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The Separation of Ownership and Control in American Industry

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THE SEPARATION OF OWNERSHIP AND CONTROL IN AMERICAN INDUSTRY¹

SUMMARY

Introduction. The concept "control."—Types of control; complete ownership, 72; majority control, 73; legal device, 74; minority control, 81; and management control, 83.—Separation of ownership and control among the 200 largest American corporations; basis of classification and extent of separation, 89.—Conclusion, 95.—Tables showing types of control, 98.

The ownership of industrial wealth and the control over that wealth are coming to lie less and less in the same hands. Through the mechanism of the corporation, control over industrial wealth can be and is being exercised with a modicum of ownership interest. Conceivably it can be exercised without any such interest. Ownership of wealth without appreciable control, and control of wealth without appreciable ownership, appear to be the logical outcome of present corporate development.

This separation of function suggests that "control" as something apart from ownership on the one hand and from management on the other should be introduced as a major economic concept. It is the purpose of this article, first, to examine the nature of "control," giving some measure of definition to the concept, second, to examine various types of control situations and the extent to which they involve a separation of ownership and control, and third, to present evidence tending to indicating the degree to which ownership and control have become separated in American corporations.

THE CONCEPT "CONTROL"

In discussing problems of enterprise, the economist has distinguished between two groups of individuals, owners and

1. The following study is one outgrowth of a project in combined legal and economic research conducted at the Columbia Law School under the auspices of the Columbia Social Science Research Council. The basic material from which Tables II and III are derived will be

managers, and it is necessary to examine the functions of these groups before seeking to develop the concept "control." The owners appear to have been distinguished primarily by the fact that they were *in a position* both to manage an enterprise or delegate its management and to receive any profits or benefits which might accrue. The managers on the other hand *operated* an enterprise, presumably in the interests of the owners. The difference between ownership and management is thus in part one between position and action. An owner who remained completely quiescent towards his enterprise would nevertheless remain an owner. His title is not applied because he acts or is expected to act. Indeed, when the owner acts, as for instance in hiring a manager or giving him directions, to that extent the owner manages his own enterprise. His acts with respect to it are acts of management. On the other hand, it is difficult to think of applying the title "manager" to an individual who had been entirely quiescent. It is because he acts or is expected to act that he receives his name.

When the customary idea of ownership is further examined it becomes apparent that it involves both a set of legal and factual *interests*² in the enterprise and a set of legal and factual *powers* over the enterprise. These two functions, interest and power, have not customarily been distinguished in discussions of ownership since they have usually been exercised by the same persons. There is no necessity, however, that they should lie in the same hands. A legal minor may have almost no power over a business of which he is the owner and in which he has very important interests. At the same time published in a forthcoming book on "Private Property and the Corporate System," by A. A. Berle, Jr. and Gardiner C. Means.

2. "Interests" is here used to refer to the relationships between an individual and an enterprise (and other individuals and associations) which are the basis for expectations that individuals having powers over the enterprise will act (or refrain from acting) to the benefit of the person in interest. Thus a stockholder, quite apart from any powers he may have, is in a position of interest with respect to the corporation when he is in such relation to it that he has expectations that it will be operated in part for his benefits or that he will derive benefit. It is immaterial whether his position is legally enforceable.

his guardian may have very great powers over the business with relatively few interests therein. It is customary to say that the minor owns the enterprise and that the guardian controls it. The essential characteristic of ownership appears, therefore, to consist of having interests in an enterprise while the essential characteristic of control consists of having powers over the enterprise. The two functions, even when combined in the hands of a single individual, are as essentially separate functions as either is from management.

With the development of the modern corporation, interests and powers have come to be attached to separate groups and the term "ownership" has in practice been applied to the group with interests in the enterprise whether or not that group has powers over it. The group with powers may be termed "the control." Instead, therefore, of discussing in the traditional manner, the two functions, ownership and management, we should use three distinct concepts: ownership or interest, control or power, and management or action.

In using the concept control it should commonly be applied only to the major powers over an enterprise just as ownership and management are usually applied only to the major interests and acts. In the case of management, except as a special definition is employed for a special purpose, there is no sharp dividing line between individuals who are classed as part of the management and those who act with respect to an enterprise but are not so classed. For some purposes we can speak of the board of directors as the management, for other purposes we may include the major executives. On some occasions it may be desirable to include superintendents and foremen. Even the day laborer may manage machines. All of these can be regarded as in some degree managers; in each case the term management is applied to those who are expected to accomplish the more responsible acts with respect to the enterprise. Always there are some who accomplish unimportant acts who are not included.

In the same way, there is no sharp line, except in law, between those with interests in an enterprise who are regarded

as owners and those who are not.³ Ordinarily the stockholders are regarded as owners of a corporation. When speaking of the ownership of all corporations, however, bondholders are very apt to be included. The economist does not hesitate, for certain purposes, to add also an employee with wages due him as temporarily a part owner. In each instance, the owners are only those with the major interests and many individuals with minor interests are not included.

Similarly, in the case of control, there can be no sharp dividing line to indicate those who have sufficient powers over an enterprise to be referred to as being in a position of control. Often the owners are thought of as having control. In fact, however, each worker from president to office boy exercises a degree of control over an enterprise, at least to the extent that he has or is given power in respect to some phase of its activity. The government has power to tax and police power. Likewise customers or suppliers of raw material, particularly bankers supplying capital, may have a considerable measure of control. It is therefore necessary, as in the case of ownership and management, to restrict the term control to apply to the major powers. It is then possible to refer to those holding such powers as "the control," keeping in mind that many other individuals may have a measure of power over the enterprise and that the dividing line between is never sharp except as it is made so by special definition for special purposes.

CORPORATE CONTROL

In examining the separation of ownership and control in the modern corporation, it is apparent that we are dealing with a separation of the major powers over an enterprise from the major interests therein. One group of individuals,

3. For legal purposes a sharp line is drawn. An owner is one who holds legal title. Where corporations are concerned, this tends to run counter to ordinary usage. Title to corporate property rests in a corporation and not in its stockholders. In common language Mr. Ford could point to the numerous factories which he "owned." In legal terminology he would have to say that he did not own any factories. They all belonged to a corporation in which he and his family owned all the shares.

the owners, hold the major interests while a second group, no longer identical with the first, holds the major powers. Since the latter are usually made effective through the corporate management and in particular through the board of directors, "control" may be said for practical purposes to lie in the hands of the individual or group who have the actual power to select the board of directors (or its majority), either by mobilizing the legal right to choose them — "controlling" a majority of the votes directly or through some legal device — or by exerting pressure which influences their choice. Occasionally the major elements of control are made effective not through the selection of directors, but through dictation to the management, as where a bank determines the policy of a corporation seriously indebted to it. In most cases, however, if one can determine who does actually have the power to select the directors, one has located the group of individuals who for practical purposes may be regarded as "the control."

