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# A Collective Profile of British Businessmen in the 19th and Early 20th Century: Evidence from Scotland

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## Abstract

This paper explores what the major businessmen looked like in Scotland, a seemingly independent region constituting Britain, in the 19th and early 20th century.

British or Scottish businessmen had contributed to, first, the economic prosperity initiated by the industrial revolution of the mid-18th century and, then, the relative decline resulting from the dominance of the newly-emerging countries from the early 20th century. Efforts have been made to assess the manners in which the businessmen reacted to the changing business environment and the two business biographical dictionaries, prepared respectively for Scotland and for the rest of Britain, has enabled British or Scottish entrepreneurship to be addressed more seriously.

This paper attempts to construct a collective portrait of the 381 major businessmen contained in the dictionary for Scotland and, thus, intends to find clues to how the businessmen may have possibly been responsible for the changing Scottish economic performance. The 381 businessmen were involved in 19 industries and they are analyzed in three respects: by sector - heavy sector, light sector and service sector; by type of businessman - founder, inheritor and professional manager; and, by phase of industrialization - expansion (1800-1870), maturity (1870-1900) and relative decline (1900-1960).

**〈Key Words〉** Scotland, Businessmen, Founders, Inheritors, Professional Managers

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# I. Introduction

This paper explores in a collective manner who the major businessmen were and what they looked like in the process of Scotland's industrialization in the 19th and early 20th century.

Britain, consisting of Scotland, England, Wales and Northern Ireland, was the country in which the first industrial revolution in the world took place in the mid-18th century. Many actors had contributed to the industrialization, but businessmen of various kinds played key roles in transforming Britain into the first industrial country by mobilizing and organizing key economic factors such as labour, capital and invention. Britain maintained its economic dominance for more than a century until the late 19th century, but the country had since gradually lagged behind the newly emerging United State and Germany.

Thus, British businessmen were responsible not only for the earlier prosperity but also the later relative decline. Scholars have assessed the manners in which British businessmen reacted to the changing economic climate and the focus was often on how positively, effectively and flexibly businessmen mobilized and organized labour, capital, invention and other key economic factors (Supple 1986; Payne 1988; Wilson 1995).

A major development in the study of British entrepreneurship occurred in the late 1980s when two kinds of business biographical dictionaries appeared: *Dictionary of Business Biography* (DBB; Jeremy · Shaw 1986-1988) containing more than 1,000 businessmen active in England, Wales and Northern Ireland in the 19th and 20th century; and, Dictionary of Scottish Business Biography (DSBB; Slaven · Checkland 1986; 1990) with 381 businessmen in Scotland. DBB and DSBB are collections of short biographies outlining major aspects of the influential businessmen's personal and business lives. While having been analyzed in one way or another (Jeremy 1984; Shaw 1989; Kim 2002. See also Kim 1997), the information on the businessmen in the dictionaries has yet to be subject to research.

This paper reveals what the 381 Scottish businessmen looked like and makes an in-depth analysis of changing patterns of the businessmen. By doing so, the

〈Table 1〉 Sample Size (Number of Businessmen)

| | |
|---|---|
| **Industry**: | 1. Extractive industries (34); 2. Metals (26); 3. Engineering (27);<br>4. Shipbuilding (18); 5. Vehicles (10); 6. Chemicals (10);<br>7. Textiles (44); 8. Clothing (11); 9. Leather · Footwear (12);<br>10. Food · Drink · Tobacco (37); 11. Bricks · Pottery · Glass · Cement (14);<br>12. Timber · Furniture (8); 13. Construction (21);<br>14. Paper · Printing · Publishing (15); 15. Other manufactures (10);<br>16. Gas · Electricity · Water (4); 17. Transport · Communication (33);<br>18. Distributive Trades (33); 19. Banking · Insurance · Finance (14) |
| **Sector**: | Light sector (industry 7-10, 12-15) (158);<br>Heavy sector (1-6, 11) (139); Service sector (16-19) (84) |
| **Period**: | 1800-1870 (123): 1870-1900 (157); 1900-1960 (101) |
| **Type of businessmen**: | Founders (158); Inheritors (143); Professional Managers (80) |

Source: Slaven · Checkland 1986; 1990.

paper intends to give a collective portrait of the major businessmen active in Scotland in the 19th and early 20th century and, thus, contribute to the study of Scottish · British entrepreneurship.[1] The 381 Scottish businessmen were involved in the 19 industries and, for the purpose of analysis, they are grouped by sector, by period or phase of industrialization, and by type of businessman (〈Table 1〉 ).[2]

Chapter II summarizes overall features of the 381 Scottish businessmen and then Chapter III, IV and V construct a profile of the businessmen with regard to the three periods: expansion, 1800-1870; maturity, 1870-1900; and, relative decline, 1900-1960. Chapter VI concludes the preceding discussions, assessing how the businessmen may have possibly responded to the changing economic circumstances.

