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From: THE MODERN CORPORATION AND PRIVATE PROPERTY —
by A. A. Berle, Jr., and Gardiner C. Means.

Page 19: "The great extent to which economic activity is today carried on by such large enterprises is clearly indicated by the accompanying list of the two hundred largest non-banking corporations, compiled as of January 1, 1930. Nearly all of these companies had assets of over one hundred million dollars, and fifteen had assets of over a billion dollars. Their combined assets amounted to eighty-one billions of dollars or, as we shall see, nearly half of all corporate wealth in the United States."

Page 28: "When we compare the combined assets of the two hundred largest non-banking corporations with the assets of all non-banking corporations, their dominant role is further emphasized. These companies, 42 railroads, 52 public utilities, and 106 industrials, each with assets over ninety million dollars, had combined assets at the beginning of 1930 of \$81,074,000,000. According to an estimate based on Income Tax figures, the total assets of all non-banking corporations at the beginning of 1930 amounted to \$165,000,000,000. Thus the two hundred big companies controlled 49.2 per cent or nearly half of all non-banking corporate wealth, while the remaining half was owned by the more than 300,000 smaller companies."

Page 31: "Since the total assets of the two hundred big companies in that year (1929) amounted to \$81,077,000,000, they controlled roughly 22 per cent of the total wealth of the country."

Page 33: "The actual extent to which the concentration of power has progressed is striking enough. More striking still, however, is the pace at which it is proceeding. In 1909, the assets of the 200 then largest non-banking corporations amounted to only \$26.0 billion. By 1919 they had reached \$43.7 billion, an increase of 68 per cent in ten years. In the next ten years from 1919 to 1929 they increased to \$81.1 billion, an increase of 85 per cent."

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Page 41: "If the indicated growth of the large corporations and of the national wealth were to be effective from now until 1950, half of the national wealth would be under the control of big companies at the end of that period."

"A comparison of the savings of large corporations with those of all corporations indicates that the big companies as a group save a larger proportion of their net income. In the six-year period from 1922 to 1927 inclusive, 108 corporations (all of the 200 largest for which consolidated statements could be obtained for each year) saved 38.5 per cent of their net income available for dividends. In the same period, all corporations combined saved only 29.4 per cent of their net income. * * * * The importance of this method of growth is indicated by the fact that roughly a quarter of the growth of the large corporations was derived from earnings between 1922 and 1927.

Page 42:

"Of much greater importance as a source of relative expansion has been the second method--the raising of new capital in the public markets. Over 55 per cent of the growth of the large companies has been made possible by the public offering of additional securities, * * * *. From 1922 to 1927 inclusive, a sample study indicates that two-thirds of all public offerings of new securities (as reported by the 'Commercial and Financial Chronicle'--excluding banking companies) were made by the two hundred largest companies or their subsidiaries.

"The third and more spectacular method of growth of the large corporations is by consolidation or merger. Within the eleven years, 1919 through 1929, no less than 49 corporations recorded among the largest two hundred at one time or another during the period have disappeared by merging with other large companies on the list."

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Page 44: "In conclusion, then, the huge corporation, the corporation with \$90,000,000 of assets or more, has come to dominate most major industries if not all industry in the United States; A rapidly increasing proportion of industry is carried on under this form of organization. There is apparently no immediate limit to its increase. It is coming more and more to be the industrial unit with which American economic, social, and political life must deal. The implications of this fact challenge many of the basic assumptions of current thought."

Page 46: "Finally, a society in which production is governed by blind economic forces is being replaced by one in which production is carried on under the ultimate control of a handful of individuals. The economic power in the hands of the few persons who control a giant corporation is a tremendous force which can harm or benefit a multitude of individuals, affect whole districts, shift prosperity to another. The organizations which they control have passed far beyond the realm of private enterprise—they have become more nearly social institutions.

"Such is the character of the corporate system—dynamic, constantly building itself into greater aggregates, and thereby changing the basic conditions which the thinking of the past has assumed."

Page 357: "The rise of the modern corporation has brought a concentration of economic power which can compete on equal terms with the modern state—economic power versus political power, each strong in its own field. The state seeks in some aspects to regulate the corporation, while the corporation, steadily becoming more powerful, makes every effort to avoid such regulation. Where its own interests are concerned, it even attempts to dominate the state. The future may see the economic organism, now typified by the corporation, not only on an equal plane with the state, but possibly even superseding it as the dominant form of social organization."