When control is thus defined a wide variety of kinds and conditions of control situations can be found — forms derived wholly or in part from ownership, forms which depend on legal devices, and forms which are extra-legal in character.

Five major types can be distinguished, tho no sharp dividing line separates type from type. These include (1) control through almost complete ownership, (2) majority control, (3) control through a legal device without majority ownership, (4) minority control, and (5) management control. Of these, the first three are forms of control resting on a legal base and revolve about the right to vote a majority of the voting stock. The last two, minority and management control, are extra legal, resting on a factual rather than a legal base.

1. CONTROL THROUGH ALMOST COMPLETE OWNERSHIP

The first of these is found in what may be properly called the private corporation in which a single individual or small group of associates own all or practically all the outstanding stock. They are presumably in a position of con-

trol, not only having the legal powers of ownership, but also being in a position to make use of them and, in particular, being in a position to elect and dominate the management. Of this type is the Ford Motor Company, completely owned by Henry Ford and his family, with Mr. Ford able to exercise the full functions of ownership, control and ultimate management. In such an enterprise, ownership and control are combined in the same hands.

2. MAJORITY CONTROL

Majority control, the first step in the separation of ownership and control, involves ownership of a majority of the outstanding stock.⁴ In the case of a simple corporate structure, the ownership of a majority of the stock by a single individual or small group gives to this group virtually all the legal powers of control which would be held by a sole owner of the enterprise and in particular the power to select the board of directors.⁵ Certain powers of control such as the power to amend the charter or to discontinue the enterprise may require more than a simple majority vote and to that extent the majority exercises less control than a sole owner. Furthermore the powers of control may be to a slight extent curbed by the existence of a compact minority which is ready to question the policy or acts of the majority both directly, at stockholders' meetings, and in the courts. Where all stock except that held by the majority interest is widely scattered, on the other hand, majority ownership (in the absence of a "legal device") means undiminished actual control. At the same time, the concentrating of control in the hands of a majority means that the minority have lost most of the powers of control over the enterprise of which they are part owners. For them, at least, the separation of ownership and control is well nigh complete, tho for the majority the two functions are combined.

4. Where a corporation has subsidiaries, majority control as here used would involve the ownership of stocks representing more than half of the equity interest in the consolidated enterprise.

5. Where a minority of the stockholders have the power to select a

Among the largest corporations, however, the separation of ownership and control has passed far beyond the separation represented in majority control. In a truly large corporation, the investment necessary for majority ownership is so considerable as to make such control extremely expensive. Among such companies majority control is conspicuous more by its absence than by its presence.⁶ More often control is maintained with a relatively small proportion of ownership.

3. CONTROL THROUGH LEGAL DEVICE

In the effort to maintain control of a corporation without ownership of a majority of its stock, various legal devices have been developed. Of these, the most important among the very large companies is the device of "pyramiding." This involves the owning of a majority of the stock of one corporation which in turn holds a majority of the stock of another — a process which can be repeated a number of times. An interest equal to slightly more than a quarter or an eighth or a sixteenth or an even smaller proportion of the ultimate property to be controlled is by this method legally entrenched. By issuing bonds and non-voting preferred stock of the intermediate companies the process can be accelerated. By the introduction of two or three intermediate companies, each of which is legally controlled through ownership of a majority of its stock by the company higher in the series, complete legal control of a large operating company can be maintained by an ownership interest equal to a fraction of one per cent of the property controlled. The owner of a majority of the stock of the company at the apex of a pyramid can have almost as complete control of the entire property as a sole owner, even tho his ownership interest is a small fraction of the whole.

In recent years the VanSweringen brothers have been notably successful in using the device to create and retain control of a great railroad system. Through an intricate series of pyraminority of the board, their loss of control over the enterprise may be less, though it must in any case be very considerable.

6. See Table III, p. 99.

mided holding companies they have brought together vast railroad properties extending nearly from coast to coast. As the system was built up, the structure of holding companies was simplified until at the beginning of 1930 it was not unduly complex. The major ramifications are shown in Chart I. By this pyramid an investment of less than twenty million dollars was able to control eight Class I railroads having combined assets of over two billion dollars. Less than one per cent of the total investment or hardly more than two per cent of the investment represented by stock was sufficient to control this great system.⁷

The rapidity with which the pyramided structure allows the investment to be reduced while control is maintained is shown by the figures on the chart. The Van Sweringen investment represented 51 per cent of the capital in the General Securities Corporation, eight per cent of the capital of the Alleghany Corporation, four per cent of the Chesapeake Corporation, less than one per cent of the great operating Company, the Chesapeake and Ohio Railway, and but a quarter of one per cent of the latter's operating subsidiary, the Hocking Valley Railway Co. In the last two companies named over 99 per cent of the investment represented ownership without control. For the system as a whole, less than two per cent of the ownership represented combined ownership and control. For the most part the two functions were exercised by separate groups.

This same pyramiding has been extensively employed in building up most of the great public utility systems. By its use legal control can be effectively divorced from legal ownership and factual power can be exercised over great aggregates of wealth with almost no ownership interest therein.

A second legal device for retaining control with a small investment is the use of non-voting stock. This is a comparatively new device, but one which has received so much

7. At certain points in the pyramid, notably in the case of the Alleghany Corporation, control was maintained by ownership of a large minority interest rather than by means of majority control. This is a form of control which will be discussed below.

comment as to be thoroughly familiar. It consists in so arranging the rights attached to different classes of stock that most of the stock is disfranchised,⁸ and only a very small class, or a class representing a very small investment, is permitted to vote. Ownership of just over half of this privileged class is sufficient to give legal control and virtually all the powers of majority ownership. For many years it has been possible in certain states to issue non-voting preferred stock. This has frequently been done but without causing serious objections, presumably in part because the issue of common stock is as a rule very much larger than the corresponding issue of preferred stock and in part because the self interest of the common stockholders has been regarded as ample protection for the interests of the preferred holders.

Only recently as a result of statutory changes has it been possible to issue common stock which has no voting rights. Perhaps the most notable example is the non-voting common of the Dodge Brothers, Inc., issued in 1925. In this case neither the preferred nor four-fifths of the common stock was entitled to vote in the election of directors. By owning 250,001 shares of voting common, representing an investment of less than two and one-quarter million dollars, Dillon Read and Company was able to exercise legal control over this hundred and thirty million dollar concern.⁹

In contrast to non-voting preferred the use of non-voting common stock has met with considerable disfavor.¹ Both the New York Stock Exchange and the New York Curb have refused to list new issues of non-voting common stock, and for practical purposes this would seem to have eliminated the extension in the use of this device on any large scale in the immediate future.

A similar device is, however, being employed which may perhaps be considered a variant of the non-voting stock.