1) There are three reasons for the choice of DSBB. ① The sample size is smaller so that a full-scale analysis could be easily made. ② The sample was more representatively selected. ③ The information gives useful evidence for the understanding of entrepreneurship in Scotland, which has been subject to research lesser frequently than entrepreneurship in Britain as a whole.

2) ① The industries in each sector share common characteristics about the nature of product or manufacturing process. ② The founder starts up in business through his own efforts, while the inheritor enters management of a family business by means of his status of family members. The professional manager joins management of an existing firm on the basis of professional skills.

## II. Scottish Businessmen in the 19th and 20th Century

The 381 Scottish businessmen contained in DSBB can be grouped into three types, namely founders, inheritors and professionals, which hint at the extent to which the businessmen depended on family to enter business and, thus, family tradition persisted in the Scottish business community. The patterns of entry to business were broadly in line with the life cycle of the Scottish economy (〈Table 2〉)[3].

3) The process of industrialization can be divided into four stages: take-off 1780s-1830s); expansion(1830s-1870s); maturity(1870s-1900s); and, relative decline after 1900s)(Lenman 1977; Campbell 1980, 1985; Devine · Mitchinson 1988; Fraser · Morris 1990; Kim 2001).
① The Industrial Revolution in Scotland took place in the 1780s with the development of the cotton industry. The first cotton mill appeared in 1778 and, in 1833, a total of 134 mills were in operation, more than half of which were located in Glasgow in the West. Edinburgh in the East, the capital of Scotland, emerged as a major financial center.
② From the 1830s, the iron industry, together with the coal industry, led the expansion of the economy. The production of pig-iron had increased from 29,000 tons in 1825 to 0.6 million tons in 1848 and then to more than 1 million tons by 1862. Also, shipbuilding, engineering and chemical industries had developed with the result that the heavy industries dominated the economy. In textiles, while the cotton industry underwent decline, new items such as cotton thread and carpets appeared. All this development gradually became concentrated in the central belt connecting Glasgow in the West and Edinburgh and Dundee in the East, where more and more people came to live.
③ For more than three decades after the 1870s, Scotland enjoyed unprecedented prosperity. The new leadership came from the shipbuilding industry, supported by the steel and marine engineering industries, with the River Clyde near Glasgow as its center. The Clyde-built ships accounted for some 55% of the British total in 1870 and, in 1870-1914, more than a third. Some 10% of the Clyde-built ships were made of steel in 1879, but, by 1889, the share of steel ships increased to 97%. While the steel industry and the marine engineering developed as integral parts of shipbuilding, some new engineering like locomotive, mechanical, structural and electrical engineering appeared to consolidate the character of the heavy industry-oriented economy. The coal, chemical and financial industries continued to play important roles in expanding the economy.
④ The prosperity of the Scottish economy was passing its peak after the First World War in the 1910s. The Clyde launched 0.7 million tons in 1913, but its tonnage decreased to 0.5 million tons in 1929 and then to 0.3 million tons in 1937. Also, the steel, iron, coal and textile industries underwent a continuing decline. Nevertheless, no new industries of importance appeared to take over the new leadership in maintaining the earlier economic prosperity.

## 〈Table 2〉 Type of Scottish Businessmen, 1800-1960 : Founders(F), Inheritors(I) and Professional Managers(M)

| | Number | | | | % | | | Number | | | | % | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | F | I | M | Total | F | I | M | F | I | M | Total | F | I | M |
| | (1800-1960) | | | | | | | (1800-1870) | | | | | | |
| Light sector | 58 | 79 | 21 | 58 | 37 | 50 | 13 | 21 | 29 | 3 | 53 | 40 | 55 | 5 |
| Heavy Sector | 63 | 44 | 32 | 139 | 45 | 32 | 23 | 30 | 10 | 5 | 45 | 67 | 22 | 11 |
| Service Sector | 37 | 20 | 27 | 84 | 44 | 24 | 32 | 12 | 6 | 7 | 25 | 48 | 24 | 28 |
| Total / Average | 158 | 143 | 80 | 381 | 41 | 38 | 21 | 63 | 45 | 15 | 123 | 51 | 37 | 12 |
| | (1870-1900) | | | | | | | (1900-1960) | | | | | | |
| Light Sector | 25 | 39 | 9 | 73 | 34 | 53 | 13 | 12 | 11 | 9 | 32 | 38 | 34 | 28 |
| Heavy Sector | 3 | 19 | 9 | 51 | 45 | 37 | 18 | 10 | 15 | 18 | 43 | 23 | 35 | 42 |
| Service Sector | 7 | 7 | 9 | 33 | 51 | 27 | 21 | 8 | 7 | 11 | 26 | 31 | 27 | 42 |
| Total / Average | 65 | 65 | 27 | 157 | 41 | 41 | 18 | 30 | 33 | 38 | 101 | 30 | 33 | 37 |

Sources: Slaven · Checkland 1986, 1990; 〈Table 1〉.

