economic dominance used in Table 8 contains a definite bias in favor of the earlier as opposed to the later periods when comparing dominant representation over time. That is to say, dominants often became active in community affairs some time before they became dominants according to the criteria established in this study, but the reverse situation, in which dominants were active in the community following their period of dominance, rarely occurred. For this reason the ranks of the dominants serving on the board of directors of the Chamber, as indicated in Table 8, are swelled considerably in some periods by the inclusion of individuals who became dominants in a later era. Only in two of the periods, however, does the inclusion of these individuals add more than one member per year to the mean number of dominants on the board. These periods are 1901-1911 when 1.3 of the total 9.5 mean number of members is accounted for by these "pre-dominants," and, significantly, 1931-1940, when they comprise 2.8 of the total 9.7 mean number of members. The presence of such a comparatively large number of "pre-dominants" on the board explains the surprisingly high level of representation which the dominants had apparently maintained on the board throughout the depression. These "pre-dominants" are, of course, not included among the dominants in the 1920-1940 period in Table 9, a fact which helps account for the relatively low percentage serving as officers and directors.

The second explanation for the seeming disparity between Tables 8 and 9 is to be found in the simple fact that prior to 1928, when three year terms in office were inaugurated, once members were elected to the board, they served for extended lengths of time. The 22 dominants who

were officers and directors of the Chamber during the 1920-1940 period served for a mean 7.4 years; but in the 1940-1959 period the 29 dominant officers and directors served only a mean 3.2 years. Thus, although the proportion of dominants serving as directors of at least one important voluntary association, the Chamber of Commerce, has not declined in the past 40 years, the data nevertheless uphold the third sub-hypothesis to the extent that there has been a definite decline since the beginning of the century and to the extent that the proportion of total positions on the board of directors occupied by dominants has declined due to shorter periods of service.

As in most communities, large numbers of associations were organized in Lansing beginning with its earliest days. According to Darling,² the first was the Lansing Lodge No. 33, Free and Accepted Masons, organized on November 1, 1848. But since most of the earlier voluntary associations have long since vanished from the scene, records of participation by economic dominants were not available. In order to further to test the third sub-hypothesis of the bifurcation hypothesis, however, an examination was made of the records of the three main local service clubs, the Rotary, the Kiwanis, and the Lions. Table 10 indicates that the expected pattern of declining participation on the part of dominants does indeed exist, as reflected by the decided drop in the number serving as president of these organizations. There seems to be no evidence of a trend toward increased representation by second-level personnel of dominant economic units among the presidents of these

²Birt Darling, City in the Forest: The Story of Lansing (New York: Stratford House, 1950).

organizations. Unfortunately no past records of the directors or membership of these clubs was available.

Table 10.--ECONOMIC DOMINANTS^a AS PRESIDENTS OF SERVICE CLUBS, 1916-1959

Period	Rotary	Kiwanis	Lions	Total
1916-1929 ^b	5	5	1	11
1930-1939	2	1	0	3
1940-1949	3	0	0	3
1950-1959	0	0	1	1

^aPeriod of dominance was not taken into consideration in devising this table.

^bRotary was organized in Lansing in 1916, Kiwanis in 1917, and Lions in 1920.

As a further investigation of the pattern of economic dominants' involvement in leadership roles within the community, the membership of the boards of trustees of the Community Chest and of Edward W. Sparrow Hospital,³ Lansing's largest hospital, have been examined. The findings are presented in Tables 11 and 12.

The Community Chest once again demonstrated the pattern of withdrawal by dominants. The Chest was organized in 1919 by a group of six community leaders, five of whom were economic dominants. Apparently, the Chest was at this time a private organization, for the same six individuals served as the board of trustees up until 1925. Although a few changes were made in the board's membership beginning at this time, dominants continued to occupy five of the six positions until the number

³The Sparrow Hospital data were compiled by Robert G. Holloway.

Table 11.--**ECONOMIC DOMINANTS^a ON COMMUNITY CHEST BOARD OF TRUSTEES,**
1919-1959

Period	No. of Directors ^b	Mean No. Serving as Directors Dominants	All officials of Dominant Units	Per Cent of Board Who were Dominants	Dominants Serving as Pres. ^c	Dominants Serving as Campaign Manager ^c
1919-1929	6-9	4.6	4.8	70	4 (11)	3 (5)
1930-1939	9-15	1.4	2.4	15	3 (3)	4 (7)
1940-1949	15-24	1.5	3.5	6	2 (2)	1 (2)
1950-1959	32-37	3.6	5.8	14	4 (4)	2 (2)

^aPeriod of dominance was not taken into consideration in devising this table.

^bThe number of directors was increased from 6 to 9 in 1928, to 12 in 1934, to 15 in 1939, to 24 in 1941, to 32 in 1950, to 35 in 1951, and to 37 in 1952.

^cThe number of years during the period in which an economic dominant was in office is in parentheses.

of members was expanded in 1928. Following this date the membership of the board was gradually increased in order to gain wider community representation, first, by participation on the part of professionals and small businessmen, and, later (1934) by the inclusion of organized labor.

As this expansion occurred, the mean number of dominants on the board declined sharply. It was not until 1935, however, that a dominant failed to hold at least one of the two leading positions, president of the board of trustees or campaign manager, and it was not until 1939 that both of these positions were occupied by individuals who were not executives of dominant economic units. In the past decade economic dominant representation has more than doubled over the previous decade,

but, at the same time, it should be remembered that the total number of trustees was increased during this time by over 50 per cent.

As in the Chamber of Commerce, representation of dominant economic units by non-dominant officers began to increase at about the same time as the dominants themselves withdrew from leadership. Oldsmobile, Lansing's leading economic unit, has been represented by at least one such executive without a break since 1946. Looking at the findings as a whole, however, it is evident that, as in the other areas of community leadership which have been considered, there is a pattern of withdrawal by economic dominants. Although there has been a slight revival, as indicated especially by the rise in mean number of representatives of dominant units, the numerical strength of the dominant units at the present time barely equals that of union representatives on the board of trustees. Again the data show that a bifurcation has occurred, at least on the overt level, between economic dominants and community leaders.

Unlike all other areas of community influence which we have thus far examined, investigation of the content of the Sparrow Hospital board of trustees revealed only a slight evidence of a pattern of bifurcation. Table 12 shows that, during the first decade of its existence, slightly less than half of the members of the board of trustees were economic dominants. After a small increase in the intervening years, the proportion of dominants on the board has now sunk slightly below its original level. From the first, membership on the board has been a high prestige position. Hospital history dates back to 1896 when The Women's Hospital Association was formed, a group in which several

wives and daughters of economic dominants of that period were prominent. The board of trustees was organized in 1910 to govern the present hospital, named after Edward W. Sparrow, a wealthy dominant who had donated \$100,000 toward its construction. The hospital was dedicated in 1912. The board has maintained its high prestige and its high proportion of dominants for at least two obvious reasons. First, it is a self-perpetuating organization; the members themselves elect replacements. Second, the same officers are elected year after year, resulting in long terms in office and little change from year to year in the composition of the board. Directorships have at times been passed from father to son and quite often been passed from one representative of a dominant economic unit to another.

Despite the relatively high proportion of dominants on the board of trustees, a case can be made that the recent decline in participation is an indication of incipient bifurcation. The original board contained no less than five judges, only one of whom was a dominant. As these judges were gradually replaced because of death or resignation the proportion of dominants increased. From 1916 until 1948 the proportion of dominants did not drop below 50 per cent. Although the evidence is flimsy in this case, the change in participation is in the expected direction as predicted in the bifurcation hypothesis and as demonstrated much more significantly in other community organizations.

It should be noted once more that, as in other community organizations, the decline in representation of dominant units on the hospital board is not as sharp as the decline in the mean number of dominants themselves who have served. This fact is accounted for by the trend,

Table 12.--ECONOMIC DOMINANTS^a ON BOARD OF TRUSTEES, E. W. SPARROW HOSPITAL, 1910-1959

Period	Mean No. of Dominants on Board of Trustees ^b	Percentage of Board Members Who Were Dominants	Mean No. of Officials of Dominant Units Serving on Board
1910-1919	8.8	49	9.3
1920-1929	10.5	58	11.8
1930-1939	10.5	58	11.1
1940-1949	9.9	55	11.1
1950-1959	7.0	41	8.9

^aPeriod of dominance was not considered in devising this table.

^bWith the exception of the year 1943-44 when the board numbered 19 members, the total number of trustees each year was 18.

found especially among the larger corporations, toward appointing second level officials as their representatives in community affairs.

The continuity of representation of major economic units is another notable fact regarding hospital board membership. Lansing's three major industrial plants have been well represented on the board. Reo was represented by at least two of its officers in every year from 1910 until 1937 when it became absentee-owned; Motor Wheel has been continually represented by at least one director or officer since it was founded in 1920; Olds placed a representative on the board from 1924 to 1933 and again from 1950 until the present. Moreover, each of Lansing's major banks has had at least one of its directors on the board almost continually.

ECONOMIC DOMINANTS AND COMMUNITY LEADERSHIP POSITIONS

Up to this point the findings of this study uphold the hypotheses of the Cibola study. Historical evidences of a bifurcation between Lansing's economic dominants and its public leaders have been found in the sphere of local politics, and signs of a similar bifurcation in important community organizations have been brought to light. The division within the organizations, however, has occurred much more gradually and is not as deep as the political bifurcation. It thus appears that economic dominants in Lansing are not nearly so far removed from community concerns as those in Cibola. Table 13 is offered as a very rough indicator of the gradual and still far from complete withdrawal which has taken place.

Table 13.--ECONOMIC DOMINANTS IN "COMMUNITY LEADERSHIP POSITIONS"^a
1859-1959

Period of Dominance	Number of Dominants	Number of Dominants in Leadership Positions	Per Cent of Dominants in Leadership Positions
1859-1880	20	17	85
1880-1900	29	18	59
1900-1920	38	28	74
1920-1940	57	37	65
1940-1959	73	35	48

^a"Community leadership positions" include local political offices, the boards of directors or trustees of the Chamber of Commerce and antecedent business organizations, the Community Chest, and Sparrow Hospital, and presidencies of the Rotary, Kiwanis, and Lions Clubs.

For this table, "community leadership positions" refer to any and all of the offices which have been examined previously, i.e., local political

offices, the boards of directors or trustees of the Chamber of Commerce (and antecedent business organizations), Community Chest and public hospitals, and presidencies of the Rotary, Kiwanis and Lions Clubs. There are many obvious inequities in this attempt to compare community participation by dominants during different periods in Lansing history; but although the entire range of leadership positions within the community has not been included in the table, it seems evident that the dominants have not staged a mass evacuation from leadership positions in important community power structures.

Since the Lansing Improvement Association is the only organization which existed prior to 1900 whose officers and directors are included in our operational definition of "community leadership positions," the proportions of dominants who have been labeled "community leaders" during the first two periods under consideration are probably underestimates. Important civic organizations no doubt existed at these times, but records of their officers are no longer extant. However, since 85% of the dominants held political office during the first period, the proportion of dominants who have been designated as community leaders would not be increased greatly even if full records of all community organizations were available. The relatively low proportion of dominants who occupied community leadership positions in the following period, however, probably reflects the lack of data for this time. The possibility exists, however, that there may indeed have been a considerable decline in community interest on the part of dominants, which was revived by the industrial expansion which occurred just after the turn of the century, and reflected in high participation in the newly organized businessmen's association.

Be that as it may, Table 13 seems to indicate that, with the exception of the 1880-1900 period, for which only somewhat incomparable evidence is available, the disjunction, at least on the overt level, between economic dominants and public leaders has been quite gradual. Whether or not this division has reached its final level or will continue is, of course, a matter of speculation. However, the fact that nearly 50 per cent of the dominants in the last two decades have held community leadership positions indicates that considerably more withdrawal must take place before a complete bifurcation can be said to exist.

Since no summary of dominant participation in leadership positions, chosen in any manner, was made in the Cibola study, no comparison with Table 13 is possible. It is perhaps too easy to speculate that, had such a table been drawn up, the results would have been quite similar to the pattern found in Lansing. That is to say, perhaps the focus in the Cibola research on political activity and political issues was so constricted that the withdrawal of dominants from public life was greatly overemphasized. At any rate, although the proportion of dominants in public office was lower in Lansing than in Cibola, indicating a possibly more complete bifurcation, considerable overlap between those who hold economic dominant positions and those who hold community leadership positions still exists.

SOCIO-ECONOMIC HISTORY OF LANSING

Before continuing analysis of the findings, it would be well to look briefly at the history of Lansing's economic growth. Special emphasis will be placed on plausible explanations for the changing

patterns of participation by dominants within the community. Schulze suggested that in Cibola "the withdrawal of the economic dominants was primarily a consequence of the changing relationship of the community's economic system to that of the larger society."⁴ The application of this statement to the situation in Lansing will be examined below. In the account which follows, the history of Lansing will be divided into five equal-length periods. It should be remembered that these periods were chosen merely for the sake of comparability and not because of any intrinsic unity within or division between periods.

1. The Capital Period, 1859-1880

Although Lansing was not incorporated until 1859, it was, from its very beginnings in 1847, marked out as a community of importance. It was in the latter year that the state legislature, then meeting in Detroit, settled a legislative impasse between a multitude of local interests by designating a tract of land deep in the woods of central Michigan as the site of the new state capital. The only settlement in the area at the time consisted of a small group of cabins in the area known as North Lansing (the white population of the entire township according to the State Census of 1845 was 88). But by the time the legislature reconvened for its January session in 1848, a capital building had been constructed and crude hotels had been built to house the delegates. The original name given to the site of the capital was "Village of Michigan." The present name was selected in 1848, but a village charter was never adopted with the result that, for the next

⁴Robert O. Schulze, "The Role of Economic Dominants in Community Power Structure," American Sociological Review, 23 (February, 1958), 6.

decade, Lansing remained under township jurisdiction. The population of the township in 1850, three years after the construction of the capitol, was a mere 1216; by 1860, however, 3074 people lived within the limits of the new city.