8. At least so far as the voting for directors is concerned.

9. Moody's Industrial Manual, 1928, p. 49. The common stock was carried on the books of the company at less than \$9 per share, including capital surplus. Dodge Bros. stock has since been acquired by Chrysler Corp.

1. See, for instance, W. Z. Ripley, Main Street and Wall Street.

This consists of issuing to the controlling group a very large number of shares of a class of stock having excessive voting power, *i.e.*, voting power out of proportion to the capital invested. A striking use has been made of this device in the case of the Cities Service Company. In 1929 this corporation sold to H. L. Doherty & Co. one million shares of a \$1 par preferred stock. Each share of this stock was entitled to one vote in the election of directors. Yet each share of common stock outstanding was entitled to only 1/20 vote per share. Twenty-seven per cent of the votes could be cast by the million shares of preferred. Since the other classes of stock were widely distributed (81,470 holders of preferred and 377,988 holders of common stock on June 15, 1930) the excessive voting power given to this cheap stock practically nullified the voting privilege of the regular stockholders. By the use of this device a million dollar par value of stock held virtual control over assets of approximately a billion dollars.²

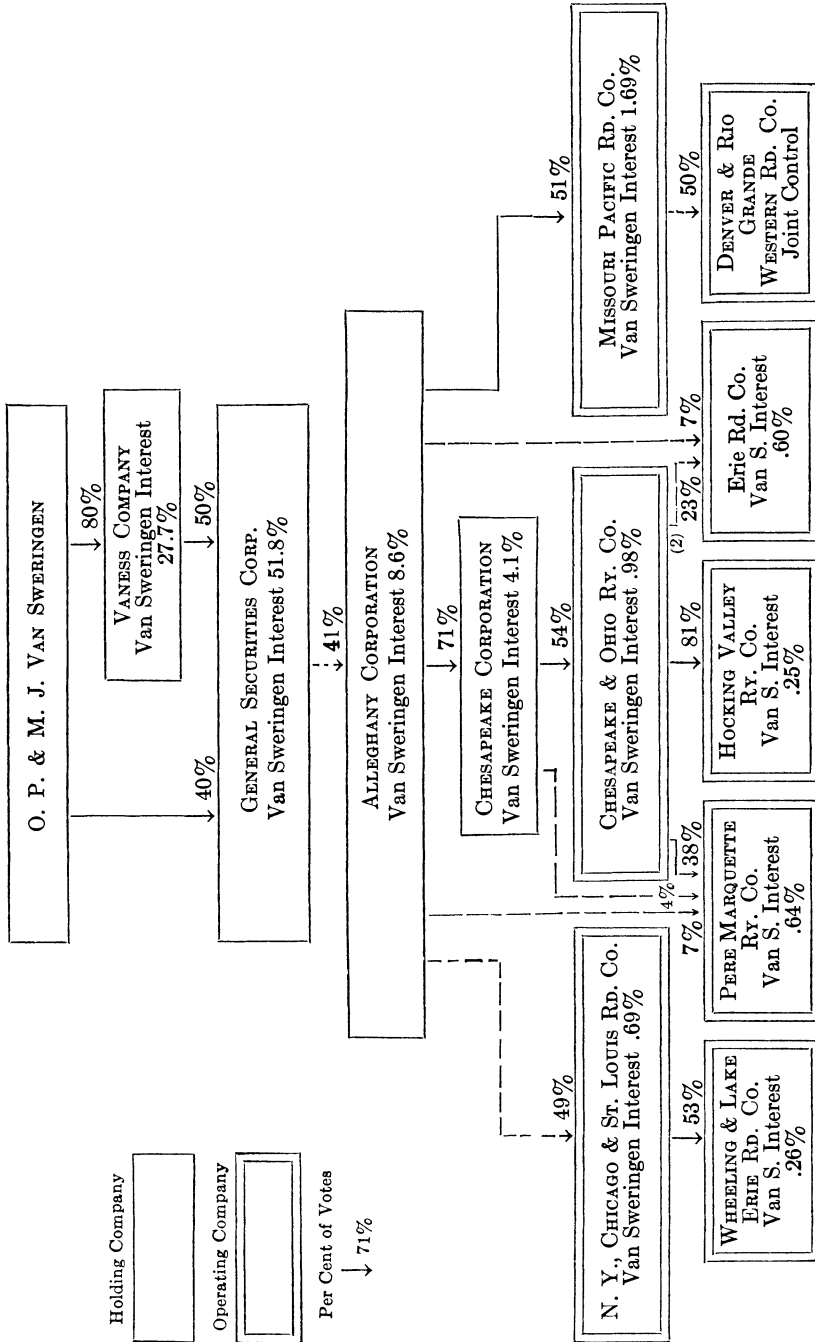
The same device was formerly employed by the group in control of the Standard Gas and Electric Company. Each share of \$1 par preferred stock of that company had as much voting power as a \$50 par common share. In 1929, the million shares of the cheap stock were able to cast 41 per cent of the votes outstanding. Here again a million dollar par value of stock, presumably representing a million dollars of investment, was able to exercise practical control over one billion dollars of assets.³

In addition to these ways of securing legal control through direct or indirect ownership of the voting majority, a further device must be considered which does not involve even ownership of a voting majority. This is the familiar practice of organizing a voting trust. It involves the creation of a group of trustees, often a part of the management, with the complete power to vote all stock placed in trust with it. When a

2. Moody's Manual of Public Utilities, 1930, p. 1998.

3. Standard Corporation Records (hereafter referred to as S. C. R.), April 29, 1929. In the latter part of 1929 this method of control was replaced by one depending on an extremely complex holding company set up. New York Times, March 24, 1930, and Moody's Public Utility Manual, 1930.

MAJOR ELEMENTS IN THE CONTROL OF THE VAN SWERINGEN SYSTEM OF RAILROADS (1)



(1) As of April 30, 1930. Based on Regulation of Stock Ownership in Railroads, chart opposite page 878.
 (2) Held via Virginia Transportation Company which was 100% owned by Chesapeake & Ohio Railway Company.

majority of the stock is held in trust, as is usually the case, the trustees have almost complete control over the affairs of the corporation, yet without any necessary ownership on their part. The stockholders, meantime, receive in place of their stock, trust certificates entitling them to share in such disbursements as the directors may choose to distribute. In the recent organization of the ninety million dollar Pennroad Corporation, the organizing group — the Pennsylvania Railroad management — used this device to guarantee complete control. The stock of the newly formed corporation was placed in a voting trust and the stockholders of the railroad were offered the privilege of furnishing capital by purchase of voting trust certificates.⁴ The purchasers of these certificates acquired the position of owners without the power even as a group to control their own enterprise.