First, in the period of expansion (1800-1870), more than half the Scottish businessmen (51%) were founders, followed by inheritors (37%) and professional managers (12%). The majority of the founders were involved in the rapidly-growing heavy industries (30 men; 47% of 63 founders, 67% of 45 men in the heavy sector), while the majority of the inheritors in the declining or stagnant light industries (29 men; 64% of 45 inheritors, 55% of 53 men in the light sector).

Second, in the period of maturity (1870-1900), the overall proportion of founders decreased from 51% to 41%, whereas that of inheritors increased from 37% to 41% and, also, that of professional managers from 12% to 18%. In the heavy sector, founders appeared less frequently (67% → 45%), but inheritors more frequently (22% → 37%). By comparison, in the light sector, the proportion of founders decreased from 40% to 34%, and that of inheritors also decreased slightly from 55% to 53%. In both sectors, professional managers appeared more frequently than before (11% → 18%, 5% → 13%).

And third, in the period of relative decline (1900-1960), the overall proportion of professional managers more than doubled from 18% to 37%, while that of founders (41% → 30%) and of inheritors(41% → 33%) both decreased. In the heavy sector, professional managers penetrated relatively faster (18% → 42%) than either the light or the service sector (13% → 28%, 21% → 42%), but

inheritors still appeared as frequently (37% → 35%) as before and, thus, the proportion of inheritors became higher (35%) than the other two sectors (34%, 27%).

In all, as the industrialization had progressed, while opportunities for new businesses gradually decreased, the family tradition gradually increased, remaining tenacious, particularly in the light and heavy sectors. Instead, professional managers became increasingly involved in all the three sectors. What the Scottish founders, inheritors and professional managers had looked like is detailed below with regard to the three periods under consideration.

## III. Scottish Businessmen in the Period of Expansion, 1800-1870

Scotland had been well on its way to economic success by the 1870s. Iron and coal played a leading role, and other heavy industries like shipbuilding, engineering and chemicals developed. While the cotton industry declined, cotton thread, carpets, jute and linoleum sustained the fame of the textile industry.

As society prospered and population increased, the industries producing food(food · drink · tobacco trades), clothes(clothing and leather · footwear industries) and shelter(construction industry) expanded. Also, people became increasingly concerned with the development of intelligence by absorbing new knowledge through books, newspapers or magazines, and this made paper · printing · publishing an important industry. Retailing and wholesaling trades appeared as an indispensable section of the economy in order to effectively distribute consumer goods. The transport industry was firmly established with the development of the River Clyde and the expanding network of railways. Thus, the economy had been based on a more diverse industrial structure with a clear sign of the dominance of the heavy industries.

### 1. Businessmen in extractive and metal industries

Business opportunities were being generated more frequently in the heavy

industries which had consolidated its dominance in the economy by the 1870s. In iron and coal, for instance, the new business environment had been shaped after the invention of hot blast in 1828 in addition to the discovery of rich blackband ironstone in 1801. This enabled many coalfields, of the West in particular, to embark on ironmaking as well.

Among them were three major businesses - William Baird & Co., Allison & Co. (later Merry & Cunninghame), and Robert Addie & Sons.[4] While being long involved in coalingmining, the key figures in the these businesses, James Baird, James Merry and Robert Addie, did not miss the new development in ironmaking in the 1820s, expanding their small coal businesses into complexes of iron and coal. They seem to have displayed the essential characteristics of the Schumpeterian entrepreneur.