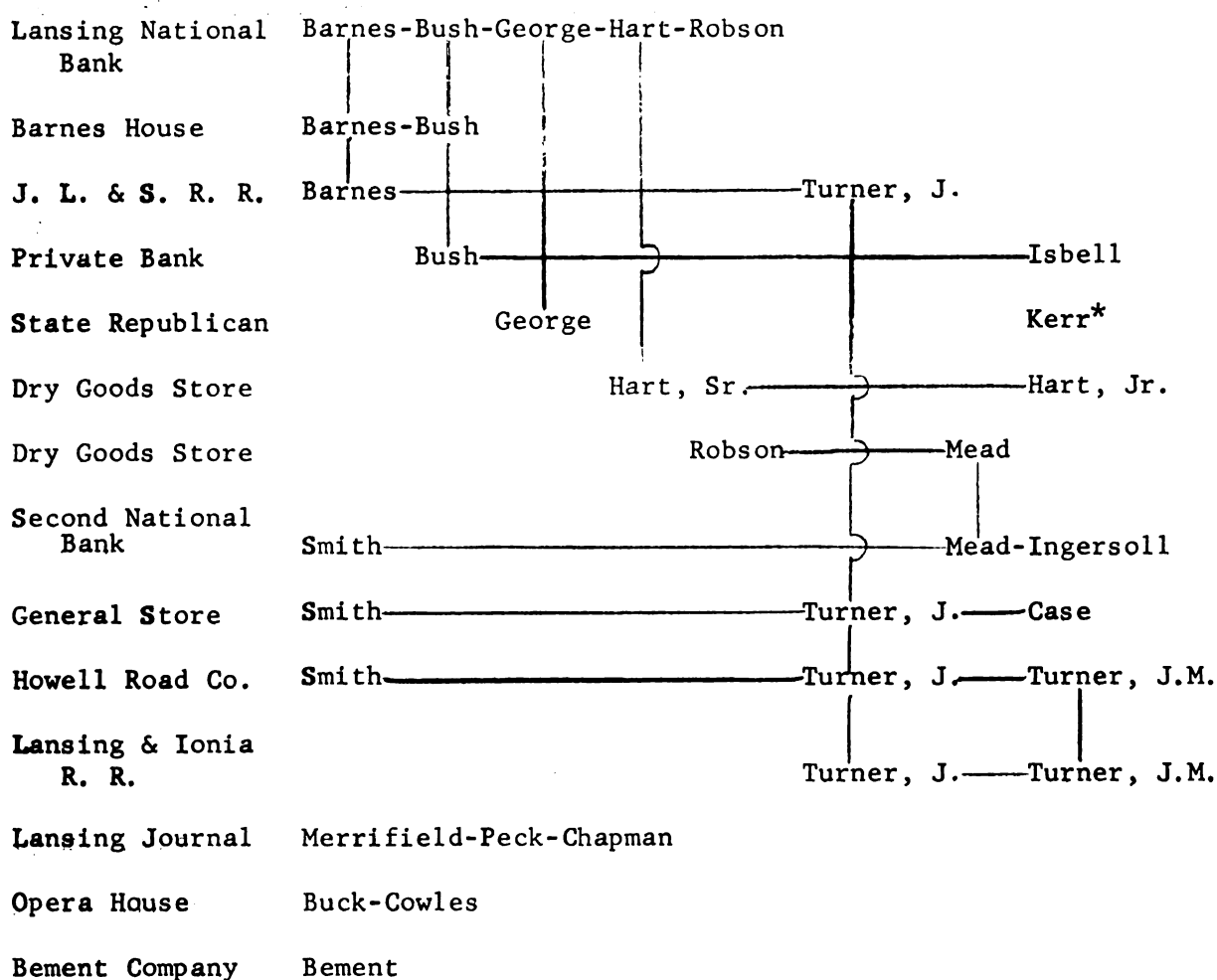
Lansing, then, has the peculiar history of being created by a purely political act. As a result of its unusual origin, the major part of its early economic activity was directly related to the location of the capitol in the city. It was not until the '70's when the beginning of the construction of the new capitol ended speculation that the seat of government would be moved elsewhere that it became evident that Lansing would be an enduring city. Likewise, it was at about this time that Lansing's first major industry rose to prominence. The economic dominants during this 20-year period then were largely those individuals who gained wealth by providing services to the population which had grown up with the capitol--bankers, store owners, hotel owners, and newspaper publishers. In addition, three of the dominants had made their fortunes through their financial interests in railroads which were constructed throughout the region during this period. There was also a steady growth of small industry. A local newspaper, The State Republican, on December 7, 1858, apparently with the intent of mentioning all industrial operations of note, noted only the presence of two flour mills, a saw mill, and an iron foundry. By 1880 there were 156 manufacturing firms in Lansing.⁵ The vast majority of these firms were, of course, quite small; only one industrial plant and one newspaper were ever assessed at a value exceeding \$20,000 during this period.

⁵Darling, op. cit., 70.

Although the firms of this era were not large enough to require the backing of several financial giants and although complete records of the officers are not available, a large number of financial ties between dominants can be quite easily traced. Fully 90 per cent of the dominants of this period had direct business ties with at least one other dominant. Sixty-five per cent of them were associated in one or more business or financial units with at least one other dominant who in turn was an officer or partner in at least one other major economic unit. Thirty-five per cent of the dominants were associated in two or more economic units with at least one other dominant who in turn was an officer, director, or partner in one other major economic unit.

The economic ties of the dominants of the 1859-1880 period are diagrammed in Figure 1. Several observations should be made about this chart. First, the economic ties here designated are, no doubt, only representative of a portion of those which existed. Second, the units here listed are generally, but not necessarily, large or dominant economic units. Third, only in rare cases did the indicated interrelationships persist throughout the whole 20-year period. Fourth, the economic units listed in this chart do not represent all the financial interests of the dominants but only those for which there is a record of linkage. As an exception, isolates have also been listed.

During these early years of Lansing's history, there seems to have been no single individual or sub-group of dominants which established an all-powerful economic domain of his or their own. The fortunes which were made during this period were from railroad building and real estate rather than from manufacturing or commerce. It is



* Kerr was a predecessor of George as owner of this newspaper and is thus an "economic isolate."

FIGURE 1.--KNOWN BUSINESS TIES BETWEEN ECONOMIC DOMINANTS, 1859-1880

interesting to note that one of the two isolates is the senior partner of Lansing's largest manufacturing firm at this time, the Bement Company, manufacturers of agricultural implements, stoves, and bobsleds, which was shortly to become Lansing's industrial giant.

As Schulze points out, the high interrelation of dominants in economic enterprises formed a solid base for common community interest

which is reflected in their high rate of participation in local government.⁶ But it should also be remembered that Lansing, especially at this time, was a highly politically conscious town. These were the days of local partisan politics as is reflected in the minutes of the city council by the frequent stalemates which arose over even the most trivial appointments whenever an even balance between the two parties prevailed. Since party organization extended down to the level of local elections, it is not overly surprising to find that dominants, when politically involved on the state level, often ran for local office also. Although no effort was made in this study to ascertain the extent of dominants' participation in state politics, in gathering other information it came to our attention that at least four of the dominants during this period either held or were candidates for state political offices. Moreover five of them were at one time or another in their careers part owners of newspapers, which at this time made no pretense of political independence. It is quite possible then that part of the explanation for the extremely high political participation by economic dominants during this period lies in part in the fact that politics was at this time practically Lansing's sole raison d'etre. At any rate, as Lansing became more of an industrial center and as the industrial elite gradually took over the positions of economic dominance, political participation began to decline.

2. Incipient Industrialization, 1880-1900

During the last 20 years of the nineteenth century, Lansing's economic base was broadened by the establishment of increasing numbers

⁶Schulze, "The Role of Economic Dominants. . .," op. cit., 6.

of relatively large (i.e., 50 or more employees) manufacturing firms. By far the largest of these was the Bement Company which employed upward to 500 people. But as Figure 2 indicates, the leading dominant of the period was O. M. Barnes, a railroad baron who had developed a small local economic empire. The fact that Barnes had gained his wealth outside of Lansing and then invested in Lansing industry is typical of the dominants of this period. With few exceptions the economic dominance of the individuals listed in Figure 2 was not based primarily on their positions in industrial units. Nevertheless, many of the dominants were tied together by their common financial interest in some of Lansing's developing industries. Figure 2 indicates all the known business ties between dominants during the 1880-1900 period. With the exception of four "economic isolates," each of the dominants was directly or indirectly interlocked (often many steps removed) with every other dominant. Fully 86 per cent were associated in one or more economic units with at least one other dominant who in turn was an officer or director in at least one other major economic unit; and no less than 66 per cent of dominants were so associated in two or more economic units. Both of these figures are considerably higher than those for the previous period indicating an increased consolidation of economic power in these early years of industrial growth.

Absentee controlled economic units of sufficient size to be considered dominants first appeared in Lansing during the 1880-1900 period. The first of these was the Millers' Mutual Fire Insurance Company nearly all of whose officers were non-local although the firm

Economic Dominants	Business Organization																			
	<u>bs</u>	<u>cb1</u>	<u>cms</u>	<u>cnb</u>	<u>dh</u>	<u>ics</u>	<u>JLSRR</u>	<u>lgc</u>	<u>lia</u>	<u>lie</u>	<u>ll</u>	<u>lnb</u>	<u>lwc</u>	<u>lwc</u>	<u>lw</u>	<u>MCM</u>	<u>mkc</u>	<u>MMI</u>	<u>omv</u>	<u>psb</u>
Baird																				
Barnes, OF			x							x	x			x						
Barnes, OM		x	x				x	x		x	x	x								
Beal																				x
Bement, A	x	x							x								x			
Bement, C	x												x							
Bement, G	x					x														
Coleman													x	x						
Cooley				x				x	x				x						x	
Davis, A			x															x		
Davis, C				x			x						x							
Donovan							x						x							
Downey, C					x	x														
Downey, H					x	x														
George													x							x
Haze		x											x							
Potter													x							
Robson									x				x						x	
Roe								x	x				x							
Smith						x														x
Sparrow				x					x						x				x	
Stahl				x					x											
Thoman			x			x			x				x				x	x		
Turner						x														
Van Buren				x																x
Economic Isolates																				
Ernst																x				
Longyear																				
Mead																				
Moores																				

FIGURE 2.--KNOWN BUSINESS TIES BETWEEN ECONOMIC DOMINANTS, 1880-1900.

Note: The underlined business organizations were dominant economic units. The capitalized business units were absentee-owned.

Key to business organizations on page 79a.

established its home office in Lansing. Two other dominant units which had been founded by local dominants passed into absentee control as a result of the depression of 1893.

3. The Automotive Boom, 1900-1920

The year 1901 was a decisive one in Lansing's economic history, for in that year R. E. Olds, a pioneer automobile maker and mass producer and a native Lansingite, returned to his home city, after a brief sojourn in Detroit, to establish a plant to produce Oldsmobiles. From its initial year of production, 1902, in which 2500 cars were produced the Olds Motor Works established itself as a giant on the local economic scene. In the next few years a number of large plants were established to supply parts and materials for the booming auto works with the result that very quickly Lansing was transformed from a small backwoods state capitol to a middle-sized industrial city. During the 20 years following the 1900 census, the population of the city increased by 248 per cent.

The industrial expansion had been triggered by the out-state capitol which backed the Olds Motor Works, but it was a relatively small group of Lansing businessmen who rode the wave of automotive success to positions of economic dominance by their financial backing for other new plants. Foremost among these dominants was R. E. Olds himself. Since 1902 Lansing's leading firm has always been one which he originally founded. His affiliation with the company that bears his name actually lasted only a short time, for he sold his interest in the company in 1904 after a disagreement with major stock-holders over the possibilities of mass production. In order to carry out his production plans he organized a second automobile company, the Reo Motor Car Company, this time

with strong Lansing financial backing. Olds also founded several other smaller companies as well as a bank. Through these economic units he was directly tied by common membership on boards of directors to 16 of the other 37 dominants of this period. From Figure 3 it can be easily seen that economic ties among dominants scarcely diminished from the previous period. Over four-fifths of the dominants were associated in one or more economic units (and nearly as many in two or more) with at least one other dominants who in turn was an officer or director of one other major economic unit. Only seven of the 38 dominants of the period were "economic isolates" and five of these were managers of absentee-owned companies. Six of the 23 dominant economic units were absentee-owned, but only two of these were without a local dominants among their executives throughout the entire period. In other words, during this period of industrial expansion Lansing's economy continued to be dominated almost wholly by locally-owned firms.

