

Structure of Corporate Concentration: Institutional Shareholders and Interlocking Directorates Among Major U.S. Corporations, Staff Study, U.S. Senate Committee on Governmental Affairs (U.S. Government Printing Office), Vol. I, 1210 pages U.S. \$12.00, Vol.2, 1015 pages, U.S. \$9.00.

This study, based on 1980 data, traces the connections among 100 of the largest U.S. corporations and banks. It reveals a pattern of economic power concentrated in a few institutions that are tightly linked by common shareholders and directors.

Six years ago, the late Senator Lee Metcalf (D-Montana) began investigating the holdings of institutional investors-banks, investment companies, pension funds. He also examined the arrangements whereby one person serves as director of two companies, commonly known as interlocking directorates.

Metcalf's subcommittee has published its results in a series of landmark reports that underscore the need for greater disclosure of corporate ownership and control. Unfortunately, with conservative Republicans in command of the Senate, this latest addition to Metcalf's work may signal an end to his valuable legacy.

The report contains computerized profiles on 100 companies, giving basic statistics on size and listing the holdings of the 24 largest institutional stockholders. Each profile also names the directors and corporations with which the business is interlocked.

Charts compare the control among firms in the same industry, by listing the amount of stock held in competing corporations by the same institutions and the number of indirect interlocks that occur when two directors of companies sit together on the board of a third corporation.

From its data, the study concludes, "At the top of the structure of American Industry, one institution, J.P. Morgan, was far and away the most dominant investor." At the end of 1979, Morgan held \$18.5 billion in stock, over twice that of the second largest investor. Morgan was also the top institutional investor in I S companies including RCA, IBM and Mobil.

The study also found extensive direct and indirect interlocking directorships among the 100 companies in the study. Citicorp, the third largest institutional investor, had 49 direct interlocks with the companies studied; Morgan had 31.

There are certainly other sources for this type of information. But most are prohibitively expensive, few present as many graphs and as much supplementary information, and none bears the imprimatur of a U.S. Senate Committee.

Copies are available from the Committee on Governmental Affairs, United States Senate, 3308 DSOB, Washington, D.C. 20510.