The voting trust, more completely than any device we have hitherto considered, separates control from all ownership interest. Originally bitterly opposed by the law and held illegal by the courts on the ground that the vote could not be separated from the stock, it came to be permitted by statutory provision in most states. Such statutes, however, commonly limited the period during which the trust agreement could run to some term of years, in New York State to a maximum of ten years. But even where the duration was limited, the voting trustees might entrench themselves beyond the reach of the stockholders for a longer period by arranging for renewal of the trust for additional terms at their own discretion. The Interborough Rapid Transit Company is perhaps the most striking case. The voting trust agreement provided for a duration of five years but was renewable for five successive periods of five years each without any further action on the part of the holders of voting trust certificates.⁵ Legal control could thus be prolonged for a period of thirty years.

Control through a voting trust differs from the other forms of legal control, and from the forms of factual control which we shall examine, in that it is fixed, defined, and inalienable,

4. S. C. R., July 22, 1929, p. 6730.

5. S. C. R., Special Reports Section, May 9, 1929.

with certain definite and well recognized responsibilities attached. Under the other arrangements so far discussed control may be bought or sold or may pass by inheritance in case of death; its location may not be generally known (in fact, frequently it is not) and its holder has never stood up in public and assumed the definite obligations of its possession. Control through a voting trust is open, substantially inalienable, and therefore responsible. Presumably it is this open acceptance of responsibility which has reduced the criticism against the voting trust and made it an effective device for maintaining control without ownership. Perhaps for the same reason it has not been extensively employed in the larger corporations, since those individuals desiring to control a company may not wish to assume the responsibilities and liabilities which a trust would impose upon them.

The methods of control so far discussed have all involved a legal status. In each case factual control has rested primarily upon the more or less permanent possession of the legal power to vote a majority of the voting stock. Yet such control has been held in connection with different proportions of ownership. At one end of the scale ownership and control have been wholly combined. At the other end of the scale ownership and control have been wholly separated. Any degree of combination or separation might be arranged, the control always based on a legal status.

In the typical large corporation, however, control does not rest upon legal status. In these companies control is more often factual, depending upon a strategic position secured through a measure of ownership, a share in management or an external circumstance important to the conduct of the enterprise. Such control is less clearly defined than the legal forms, is more precarious, and more subject to accident and change. It is, however, none the less actual. It may be maintained over a long period of years, and as a corporation becomes larger and its ownership more widespread, it tends towards a position of security comparable to that of legal control, a position from which it can be dislodged only by a virtual revolution.

As in the case of legal control, factual control apart from legal control may involve varying degrees of ownership, tho never more than 50 per cent of the voting stock.⁶ Factual control may rest to a very considerable extent on the ownership of a large minority stock interest, or, when stock ownership is widely distributed, it may lie in the hands of the management. No sharp dividing line exists between these two situations, but so far as they can be distinguished, they may properly be referred to as minority control and management control.

4. MINORITY CONTROL

Minority control may be said to exist when an individual or small group holds a sufficient minority stock interest to be in a position to dominate a corporation *through their stock interest*. Such a group is often said to have "working control" of the company. In general their control rests upon their ability to attract from scattered owners proxies sufficient when combined with their substantial minority interest to control a majority of the votes at the annual elections. Conversely this means that no other stock holding is sufficiently large to act as a nucleus around which to gather a majority of the votes. Where a corporation is comparatively small and the number of stockholders is not great, minority control appears to be comparatively difficult to maintain. A rival group may be able to purchase a majority of the stock, or perhaps a minority large enough to attract the additional votes necessary to obtain control in a proxy fight. The larger the company and the wider the distribution of its stock, the more difficult it appears to be to dislodge a controlling minority. As a financial operation it would be practically impossible for an outside interest to purchase a majority of the stock of the General Motors Corporation; even a Rockefeller would think twice before endeavoring to purchase a majority ownership of the Standard Oil Company of Indiana. Likewise the cost of mobilizing the votes of tens or hundreds of thousands of stockholders by circularizing them and perhaps

6. Over 50 per cent of the voting stock would presumably involve legal control.

conducting a publicity campaign, must be such as to prevent any but the most wealthy from seeking this method of seizing control from an existing minority. This is especially the case because the existing control can charge to the corporation the costs of its fight to maintain its position.

There is, however, a serious limitation on minority control in the possibility that the management may be antagonistic. So long as the affairs of the corporation run smoothly, minority control may be quietly maintained over a period of years. In time of crisis, however, or where a conflict of interest between the control and the management arises, the issue may be drawn and a proxy fight to determine control may demonstrate how far dependent upon its appointed management the controlling group has become.

In recent years the most striking illustration of this fight for control was occasioned by the open warfare between Mr. John D. Rockefeller, Jr., and the management of the Standard Oil Company of Indiana. Mr. Rockefeller actually held 14.5 per cent of the voting stock.⁷ He had been in substantial control of the company for years. Colonel Stewart, the chairman of the board of directors and underiably the driving force behind much of that company's activity, displeased Mr. Rockefeller in connection with certain transactions which were the subject of discussion during the administration of President Harding. He asked Colonel Stewart to resign; Stewart refused and did not grant to Mr. Rockefeller the use of the proxy machinery at the following annual election of directors. Thereupon Mr. Rockefeller waged a most dramatic proxy battle against him. He circularized the stockholders at considerable expense, asking for proxies. He engaged the most eminent legal talent to guard against any "technical mistakes." He brought to bear the tremendous influence of his standing in the community. The *Wall Street Journal* pointed out at the time that the fight marked the first time the Rockefeller domination in a large Standard Oil unit "had been really in question."⁸ In opposi-

7. Either directly through members of his family or through charitable institutions. *Wall Street Journal*, Jan. 15, 1929.

8. *Wall Street Journal*, January 11, 1929.

tion, Colonel Stewart obtained the full support of the existing board of directors and sought the support of the 16,000 employees who were stockholders. At this most opportune moment the company declared a 50 per cent stock dividend.⁹ The issue was for long in grave doubt. Four days previous to the election both sides are reported to have claimed the support of a majority, the one of votes and the other of stockholders. In the final election of directors, Mr. Rockefeller won, 59 per cent of the votes outstanding or 65 per cent of the votes cast being in favor of his candidates. Control may be said to have remained in his hands.¹ Colonel Stewart's connection with the company was brought to a close.²

This case has been described in detail because it probably marks the dividing line between minority control and management control. If Mr. Stewart had won the fight we could say that management without appreciable ownership was in the saddle. As it is, we may say that Mr. Rockefeller is in control, to a considerable degree, through his ownership of a minority interest of 14.5 per cent and in part through less tangible factors. Could other men with less prestige and financial power have retained control with but a 15 per cent ownership? Could Mr. Rockefeller have retained control if his ownership had been appreciably less? Here would seem to be control based on the minimum of ownership which would allow it to be held separate from the titular management.

5. MANAGEMENT CONTROL

The fifth type of control is that in which ownership is so widely distributed that no individual or small group has even

9. Even though a stock dividend may have little effect on the value of the stockholdings of the individual, the psychological effect may be great.