There were many more innovative founders in the extractive and metal trades: among others, John Watson and James Wood in coalmining; William Beardmore in ironmaking; Water MacFarlane in ironfounding; and, James 'Paraffin' Young in share-oil production. As yet, however, some important established firms remained in the hands of inheritors like William S. Dixon, iron and coalmaster, and William Gibb and John Fyfe, both quarry masters.[5]

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4) ① In William Baird & Co., James Baird was a key figure. After studying at Glasgow University for a time in 1822, Baird began to work in the Roshsolloch colliery which his father, a farmer, leased for his sons in 1816. He became a partner of the colliery in 1826 and two years later played the leading role in erecting the Gartsherrie ironworks. With the support of his seven brothers Baird made the works the largest single producer of pig iron in the world with some 25% of Scotland's total by his death in 1876. ② In Allison & Co., James Merry took the initiative in recruiting capital from two partners in 1838 for the building of an ironwork in his leased coalfield in old Carnbroe, Bothwell, which was opened in 1833. Merry was involved in this father's coalmining business after a study at Glasgow University in the early 1820s and was partner after 1830. By 1845, when the partnership was restructured as Merry and Cunninghame, the business became the second largest ironmasters and third largest coalmasters in Scotland. ③ The business of Robert Addie & Sons came into existence by the efforts of farmer Robert Addie. Addie worked in his father's farm after secondary education in 1822 and became independent as a tenant farmer seven years later. He soon began coalmining first at his leased Whiterigg farm and then in Rosehall of Old Monkland in the 1830s; he eventually ventured into ironmaking at Langloan in 1841.

5) ① The third Dixon graduated from Glasgow University and worked in his family business before joining the management in 1859. But he became gradually less interested in management than in ownership. ② After studying at King's College, Aberdeen, and

## 2. Sector-by-sector trends

These features concerning type of entry to business observed in the extractive and metal trades can be also identified with some variations with regard to the businessmen in the other heavy industries in the period down to 1870. By comparison, some similar but some contrasting features are observed with regard to the businessmen in the light and service sectors. Opportunities for new enterprises were most frequently generated in the heavy industries, but the reverse was true of the light industries where family members persistently appeared in management. In the service sector, while founders were not deficient, the established firms very frequently recruited professional managers.

First, in the heavy sector, major shipbuilders and marine engineers, like Charles Connell, William B. Thomson, John G. Kincaid and David Rowan, established new businesses in the 1860s when the use of iron hulls was common and some important inventions in marine engineering were available. Similarly, in engineering where the formative years of the trade in the modern sense were begun in the 1850s, many enterprising businessmen set up themselves in the 1860s: among others, William Arrol in bridge building; David B. Peebles in gas; John Cowan and Duncan Stewart in mechanics; and, James Howden in marine and general engineering. Also, in the middle decades of the 19$^{th}$ century, business opportunities were frequently transformed into new businesses in bricks · pottery · glass · cement whose development closely related to other industries: for instance, bricks with coal; and, glass with distilling · brewing. Meanwhile, the formation of new businesses was not characteristic of the chemical industry, where the long-established St. Rollox Works, under the control of the Tennant family, dominated.

Second, in the light sector, inheritors frequently appeared in the textile industry where new specialized products, such as cotton thread and carpets, had been established in place of the declining cotton spinning and weaving

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Berlin University, and then living a gentlemanly life in Australia, the third Gibb inherited his family business in 1867. He was a cautious businessman and eventually sold out his business in 1890 partly due to poor health. ③ The second Fyfe took over the control of his family business at the age of 16 and became the most outstanding figure in the granite quarrying industry, making important contributions to technical progress.

businesses since the early 19th century. Later generations also frequently appeared in food · drink · tobacco and paper · printing · publishing. By comparison, in construction, the increasing demand of society for houses and public works was continuously dealt with by new entrants to the industry, although inheritors were involved in some major family businesses.

And third, in the service industries, a mixed picture was more evident. In shipping, for instance, some established firms were in the hands of second generations like William Thomson, David MacBrayne and Alexander Metheson, while, in others, professional managers like Thomas Aitken and James Galbraith played a key role. There also appeared new entrepreneurs like William MacKinnon and Alexander Allan. By comparison, in retail and wholesale trades, business opportunities were more frequently available in the urban areas, particularly the Glasgow area where population gradually increased with industrialization. Also, in banking, insurance and finance, business opportunities abounded, but in this established section of the economy, unlike the case of other established industries such as textiles, more specialized management skills were required, and this enabled able men to frequently enter management without either family connection or the burden of founding the business. Alexander Anderson in fund management, Charles Gairdner in banking, and William T. Thomson in insurance – all became influential businessmen by this route: Anderson by recruitment from outside; and, Gairdner and Thomson by advancement within inside.

## IV. Scottish Businessmen in the Period of Maturity, 1870-1900

By the end of the 19th century, Scotland reached the pinnacle of the Victorian economic success on the basis of the heavy industries which had been firmly established in the second half of the century. While iron and coal were still growing, shipbuilding, marine engineering and steel played a leading role in the peak era of industrialization. Also, the light and service industries continued to expand, making the industrial structure broader and more diverse.