4. Industrial Consolidation and Depression, 1920-1940

Although Lansing's industrial growth continued during this period, it was not nearly so rapid as in the previous period, even prior to the depression when it ground to a halt. Moreover, the growth was largely internal within the existing organizations and not through the combination [consolidation] of two or more local plants rather than through the establishment of large numbers of new manufacturing units as in the previous period. Two new large absentee-owned plants, Durant Motors and Fisher Body, came to Lansing during this period, and several locally owned firms grew sufficiently to be considered dominant units, replacing several others which diminished in size. Once again the home-owned character of Lansing business is reflected in the web of economic relationships

Economic Dominants	Business Organizations																														
	<u>asb</u>	<u>adf</u>	<u>abc</u>	<u>awc</u>	<u>asl</u>	<u>cnb-</u>	<u>cnb</u>	<u>fbm</u>	<u>gps</u>	<u>iec</u>	<u>lcs</u>	<u>LFG</u>	<u>lf</u>	<u>lssb</u>	<u>lww</u>	<u>lw</u>	<u>mc</u>	<u>mbe</u>	<u>MCIC</u>	<u>mkc</u>	<u>MMI</u>	<u>msc</u>	<u>rnc</u>	<u>rec</u>	<u>OMW</u>	<u>pw</u>	<u>rmcc</u>	<u>se</u>	<u>sc</u>	<u>ubl</u>	
Baird						x																					x				
Baker, A							x			x							x		x		x										x
Bates, D.	x																							x			x				
Bement, A																				x				x							
Cooley							x			x	x				x		x	x	x												
Davis, B							x				x	x				x		x									(x)				
Downey, C																										(x)	x				
Goodnow																x								x							
Hammond														x																	x
Harper	x																										x				
Herrman, C																															x
Hooker							x													x											
Larned														x																	
Moores		x											x	x																	
Newbrough										x			x											x			x				
Olds		x				x		x		x													x			x		x			
Peer	x	x																									(x)				
Porter, E			x	x																							(x)				
Price			x				x																								
Prudden	x					x			x																		x				
Roe, J E														x													x	x			
Rueshaw	x																											x			
Scott		x				x																	x		x		x				
Seager							x																							x	
Smith, F																													x		
Stebbins						x		x								x								x						x	
Sparrow							x									x															x
Thoman, F					x									x	x	x					x										
Thomas			x														x							x							
Ver Linder				x																											
Woodbury					x																			x							

FIGURE 3.--KNOWN BUSINESS TIES BETWEEN ECONOMIC DOMINANTS, 1900-1920

Note: The underlined business organizations were dominant economic units. The capitalized business units were absentee-owned for at least most of the period. Seven economic dominants who had no business ties are not listed. Two absentee-owned dominant economic units, Michigan United Railway Co. and Owosso Sugar Co., whose officers had no other local business ties, are not listed. Parentheses indicate original stock-holder, but officership not clear.

Key to Business Organizations on page 79a.

KEY TO BUSINESS ORGANIZATIONS ON PAGE 76

bs--Bement & Sons	lnb--Lansing National Bank
cbl--Capitol Building and Loan	lwc- --Lansing Wagon Company
cms--Central Michigan Saving	lwc -- Lansing Wheel Company
cnb--City National Bank	lw---Lansing Wheelbarrow
dh---Downey Hotel	MCM--Michigan Cond Milk
ics--Ingham County Savings	mkc--Michigan Knitting Co.
JLSRR--J. L. & S. R. R.	MMI--Michigan Millers Insurance
lgc--Lansing Gas Company	omv--Olds Motor Vehicle
lia--Lansing Improvement Association	psb--Peoples Savings Bank
lie--Lansing Iron & Engine	sp---Smith Printing
ll---Lansing Lumber	sr---State Republican

KEY TO BUSINESS ORGANIZATIONS ON PAGE 79

asb--American Savings Bank	lw --Lansing Wheelbarrow
adf--Atlas Drop Forge	mc --McKibbin Company
abc--Auto Body Company	mbe--Michigan Butter & Egg
awc--Auto Wheel Company	MCIC Michigan Comm. Insurance Co.
csl--Capitol Savings & Loan	mkc--Michigan Knitting Company
cnb- Capital National Bank	MMI--Michigan Millers Insurance
cnb City National Bank	msc--Michigan Screw Company
fbm--First Bond & Mortgage	nmc--New-Way Motor Company
gps--Gier Pressed Steel	nec--Novo Engine Company
iec--Ideal Engine Company	OMW--Olds Motor Works
lcs--Lansing Cold Storage	pw --Prudden Wheel
LFG--Lansing Fuel & Gas	rmcc Reo Motor Car Company
lf --Lansing Foundry	se --Seager Engine
lssb Lansing State Savings Bank	sc --Sparrow Company
lww--Lansing Wagon Works	ubl--Union Building & Loan

connecting directly or indirectly all but nine dominants. As in the previous period, over four-fifths of the dominants were associated in one or more economic units with at least one other dominant connected with another major economic unit. Furthermore, a consolidation of the dominants as a group may be inferred from the fact that all but one of those with economic ties were associated with two or more dominants connected with other major economic units.⁷

The depression, of course, dealt heavy blows to many of the city's businesses and economic leaders. The two largest banks failed early in the depression, Durant Motors and the Reo Motor Car Company, two of the three large automobile companies, went into bankruptcy, and three other dominant manufacturing plants were forced out of operation. Durant Motors went out of business completely, but Reo, which had passed into the hands of non-local owners shortly before the firm went into receivership in the late thirties, managed to remain in operation. As a result of the depression, the number of dominants dropped considerably. However, four-fifths of those who continued to qualify as economic dominants still retained economic ties with other dominants. Few local businesses were absorbed by absentee corporations during the depression, but the loss of three major home-owned plants and the cutback in

⁷It should be noted, however, that a much larger number of individuals were defined as economic dominants for the 1920-1940 period than for the previous period simply because they were directors of two or more dominant units. The sharp increase in the number of dominants, which does not reflect the decreased rates of economic and population growth, is explained by the fact that 23 individuals were defined as dominants because they linked two or more dominant units as compared with ten such people in the preceeding period. It is quite possible that more individuals would have been designated as dominants for the 1900-1920 period if more complete listings of boards of directors had been available.

operations in others set the stage for the growth of non-local ownership in the years to come.

5. Renewed Growth and Absentee-Ownership, 1940-1959

Beginning in the early forties war production spurred renewed economic growth in Lansing. The past 20 years in Lansing's economic history has been characterized by a steady increase in the proportion of dominant economic units which have become absentee-owned. As in Cibola, the major industrial firms have been gradually absorbed into the larger economic system. Of the eight largest industrial units in Lansing in the late forties, only one was fully controlled by local dominants. Until the early fifties two of these units were interlinked by a dominant who served on the boards of directors of both corporations. Currently, however, none of the dominant industrial units are directly interlocked. Whereas in the pre-depression era a few dominants held office or directorships in as many as five or six dominant units concurrently, today only one dominant holds as many as three such directorships.

As late as the early forties, only eight of the 23 major economic units were not locally controlled. During and since World War II, absentee-ownership got its biggest boost--three major branch units were established in Lansing by outside corporations, three locally owned dominant units were absorbed by larger national corporations, and two absentee-owned branch plants were expanded so that they now qualify as dominants. In the last two decades 14 of the 32 economic units which have been classified as dominant were absentee-owned. Eight of these units had originally been home-owned; the other six had been introduced

from outside by large absentee-owned companies. Currently, 13 of the 27 largest economic units are absentee controlled. Although all seven major financial units (3 banks, 2 savings and loan associations, and 2 insurance companies) have remained largely under local control, 65% of the dominant industrial and commercial units are now owned by non-local firms, including nine of the top ten as rated by assessed valuation. Thus despite local pride in a reputed high percentage of home-owned firms, Lansing's major industrial and commercial firms are predominantly absentee-owned. When the proportion of employees working for the major absentee as compared with the major home-owned units is compared, the relationship is all the more striking. Approximately three times as many people are employed by the dominant absentee-owned firms as by the dominant home-owned companies. Similarly, the assessed valuation of the major absentee units is well over four times as great as the valuation of the major home-owned units. The dominant absentee-owned units pay approximately 30% of the city's property tax bill (22% of this is paid by General Motors, which also employs roughly one-fifth of the work force.)

The loss of local control of industry is reflected in the number of interlocking directorships held by economic dominants. In the 1940-1959 period the number of "economic isolates" (those who had no economic ties with other dominants) more than doubled the number in the previous period, rising from 16% to 36%. Sixty-four per cent of the dominants still had ties in one or more economic units with at least one other dominant connected with another major economic unit, still a relatively high percentage as compared with approximately 25% for Cibola.

However, only 34% of the economic dominants were associated in two or more economic units with at least one other dominant who in turn held office in another major economic unit. This figure, a sharp drop from the previous period, is due to the fact that presently almost all economic ties are between financial units and other economic units, not between manufacturing or commercial units themselves.

FACTORS RELATED TO BIFURCATION

Prior to 1900 in Lansing, as in Cibola, economic dominants were highly involved in the political power structure of the community. Since the turn of the century a gradual drift toward bifurcation of the economic dominants and the occupants of formal community leadership positions has been observed. However, although a trend toward the withdrawal of economic dominants from overt community power positions is evident both in Lansing and in Cibola, it is doubtful that the historical developments which Schulze deems to be the most important explanatory factors are really highly significant.

Apparently, a sharp break in economic dominant participation in local government occurred in Cibola, as in Lansing, about 1900. But by using 40-year periods, Schulze has tended to neglect this fact and has satisfied himself with rather anachronistic explanations. Schulze points out three notable "aspects" of Cibola's economic life which supposedly help account for the greater political participation of dominants prior to 1900.⁸ But two of these "aspects," theoretically

⁸Schulze, "The Role of Economic Dominants. . .," op. cit., 6.

important conditions in the explanation of a unified community power structure, most probably did not change substantially until long after the withdrawal of the economic dominants from local politics. These two are the local residency of economic dominants and local ownership of dominant units. Neither of these "aspects" appears to have changed substantially according to Schulze's own testimony until the last few years of the 1900-1940 period;⁹ yet the place of the economic dominants in the formal governmental power structure had already changed radically. His third important "aspect" of pre-1900 Cibola economic life--the existence of a network of economic relationships uniting a majority of the dominants--appears to be slightly more relevant. In Cibola a somewhat tighter network, involving 70 per cent of the economic dominants, existed prior to 1900 than in the succeeding period when only 58 per cent had economic ties. Schulze placed great emphasis on the "deep and branching roots" which the dominants had in Cibola as a result of common places of residence, local ownership and interlocking directorates. He pointed out that the greater variety of local economic commitments resulted in a greater concern for the welfare of the community and for its entire economic system. Thus it is suggested that the high ratio of economic interlinkages in the economic system was closely associated with the high incidence of involvement in the socio-political system of the community.

Having suggested a possible basis for economic dominant involvement in the past, Schulze then noted three factors which "seem most

⁹Schulze, Economic Dominance. . . , op. cit., 176-177, 361-362.

closely related to the eventual withdrawal of the economic dominants from active participation in the political-civic life of Cibola."¹⁰ The establishment of direct supplier relationships between locally-owned plants and large, non-local plants is quite possibly a partial explanation for the different patterns of withdrawal in Lansing and Cibola. The advent of such relationships in Cibola occurred following 1910. As we have seen, few such relationships were initiated at the time of Lansing's great industrial growth associated with the early automotive boom. Rather, many locally-owned plants were established to furnish parts to the two (later three) large local auto factories.

This observation concerning Lansing's relative economic independence brings us immediately to another "social factor"--the dissolution of economic linkages among economic dominants. Since Lansing capital for the development of the local automobile industry came from many local sources, the network of interlocking directors and officers remained as firm after 1900 as in the former era despite the rise in absentee-ownership to six of 23 dominant units by 1905. (See Figure 4). The proportion of economic dominants with economic ties remained above the 80 per cent level until about 1940. Even the depression which had done much to dissolve such ties in Cibola had relatively little effect on those who continued to qualify as economic dominants in Lansing, for 78 per cent of the dominants in the years 1935-1940 maintained economic ties with other dominants.

¹⁰Schulze, "The Role of Economic Dominants. . .," op. cit., 6
These factors have been quoted previously, see page 9 above.