1. 5,519,210 shares voted against Colonel Stewart and 2,954,986 shares in favor. 9,284,688 shares were outstanding. *New York Times*, March 8, 1929. The figures reported by other papers were substantially the same.

2. This dramatic fight was fully reported by the daily press between January 10 and March 8, 1929. See particularly: the *Wall Street Journal*, January 10, January 11 and March 8; the *New York Times*, January 12, January 30, March 3 and March 8.

a minority interest large enough to dominate the affairs of the company. When the largest single interest amounts to but a fraction of one per cent, as in the case of several of the largest American corporations, no stockholder is in the position through his holdings alone to place important pressure upon the management or to use his holdings as a considerable nucleus for the accumulation of the majority of votes necessary to control.

This stock dispersion appears to have progressed furthest in the Pennsylvania Railroad Company. The House Committee on Interstate and Foreign Commerce recently made an exhaustive study of the ownership of the Pennsylvania Railroad as well as that of other systems.³ They not only examined the lists of recorded stockholders, but went back of these lists. Wherever significant amounts of stock were recorded in the names of brokers or nominees, the names of the ultimate owners were discovered and the stock credited to them. Because of the Committee's access to the brokerage house records and the care with which their work was done, we can accept their report on ownership as subject to no serious error. A summary of their finding with regard to the Pennsylvania Railroad is given in Table I. According to their report, on December 31, 1929, the largest stockholder of the Pennsylvania held but 34 hundredths of one per cent of the total stock outstanding. The next largest holder owned but two-tenths of one per cent, while the combined holdings of the twenty largest owners amounted to only 2.7 per cent of the total stock. Only 236 stockholders held over 500 shares (.004 per cent) and their combined holdings amounted to less than five per cent of the total. Clearly no individual or small group was in a position to dominate the company *through stock ownership*, a fact still further emphasized by the heterogeneous character of the list of largest holders.

3. Regulation of Stock Ownership in Railroads, House Report No. 2789, 71st Congress, 3d Session (February, 1931), Washington, D. C.

TABLE I

20 LARGEST STOCKHOLDERS OF THE PENNSYLVANIA RAILROAD CO.
(as of December 31, 1929*)

Penn. Rd. Employees Provident & Loan Assoc., Philadelphia, Pa.	39,350	.34%
William M. Potts, Wyebrooke, Pa.	23,738	.20%
J. Marshall Lockhart, Pittsburgh, Pa.	22,500	.19%
Fahnestock & Co., held for Fahnestock family, New York	16,848	.15%
Estate of Henry H. Houston, Philadelphia, Pa. . .	16,000	.14%
The Home Insurance Co., New York	16,000	.14%
General Education Board, New York	15,882	.14%
Haygart Corp. (Adams Express) Investment Co., New York	15,400	.13%
English Assoc. of American Bond & Shareholders, England	15,264	.13%
Celia Sibley Wilson, Franklin, Pa.	15,000	.13%
Estate and family of Marcus Loew, New York . .	13,600	.12%
Travelers Insurance Co., Hartford, Conn.	13,500	.12%
Estate of John J. Emery, Philadelphia, Pa.	13,000	.12%
James Capel & Co., Brokerage House, England . .	12,686	.11%
Sterling Securities Corp., Jersey City, N. J.	12,000	.11%
Harris, Upham & Co., New York (partners' account)	11,250	.10%
Kuhn, Loeb & Co., New York (for own account)	10,000	.09%
Girard Trust Co., Philadelphia (for own account)	10,000	.09%
1 Unidentified individual	10,000	.09%
Mrs. E. S. Woodward, LeRoy, New York	8,500	.07%
	310,518	2.70%

* Regulation of Stock Ownership in Railroads (pp. 142-143). Total shares outstanding Dec. 31, 1929 — 11,495,128.

It is further striking that no directors or officers were included among the largest twenty holders. Not a single director or officer held as much as one-tenth of one per cent of the total stock. The combined holdings of all the directors could not have amounted to more than seven-tenths of one per cent and were presumably very much less.⁴ Certainly in terms of relative interest the holdings by the directors were negligible.

4. Not a single director is included among the individuals whose holdings are given in the Congressional Report, but the 19 largest

A similar situation appears to exist in the ownership of the American Telephone and Telegraph Company and in the United States Steel Corporation, respectively the largest public utility and the largest industrial company in the country. In neither company does the largest stockholder own as much as one per cent of the outstanding stock, while the 20 largest Telephone holders owned 4.6 per cent and the 20 largest Steel 6.4 per cent. These figures differ from those for the Pennsylvania stockholders in that no adjustment has been made for stock held by brokers and by nominees. The brokerage accounts usually represent the holdings of a multitude of individuals. At the same time, the largest individual holders may have stock in brokerage accounts or in the names of nominees. If adjustment for these items were made, it might increase the proportion held by the few very largest holders, but would probably reduce considerably the combined holdings of the largest 20.⁵ It is clear, therefore, that in these companies, also, no small group of individuals have sufficient stockholdings to dominate *through stock ownership*.

In these companies the directors appear to have a somewhat larger proportionate interest. In 1928, two directors of the Steel Corporation were included in the largest 20 holders and the combined holdings of directors amounted to 1.4 per cent of the outstanding stock. In the Telephone Company, one director with .48 of one per cent of the stock was among the 20 largest holders. Furthermore, it is possible that the directors owned stock which was actually held in the name of brokers or nominees, tho the amount thus owned does not appear likely to have been great.

Other companies could be named in which the ownership is almost as completely subdivided as in these three.

In such companies where does control lie? To answer this question, it is necessary to examine in greater detail the unnamed holders combined (there were 19 directors) had but .7 of one per cent. Presumably most of the directors held amounts of stock too small to be included in this group. See Regulation of Stock Ownership in Railroads, *op. cit.*, pp. 142 and 143.

5. The 20 largest holders of the Pennsylvania Railroad held 3.6 per cent before adjustment and only 2.7 per cent after adjustment.

ditions surrounding the election of the board of directors. Ordinarily, at an election, the stockholder has three alternatives. He can refrain from voting, he can attend the annual meeting and personally vote his stock,⁶ or he can sign a proxy transferring his voting power to certain individuals selected by the management of the corporation, the proxy committee. As his personal vote will count for little or nothing at the meeting unless he has a very large block of stock, the stockholder is practically reduced to the alternative of not voting at all or else of *handing over his vote to individuals over whom he has no control and in whose selection he did not participate*. In neither case will he be able to exercise any measure of control. Rather, control will tend to be in the hands of those who select the proxy committee by whom, in turn, the election of directors for the ensuing period may be made. Since this committee is appointed by the existing management, the latter can virtually dictate their own successors. Where ownership is sufficiently sub-divided, the management can thus become a self-perpetuating body even though its share in the ownership is negligible.⁷ This form of control can properly be called "management control."

