The United States is presently going through its third major period in this century of widespread popular concern about the concentration of economic power. The first was the so-called Progressive Era of 1900-1916, which closely followed the emergence of the giant corporation. The second came during the Great Depression of the 1930s, as many blamed big business for the economic crisis.

The past decade has witnessed a new outpouring of books and articles about the concentration of economic power in the United States. This is a natural reaction to the series of unsettling events that Americans have experienced recently—an unpopular Asian war, corporate and political scandals, double-digit inflation, widespread unemployment. The most popular type of study in this vein focuses on a particular individual, family, corporation, or industry. Thus, Howard Hughes and J. Paul Getty, the Rockefeller family and the duPont family, ITT and ATT, the oil industry and the auto industry have all received a thorough going over.

This book is concerned with economic power in the United States, but it does not focus on any individual person or corporation. Starting from the assumption that the giant corporation is the central economic institution in modern U.S. capitalism, it explores the question, "What group in U.S. society holds predominant power over the giant corporation?" The thesis presented is that bankers have re-emerged, after a period of partial eclipse during the Great Depression and World War II, as the major group that controls large corporations. This dominant group, of course, does not include the small-town banker; rather, it is restricted to a small number of giant, well-established banks, principally in New York City, and secondarily in Pittsburgh, Chicago, Cleveland, and a few other major cities. The power held by the leading bankers should be of
concern to economists interested in the market behavior of
corporations, to anti-trusters interested in the sources of
market power, and to anyone else interested in the concentra-
tion of economic power in present-day capitalism.

Most of the analysis in this book centers on the levers of
power which banks and other financial institutions hold over
large corporations. The focus is on the relationships among
institutions. Such a focus is convenient for analyzing the power
of the banks. However, it may obscure the fact that institutions
such as banks and corporations are inanimate entities, having no
will of their own apart from that of the human beings who
control them. When we ask who controls the large corporation,
we are really asking which of the various sections of the capital-
ist class — bankers, industrialists, merchants, etc. — is the domi-
nant one. Or, have the capitalists as a whole lost control of large
corporations to the hired corporate managers, as proponents of
the Managerial Thesis claim? Thus, real relationships among
groups of people lie behind apparent relationships among
institutions.

This work is a revised version of my doctoral dissertation in
economics, submitted at the University of California at Berke-
ley in 1975. I received help from many individuals in preparing
the original dissertation and in revising it for publication. I owe
a great debt to Robert Fitch for interesting me in the subject of
bank control over large corporations. He overcame my initial
resistance to the idea that banks might be very powerful, and he
introduced me to the basic sources of information on the
subject. Professor Robert Aaron Gordon of the University of
California, Berkeley, helped me turn a rough idea into a man-
ageable outline for research, and he continued to make helpful
suggestions and comments throughout the research and writing
stages. Professor Benjamin Ward also provided helpful sugges-
tions, as well as encouragement. Other professors and graduate
students at the University of California, Berkeley, provided
useful comments. Of course, any shortcomings in this work are
my own responsibility.

Without the work of the late Representative Wright Patman,
and the House Banking and Currency Committee’s Subcommit-
tee on Domestic Finance, which Patman chaired, this study
could not have been undertaken. Representative Patman’s Sub-
committee produced investigations of the major banks which
both provided the best raw data for students of bank control
and stimulated other governmental agencies to do investigations of their own. I also am indebted to the Subcommittee on Reports, Accounting, and Management of the Senate Government Operations Committee for providing me with useful information. I would also like to thank the staff of the New York Stock Exchange library for providing me with extremely efficient access to a large number of corporate proxy statements.

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1976