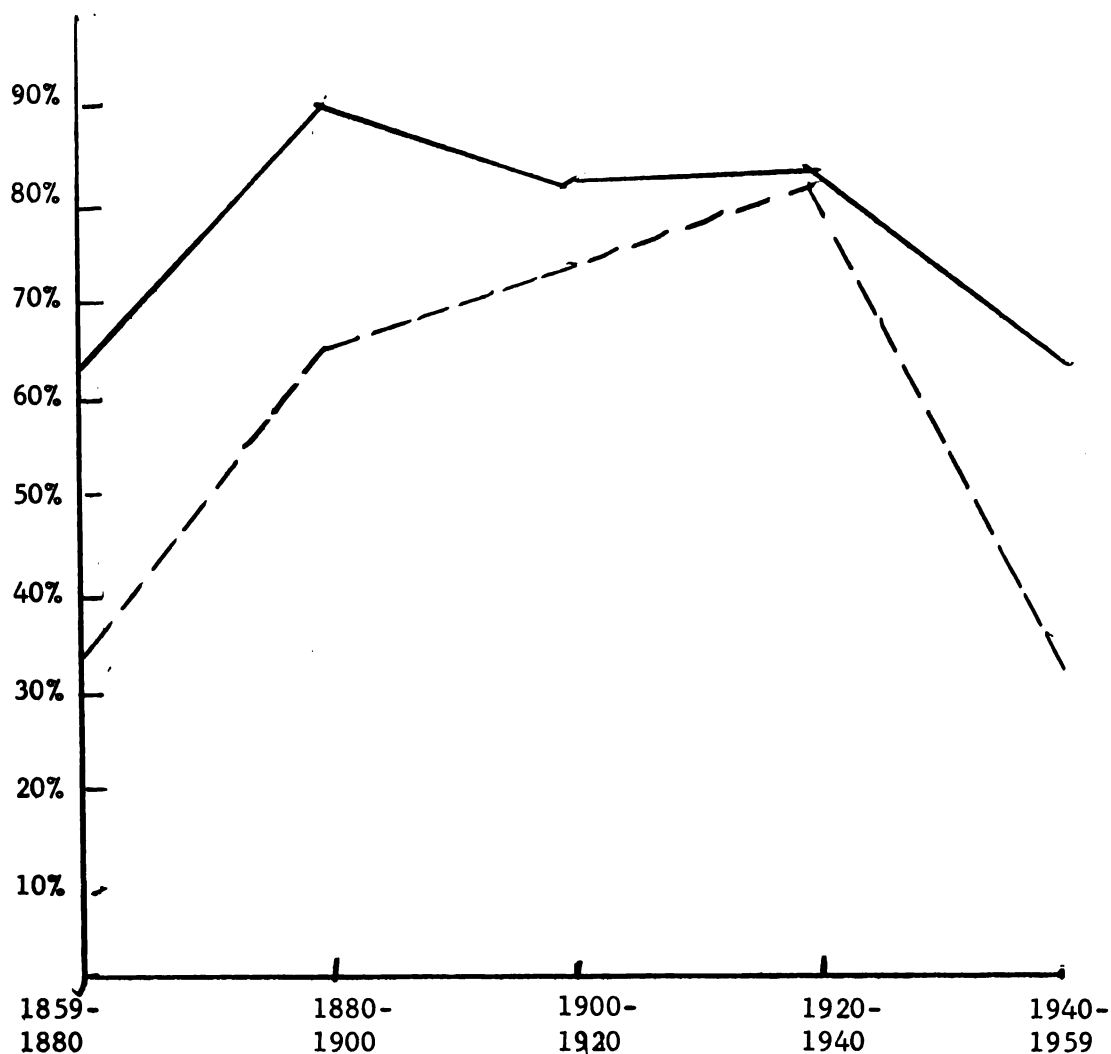


FIGURE 4.--PERCENTAGE OF ECONOMIC DOMINANTS HAVING
BUSINESS TIES WITH OTHER ECONOMIC DOMINANTS, 1859-1959.

- Per cent of dominants associated in one or more economic units with at least one other dominant who in turn was an officer, partner, or director of one other major economic unit.
- - - Per cent of dominants associated in two or more economic units with at least one other dominant who in turn was an officer, partner, or director of one other major economic unit.

The important point to note here is that the higher incidence of economic ties in Lansing would lead one to suspect that Lansing dominants would have been more highly involved in political-civic affairs than the Cibola dominants. This, in fact, appears to have been the case in regard to civic involvement. Previously listed tables (8, 10, 11, 12) show that major breaks in rates of economic dominant involvement came at about 1930 for the Community Chest and service clubs, about 1940 for the Chamber of Commerce, and about 1950 for the Sparrow Hospital board. The major break in the high level of economic linkage between dominants came about 1940. The percentage of dominants who are economically interlocked with each other still remains comparatively high in Lansing despite a high degree of absentee-ownership. This tendency toward relatedness in the economic system may be a partial explanation for the economic dominants' comparatively high involvement in civic affairs, but it fails to explain the low interest of dominants in local government.

A third "social factor" which Schulze suggested was related to the bifurcation of community power was the increase in non-local ownership. The increase in absentee-ownership, at least in Lansing, was a major cause for the decrease in dominants with economic ties after 1940. On the whole the growth of absentee-ownership in the two cities appears to have been somewhat similar, yet certain differences may be significant. As pointed out above absentee-ownership did not occur in Cibola until long after the demonstrated withdrawal of the economic dominants from political-civic life. Schulze rests a major part of his explanation for the withdrawal of economic dominants on the effect

of absentee-owned corporation policy toward local involvement by their executives. He neglects to note, however, that the policy of local neutrality advocated by the absentee-owned corporations apparently follows a pattern set in previous years when local ownership was at an optimum. That is, Schulze has shown that in Cibola, 1900-1940, only 28 per cent of the economic dominants held public office and that this figure declined only slightly to 23 per cent in 1940-1954. Elsewhere he states that only two of the 43 economic dominants in the former period were officers of absentee-owned corporations, but in the latter period 17 of 31 were absentee-owned corporation officers.¹¹ It seems quite possible that as the absentee-owned firms took over the leading industrial units of Cibola they merely retained intact the policies of non-involvement established by the major local economic dominants which preceded them.

In Cibola absentee-ownership apparently came very quickly in the years during the following the depression.¹² But in Lansing some of the largest economic units were absentee-owned by 1905 (nine of thirty-eight economic dominants in the 1900-1920 period were representatives of six absentee firms.) Even before the depression four of the seven top plants were absentee-owned. Despite this fairly high non-local ownership, it is doubtful that absentee-ownership bears a very high relationship to the withdrawal of economic dominants from

¹¹Schulze, Economic Dominance. . ., op. cit., 176, 165.

¹²"Until roughly 1930, the community continued to absorb most of its dominant units into the local economic system," Ibid., 361.

office, for after 1900, even the local dominants, still by far in the majority, showed little propensity for holding public office. Moreover, in both Lansing and Cibola, it was not until the forties that a majority of the dominant industrial units became absentee-owned.

In Lansing then, the abdication of political leadership by the economic dominants cannot be directly connected with the rapid growth of absentee-ownership, with the dissolution of interlocking directorates, or with the establishment of direct supplier relationships with large non-local firms. None of these trends began until long after the economic dominants had quit the political power structure. Within the present framework of discussion, only the broader explanation for the bifurcation of dominants and political leaders--the increased involvement of the community in state-wide and nation-wide economic systems as a result of early inclusion in the automobile industrial complex--is tenable. National markets and stricter controls by state and national governments have forced economic dominants' outlook beyond local government.

However, the Lansing data suggest that the mere fact of increasing urbanization or involvement in the larger social system does not necessarily cause a sharp division of power between economic dominants and civic leaders. The differing degrees of economic linkage may, however, help to explain the different patterns of economic dominant involvement in Lansing and Cibola. Conceivably, the Lansing dominants' greater economic involvement in the community gave them greater incentive to provide community leadership.

To say that economic dominants are now rarely involved in the local political power structure is not to say that they show no interest in the community. Even many of the absentee-owned firms are highly involved in community affairs. Currently, Lansing, like Cibola, is dominated economically by absentee-owned corporations. In Lansing, however, the drop in economic dominant participation which occurred as a higher percentage of the dominants became absentee-owned corporation executives has been counter-balanced, to a large extent, by official representation of the dominant units in community affairs by second-level executives. And more importantly, the absentee firm dominants in Lansing have not withdrawn to the Olympian heights as in Cibola, although it might be said that they have retreated to the foothills. That is to say, the hypothesized bifurcation between economic dominants and public leaders, although even more absolute in regard to the formal political structure, on the whole is not nearly as complete as in Cibola. The findings reported in the next chapter further bear out this conclusion.

V

THE CURRENT ROLE OF ECONOMIC DOMINANTS IN
COMMUNITY POWER STRUCTURES

ECONOMIC DOMINANTS AND PUBLIC LEADERS

Although the findings of this study reviewed in the last chapter do not indicate that a radical bifurcation has occurred historically within the community leadership group in Lansing as in Cibola, nevertheless, it appears evident that there has been a general decline in the participation, and quite possibly in the influence, of economic dominants in local politico-civic affairs, as judged by the diminishing proportion of their numbers to be found in potentially powerful community leadership positions. It is quite possible, of course, that the foregoing investigation of manifest power structures may have only scratched the surface of existing power relationships, for it is a truism of community power research that the formal structure is often only a facade behind which the true decision-makers operate on the latent level. In order to delve below the surface aspects of community power, an investigation was made of current reputational power in Lansing. If a substantial bifurcation had indeed occurred, dividing the economic dominants and the politico-civic leaders of the community, an accurate listing of reputed leaders by individuals with considerable experience in community affairs and occupying key observation posts should reveal this divergence. Moreover, if the dominants comprise a grouping which is distinct from the reputational leaders,

measures of community involvement should differentiate the persons occupying these two sets of community power roles.

In Cibola, Schulze found that the reputational leaders at the time of his research were indeed an almost entirely different group than the economic dominants. As the findings discussed above might lead one to suspect, the same was not the case for Lansing. There was quite a bit of overlap between the membership of these two operationally defined groups. Out of 39 current economic dominants, 13, or fully one-third, were also among the separately chosen group of 39 public leaders. Moreover, eight of the 15 most influential individuals, including the top four, as rated by the public leaders themselves, were economic dominants. These persons were among those who hold the very uppermost positions of economic dominance.

Since such a large minority of the public leaders also occupied economic dominant positions, we must conclude that the data does not fully support the bifurcation hypothesis, for the economic dominants and public leaders do not hold clearly "distinct and delineable sets of power roles." At most, we can say that a moderate division of power into economic dominant and public leaders roles has taken place.

It should be noted, however, that dominants representing absentee-owned corporations were underrepresented among the public leaders. Only 27 per cent of the dominants who are executives of such firms are public leaders¹ as compared with 46 per cent of the local economic dominants.

¹In addition, two public leaders were representatives of absentee-owned units which were not large enough locally to qualify as dominant firms.

This difference is possibly caused largely by a much higher rate of turnover among absentee-owned corporation executives rather than by a definite policy of non-involvement in community affairs. At the same time, U. S. Motors,² absentee-owned and one of the city's largest economic units, was represented among the public leaders by no less than three executives--the general manager, the publicity director, and the director of personnel. U. S. Motors and Midwest Manufacturing were the only economic units which placed more than one of their executives among the public leaders. As these are two of the leading industrial units in Lansing, one is led to suspect that this fact was no accident. Both of the Midwest Manufacturing Company public leaders qualified as economic dominants, but, as their occupational titles indicate, the second and third U. S. Motors representatives occupy positions a step below the top stratum in their organizational hierarchy. Thus, of the 39 public leaders, 15 or 38 per cent were representatives of dominant economic units.

ECONOMIC DOMINANT "HOLDOVERS" AMONG THE PUBLIC LEADERS

In his fourth bifurcation sub-hypothesis, Schulze suggested and later found that, in Cibola, the few persons who occupied both economic dominant and public leader statuses at the time of his research were either personal or familial "holdovers" from past decades, in which considerable overlap existed. In Lansing such was not the case. Among the larger number of individuals in Lansing who occupied both of the

²All current major economic units, economic dominants, and public leaders mentioned in this chapter have been given pseudonyms.

above mentioned statuses, only one was a descendent of another dominant and only one other, who retired only a short time after being interviewed, had been a dominant and a community leader for over 20 years. Moreover, only one other public leader was a descendent of an economic dominant of past decades. Many public leaders, however, had been active in community life for 20 to 30 years.

POLITICAL INVOLVEMENT OF ECONOMIC DOMINANTS
AND PUBLIC LEADERS.

If a separation between the persons who are most powerful economically and those who have the reputation of being most influential can be said to have occurred, it seems most likely that significant differences should exist between these two groupings in terms of the nature and level of their involvement in the community. Accordingly, the first differentiation sub-hypothesis suggests that the number of public offices held by public leaders is greater than that of the economic dominants.

Currently, eight public leaders (including two economic dominants and one representative of a dominant economic unit) hold public office as compared with five economic dominants, not a highly significant difference. However, the total number of offices held in the past by public leaders very nearly doubles the number held by economic dominants. (See Table 14). This list differs from a similar one for Cibola in that, in Cibola, the public leaders had held many more elective offices and absolutely no absentee-owned firm dominants had held office. Especially to be noted is the fact that nearly half of the

Table 14.--PUBLIC OFFICES IN LANSING EVER OCCUPIED BY CURRENT PUBLIC LEADERS AND ECONOMIC DOMINANTS

Public Office	Public Leaders	Number in Public Office	
		Economic Dominants Local	Absentee
<u>Elective:</u>			
Mayor	1	0	0
Councilmen	3	0	0
Total	4	0	0
<u>Appointive:</u>			
Board Police & Fire	2	1	1
Board Water & Light	2	2	1
Board Public Service	1	2	0
Civil Defense Council	1	0	1
Transit Commission	1	1	1
Traffic Commission	2	1	0
Municipal Parking Authority	2	0	1
Off-Street Parking Commission	1	0	0
Charter Commission	2	0	0
Planning Commission	5	0	0
Total	19	7	5
<u>Grand Total</u>	23	7	5

offices filled by economic dominants were in the hands of non-local corporation officers. In Cibola 60 per cent of the local economic dominants, but none of the absentee-owned corporation dominants, had ever held public office. In Lansing, the proportions were almost identical; 25 per cent of the local dominants and 27 per cent of the non-local dominants had held political office. As expected, a greater number of public leaders, 44 per cent, had been in office at one time or another, but this figure is less than half of the 94 per cent of public leaders who had held office in Cibola. In Lansing, the differ-

ernce between the economic dominants' and public leaders' involvement in public office did not appear to be statistically significant.

ASSOCIATIONAL INVOLVEMENT OF ECONOMIC DOMINANTS AND PUBLIC LEADERS

The possibility that the economic dominants and the public leaders were differentially involved in important civic associations was tested by an examination of their representation in a number of these organizations.³ Table 15 indicates that, in both Lansing and Cibola, membership differences were too small to be conclusive. Once again, however, absentee-owned corporation dominants were more active in Lansing than in Cibola.