Such control, though resting on no legal foundation, appears to be comparatively secure where the stock is widely distributed. Even here, however, there is always the possibility of revolt. A group outside the management may seek control. If the company has been seriously mismanaged, a protective committee of stockholders may combine a number of individual owners into a group which can successfully contend with the existing management and replace it by another which in turn can be ousted only by revolutionary action. Thus, the unsuccessful management of the Childs' restaurant chain was expelled by the action of a minority group after the former had made itself thoroughly unpopular, so it was

6. The use of a personal proxy to represent only the particular stockholder is for this purpose equivalent to his personal attendance at the stockholders' meeting.

7. The nearest approach to this condition which the present writer has been able to discover elsewhere is the organization which dominates the Catholic Church. The Pope selects the Cardinals and the College of Cardinals in turn select the succeeding Pope.

charged, by trying to turn its patrons into vegetarians.⁸ Likewise, the management of the Youngstown Sheet & Tube Company appears to have found itself confronted in 1929 with the alternative of giving way to the newly created minority interest of a group of individuals headed by Cyrus S. Eaton or of seeking support from some other source. In this case, the price of escaping the impending minority control was apparently thought to be the complete sacrifice of independence through merger with the Bethlehem Steel Corporation.⁹

Under these conditions, the stockholder has little power over the affairs of the enterprise, and his vote, if he has one, is rarely capable of being used as an instrument of democratic control. For the most part control is quietly exercised over a period of years without any active contest and the stockholder is able to play only the part of the rubber stamp. Occasionally he may have the opportunity to support one side or the other in a fight to oust those in power, a position not unlike that of a populace supporting a palace revolution. Thus in a management controlled company the separation of ownership and control has become virtually complete. The bulk of the owners have in fact almost no control over the enterprise, while those in control hold only a negligible proportion of the total ownership.

Corporate control thus appears in many forms — relatively defined and relatively stable legal positions, loosely defined and somewhat more precarious factual situations.

8. See *New York Times* and *Wall Street Journal*, February 1 to March 8, 1929, particularly advertisements appearing in the former on February 16, 18 and 20, 1929, and the newspaper reports of the proceedings at the annual stockholders' meeting published in both periodicals on March 8, 1929.

9. See *New York Times* and *Wall Street Journal*, March 10 to April 12, 1930, and reports of subsequent litigations as given in the same periodicals between April and December 1930. If the merger with Bethlehem had been successful, most of the existing management of the Youngstown company would presumably have retained their position of management, if not of control. Such is not likely to have been the case under Eaton control. This was clearly brought out by the testimony of Mr. Campbell, President of the Youngstown Sheet and Tube Company, in the Youngstown Case.

Each form is not complete in itself and exclusive of others. Several bases may reinforce each other. Thus the controlling management of the Consolidated Gas, Electric Light & Power Company of Baltimore, feeling its control endangered by a growing minority interest, organized a voting trust, broke up the threatening minority, and then terminated the trust at the end of a year when it appeared to be no longer necessary, returning to their old basis of management control.¹ In this case, a group with factual control reinforced its position by the temporary use of a legal device. On the other hand factual control may be limited to the point where it can scarcely be exercised. The pressure from creditors when a firm is financially insecure may go to the point where a bondholders' committee itself may be considered to have control.

Sometimes factual control is not found in the hands of any single group. We have seen how dependent a controlling minority may be upon the coöperation of the management and how a controlling management may have to accede in a measure to the demands of a strong minority in order to maintain its measure of control. It is not unusual for two or more strong minority interests to enter into a working arrangement by which they jointly maintain control; or a minority and a management may combine as "the" control. In such cases we may say that control is divided and can refer to the situation as "joint control."²

THE SEPARATION OF OWNERSHIP AND CONTROL AMONG THE 200 LARGEST AMERICAN CORPORATIONS

With these various types of legal and factual control in mind, an effort has been made to discover how far each type exists among the largest American corporations. For this purpose a list of the two hundred largest railroad, public util-

1. N. Y. T., June 26, 1929, and M. P. U., 1930.

2. It must of course be apparent that whenever two or more individuals exercise power (or important powers) over an enterprise such that each must adjust his action with regard for the position of the other, we have a case of "joint control." For the present purpose, "joint control" is used to apply only where groups with radically different interests share "control."

ity, and industrial corporations, representing practically half of corporate industry at the end of 1929, was compiled and classified according to type of control and the degree of separation of ownership and control.³ Figures in some detail are given in Tables II and III, at the close of this article (pp. 98-99 below).

The classification is inevitably attended by a large measure of error. In many cases no accurate information is available, the result being at best an inference drawn from fragmentary evidence. In many other cases the management of the corporation itself would be puzzled to answer the question "Who is in control?" This is particularly true of corporations subject to "joint control." In these cases not infrequently several men or groups of men maintain positions partly by reason of their ownership of a portion of the corporation's stock; partly by reason of their personal influence; partly because they are connected with institutions or interests whose antagonism might be dangerous to the corporate welfare or whose favor might be to its advantage. Out of this mass of imponderables their position is secure for the time being. But an outsider cannot estimate, and the insider frequently does not know, which of the various elements, if any, is dominant.

In seeking to classify according to the type of control, reasonably definite and reliable information was obtained for nearly two-thirds of the companies. Legal devices such as holding companies, voting trusts and non-voting common stock are accurately reported in the manuals. Where a stock

3. For the basis of compilation of the "largest 200" corporations at the end of 1929, see "The Growth in the Relative Importance of the Large Corporation in American Economic Life" by the present writer, *American Economic Review*, Vol. xxi (March 1931), p. 10. The method described there was followed with respect to the 1930 Moody's Manuals. At the end of 1929 the gross assets of the "200 largest" companies amounted to \$1.2 billion dollars while the gross assets of all corporations except banks, insurance companies and similar financial corporations, amounted to approximately 170.0 billion dollars (preliminary estimate). The 200 corporations thus controlled approximately 47.7 per cent of such corporate wealth. This compares with 44.0 held by the then 200 largest corporations at the end of 1927.

is not listed or traded on any public exchange, the fact may be taken to indicate the lack of an important public interest in the stock of the company. In many cases, the exact holdings of the principal interests have been reported — particularly in the railroad field.