## 1. Businessmen in shipbuilding and steel industries

The hub of the Scottish economy for the decades down to 1914, shipbuilding had already established its fame by the 1870s: the Clyde had provided 70% of the iron ships and steamships built in Britain.

In this process, Charles Randolph and Peter Denny played an important role after the late 1830s, and major enterprising founders more frequently appeared in the 1860s: among others, Charles Connell and William B. Thomson in shipbuilding; and, John G. Kincaid and David Rowan in marine engineering. Also, many new entrepreneurs appeared between 1870 and 1900 to contribute to the uplifting of the fame of the Scottish shipbuilding. Among them were William T. Lithgow and Joseph Russell who established Russell & Co. in 1874.[6] On the other hand, two inheritors, James Gilchrist and Frederic J. Stephen, began to play their own roles for the development of the shipbuilding industry.[7]

An important new development in the late 19th century was steelmaking, and here business opportunities were taken not only by the businessmen in the

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6) ① Son of the Glasgow representative of the New Lanark cotton mill, Lithgow was only apprenticed to a shipbuilding firm before venturing into his own business at the age of 20. ② Russell was an old and experienced man. Son of a solicitor (later a clergyman), Russell was educated at King's College, London, attending classes in mechanics and land surveying. In 1850, he began his business career as apprentice in J.W. Hobby & Co., shipbuilders in Renfrew, and later became manager. Russell then carried out his own shipbuilding business in the early 1860s, but he was manager of a shipyard and engineering works for several years before contracting a partnership with Lithgow at the age of 50. ③ In the newly-founded firm, however, the driving force came from young Lithgow, while old Russell was a good assistant. Under Lithgow's leadership, Russell & Co. built large slab-sided sailing ships for carrying bulk cargos on the basis of semi-standard designs, and the firm also introduced hydraulic plate joggling machinery and repetitive production techniques.

7) ① After secondary education, Gilchrist was apprenticed to Barclay, Curle & Co. in Glasgow, where his father was recruited to the management from a shipyard manager. He then attended evening classes at Mechanics Institute and was foreman for 12 years before being promoted to partner of Barclay, Curle & Co. in 1880. ② The fifth generation of the Stephen family, Stephen studied at Glasgow University with classes in naval architecture. He then joined his family firm Alexander Stephen & Sons in 1887 after only a short apprenticeship in the firm. ③ Thanks to technical education and business career relevant to their future businesses, both inheritors were active in their own respective family firms: Gilchrist was eager to develop the engine and boiler departments; and, Stephen played the dominant role as salesman.

established iron firms, but also more actively by new entrants to the industry. Above all, in the Steel Company of Scotland, the first modern steel maker in Scotland founded in 1872, two professional managers, William Lorimer and James Riley, played a major role.[8] Also, in another major new steelmaking company, the Lanarkshire Steel Co., John Strain was the key figure in the foundation of the company; son of a coal master, Strain was an eminent civil engineer with his own civil engineering business. Meanwhile, steelmaking was also ventured by some established iron firms like William Beardmore & Co. and David Colville & Sons, where William Beardmore Jr and David Colville Jr from the second generation were the driving forces behind the development of steelmaking in their own respective family businesses.[9]

## 2. Sector-by-sector trends

These features concerning entry to business of our business leaders in shipbuilding and steelmaking can be also observed with some variations with regard to the businessmen in other heavy industries who began their careers in management between 1870 and 1900. On the other hand, as with the case in the period before 1870, some contrasting features continued to exist with regard to the businessmen in the light and service sectors although some common

8) ① Son of a mining engineer, Lorimer was educated at a parish school and then apprenticed to a railway firm before joining Dubs & Co, locomotive manufacturers, in 1864. Before he became general manager of the steel company in 1874, Lorimer was the principal assistant to the founder of the locomotive manufacturing firm; he remained involved in the management of both Dubs & Co. and the Steel Company of Scotland for a long period. ② Riley began his business career in iron manufacturing in the 1860s after an engineering training. He was general manager of the Landore Iron Works in Wales for six years before being recruited as general manager of the Steel Company of Scotland in place of Lorimer in 1878.

9) ① Beardmore Jr received science and technical education at Royal Technical College and at Anderson's College in Glasgow, and then at Royal School of Mines in South Kensington. After the education in 1871, Beardmore Jr was apprenticed to his family business which was established by his father, formerly manager of a shipping firm, and joined its management in 1879. ② Colville Jr studied only at an academy and was apprenticed to the Steel Company of Scotland for two years before becoming partner in 1879 in his family business which was founded by his father, formerly a provision merchant dealing in tea and coffee.

features became more evident.

