
Subject Index

- Acquisitions. *See* Mergers and acquisitions
- Adaptation process, in China, 153
- Agnelli family, 39, 335
- Aikawa, Yoshisuike, 394–97, 447
- Air Canada, 125, 128
- Aitkin, Max (Lord Beaverbrook), 93, 97–98, 101, 119
- Allan, Hugh, 79, 88, 92
- Allan Line, 79, 79n14
- Ambani group (India), 301
- Amsterdam stock exchange, 474–75
- Andrews, Sam, 626
- Anti-Combines Act (1989) (Canada), 117
- Anti-Combines Law (1889) (Canada), 115–16
- Anti-Monopoly Law (1947) (Japan), 431
- Apex firms, 377
- Argentina, corporations in, 2
- Argus Group, 106–7
- Assignants*, 12, 39, 187, 197–200
- Auto Pact, 134
- Bank capitalism, 6
- Bank groups, 34
- Banking system: competition in Canadian, 115–16; development of, in Canada, 111–13; establishment of Canadian, 78–79; evolution of, in France, 191–95; Great Depression and, in Italy, 328
- Bank of England, 198
- Banks: ill-trusted stock markets and, 51; as monitors, 52; role of, capital allocation and, 6; role of German, in corporate ownership, 237–46; *zaibatsu*, 439–42
- Banque de France, 198, 199
- Bennet, R. B., 116, 118–19, 124
- Billes, John and Alfred, 105
- Birla family (India), 15–16, 17, 297, 301
- Black, Conrad, 108
- Black, George, 106–7
- Block holders, 618, 619
- Bombardier, Armand, 105
- Brandeis, Louis, 30
- Britain. *See* United Kingdom
- British East India Company, 12, 28
- Bronfman family, 108, 110
- Bubble Act (1722), 11, 28, 201
- Buchanan, Isaac, 80
- Buchanan, Peter, 80
- Business groups, 57; corporate governance and, 33–35; postwar, in Japan, 369; trust and, 36–37
- Business planning, 55
- Cadbury Brothers, case study of, 600–601
- Caisse de Dépôt et Placement du Québec, 126, 130
- Canada: agriculture in, 91; British control of, 76–78; canal building in, 80; colonial, 67; colonial mercantilist heritage of, 123–30; competition policy in, 115–17; corporate governance in, 120–21; corporate groups in, 66–67; corruption and big push in, 89–92; corruption in,

Canada (*continued*)

- 81–82, 84; data sources for corporate ownership in, 68–70; development of financial systems in, 92–95, 111–13; economic growth in, 86f; establishment of banking system in, 78–79; establishment of Province of, 80–81; establishment of steamship lines in, 79; ethnic divisions in, 130–31; on eve of industrialization, 83–85; evolution of corporate ownership in, 98–111; factors contributing to large widely held freestanding firms in, 67–68; as French colony, 72–75; fur trade in, 73, 78, 83; Great Depression and, 104–5; hierarchy in, 84–85; immigration boom of, 85; industrialization in, 85–98; influence of Great Depression in, 31; information industries in, 91–92; initial corporate ownership structures in, 97–98; institutional change in, 47; insurance companies in, 89; labor rights in, 117–20; land reform in, 82–83; literature on colonial economies and, 71–72; mergers and acquisitions in, 93–95, 94f, 97–98, 101–11; mining industries in, 91, 92–93, 104–5, 106; multinational firms in, 101; nationalism and, 67; National Policy of, 95–96; overview of changes in corporate ownership in, 65–68; overview of corporate governance in, 8–9; ownership structures in, 98, 99f; Patent Act of 1872 and, 95; preparing for “big push” and, 87–89; prime ministers and governments in, 103t; pyramids in, 9, 103–7; railroad building in, 80–82, 87–89; retailing in, 91; shareholder rights in, 120–23; smuggling and, 96; state capitalism in, 7; state control of corporate assets in, 99–101; tax system in, 113–15; trade barriers and, 131–35; trade openness in, 95–97; transplants and, 47–48. *See also* Quebec
- Canada Business Corporations Act, 122
- Canada Development Corporation (CDC), 127, 134
- Canadian Pacific Railroad (CPR), 88, 91, 92, 96
- Canal building, in Canada, 80
- Capital, savings and, 4–5
- Capitalism: creative destruction as principle of, 33; defined, 4–5; living standards and, 5–6; varieties of, 1–2. *See also* Bank capitalism; Family capitalism; Shareholder capitalism; State capitalism
- Capital markets: changes in, in United Kingdom, 584–85; in China, 155–57
- Carnegie, Andrew, 616
- Cartier, Jacques, 72
- Case de Dépôt et Placement du Québec, 53
- Chaebol*, 368
- Champlain, Samuel de, 73
- Chateau Clique, 77, 78
- Chief executive officers (CEOs), corporate, 1–2, 66–67; in the Netherlands, 23
- Chile, 316
- China: capital markets in, 155–57; characteristics of corporate ownership in, 175–78; Company Law (1904) legislation, 161–63; corporate ownership and control in early twentieth century, 171–75; cultural factors and corporate governance in, 45; dividend payments in, 168, 168n16; establishment of industrial enterprises in, 154–55; family businesses in, 152; foreign corporate enterprises in, 152–53; government-sponsored enterprises in, 157–60; impact of company law on Dasheng cotton mills, 164–69; joint-stock companies in, 155–57; large private enterprises in, 152; light industry enterprises in, 159–60; mining enterprises in, 160; overview of corporate governance in, 9–11; path dependent processes and, 28, 29; precedents of corporate governance, 150–51; processes of adaptation in, 153; railway companies in, 160–61; responses by business to Company Law in, 163–64; Self-Strengthening Movement in, 153–55; Taiping Rebellion and, 153–54; transplants and, 48
- China Merchants’ Steamship Navigation Company, 154–55, 158, 162
- Choten Corp., 381–82
- Chrétien, Jean, 109–10, 123, 129–30
- Civil law, 57–58; vs. common law, 39–41
- Claude-Henri, comte de Saint-Simon, 12
- Clayton Act, 633
- Clore, Charles, 584
- Closed companies (BVs), in the Netherlands, 472