Where reliable information has not been directly available it has been necessary to depend upon newspaper reports — not necessarily accurate in themselves — but valid when supported by evidence from other sources.⁴ It was reported in the *New York Times*,⁵ for example, that an important interest in the United States Rubber Company had been acquired by the Du Pont interests in 1928. This evidence, unsatisfactory in itself, was supported by later reports that Du Pont interests had formed the Rubber Securities Corporation and placed in it their holdings of United States Rubber stock,⁶ and by the replacing of the former president of the company by Mr. F. B. Davis, Jr., a director of E. I. du Pont de Nemours Company and formerly president and general manager of one of its subsidiaries.⁷ Further, the *Wall Street News* reported that the Du Pont family held 14 per cent of the voting stock early in 1928.⁸ The number of stockholders in January, 1929, was reported as 26,057.⁹ Since the Rubber Securities Corporation had a total capital stock amounting to less than the value of the stocks of the United States Rubber Company necessary to give majority control, and since

4. The use of newspapers as a source of information deserves a word of comment. The ordinary news sections of a paper are usually read as a matter of interest while the financial sections are very much more likely to be read as, in part, a basis for action on the part of the reader. Accuracy therefore becomes important to the reader. A financial page which was continuously inaccurate should soon come to be known as such, and be avoided. The two papers here particularly employed, the *New York Times* and the *Wall Street Journal*, have excellent reputations for accuracy and in general can be relied upon even though particular statements may be inaccurate because of typographical or other error. Information based on a series of statements by these papers in regard to financial matters should within reason be accepted as reliable.

5. *New York Times*, April 16, 1928.

6. *Wall Street Journal*, December 7, 1929.

7. S. C. R. April 24, 1920.

8. *Wall Street News*, April 19, 1928.

9. S. C. R. April 24, 1929.

the list of stockholders was so large, it was assumed that the Du Pont interests did not hold a majority of the outstanding stock. This was supported by other evidence of a less precise nature. On this basis, the United States Rubber Company was classed as controlled by a minority interest.

Many of the corporations could not be so accurately classified. The dividing line between control by a minority interest and control by the management is not clear, and many companies had to be classed as doubtful. Thus, with regard to the Allied Chemical and Dye Corporation, standard Corporation Records reports that in 1927 the Solvay American Investment Corporation was formed under the control of Solvay & Co. of Belgium to hold 18.1 per cent of the then outstanding stock of Allied Chemical,¹ and there is no report of a change in its holdings since that time. In 1929 three of the ten directors of the Allied Chemical and Dye Corporation were also directors of the Solvay American Investment Corporation. The stock of the former is known to be widely held. Recently the New York Times reported that the above investment company was its largest stockholder.² On the basis of this information the company was classed as doubtful but presumably minority controlled.

For some other cases in the doubtful group, little information was obtained and the companies were classified on a basis of general "street knowledge." The possible error in this group is therefore considerable. On the whole, information could be most readily obtained for the railroads and public utilities, since regulation of these fields has required a greater publicity of accounts and has yielded important government reports. Explicit information on the railroads was available from the very competent study of the ownership of railroads already referred to and made under the direction of Dr. Walter M. W. Splawn, Special Counsel to the House Committee on Interstate and Foreign Commerce.³ Less information was available with respect to the utilities,

1. S. C. R. September 18, 1929, p. 6331.

2. N. Y. T., May 16, 1931.

3. Regulation of Stock Ownership in Railroads.

except where one company owned stock of another. The industrials are undoubtedly the least accurately classified.⁴

In the process of classification, certain arbitrary judgments had to be made. Corporations which appeared to be owned to the extent of 80 per cent or more by a compact group of individuals were classed as private and those in which the public interest appeared to be larger than 20 per cent but less than 50 per cent were classed as majority owned. Companies were regarded as controlled by a legal device only where there appeared to be a very considerable separation of ownership and control. A mild degree of pyramiding or the issuance of non-voting preferred stock was disregarded. The dividing line between minority and management control was drawn roughly at 20 per cent, tho in a few special instances a smaller holding was credited with the power of control. It is notable that in none of the companies classed under management control was the dominant stock interest known to be greater than 5 per cent of the voting stock. Cases falling between 20 and 5 per cent were usually classed as joint minority-management control. Perhaps others should be classed in this category.

Many cases were found in which the immediate control of a corporation was exercised by a second corporation through a dominant minority stock interest.⁵ When the controlling corporation was itself management controlled, the first company was classed as minority in its immediate, but management in its ultimate control. If the controlling company was controlled otherwise than by the management, the first com-

4. Dr. Splawn's report gave not only accurate data with respect to the railroads but served indirectly to support the data obtained in the other two fields. Before his report was published, the present writer had gathered information on the largest 200 companies in 1927 and classified them according to type of control. Comparison of the results insofar as railroads were concerned with the data supplied by Dr. Splawn showed almost no cases of inaccurate classification. While this applies only to the railroads, it suggests that the data relied upon for classification is essentially satisfactory.

5. A corporation controlled by another corporation through majority ownership or a legal device was classed as a subsidiary of the latter and disregarded except where an important element of pyramiding entered in.

pany was classed as minority in its immediate control, but pyramided in its ultimate control. Likewise, in the case of joint control, insofar as ultimate control was concerned, each such company was treated as if it were two companies of half the size, one controlled by each group sharing the control. Thus a company that was jointly controlled by a minority and the management would be classed in ultimate control as one-half company minority controlled and one-half company management controlled. Only five companies had to be subdivided in this manner.

With these reservations as to the source of the material, and the method of handling it, let us examine the type of control exercised over the 42 railroads, the 52 public utilities, and the 106 industrials which compose the list of 200 largest companies at the end of 1929. Of these companies *ultimate control* appeared to be:

	By Number	By Wealth
Management control.....	44%	58%
Legal device.....	21%	22%
Minority control.....	23%	14%
Majority ownership.....	5%	2%
Private ownership.....	6%	4%
In hands of receiver.....	1%	negligible
	100%	100%

While these percentages do not reflect a static condition and while in many cases they are based only on careful guesses, their cumulative effect is such as to indicate the great extent to which control of these companies rests on some factor other than ownership alone, and more striking still, the extent to which the management has itself become the control. That 65 per cent of the companies and 80 per cent of their combined wealth should be controlled either by the management or by a legal device involving a small proportion of ownership indicates the degree to which ownership and control have become separated. Only 11 per cent of the companies and six per cent of their wealth involved control by a group of individuals owning half or more of the stock interest outstanding.

Of the three groups concerned, the separation of ownership and control has become most nearly complete in the railroads and utilities (See Table II). Out of 42 railroads, 26 were management controlled or controlled through minority interests by other roads which were in turn management controlled. Thus 62 per cent of the railroads and 79 per cent of their assets involved this high degree of separation of ownership and control. In addition $7\frac{1}{2}$ roads were ultimately controlled by pyramiding ($5\frac{1}{2}$ being in the Van Sweringen System) indicating a total of 80 per cent of the railroads and 94 per cent of their wealth controlled by individuals lacking an important proportion of the total ownership.

The public utilities show a greater use of legal devices. Three were controlled by voting trusts; in one case combined with non-voting common stock. Three others were controlled by non-voting stock and two by the issue of special vote-weighted stock. Two were controlled by pyramided structures, while in most of the utilities a greater or less degree of pyramiding was found. In all, 19 of the 52 utilities were classed as ultimately controlled by a legal device, while $19\frac{1}{2}$ were classed as ultimate management control. In all, 74 per cent of the companies and 92 per cent of their wealth involved control without important ownership.