The most conspicuous feature observed with regard to the period 1870-1900 is that opportunities for new businesses of importance gradually decreased, for instance, as the size of capital requirement for the new business generally increased. This was particularly the case in the heavy industries which were firmly established in the second half of the 19th century. Instead, the established firms attempted to increase their role in the economy by recruiting family members and/or professional managers to partnership or the board. Consequently, a mixed picture about opportunities for new undertakings became more evident in individual industries in all the three sectors.

First, in the heavy sector, while influential new enterprises rarely appeared in the contracting iron industry, some established iron and coalmasters tried to maintain their business tradition by recruiting inheritors like John Addie and John C. Cunninghame, or professional managers like Robert Angus and Andrew K. McCosh, both of William Baird & Co. By contrast, in the resilient coal trade, new businesses were often embarked on both in the West and in the East, although there emerged the dominance of the East: for instance, the Wemyss Coal Co. in East Wemyss was founded by Randolph G.E. Wemyss in 1879; and, James Nimmo & Co. in Glasgow by James Nimmo in 1873. Also, oil was actively exploited by new businesses like Pumpherson Oil Co. (by William M. Fraser in 1883) and Broxburn Oil Co. (by William Kennedy in 1877).

By comparison, in engineering, while inheritors like Hugh O. Bennie and William B. Lang succeeded to machine tool manufacturing businesses, new engineering inventions were frequently turned into new businesses by able men: among others, Lord Kelvin in optical and electrical engineering; Louis Sterne in refrigeration and general engineering; Henry A. Mavor in electrical engineering; and, Archibald Barr in instrumental engineering. The same was also true of an important development in the late 19th century, car · lorry manufacturing, where some successes, though not for a long period, were made by enterprising businessmen like Norman O. Fulton and Thomas B. Murray of the Albion Motor Car Co. and George Johnston of the Mo-Car Co.

Second, in the light sector, like what took place in the period before 1870, inheritors very frequently appeared in textiles, food · drink · tobacco and

paper · printing · publishing. In the latter two industries, in particular, third or later generations often appeared: for instance, Harry G. Young and Hugh T. Tennent in brewing; John M. Keiller in confectionery; William F. Dobie in tobacco manufacturing; Edward Collins in paper manufacturing; Harben J. Valentine in card manufacturing; and, John M. Clark and Walter W. Blackie in publishing. On the other hand, in construction, new house and public works contractors, like Peter Anderson, John C. McKellar, John Best, and Gavin Shanks, continued to dominate.

And third, in the service sector, opportunities for new undertakings were generally abundant. In ever-growing shipping, for instance, major enterprises were established by new entrepreneurs like Charles W. Cayzer, Hugh Gogarth, and Andrew Weir, although inheritors like William Burrell and William B. Donaldson were involved in some major family businesses. By comparison, in road transport, the appearance of professional managers was frequent: for instance, Patrick Caird, James Thompson and David Cooper in railways; and, John Duncan and John E. Pitcairn in tramways. Meanwhile, in distributive trades, new major businessmen were more frequently appearing: among others, Thomas J. Lipton in general provision; Thomas G. Bishop in wholesale grocery; Malcolm B. Campbell in wholesaling; and, John P. Currie in building trade supplying. The same was also true of banking · insurance · finance, particularly in investment trust initiated by Robert Fleming, James Ivory, George A. Jamieson, and William J. Menzies.

## V. Scottish Businessmen in the Period of Relative Decline, 1900-1960

The Victorian economic prosperity was on the wane with the end of the Victorian era. The heavy industries, which gave the country prosperity and international pride, did not continue to do so despite their persisting leadership in the economy; the major heavy industries - shipbuilding, coal, iron and steel - underwent structural and/or cyclical difficulties.

## 1. Businessmen in engineering industries

In engineering, the largest employer among the heavy industries by 1951, professional managers played a dominant role in the established firms, while new enterprises rarely appeared. For instance, in Barr and Stroud, instrumental engineers founded by professors Archibald Barr and William Stroud in 1895, James W. French joined his teachers' business. Also, in the marine engineering firm of Brown Brothers & Co., William Wallace, a master dyer's son, became a key figure from 1916.[10)]

Professional managers often came from families of humbler origins and received only elementary education. For instance, Samuel Milne, an agricultural labourer's son, was involved in the paper making business for 33 years before joining the management of Betrams, paper making machinery engineers, in 1907. Similarly, John Pate, a colliery worker's son, worked in the iron and coal trades for 26 years before he became managing director of Anderson-Grice Co., mechanical engineers, in 1916. In addition to professional managers, family members like Samuel R. Beale and James H. Hume, both from the second generation, had been also recruited by the established firms.[11)]

## 2. Sector-by-sector trends

A characteristic feature of these engineers is that many were professional managers and were educated in higher educational institutions. This was also

10) ① Son of a colliery manager (later metallurgist and industrial chemist), French studied civil engineering and mechanics under Professor Barr at Glasgow University. An apprenticeship was followed in his father's metallurgical laboratory and related chemical works. French soon joined Barr and Stroud, and gained instrument-making experience in the firm's German agency for some time before joining the management in 1913. ② Wallace studied at Anderson's College during apprenticeship in a shipbuilding firm, and was chief engineer of a shipping firm before moving to Brown Brothers & Co. as draughtsman in 1910.