Table 15.--PUBLIC LEADER AND ECONOMIC DOMINANT MEMBERSHIPS IN THE MOST INFLUENTIAL ASSOCIATIONS*

Association	Per Cent Belonging to Association			
	Public Leaders	Economic Dominants		
		Total	Local	Absentee
Chamber of Commerce	87 (78)	97 (94)	96 (100)	100 (87)
Rotary	49 (50)	38 (47)	38 (70)	40 (14)
Kiwanis	18 (44)	10 (18)	13 (30)	7 (0)
Lions	5 (11)	5 (0)	8 (0)	0 (0)

*The numbers in parentheses are the matching figures for Cibola. (Source: R. O. Schulze, "Economic Power and Local Government," unpublished manuscript, 1959).

³Schulze determined the five most influential associations in Cibola by polling the voluntary association heads, public leaders, and economic dominants. He found that the Chamber of Commerce, the Jr. Chamber of Commerce, the Rotary, Kiwanis, and Lions Clubs were considered to be the five most influential associations in the city according to each of the groupings questioned. For reasons of comparison, we have examined the membership rosters of four of these associations. These organizations were also designated by Lansing public leaders as highly influential. As few public leaders or economic dominants were young enough to be eligible for membership and none were members of the Jr. Chamber of Commerce in either city, we have dropped this association from our comparison.

Schulze found that the public leaders in Cibola belonged to a greater number and variety of the full range of local voluntary associations and that, in the five most influential local voluntary associations, the public leaders occupied more key offices than did the economic dominants. He concluded that the public leaders have a wider and more interlocked base for community leadership and that they tend to control the most influential associations. The data collected for this research were insufficient to test the first conclusion, but data relevant to the second appear in Tables 16 and 17. The figures for

Table 16.--PUBLIC LEADER AND ECONOMIC DOMINANT OFFICERSHIPS IN THE MOST INFLUENTIAL ASSOCIATIONS*

	Public	Economic Dominants		
	Leaders	Total	Local	Absentee
Per cent having served as president of at least one of the four most influential associations	31% (61)	23% (12)	25% (20)	20% (0)
Number of presidencies occupied in the four most influential associations	17 (14)	11 (2)	8 (2)	3 (0)
Per cent <u>currently</u> serving as officer or board member in at least one of the four most influential associations	18% (44)	13% (18)	4% (10)	27% (30)
Number of officer or board memberships <u>currently</u> held in the four most influential associations	7 (12)	5 (3)	1 (1)	4 (2)

*The numbers in parentheses are the matching figures for Cibola. (Source: R. O. Schulze, Economic Dominance and Public Leadership, Tables 25 and 26, pp. 214-215). Note: currently refers to the year 1958 for the Lansing study and to 1954 for the Cibola study.

Cibola, shown in parentheses in Table 16, demonstrate the existence of the wide divergence between economic dominants and public leaders in

that city. Once again the Lansing data is less extreme. Although the differences in the Lansing study are in the expected direction, the public leaders' occupancy of key offices in the "most influential associations" is only slightly more prevalent than economic dominant occupancy of these offices. In Lansing, a higher proportion of dominants and a lower proportion of public leaders have held past presidencies in the "most influential associations." The number of offices held currently by public leaders and economic dominants is nearly equal. The absentee-owned corporation dominants once again compare favorably with the local economic dominants. Currently the absentee dominants are much more active than the local dominants in these associations. As in Cibola, the relatively large percentage of economic dominants currently serving as officers or board members is accounted for solely by Chamber of Commerce activity.

The absence of as deep cleavage and clear indices of differentiation between Lansing's economic dominants and public leaders is further documented by Table 17. The Chamber of Commerce and the

Table 17.--PUBLIC LEADER AND ECONOMIC DOMINANT OFFICERSHIPS IN TWO IMPORTANT COMMUNITY ORGANIZATIONS

	Public Leaders	Economic Dominants		
		Total	Local	Absentee
Chamber of Commerce:				
Past Presidents	18%	13%	13%	13%
Past Officers and Directors	62%	67%	75%	53%
Community Chest:				
Past Presidents	26%	15%	17%	13%
Past Officers and Directors	62%	36%	46%	20%

Community Chest are the two organizations of highest involvement both for economic dominants and public leaders. Current public leaders have occupied the presidency of the Chamber of Commerce for the past six years and of the Community Chest for ten of the past twelve years, a fact which indicates the probable importance of these offices in gaining the reputation of public leader. But economic dominants too have been active in these offices. In the past decade they have held the presidency of the Community Chest for five years and the presidency of the Chamber for three years. The non-dominants hold more top offices than do the dominants, but evidences of sharp differentiation are lacking. In the Chamber of Commerce the economic dominants have held more formal offices than the public leaders. In the Community Chest, participation by public leaders has apparently been much greater than by economic dominants, but Table 17 does not indicate the increasing tendency for dominant units to assign non-dominant representatives to the Community Chest board. For instance, the current board has representatives of six dominant economic units, but only one of these individuals is himself an economic dominant. That is to say, the slight evidence which does exist demonstrating a bifurcation of the leadership group in Lansing should not be interpreted to mean that the dominants are necessarily totally withdrawing, for often they are simply increasingly being represented in community affairs by subordinates.

ECONOMIC TIES AMONG ECONOMIC DOMINANTS AND PUBLIC LEADERS

One of the principal factors leading to the bifurcation in Cibola, according to Schulze, was the dissolution of the extensive network of economic and occupational ties which existed in previous decades.

In the previous chapter we noted that such a network still existed in Lansing although it was not as inclusive as it had been in the past. Table 18 shows how the public leaders fit into this economic-occupational network. Any two individuals who hold formal positions in the same firm

Table 18.--NUMBER OF KNOWN ECONOMIC TIES AMONG PUBLIC LEADERS AND ECONOMIC DOMINANTS^a

	Public Leaders	Local-Firm Dominants	Absentee-Firm Dominants
Public Leaders	23 (4)	34 (3)	8 (2)
Local-Firm Dominants		47 (15)	11 (0)
Absentee-Firm Dominants			2 (2) ^b

^aThe numbers in parentheses are the matching figures for Cibola. (Source: R. O. Schulze, "Economic Power and Local Government," unpublished manuscript, 1959).

^bIn neither the Lansing or the Cibola study were there any economic ties between absentee-firm dominants from different corporations. In the case of two absentee-firms in Lansing, a second person in addition to the general manager was defined as an economic dominant because he held a directorship in a local bank.

were considered an economic pair. The high interrelatedness of economic dominants and public leaders is evident. The public leaders have more economic ties with economic dominants than with other public leaders. A great number of these ties are through common directorships in local banks. Even some of the absentee firms have been linked to local business by their common interest in the banks. The extent of these economic ties suggests that the public leaders and the economic dominants in Lansing have a fairly broad base of common interests and that they are not easily differentiated groups. It further raises the question of the possibility that the reputational leaders may be manipulated by

the economic dominants with whom they are so closely interrelated. This question will be dealt with in the next section.

POWER PROCESSES ON SELECTED ISSUES

Having examined positional or potential power structure and reputational power structure in Lansing, we will attempt in this section to describe the dynamics of "issue" resolution. That is, we will attempt to describe the "actual" power of the economic dominants in formulating and influencing the outcome of some problems of wide community interest. In referring to "actual" power we do not, of course, mean observed power, but rather "power attributed to specific individuals on specific issues." This section is an analysis of the ways in which power is allegedly exercised in Lansing on issues selected and described by the public leaders.

In Cibola, Schulze demonstrated that the community's reputational leaders were a different set of individuals than those whom he defined as the economic dominants. He assumed that the dominants still held potential power positions. Interviews with both economic dominants and with public leaders, however, upheld his hypothesis that the public leaders were relatively independent of the economic dominants in the control of the socio-political life of the community. The group of middle class business and professional men who were the reputed leaders in Cibola actually were the community decision-makers.

As we have seen, many associational and economic ties linked the Lansing economic dominants and public leaders. Moreover, one-third of the persons defined as public leaders were also economic dominants.

Therefore, aside from reputational power, there were various possibilities in regard to the way in which power is actually exerted in community affairs by the public leaders. First, it was possible that the economic dominants as a whole were "behind-the-scenes" leaders who manipulated the non-dominant public leaders for their own purposes. Second, only the dominants who were listed as public leaders may have held sway in control of community decisions. On the other hand it was possible that the dominants who were reputed to be leaders may have been selected solely because of position held rather than power exercised; the non-dominant public leaders would then have been the power wielders. Again, others besides the dominants or public leaders, as for example government officials, possibly dominated local issue resolution. Last, the list of reputational leaders may indeed have been an accurate guide to actual power structure. The simple question of the independence of public leaders from influence of economic dominants in community decision-making was not applicable to Lansing. Rather, the questions became: (1) do the public leaders as a whole really control decision-making on community issues independent of others, especially of non-public leader economic dominants; (2) if so, is power within the public leader grouping hierarchically structured with the economic dominants at the top; or (3) are the non-economic dominant public leaders relatively independent of the economic dominants who are reputational leaders in the control of the socio-political life of the community.

At the very least, the picture of the on-going processes of decision-making gained from the public leader interviews serves to confirm the public leaders and "knowledgeables" views of the upper

levels of community power structure. As in Cibola the recapitulated community episodes support the hypothesis that the reputational leaders are the "real" decision-makers. Eleven illustrative community episodes were described by respondents. In the analysis of these accounts, special care was given to recording the names of individuals and organizations who were specifically mentioned as influential. Nearly all of those mentioned were among the reputed leaders; only one person not on the public leader list was mentioned twice. Since economic dominants and dominant units not represented on the public leader list were rarely mentioned, we may assume that they exerted relatively little control over the outcome of these community issues.

On the other hand, the economic dominants among the public leaders apparently wield power disproportionately to their numbers. Although only one-third of the public leaders were economic dominants, slightly more than one-half of the mentions of influential public leaders were of economic dominants. Including those who mentioned their own part in resolving an issue, 8 of 13 economic dominants and 14 of 24 non-dominants on the public leader list were described as decision-makers. Of the five persons most often mentioned,⁴ three were economic dominants. These three were among the four economic dominants who had been ranked as the most influential public leaders by the public leaders themselves.

⁴No individual was described as being influential in the outcome of more than three issues. Wilson, for example, who was the individual most often mentioned, was influential in only two issues.

The formulation or resolution of the following 11 "community issues" was described by at least one respondent:

1. Hospital expansion drive
2. Downtown development
3. Establishment of a metropolitan planning agency
4. Improvement of airport terminal facilities
5. Establishment of a tri-county planning agency
6. Annexation of a school district to the city
7. Widening of a city street
8. Ban on Sunday shopping
9. Proposed shift of location of city hall
10. Proposed sale of bonds by the city to finance construction of parking facilities
11. Proposed annexation of a suburban shopping center

Two thoughts must be kept in mind when discussing "community issues." Very few issues are defined as such by large segments of the population, and those which are so defined tend to take the form of projects such as the hospital expansion drive or the community chest drives which are not seriously opposed by anyone. In general, issues can be divided into "broad range" and "narrow range" according to whether they are apparently carried out for the good of the community as a whole or for the benefit of a specific individual or group. The first five issues, with the possible exception of downtown development, are "broad range" projects. On these projects there was little evidence of open conflict. More often, however, power is exerted within more sharply delimited areas. The last six issues listed above are examples of such "narrow range" issues.

It should be noted that in the last six issues under consideration public leaders were directly involved economically. For all of the issues it could no doubt be shown that nearly all of those involved gained at least indirect economic benefits from their leadership, but it is clear that most of the individuals mentioned as influential in

the last six issues stood to benefit financially from the success or defeat of these projects. There is no evidence that the individuals involved in these issues either do or do not wish to exert power on issues which do not touch upon their own narrowly defined economic interests. On each of these issues public leaders exercised power in one form or another to bring matters to what they regarded as a successful conclusion despite the (often unnamed) opposition of others. In five of the six cases opposition came (or was expected) from government, representatives of which had to be won over, or else the electorate persuaded to vote against government proposals. Whether or not others could have been equally successful, the fact that public leaders successfully had their will carried out against the will of others is evidence of their power, at least within certain scopes of influence. The resolution of these issues does not prove that the public leaders involved are generally powerful. It does demonstrate that decision-making in Lansing is not hierarchically structured. There seemed to be little overlap of public leaders from issue to issue. On each issue a few public leaders were able to exert power independent of others.

The last three issues mentioned in the list above were proposals which were defeated because of the opposition of certain public leaders. Two of these issues, the proposed shift of the location of city hall and the proposed issuance of parking bonds, were also supported by some of the public leaders, especially by at least one serving on the city council. The parking bond issue was apparently initiated by Franklin Buck, a key influential. A full account of the issue was not given, but little support from other public leaders

seems to have developed. The program was defeated largely through the strong initial opposition of a few non-dominant public leaders followed by public support. The proposed shift of city hall was defeated in city council at least partly because of an economic dominant-public leader's intervention. These issues suggest the absence of a pyramidal power structure in which the wishes of the key influentials are carried out by second-level influentials. The defeat of the parking bond proposition, which was supported by the city government, is an indication of the inability of government to override the opposition of business leaders.

Further evidence of the subordinate position of government is the fact that, of the 11 issues, 7 were formulated by public leaders and brought to the desired conclusion, the government acting as the means of resolution and the legitimizing agency in five of these issues. Of the four issues formulated by government, three were opposed and defeated largely because of opposition initiated by public leaders, and the other, actually conceived by public leaders serving on appointive posts in government, has since been turned over to a group of businessmen among whom public leaders are quite active.