The separation appears to have progressed least far in the case of the industrials. Even in this field, however, the separation has assumed considerable importance. According to the classification of industrials, which it must be remembered is more subject to error than either of the foregoing groups, 54 per cent of the companies and 57 per cent of their wealth were controlled either by a legal device or by the management.

CONCLUSION

It is apparent that, with the increasing dispersion of stock ownership in the largest American corporations,⁶ a new condition has developed with regard to their control. No longer

6. See the *Diffusion of Stock Ownership in the United States* by the present writer. *Quarterly Journal of Economics*, Vol. xlv (August, 1930), p. 561.

are the individuals in control of most of these companies, the dominant owners. Rather, there are no dominant owners, and control is maintained in large measure separate from ownership. As has been indicated, control as something apart from ownership on one hand and from management on the other is a new concept ill defined in practice. It deals with a condition which exists only relatively and one on which information is of the most approximate character. Probably the condition of "joint control" which appears only rarely on the above list is more characteristic of the big corporation than is indicated, control in fact being not a single clearly defined phenomenon local to an individual or small group, but an element in the organization of industry which is broken up and appears in various forms. Like sovereignty, its counterpart in the political field, it may be held to a greater or less extent by a wide variety of individuals. We are justified, however, in treating it here as a single factor; because whether whole or divided, whether dependent upon proxy machinery, legal device, a measure of ownership, or a strategic position astride the management, it has in very considerable extent become separate from ownership. Formerly assumed to be merely a function of ownership, control now appears as a clearly distinguishable factor.

This separation of ownership and control involves a change in the organization of enterprise almost as revolutionary as that which occurred in the industrial revolution. The corporate system is now bringing a change in the position of capital much as the factory system changed that of labor. As the factory system divorced control from labor so the corporate system is divorcing control from ownership. The one brought the labor of a multitude of workers under a single control, the other is bringing the wealth of countless owners under the same unified control. The limits to the size of the business unit have thus been extended far beyond the bounds of the wealth of the individual or partnership, as they were before extended beyond the bounds of the labor of a single worker and his apprentices. The economic areas within which production can be conducted on a rational coordinated

basis become limited only by the ability of a few individuals to administer successfully the huge organization of workers and of wealth which can be brought under their control.⁷ At the same time, the corporate system creates a vast class of individuals dependent, in so far as their wealth is concerned, on the action of others just as the factory system created a vast class of dependent workers.

To the economist, this new revolution presents a challenge. As the work of Adam Smith, "the first great theorist of that stage of capitalistic enterprise which we call the domestic system,"⁸ had to be reconstructed during the nineteenth century to fit an economy dominated by the factory system, so must the modern economist redescribe economic relations in terms of an economy dominated by a relatively few huge enterprises in which both laborer and owner are separated from control. The individualism of Adam Smith's private enterprise has in large measure given way to the collective activity of the modern corporation, and economic theory must shift its emphasis from analysis in terms of competition to analysis in terms of control.

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7. One hundred companies the size of the American Telephone and Telegraph Company would control all the wealth in the United States, would employ all the working population, and, if there were no duplication of stockholders, would be owned by every family in the country.

8. Edwin R. A. Seligman, *Introduction to the Wealth of Nations*, Everyman's Library Edition, N. Y., Vol. i, p. xiii.

TABLE II
SUMMARY ACCORDING TO TYPE OF IMMEDIATE CONTROL OF "200 LARGEST" CORPORATIONS*

TYPE OF CONTROL	RAILROADS		PUBLIC UTILITIES		INDUSTRIALS		TOTAL	
	No. Companies	Assets in Million Dollars	No. Companies	Assets in Million Dollars	No. Companies	Assets in Million Dollars	No. Companies	Assets in Million Dollars
I. Private Ownership.....	2	276	2	221	8	2,870	12	3,367
II. Majority Ownership.....	1	283	3	480	6	779	10	1,542
III. Minority Control.								
(a) Known to be so controlled.....	13	4,309	17	9,271	14	6,929	44	20,509
(b) Thought to be so controlled.....	—	—	5	834	24	4,250	29	5,084
IV. Legal Device.....	1	1,600	10	5,372	10	2,260	21	9,232
V. Management Control.								
(a) Known to be so controlled.....	14	15,026	5	6,598	2	2,802	21	24,426
(b) Thought to be so controlled.....	—	—	5	1,442	39	9,934	44	11,376
Joint Control.....	9	3,191	4	1,441	3	532	16	5,164
Special Situations.....	2	266	1	108	—	—	3	374
TOTAL.....	42	24,951	52	25,767	106	30,356	200	81,074

* See Note I, page 68.

TABLE III
SUMMARY ACCORDING TO TYPE OF ULTIMATE CONTROL
OF "200 LARGEST" CORPORATIONS*

TYPE OF CONTROL	NUMBER OF CORPORATIONS				PROPORTION OF COMPANIES BY INDUSTRIAL GROUPS			
	Rail-roads	Public Utilities	Indus-trials	Total	Rail-roads	Public Utilities	Indus-trials	Total
I. Private Ownership	2	2	8	12	5%	4%	8%	6%
II. Majority Ownership	1	3	6	10	2%	6%	6%	5%
III. Minority Control	4½	7½	34½	46½	11%	14%	32%	23%
IV. Legal Device	7½	19	14½	41	18%	36%	14%	21%
V. Management Control	26	19½	43	88½	62%	38%	40%	44%
In Receivership	1	1	—	2	2%	2%	—	1%
TOTAL	42	52	106	200	100%	100%	100%	100%
IV. & V. Management Control or Legal Device involving a small Proportion of Total Ownership	33½	38½	56½	129½	80%	74%	54%	65%

* See Note 1, page 68.

TABLE III (Continued)

TYPE OF CONTROL	WEALTH OF CORPORATIONS IN MILLION DOLLARS				PROPORTION OF WEALTH BY INDUSTRIAL GROUPS			
	Rail- roads	Public Utilities	Indus- trials	Total	Rail- roads	Public Utilities	Indus- trials	Total
I. Private Ownership.....	276	221	2,869	3,366	1%	1%	9%	4%
II. Majority Ownership.....	283	480	779	1,542	1%	2%	3%	2%
III. Minority Control.....	704	1,261	9,258	11,223	3%	5%	31%	14%
IV. Legal Device.....	3,852	9,406	4,307	17,565	15%	37%	14%	22%
V. Management Control.....	19,675	14,291	13,142	47,108	79%	55%	43%	58%
In Receivership.....	161	108	—	269	1%	—	—	—
TOTAL.....	24,951	25,767	30,355	81,073	100%	100%	100%	100%
IV. & V. Management Control or Legal Device involving a small Proportion of Total Ownership.....	23,527	23,697	17,449	64,673	94%	92%	57%	80%