11) ① After studying engineering at Cambridge University in 1903, Beale was apprenticed to L. Sterne & Co., refrigerating engineers, where his father was chairman. He became a commercial manager two years later and was promoted to director in 1908. ② An iron merchant's son Hume studied at Royal Technical College and was apprenticed to his uncle's marine and general engineering business, James Howden & Co. He was involved in that business for 12 years before being admitted as partner in 1900.

largely true of our business leaders who began to enter management after 1900 not only in the other heavy industries but also in the light and service industries. Opportunities for new enterprises became fewer than before, particularly in the heavy and light industries. Consequently, while continuously admitting family members to management, the established firms more frequently recruited external talents. However, as with the case in the period 1870-1900, mixed pictures were evident in individual industries.

First, in metals of the heavy sector, while professional managers like James B. Allan, John Craig and Andrew McCance, all in David Colville & Sons, were active, new influential businessmen also frequently appeared: for instance, Archibald P. Newal, William Crosher and Robert B. MacOuat in rivet, bolt and nut; and, George M. Menzies and Thomas R. Miller in iron and steel. By contrast, in extractive trades and engineering, new major undertakings rarely appeared. In the former trade, the established firms more frequently came into the control of family members like James H. Hood, Adam Nimmo and Charles C. Reid, whereas, in the latter trade, the established firms were more frequently controlled by professional managers like James W. French, William J. Miller and Samuel Milne. On the other hand, in shipbuilding, while some family firms were managed by later generations like Maurice E. Denny, James Lithgow and Alexander M. Stephen, there also appeared some opportunities for new enterprises such as the Burntisland Shipbuilding Co.(by Armos L. Ayre) and Henry Robb & Co.(by Henry Robb).

Second, a mixed picture was more apparent in textiles of the light sector, whose importance as an employer decreased drastically in the first half of the 20th century. Some family businesses were in the hands of third generations like David B. Anderson in cotton manufacturing, James E. Cox in jute, and Michael Nairn in floorcloth. Others sought external managerial talents like James Henderson in cotton thread and William W. Hepburn in flax. As yet, however, there also appeared opportunities for new undertakings like Low & Bonar (by George Bonar) in jute and Blackwood, Morton & Sons (by Gavin Morton) in carpets. By contrast, in construction, although some firms like William Tawse Ltd and James Miller & Partners were in the hands of the second generation, new contractors like John MacTaggart, John Lawrence, Andrew Mickel and Harry H. Cruden continued to

play a more dominant role in new projects for houses and public works.

And, in the service sector, while shipping businesses increasingly came into control of family members like James Shearer and Algernon C.F. Henderson, new business opportunities were also actively being generated in, for instance, bus operation by Walter Alexander Sr, John Sword, and William J. Thomson. By comparison, in distributive trades, although opportunities for new undertakings continued to be generated, they did so less frequently than before. Instead, professional managers more frequently joined the established firms: for instance, Neil S. Beaton and Edwin R. Boyd in wholesaling; and, John Campbell in drapery. Meanwhile, like what took place in the period before 1900, professional managers remained dominant in banking, insurance and finance: among others, Thomas J.C. Gifford in investment trust; and, Ian MacDonald and William H. Henry Fraser in banking.

## VI. Conclusion

While some of the characteristics relating to entry to business of our Scottish business leaders changed over time, others displayed more continuity. What remained nearly unchanged in the Scottish business community throughout the 19$^{th}$ and 20$^{th}$ century was that family tradition remained persistent. What changed was, on the other hand, that opportunities for new enterprises became fewer and fewer and that while continuously preferring family members, the established firms increasingly recruited external talents to management.

What then happened after our business leaders joined partnership or the board? Did they do well or not? Did their particular types of entry to business turn out to be beneficial or detrimental to their business performances? These questions remain still to be answered and, it appears, competing relationships between type of entry to business and business performance have been found in individual sectors, industries or businessmen. However, some thoughts can be given on the basis of the evidence in DSBB with regard to the Scottish economy as a whole.