We have stated above that the economic dominants who have been designated as public leaders seemed to be more active in community decision-making than the non-dominant public leaders. Of the 11 issues under consideration, economic dominants were involved in at least 8.⁵

⁵The three issues on which no economic dominant was mentioned were the establishment of a tri-county planning agency, the annexation of a school district to the city, and the proposed sale of bonds by the city to finance construction of parking facilities.

Dominants either initiated or aided in initiating programs of action in six of these eight issues. It is interesting to note that of the first five issues on the list, the issues which were "broad range" and which were not initiated in response to immediate economic concerns, four of the programs of action which developed were, if not originated by dominants, at least strongly supported by dominants from their early stages. In only two of the six issues to which public leaders responded as a result of personal economic involvement was the program of action apparently initiated and led by an economic dominant. These two programs, reactions against encroachment of economic interests, were the opposition to the annexation of the shopping center and the removal of city hall which were spearheaded by Rhine and Burns respectively. Rhine, manager of an absentee-owned department store located in the shopping center opposed annexation in order to avoid increased taxation. Burns, manager of a large hotel, did not wish to see the property on which city hall was located in the heart of downtown Lansing sold to a non-local hotel corporation.

Of the 11 resumé's of past community issues given by the respondents, one stands out as definitely the most important project of a community-wide nature, namely, the hospital drive. Exactly one-half of the accounts dealt with this issue. Since the public leaders seemed to consider the hospital drive as the most important recent community issue, it is especially interesting to note the leading roles played by economic dominants in its conception and execution.⁶ The idea

⁶The resumé here given is pieced together from the accounts of 13 different public leaders, only 3 of whom were economic dominants.

originated with a proposal for expansion which was laid before the board members of A. D. Passer Hospital. The president of the board was Stephen Wilson, key influential, economic dominant and manager of Alliance Publishing Company, an absentee-owned firm. Wilson contacted A. E. Neuman, also a key influential and economic dominant, and general manager of absentee-owned U. S. Motors, and was assured of financial support; he then contacted the secretary of the Chamber of Commerce, who suggested a community-wide drive. A number of community influentials, among them John Morgan, president of a large bank, William Humbert, president of Midwest Manufacturing Company, Franklin Buck, a public leader and manager of a large but not dominant department store, and Justin Case, lawyer, public leader, and president of the Chamber of Commerce, were contacted and called together to a meeting at which several medical doctors, one of whom was also a public leader, were present. At this meeting, and probably previously, pressure was applied by several of the doctors and two of the public leaders to include two other local hospitals in the drive. Michael O'Connor, president of a large locally-owned manufacturing plant and president of the board of directors of one of these hospitals contacted both Neuman and Buck in behalf of this hospital. After a lapse of time another meeting was held in which Neuman stated his desire to include the osteopathic hospital in the campaign since many of his employees used its facilities. This support clinched the inclusion of three hospitals as beneficiaries of the drive. A corporation was formed with Wilson as president and Buck as vice-president. Before the drive officially opened Neuman donated three-quarters of a million dollars on behalf of U. S. Motors and another

half million was raised from contributions by Midwest Manufacturing and other industrial firms. With the exception of Wilson, the economic dominants then withdrew and the public drive was managed by others. Among those who were active in raising money in the public phase of the drive were at least four public leaders (two small businessmen and two union leaders) who had not been contacted until after the initial phase had been completed.

From the above description it is clear that, in this issue at least, the most powerful individuals were economic dominants. The first act of the dominant who initiated the drive was to gain the approval of a second dominant who eventually became the drive's chief financial supporter. Of the first six individuals whose support was enlisted for the drive, three were economic dominants and two represented the Chamber of Commerce, an organization in which many dominants have held high position. Later, still another economic dominant was influential in obtaining a share of the funds for another hospital. The success of the drive depended in large part upon the contributions from dominant economic units. As one of the public leaders involved said, "The success of the drive depended on the attitude of [U. S. Motors]."

On the basis of the evidence contained in the history of the hospital drive issue alone, one would declare that the first part of the relative autonomy hypothesis, "that the working relationship between the economic dominants and the public leaders cannot be conceived as hierarchical," had been disproved. However, it is never wise to base conclusions on a single case, especially such a case as this one. Among the community episodes related by the public leaders, the hospital drive

might well be considered a peculiar type. Although all of the issues had some basis for community-wide appeal, all, of course, were aimed at bringing special benefits to certain segments of the population. The fact that the special segment which was to be aided by the hospital drive could be defined as "the sick and needy" virtually assured a universally favorable image of the campaign and its participants throughout the community. This favorable image may well have been a motivating factor in the very choice of this issue for discussion by such a large number of the respondents.

The hospital drive was a project which not only was beneficial to the community as a whole, but was widely recognized as such. Moreover, its success depended on large financial contributions. Resolution of the hospital drive issue, then, not only was dependent on the economic dominants, but it created an excellent opportunity for the development of favorable public relations between the economic dominants and the community. In these two respects the hospital drive issue was unique. In no other issue was strong financial backing by a number of economic dominants such a requisite for success. Such backing would naturally have been helpful in putting other projects across, but because of either active or latent opposition, the possibility of a resulting negative public imagery would have to have been taken into account. Obviously, many economic dominants regarded getting involved in, and consequently exercising control over, the hospital drive, like participation in the Community Chest, as a way of making friends in the local community. But as Schulze points out, on many issues "making friends" and "getting involved" may be quite incompatible goals.⁷

⁷Robert O. Schulze, "The Role of Economic Dominants in Community Power Structure," American Sociological Review, 23 (February, 1958), 7.

We have the word of one respondent that the manner in which decisions were carried out in the hospital drive "is typical of how things get done." Actually, the accounts which were given of the resolution of other issues seemed to indicate that not nearly as many individuals were involved and that special interests dominate in the "typical" community episode. However, for the purposes of testing the hypotheses of this research, it is not necessary to inquire as to the relative stability or fluidity of the power structure. Our major concern, it will be recalled, was to prove or disprove the "relative autonomy" of the public leaders in making and carrying out the important community decisions. Although economic dominants appear to have initiated action or victorious opposition in six of the eleven issues described in the interviews, most of the accounts were too abbreviated to fully prove or disprove that a hierarchical relationship exists between economic dominants and non-dominant public leaders. Moreover, in at least four of the issues it appears to be certain that a hierarchical relationship did not exist. Still, the major importance of the economic dominants in the resolution of the most important or "broad range" community issues and the extent of their involvement in the more particularistic issues suggests that, whether or not a hierarchical relationship exists, there seem to be very close ties between economic dominants and non-dominant public leaders. The data, then, indicates that the non-dominant public leaders are not relatively independent of the economic dominants in the control of the socio-political life of the community. The evidence does not support the relative autonomy hypothesis.

Judging from the limited data gathered for this study, important community decisions in Lansing are generally made by public leaders. But within the public leader grouping, power seems to be quite fluid. If the power processes on the issues examined may be taken as representative and correctly described, most community issues involved only a few leaders who both made the important decisions and arranged their implementation. There was no evidence of cliques atop a power pyramid making decisions behind the scenes. Those who exerted power on particular issues were often those who had an economic interest in the outcome of the issue. This was true for both public leaders and economic dominants. To the extent that power is exerted only in line with such direct interest, Long's "ecology of games"⁸ seems to describe the Lansing power structure. It is probable that many other individuals besides the public leaders would be able to exert power on issues involving their narrow economic interests. On the broad range community issues, however, it appears to be certain that economic dominants retain strong influence. Since the financial support of economic dominants is often needed on these issues, the non-economic dominant public leaders cannot make community decisions autonomously. The economic dominants representing Lansing's largest corporations (both home and absentee-owned) still play a major role in community decision-making.

CORPORATION POLICY AND COMMUNITY INVOLVEMENT

If in Cibola the large corporations often avoided or neglected community affairs, in Lansing they take their part in community life

⁸Norton E. Long, "The Local Community as an Ecology of Games," American Journal of Sociology, 64 (November, 1958), 251-261.

quite seriously and have established bureaucratized mechanisms for dealing with the community. U. S. Motors has a committee comprising a number of its top executives plus public and community relations officers, who meet regularly to sift requests for funds and talent. Through this committee U. S. Motors makes a genuine effort to be, as one official puts it, "a good neighbor in the community." An executive of Midwest Manufacturing explained his company's routinized method of dealing with community affairs as follows:

The company analyzes the range of community activities and assigns people to cover them. . . We have two or three men working on community organizations, including a director of industrial relations and a director of public relations.

The means by which the community policy of the large corporations is coordinated is much more informal than the policy-making structures of the individual companies. Moreover, inter-corporation integration of industry-community relations policy does not seem to be a problem of overwhelming urgency. One way in which agreements are made on backing community projects is through informal meetings. Both local and absentee-owned corporation executives are involved in the meetings. The nature of these meetings and level of importance of community issues for top economic dominants is indicated by the following observation of a public leader:

On the community project level, the big financial boys are more important [than the small businessmen.] While not interested in government, they are interested in the public relations aspects of financial drives. . . The bankers and the industrialists meet together socially and eat together at the [Gates Hotel.] They do not talk over the problems of the city as a whole usually, but problems of business which are settled at the state and national level. On community projects the big businessmen and financial interests provide money. Other businessmen provide the work.

According to an economic dominant who attends these meetings, they are quite important in coordinating the community project plans of the largest business units.

Absentee-owned corporations play an important part in resolving project-type issues, but it is interesting to note that only one officer of a major absentee-owned company, a department store manager, was influential in any of the issues which involved immediate economic advantage, or in any controversial issue. It is suggested that the very large economic units can afford to stay aloof from touchy community issues even though the outcomes of the issues may be somewhat detrimental to their interests. Some large corporations seem to feel that it is better in the long run to withdraw from local disputes than to possibly alienate local and extra-local publics by exerting an overriding influence to attain minor objectives. In the typical community there is little danger that the community will inflict any damaging blows to its own breadbasket. Thus, although U. S. Motors would like to see a large area, where two of its plants are located, annexed by the city, it exerts almost no pressure on the issue, which is a problem of high saliency for the suburbanites of the area, if not for the citizens of Lansing. The position of U. S. Motors was explained by a long time public leader, who was also a local official:

Now I know that [U. S. Motors] wants the [Birch] district where one of its plants is located and the west side where another plant is located to be brought into Lansing. . . . [Ramsey] a former general manager asked me years ago to pull in the [Birch] district. . . because they wanted the fire protection of the Lansing fire department. Since then they have worked out an arrangement to get the protection they need. But they were and are afraid to come out and say that this is what they want.

I know that U. S. Motors is behind an annexation study. They are willing to foot the bill in the guise of a Chamber of Commerce study.

They are afraid of antagonizing the local populations in the area where they are located. This is a lot different than the situation years ago, when they pushed their weight around. They now push the information approach: "Let's see what the facts are."

Far from exploiting the potential power which it holds by virtue of its economic dominance and the influence which is reputed to it by public leaders,⁹ U. S. Motors, on the annexation issue, has foregone its own immediate economic interests for the sake of public relations. This approach seems to be a carefully calculated corporation policy of maintaining power through favorable local and national public imagery of the corporation as a benefactor. Local neutrality and concomitant good public relations now seem to be considered sounder economics than maximizing local power and minimizing local expenditures, especially for oligopolistic corporations. The fact that U. S. Motors policy of non-interference was voluntarily mentioned by six of the public leaders (including all three U. S. Motors executives) suggests that U. S. Motors is actively and successfully using the policy as a public relations device.

A general corporation policy of avoidance of local controversy is suggested by the fact that few executives of absentee-owned corporations, besides the very largest, were mentioned as influential in the 11 issues described. Moreover, even the largest corporations were at

⁹Only the Chamber of Commerce was rated ahead of U. S. Motors by the public leaders as the most influential organization in the community.

times directly criticized during the interviews for their lack of community involvement. One public leader stated:

The Big Five [manufacturing plants, four absentee-owned] could, if they want, put anything across in this community. But they don't. They are content to make their contributions to the Community Chest, but are not concerned with general vital or governmental issues.

Despite their professed interest in community affairs, their assignment of executives to represent them in the community, and their observed activity in regard to some issues, the top industrial units venture whole-heartedly into community affairs only on comparatively "safe" projects or issues. As an officer of U. S. Motors stated:

We are encouraged by [the president] to take part in community activities. In taking that part, we must be cautious not to be accused of trying to run the community.

The smaller absentee-owned plants and businesses, following the Cibola pattern, were represented in community decision-making on the selected issues not at all. This pattern does not, however, apply to the absentee-owned corporations alone; neither were the smaller local dominant economic units mentioned in the recapitulated issues.

As in Cibola, the community seemed to be more dependent on the economic dominants (and middle-sized firms also) than vice-versa. Many complaints were voiced by various interviewees in regard to the general apathetic attitude of business toward government. The reasons for this lack of interest were insightfully stated by one of the public leaders, a manager of a "middle-sized" non-dominant firm:

Governmental control seems to be rather unimportant. That is, it is not important to become involved in governmental activity unless it specifically harms your business. A planned program of government operations, even if it affects

business as a whole well, is not considered worth the effort. Government, in short, is not important.

Even though businessmen run the council, they are not usually the big businessmen who have the interests of big business at heart. They are the small time operators who see a personal business gain as coming out of their participation. Retailers and real estate people seem most interested in local government, with retailers having the most interest.

All businessmen are not really concerned about the loss of community control. They feel that politics and government will not go against them, but they do not know how to use government for themselves or will not unite on this score.

Business becomes actively interested in government and politics when the government interferes with its activities, and then it will try to play a veto role. Only rarely does it need to take positive action because government is, in a sense, in safe hands. That is, it is making relatively unimportant decisions.

Another public leader seconds this theme:

Government is not very important for [the big firms]. This is why they let the small fry handle government jobs.

The compatible relationship between city government and industry is further exemplified by the following account by a city councilman of the council's policy toward zoning:

There isn't anything which the council wouldn't do for [three large manufacturing firms]. Government has to protect industrial expansion first. We've rezoned the land which they wanted. But they are not unreasonable in their request. They move very, very carefully and slowly on anything. They do not interfere in city government or anything, unless their interests are involved.

The respondent then went on to describe a rezoning issue which resulted in a sizable profit for a local industry and land for expansion for U. S. Motors. This account and the previous one indicate that government

is relatively unimportant to the economic dominants, but that when they do act on matters related to industry, they follow the suggestions (not the decrees) of the dominants. The ability of public leaders, both dominants and non-dominants, to gain government backing for projects which they have initiated or to kill government initiated projects which they dislike has been noted above.

Lest the impression be given that complete concord exists between city hall and the economic dominants, the following statement of an officer of one of the largest home-owned industrial plants is included:

There is a lot of petty politics in the city council. The mayor is not a top flight administrator. . .Businessmen lack time to participate in such activities. . .We don't have big or influential businessmen on the council. . .The councilmen are concerned with local ward problems. Zoning of industrial property has been poorly handled. The council gave us a hearing though.

Interestingly enough, this complaint about the council's handling of zoning came from a representative of one of the companies to which the above quoted councilman had pledged his full support.

Few of the public leaders who commented on government differed from the above negative estimation of its worth. They were dissatisfied with its performance and theoretically believed that government participation by businessmen is very important, but actually they were content to let the city government "muddle through," just so long as it did not interfere with their own interest. If the public leaders could see little reason for becoming involved in government, a fortiori the same could be said of the economic dominants.

VI

SUMMARY AND CONCLUSIONS

SUMMARY

This study of community power in Lansing, Michigan, is a partial replication of the Cibola study of Robert O. Schulze. The methods used were similar to those of the Cibola research. The central focus was upon the analysis of the community power roles of the persons who control Lansing's largest economic units. Special emphasis was placed upon the shifts in the role these economic dominants have played in community power structures over the years. Secondly, within the economic dominant category, the power roles of absentee-owned corporation executives were examined. Three types of power were examined--positional, reputational, and "actual." Three major hypotheses were tested: (1) that with increasing urbanization, community power structure bifurcates, resulting in two fairly distinct sets of power roles--the economic dominants and the public leaders; (2) that there are significant differences between the occupants of these two power roles in terms of community involvement; (3) that the working relationship between economic dominants and public leaders is not hierarchical, but rather, that the public leaders are relatively independent of the economic dominants in the control of the socio-political life of the community. These three hypotheses, all of which were fully supported in the Cibola study, were only partially upheld in Lansing.

of the individuals designated by a panel of experts as public leaders, or top influentials in the reputational power structure of Lansing, were economic dominants. The division between economic power and reputational power in Lansing does not cut as deeply as the genuine rift in the Cibola power structure. Thus the data do not clearly support the bifurcation hypothesis, for the two sets of power roles, the economic dominants and the public leaders, were not sharply distinct. Moreover, the persons who currently occupy both public leader and economic dominant roles were not "holdovers" from past decades in which considerable overlap existed. Rather, current economic dominance is still a large factor in reputational power.

Although differences between the economic dominants and public leaders in regard to community involvement were in the expected direction (public leaders were more highly involved), they were not great enough to clearly support the differentiation hypothesis. The persons occupying the public leader roles had been more active, but they could not distinctly be differentiated from the persons occupying the economic dominant roles in terms of service in political office. Moreover, differences between the occupants of these two sets of power roles in terms of involvement in important local associations were not great. Since a large number of economic ties bind the economic dominants and the public leaders, one may infer that the two groupings share a broad base of common values.

The reconstruction of power processes on a number of local issues revealed the "actual" power relationships in the community. The hypothesis that the public leaders were autonomous in their control of

An examination of the formal political structure of Lansing, 1859 to 1959, revealed that in the early years of the city's history, the individuals who occupied the top positions in Lansing's major economic units were highly involved in local government; a majority of the city's economic dominants had, at one time or another, held these public leadership positions. In Lansing, just as in Cibola, a sharp decline in the proportion of economic dominants serving in public office occurred following 1900. From that time to the present fewer and fewer economic dominants have taken part in local government. Further, among the economic dominants who did serve in public office throughout the community's history, there has been an even more radical decline in Lansing than in Cibola in the proportion holding elective office.

As the economic dominants withdrew from participation in government, it is probable that the role of public leader in the community became less formal, passing to the occupants of the top positions in local voluntary associations. In the early years of the twentieth century, a high proportion of the economic dominants held office in these organizations. However, over time the economic dominants have gradually relinquished these public leadership positions also, although not as markedly as in Cibola.

To the extent that economic dominant participation in both governmental and associational office has declined over the years, it may be concluded that a moderate bifurcation has occurred separating economic power elites from community power elites, defined as the occupants of observable community leadership positions. However, the lack of a sharp cleavage is indicated by the fact that currently one-third

community affairs was generally not upheld. On the one hand, the working relationship between the economic dominants and the public leaders was clearly not hierarchical, but on the other hand, neither were the public leaders relatively independent of the economic dominants in the control of the socio-political life of the community. Rather, a few economic dominants who had also been designated as public leaders were among the most influential individuals in defining and resolving important community issues. Top leadership within the community was quite fluid, shifting from issue to issue. Neither the public leaders nor the economic dominants within the public leader grouping acted as wholes on any issues, but very few people who had not been selected as public leaders were described as powerful in issue resolution. Most public leaders were powerful only within fairly narrow scopes of influence.

Although absentee-firm dominants have always been slightly less active in community political and associational life than local dominants, the growth of absentee-ownership was probably not a major factor in the decline of economic dominant community participation in Lansing. Currently, absentee-firm dominants are proportionately as well represented in local government as local dominants. The top officials of major absentee-owned companies are only slightly less active in important community organizations than local dominants. The reconstruction of power processes on selected issues revealed that the absentee-owned firms make no attempt to dominate community decision-making. However, a few officers of these firms are among the most highly influential public leaders on important issues.

ECONOMIC DOMINANTS AND LOCAL GOVERNMENT

The examination of historical shifts in power carried out in this study consisted solely in the analysis of positional power structure. It was assumed that high governmental and community organization positions were potentially powerful. The finding that the individuals who occupy the economic dominant positions have, over the years, decreasingly occupied governmental positions in the community is not in itself very surprising. It is generally assumed that big businessmen have been very powerful in most American city governments in the past; but of all the community power studies which have been conducted in large and middle-sized cities, whether the data were interpreted as indicative of high or low degrees of power in the hands of the business class and/or the economically favored, none has reported that large numbers of economic elites were holders of public office.¹

In searching for an explanation for the decline in economic dominant occupancy of public offices, three possible causal factors suggested by Schulze can be discarded. The coming of absentee-ownership

¹ Since no clear differentiation has been made between big business and small business in many community power studies, it is often difficult to determine the role played by the economic dominants. For instance, it is possible that in El Paso big businessmen are politically active. In that city 17 of 40 "business influentials" also qualify as "political influentials." However, we are not told whether these 17 persons hold office; nor do we know how many of the "business influentials" represent big business, although at least 17 of these "business influentials," each of whom is in charge of a firm which employs more than 200 persons, would probably qualify as "economic dominants" if a study similar to the Cibola and Lansing studies were done in El Paso. See William D'Antonio, National Images of Business and Political Elites in Two Border Cities, unpublished Ph. D. dissertation, Michigan State University, 1958.

to a large number of major economic units in Lansing was not an initial cause for the separation of economic dominants from public office, for the bifurcation had occurred prior to large scale non-local ownership. Similarly, the bifurcation occurred before the dissolution of a widespread network of interlocking directorates and before the establishment of a large number of direct supplier relationships with non-local companies.

The sudden drop in political participation by economic dominants following 1900 was not due to the actual withdrawal from office by those who had held office previously. Rather, the bifurcation may be traced to the rapid expansion of the local economic system following the establishment of two large automobile manufacturing plants and a large number of supplier plants in the first decade of the twentieth century. With the success of these plants a new crop of economic dominants sprang up in Lansing. This new group was as a whole much wealthier than the previous one, and they controlled greater resources and more concentrated means of production from their corporative command posts. The maintenance of this wealth and these important economic positions depended not upon the local but upon the national market. Local industry and the community itself were increasingly drawn into the larger social system. As a result, local government was not nearly as important to the new economic dominants either as a power or as a status platform as it had been to the dominants of earlier periods.

The rapid growth of the local economy and the community itself was probably reason enough to cause a decline in the formal control of government exercised by the economic dominants. The expansion of both

business and government no doubt necessitated an increase in the amount of time expended by those who occupied the top roles in each institution. As a result the economic dominants dropped out of government but probably retained their community leadership positions and reputations through their control of the city's organizational structure. From the time that the economic dominants ceased to be extremely active in government, they became highly involved in the community organizations which are still considered important and powerful today.

Since absentee-ownership has only come to Lansing in full force in the last two decades, it is not surprising to find that the absentee-owned corporation executives have followed the pattern of long standing set by the local economic dominants and play only a minor role in government. It is interesting to note, however, that current managing executives of absentee-owned dominant units are not less active than the local dominants. Approximately one-quarter of each have held public office.

In Lansing, as in most American cities, the business class as a whole still controls local government. Ninety per cent of the city council members in the years 1948 to 1957 were drawn from proprietary, managerial, professional, sales, and clerical backgrounds.² Furthermore, 68 per cent of the members of the commissions (1945-1957) appointed by

²William H. Form and Delbert C. Miller, Industry, Labor, and Community (New York: Harper and Brothers, 1960), 163, Table 7. The authors indicate that a similar pattern is found in other cities. See also C. Wright Mills, "The Middle Classes in Middle-sized Cities," American Sociological Review, 11 (December, 1946), 520-529; W. L. Warner and P. S. Lunt, The Social Life of a Modern Community (New Haven: Yale University Press, 1941), 370.

the mayor had these same occupational backgrounds.³ Contrary to the pattern in Cibola, however, the public leaders of Lansing are only slightly more involved in local government than are the economic dominants. Only three public leaders have ever held elective office in Lansing. Aside from the office of mayor, governmental positions are no longer regarded as high level power statuses and are currently relatively unimportant as stepping stones in gaining public leader status. The decline of economic dominant representation in government is not, then, so much an indication of the bifurcation of the community power structure into two power roles, the economic dominants and the public leaders, as an indication of the bureaucratization of government and the routinization of government decision-making, and a sign of the loss of importance of government in resolving community issues.

Whether the economic dominants in Lansing gave up control of the formal governmental structure because that power could no longer be exerted through that structure or whether local government became less powerful because the economic dominants withdrew, it is certain that the local government has largely lost the power it presumably once had to initiate, decide upon, and control the outcome of important community issues. Local government in Lansing now operates only on the middle and lower levels of power. As far as the economic dominants are concerned, the important decisions are now made on the state and national level. Within the community our data indicate that the major decisions are made by the public leaders and then legitimized by government.

³Form and Miller, op. cit. 670, Table 63.

We do not wish to suggest, however, that the public leaders directly control the office-holders. There seems to be no group of "kingmakers" who control governmental policy and the nomination of candidates for office. Rather, conflicts constantly arise between public leaders and office holders, between public leaders themselves, and between office holders themselves. The connections between government, public leaders, and economic dominants are not neat, but they need not be to serve the general purposes of all involved. The occupational composition of the candidates for office mentioned above is an indication of the general business mentality which pervades the local government. The economic dominants are no longer highly involved in local political life, but they can be assured that the political outlook of the local politicians generally matches their own. Moreover, the local government makes few major decisions.

A third reason for the economic dominants lack of overt political involvement is the possibility of unfavorable publicity. This explanation was explicitly put forth by a number of economic dominants in Cibola, notably the officers of U. S. Motors in justifying their policy of neutrality in the annexation battle being waged between the community and the surrounding township. It is interesting to note that a Lansing branch of U. S. Motors followed the same policy of neutrality despite a definite preference in favor of the annexation of areas in which its plants were located, even though the annexation issue was considerably less controversial than in Cibola. In both cases U. S. Motors was primarily concerned with public relations rather than public

leadership. It is important to note, however, that in Lansing, neutrality on this one issue did not mean that U. S. Motors had withdrawn from community power structures.

COMMUNITY AND ISSUE VARIABLES IN LANSING AND CIBOLA

When this research was begun, it was believed that two of the three main types of variables that affect community power structure were constant for both Lansing and Cibola. The decision-makers were chosen in a similar manner for both cities, and both communities shared the same trait--increasing involvement in the larger social system--which was regarded hypothetically as the chief causal factor leading to a bifurcation of the power structure. The only theoretically important variable which was not similar in the two communities was the type of issues in which power was exerted. The analysis of power exerted on specific issues was introduced in the research in order to test the hypothesis that the public leaders were relatively autonomous in making community decisions, but post factum analysis suggests that the different types of issues which were examined in the two communities may be closely related to different patterns of bifurcation of power structure.