Above all, the persistence of family tradition, which was the most crucial factor in determining other social characteristics, may have possibly affected

unfavourably the shaping of the Scottish business environment within which our business leaders took economic initiative. The inheritors tended to have more extensive formal education followed by less relevant and shorter practical training and/or occupational careers before they became involved in the management of their family businesses. As the result, the inheritors may have been ready less sufficiently for their future managerial tasks. Furthermore, the inheritors tended to remain involved in the management for a longer period and, thus, business initiative could not presumably have been continuously generated not only from the inheritors themselves but also from professional managerial talents.

On the other hand, an encouraging aspect of the Scottish business community was that the provision of relevant and specialized knowledge for business through higher education was increasingly more common. This was particularly the case among our business leaders in the heavy industries, and this probably helps explain the leadership of the industries in the Scottish economy. Furthermore, in the major heavy industries, including shipbuilding and marine engineering, both apprenticeship and occupational career were usually achieved in relevant industries, and in this way our business leaders in the heavy industries seem to have presumably made their higher education more useful for their future managerial responsibilities. The heavy industries themselves developed in a way that they reacted in close interaction so that relevant business experience was developed and achieved easily and effectively. There also appeared business associations, notably the Institution of Engineers and Shipbuilders in Scotland, for the refreshing of relevant knowledge for business.

Then, why did the heavy industries lose the leadership in the 20th century despite the increasing relevance of higher education? This question has yet to be tackled, but one reason may have related to the persistence of family tradition. As with the case in the economy as a whole, although our inheritors in the heavy industries were more frequently educated in higher educational institutions than were the founders or professional managers, they were less frequently apprenticed, and had shorter and simpler business experience mainly in their family firms. Consequently, despite the increasing relevance of higher education among our inheritors in the heavy industries, the relevance may have presumably been less effectively mobilized in the business world. Or, it may have been the

case that higher education remained mainly of a technical type in the Scottish business community in general, while modern business increasingly required expertise in finance, general management or marketing; or that in spite of the increasing relevance of higher education, underlying structural difficulties caused the decline of the heavy industries.

The relationship between type of entry to business and business behavior, if any, could be, it is expected, revealed by further studies, particularly detailed case-studies.

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# 19-20세기 영국 스코틀랜드 지역 기업가들: 주요 추세 및 특징

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## 요 약

본 논문은 19세기와 20세기 전반 영국 스코틀랜드 지역에서 활동한 주요 기업가들의 주요 추세 및 특징을 분석한다.

영국은 18세기 중엽 산업혁명을 통해 세계 최초의 산업국가가 되었으며 이후 1세기 이상 번영을 구가하였다. 하지만 20세기 초 미국과 독일이 새로운 경제 강국으로 등장하면서 영국은 상대적인 쇠퇴의 길로 들어서게 되었다. 영국의 산업화 과정에는 노동, 자본, 발명 등 주요 경제 요인들을 효율적으로 결합하고 활용하는 기업가들의 역할이 가장 중요하였으며, 기업가들이 영국의 경제적 번영과 쇠퇴에 어떤 방식으로 관련되어 있었는지에 대해서는 많은 연구들이 진행되어져 오고 있다. 특히 1980년대 말에 출판된 스코틀랜드와 영국의 다른 지역을 대상으로 하는 두 종류의 집합전기사전은 영국기업가 활동 연구에 새로운 정보를 제공해 주고 있다.

본 논문은 스코틀랜드 관련 사전에 수록된 381명의 주요 기업가들이 어떤 특징을 가지고 있는지 그리고 이러한 특징들이 스코틀랜드 경제의 번영과 상대적 쇠퇴에 어떤 방식으로 관련되어 있을지에 대해 논의한다.

381명의 기업가들은 19개의 다양한 산업에서 활동하였으며, 이들을 세 가지 측면에서 분석하였다. 19개 산업을 중공업(heavy sector), 경공업(light sector), 서비스업(service sector) 등 세 개 섹터로, 그리고 381명의 기업가들을 창업기업가(founders), 상속기업가(inheritors), 전문경영인(professional managers) 등 세 가지 유형의 기업가로 분류하였다. 또 스코틀랜드 산업화 과정을 성장(1800-1870년), 성숙(1870-1900년), 상대적 쇠퇴(1900-1960년) 등 세 단계로 구분하였다. 그런 다음 시간의 흐름에 따라 각 산업 및 섹터에서 세 유형의 기업가들이 어떤 다른 특징을 가지면서 기업경영에 참여하게 되었는지를 분석하였다.


〈주제어〉 스코틀랜드, 기업가, 창업기업가, 상속기업가, 전문경영인

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