The outstanding community issues in Cibola differed from those in Lansing in at least two important ways. They were controversial, and they were political. The fact that the leading issues in Cibola were highly controversial political issues in turn stems from two essential characteristics of Cibola which did not apply to Lansing. In the first place, Cibola's growth was very sudden and of recent origin. In the second place, this sudden growth changed Cibola from an independent

community to a satellite city, from a relatively independent social system to a small part of a larger loosely integrated social system. As an industrial satellite, Cibola's economic system was not confined within the city limits; its work force was drawn from many other communities over a wide metropolitan area. Although Schulze makes no direct mention of it, it is obvious that the economic system of Cibola covered a territory in which there were a number of socio-political systems other than Cibola. At least on one issue, the annexation episode, there was clearly more than a single socio-political power structure involved. It is apparent that there existed in the township surrounding Cibola a set of public leaders who opposed the annexation designs of the Cibola public leaders. In essence, the major problems facing the Cibola public leaders stemmed from an attempt to control an expanded community with diverse power structures from the same control centers which had been used for years.

The issues facing the Cibola leaders were a direct outgrowth of unstable economy, the population growth of the city, and the development of community power structures outside the city proper. These new and rather sudden developments brought pressure to bear on the political power structure of Cibola, which in attempting to solve problems resulting from these developments was obliged to face the problems of revising the city charter and bringing about large scale annexation. As noted previously, the economic dominant participation in the political system had long since ebbed, a pattern which was also found in Lansing and seems to be well-nigh universal in American cities. It would have been quite strange if the economic dominants had leaped back into the field of overt

political action by seeking to exert power on these issues, especially since the issues were highly controversial.

In Lansing, there seemed to be a general tendency among all economic dominants, both absentee and local, to avoid involvement in controversial issues, especially if the issues were to be brought before the public for a vote. This tendency appears to be the rule rather than the exception, for it has been noted by others in different situations.⁴

The policy of avoidance of controversy on the part of economic dominants does not necessarily mean, however, that the dominants have dropped out of community power structure altogether, but merely that they have excused themselves from positions of responsibility in the overt political structure. It is quite possible that the economic dominants may still exercise a considerable amount of power on non-controversial issues and may often prevent issues from becoming political or controversial.⁵

⁴For example, Delbert C. Miller found that a number of big business executives initiated a right-to-work issue in a large Northwest city, but refused to back their stand publically when the issue became a hot political controversy. See "The Prediction of Issue Outcome in Community Decision-Making," Research Studies of the State College of Washington, 25 (June, 1957), 137-147. Robert A. Dahl states, "If one can judge from some of the handbooks on community relations, the most highly regarded strategy among professionals is to commit oneself to politically neutral causes like the local community chest drive. . . and to avoid 'politics' like the plague." See "Business and Politics: A Critical Appraisal of Political Science, The American Political Science Review, 53 (March, 1959), 25. Peter Rossi, in reporting on the role of absentee managers in local affairs in Zanesville, Ohio, indicates that such officials are encouraged to get involved but must not "lose," i.e., arouse or become enmeshed in controversy. Reported in Form and Miller, op. cit., 484.

⁵In a sense, it may be considered already a partial defeat for any power wielders not recognized as such by the general public, if issues of high saliency to the power wielders become matters of public controversy. If such is the case, no matter how many political or controversial issues are analyzed, important power structures will remain uncovered by the researcher.

Probably, the fact that Schulze based his analysis of decision-making processes almost solely of two highly controversial issues largely accounts for the different findings in Cibola, Lansing and Bigtown.⁶ In the last named city, interview data were used to demonstrate the controlling position of absentee-owned corporation executives in the power structure of a Southern city. The emphasis was solely on participation in community projects and organizations, however. No study was made of the resolution of political or controversial issues. Political power was apparently of minor importance in Bigtown. In Lansing there have been no spectacularly controversial issues in recent years, but even on issues that are minimally controversial, the economic dominants have tended to withdraw publicly. However, the most important issues have been neither controversial nor primarily political nor initiated by government. On these non-controversial, non-political issues the economic dominants continue to play important power roles.

In both Bigtown and Lansing, in contrast to Cibola, local government is a power structure of secondary importance, and economic dominants play a major role in other power structures which do control the resolution of the outstanding issues. Further research should be carried out to investigate the influence of community and issue variables on the role played by economic dominants in community power structures. On the basis of evidence presented here, we can speculate that the more controversial the issues, the more likely that local government will be an

⁶Rolland J. Pellegrin and Charles H. Coates, "Absentee-Owned Corporations and Community Power Structure," American Journal of Sociology, 61 (March, 1956), 413-419.

important power structure, the more likely that the public leaders will be formally or informally involved in government, and the more likely that the power structure will be bifurcated in the sense that the public leaders will be relatively independent of the economic dominants in dealing with community issues. On the other hand, if the major issues are not controversial, government should be less important, community organizations should be more important in local power structures, and economic dominants should play stronger power roles.

Still, it is possible that the almost complete bifurcation of the power structure in Cibola represents a polar type case toward which all communities undergoing increasing urbanization, or at least all satellite communities, tend as they become more highly involved in the larger social system and more dominated by absentee-owned corporations. The political withdrawal of the economic dominants in Lansing, the decline in their participation in local organizations, the trend toward representation of major economic units in community affairs by second level officials, and the lack of representation of absentee-owned manufacturing plant executives among the public leaders seem to indicate a trend toward a bifurcation of power. At present, community power in Lansing is rather loosely structured and ill defined. Should highly controversial issues develop, the economic dominants are not in as good a position to exert power and leadership as formerly.

It is probably an error, however, to regard Cibola as a representative microcosm demonstrating the effect of urbanization on the power structures of all cities. It may be true that in the typical rapidly expanding industrial satellite with a history of extreme

stability, community issues tend to become controversial and are in the province of government, so that the economic dominants resist involvement. But in the more "normal," gradually expanding middle-sized city, such as Lansing, there seems to be considerable pressure towards keeping issues non-controversial. In socially and economically stable cities, controversies are less likely to arise. The economic dominants, therefore, take a more active, although not all-controlling part in community power structures.

Despite signs of incipient bifurcation in Lansing, there is little reason to believe that all of the economic dominants wish to withdraw totally from local power structures. Unlike the Cibola dominants and public leaders, those in Lansing share common bonds of interest, reflected in their common associational memberships and connections in business ventures. Many of the Lansing dominants remain visible community leaders by accepting high offices in community organizations. As a result, their economic power is broadened into general community power. Economic dominants from the banks, communication, and the largest manufacturing firms are notably involved in initiating and implementing community projects. Moreover, the patterns of community involvement of absentee-firm and local dominants do not differ greatly. For these reasons, we cannot conclude, as did Schulze regarding Cibola, that "ultimately, the widening social and psychological distance separating the public leaders and large corporation dominants threatened to stultify effective community action."⁷

⁷Robert O. Schulze, Economic Dominance and Public Leadership: A Study of the Structure and Process of Power in an Urban Community, Ph. D. dissertation, University of Michigan, 1956, abstract.

WHO HAS THE POWER?

In general our data suggest that in the 40 years prior to 1900, the economic dominants exercised a considerable amount of power in the community through government. During the next 40 years the economic dominants continued to exercise great power, but through community organizations. Gradually, during this period, the dominants withdrew from the most important community organizations, partially leaving the leadership to others. Currently, the persons who are recognized as public leaders are generally those who have held high office in these associations.

The 39 individuals who now hold the reputation of being public leaders have been highly involved in a few important organizations. Eighteen of the public leaders have served as president of either the Chamber of Commerce or the Community Chest. In the ten years prior to the selection of the reputed leaders for this research, five of the eight persons who held the presidency of the Chamber of Commerce, seven of the nine persons who held the presidency of the Community Chest, and three of the ten persons who held the presidency of the Rotary Club were among those who were later chosen as public leaders. Thirty years earlier these positions had been almost entirely controlled by economic dominants. It is apparent that the leading roles in a few important community organizations are very closely related to public leader status. An examination of the associational records of the key influentials further emphasizes this fact. Of the eleven persons selected as most influential in the community, eight had held at least one

presidency of either the Chamber of Commerce, Rotary, Kiwanis, or Community Chest.

Although all of the reputational leaders were not identified as influential in resolving one or more of the particular issues recapitulated by our respondents, the persons who were described as actual leaders were almost all public leaders. Furthermore, over one-half of all references to individuals who were described as influential were to ten public leaders who had held at least one presidency of either the Chamber of Commerce or the Community Chest. In Lansing, reputational and actual leadership and high office in important community organizations are highly related.

Unlike their Cibola counterparts, the Lansing economic dominants have not withdrawn from community power structures. But neither do they absolutely control these structures. We do not positively know that they ever did, of course, but only that they were more highly involved in positions which now are often held by those having the reputation of public leaders and identified as actual leaders. Supposing that the economic dominants were more generally considered as public leaders and were more powerful in community affairs in the past when they held more of the high positions in community organizations, a moderate bifurcation seems to have occurred separating economic dominants and public leaders. But this bifurcation is more apparent than real, for they are by no means absent from leadership positions in important community organizations, from the upper stratum of the reputational power structure, or from "actual" influence systems (as based on leadership in 11 community issues). Two-thirds of the dominants have

been officers or directors of the Chamber of Commerce and one-third have held similar positions on the Community Chest; one-third of the public leaders were economic dominants; dominants were influential in eight of the eleven issues which were reconstructed. Absentee-owned firms were not as well represented numerically as the local economic dominants in any of these areas. Nevertheless, two absentee-owned firm dominants were ranked first and third among the reputational leaders and were extremely influential in the hospital drive and on other issues.

The extent of economic dominants' control of community power structures seems to differ considerably from city to city. A continuum of community power structures is suggested ranging from communities highly controlled by economic dominants to communities in which the economic dominants exercise little power. On such a continuum, Lansing would stand approximately midway between Regional City⁸ at one end and Cibola and New Haven⁹ at the other. Similarly, the power of absentee-owned corporations in Lansing is neither as great as in Bigtown, at the one extreme, where absentee-owned corporation managers almost totally dominate civic policy making, or Cibola, at the other extreme, where they exert only veto power or remain wholly neutral. Although a few absentee-owned firm officers are very influential in community decision-making in Lansing, the absentee-owned manufacturing plants, like those in Cibola, were underrepresented among the public leaders and among the

⁸Floyd Hunter, Community Power Structure (Chapel Hill: University of North Carolina Press, 1953).

⁹Nelson W. Polsby, "Three Problems in the Analysis of Community Power," American Sociological Review, 24 (December, 1959), 796-803.

actual decision-makers on the recapitulated issues. It should be noted, however, that the high turnover rate of managers in absentee-owned plants probably greatly reduces the chances of these managers building the reputation of public leaders in spite of active associational participation. Moreover, the officers of locally-owned manufacturing plants also were poorly represented in community power structures.

Even should a complete bifurcation develop, however, there is no indication that the economic dominants and public leaders in Lansing would be sharply divided. Lansing, in contrast to Cibola, although increasingly involved in the larger social system, remains a relatively independent community. The economic dominants, including even those representing absentee-owned firms, as well as the public leaders, therefore, have reason to desire the maintenance of both the local economic and socio-political systems as they stand. A complete fissure in community power structures, separating the public leaders and the economic dominants, would not necessarily be injurious to the ability of the public leaders to exert effective leadership as they themselves define it, or to the economic aims of the dominants. At the same time, in the absence of major issues, it is not possible to say that the withdrawal of economic dominants would be injurious to the community. Generally, the economic dominants can simply go along with the plans of the public leaders and local government on most issues, for the general orientation of all three groupings can be summed up as "business-as-usual." For the community without survival issues, the mushiness in community power structures and the lack of leadership by economic dominants, factors which help maintain the status quo, meet with little opposition. Since

the Lansing economic dominants exercised veto power on only one minor issue of those reconstructed, and did not prevent the resolution of any major issues because of neutrality, we cannot conclude, as did Schulze in Cibola, that the failure to take a larger part in vital community decision-making activities is "power abused."

We have noted above that the public leaders do not differ significantly from the economic dominants in participation in important local associations and that the public leaders and economic dominants are closely linked economically. However, in examining the role of an arbitrarily defined group of economic dominants, we have tended to overlook the economic power of the public leaders who are not economic dominants. No close examination of the public leaders' economic standing has been made, but it is probable that in personal income and wealth, they do not differ greatly from the economic dominants. All but a few of the public leaders are successful businessmen or professionals. Some are much wealthier than most of the economic dominants.¹⁰ A more "generous" operational definition of economic dominance would have brought many more public leaders into the fold. In contrast, the public leaders of Cibola often seem to have been economic "small fry."

It appears to be certain that the goals and values of the public leaders and economic dominants are not likely to differ sharply presently or for some time to come. The economic dominants can safely turn a large share of the public leadership over to an independent group without any major changes being made in civic policy. As McKee discovered in

¹⁰ This fact is substantiated by research currently being conducted by Carol Wolff.

Steelport, "master decisions" favoring big business have been accepted by the entire community and stand unchallenged.¹¹ The loose ties between economic dominants, public leaders, and local government are supported by a common heritage and business philosophy in which even the absentee-owned corporation dominants take part. As Veblen pointed out some years ago, "The habit of mind induced by and conducive to business-as-usual is much the same whether the balance sheet runs in four figures or in eight."¹²

¹¹Reported in Meyer Weinberg and Oscar E. Shabat, Society and Man (Englewood Cliffs: Prentice-Hall, 1956), 533. See also, James B. McKee, "Status and Power in the Industrial Community," American Journal of Sociology, 58 (January, 1953), 364-370.

¹²Thorstein Veblen, Absentee Ownership and Business Enterprises in Recent Times (New York: B. W. Huebsch, 1923), 156.

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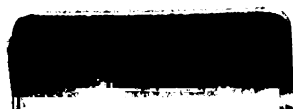
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