- Coca-Cola, 305
- Colbert, Jean-Baptiste, 67, 72, 73–74, 187
- Colonial economies, literature on, 71–72
- Common law, 57–58; vs. civil law, 39–41; corporate governance and, 37–38; uncertainty and, 42–43
- Companies Act (1900) (United Kingdom), 25
- Company Law (1904) (China), 161–63; impact of, on Dasheng No. 1 Cotton Mill, 164–69; responses by businesses to, 163–64
- Company Law (1870) (Germany), 13
- Company Law (1884) (Germany), 13
- Company of the West, 191–92. *See also* Mississippi Company
- Competition, in Canada, 115–17
- Corporate governance: business groups and, 33–35; in Canada, 120–21; cultural factors and, 45; entrenchment by elites and, 54–56; families and, 31–33; in Germany, 260–61; government involvement and, 52–54; importance, 5; importance of ideas and, 29–31; institutional change and, 46–47; large outside shareholders and, 48–50; law and, 37–43; monitoring quality of, 5; path dependent processes and, 28–29; preindustrial economies of nations and, 43–46; stock markets and, 50–51; transplant effect and, 47–48; trust and, 35–37
- Corporate Governance Codex, 268
- Corporate groups, in Canada, 66–67
- Corporate ownership: in Canada, 65–70, 97–111; in China, 171–78; of Dasheng No. 1 Cotton Mill, 171–75; in France, 186–90, 204–7; in Germany, 266–70; in India, 284–94; role of German banks and, 237–46; in Sweden, 517–38, 550–59; in United Kingdom, 585
- Corporations: control of world's, 2–4, 3f; early, 8; family-controlled, 2–4; pyramid structure of, 4
- Corporations Law (1904), 10
- Corruption, in Canada, 81–82, 84; big push and, 89–92
- Cox, George, 93
- Creative destruction, as principle of capitalism, 33
- Crédit Mobilier, 12–13, 28, 39, 51, 187, 199–200, 205
- Cultural factors, corporate governance and, 45
- Cunard, Abraham, 78
- Cunard, Samuel, 79
- Cunard Line, 78, 79
- Daladier, Edouard, 188
- Dasheng No. 1 Cotton Mill, 10; corporate ownership and control of, 171–75; impact of company law on, 164–69
- Deja.com, 5
- Didot publishing company, 206
- Diefenbaker, John, 106, 108, 126, 133
- Directly controlled subsidiaries, 377
- Diversification, 619–20
- Dodd, S. C. T., 627, 629
- Dual-class shares, 653–57
- DuPont company, 638–39
- Dutch East Indies Company, 21–22, 46
- East India Company, 191
- Eaton, Timothy, 91
- Edper group, 108
- England. *See* United Kingdom
- Ente Nazionale Idrocarburi (ENI), 18, 328
- Ente Partecipazioni e Finanziamento Industriale Manifatturiera (EFIM), 18
- Entrenchment, by elites, corporate governance and, 54–56
- Entrepreneurship, in India, 298–302
- Establishments, 33
- Ethnic divisions, Canada and, 130–31
- Family business groups, 57–58; advantages of, 66–68; in China, 152; corporate governance and, 31–33, 135; in Italy, 326. *See also* *Keiretsu*; *Zaibatsu*; *specific families*
- Family capitalism, 6; shortcomings of, 6; in United States, 26, 615–17
- Family Compact, 77, 80, 116, 123
- Family-controlled corporations, in poor countries, 2–4
- Family ownership, in United Kingdom, 582–83, 590–93
- Feder, Gottfried, 29
- FIAT, 335
- Financial development, 52, 58
- Flagler, Henry M., 626–29
- Foreign Investment Review Agency (FIRA), 127, 134, 135

- France: *assignats* experiment in, 197–200; capitalism in, 7; capital market developments in, 201–4; current corporate ownership structure in, 188–89; emergence of credit-based banking system in, 199–200; evolution of banking system in, 191–95; factors influencing corporate ownership structure in, 186–88, 186f; historical elements influencing corporate ownership in, 204–7; history and corporate ownership in, 189–90; inheritance laws in, 205–6; jurisprudence in, 40; Limited Liability Acts, 202; overview of corporate governance in, 11–13; path dependent processes and, 28; role of *notaires* in, 195–97; simple and limited partnerships in, 201–2
- Free Trade Agreement (FTA), 132
- Führerprinzip*, 14
- Fujinami, Kyujiro, 533
- Fur trade, 73, 78, 83
- Galt, Alexander T., 81, 92
- Galt, John, 79–80
- Gandhi, Indira, 16, 17, 295, 297
- Gandhi, Rajiv, 295
- General Motors, shareholder diversification and, 638–39
- Germany, 223–24; bank control laws in, 265–68; board structures in, 260–61; cartels in, 227; consequences of corporate ownership and control in, 268–70; corporate governance in, 260–61; corporate ownership and recent reforms in, 267–68; corporate ownership and reforms of 1965 in, 266–67; general patterns of ownership in, 224–27; history of share companies (AGs) in, 258–60; influence of Great Depression in, 30; institutional change in, 47; interlocking directorates in, 246–54; overview of corporate governance in, 13–15; ownership patterns during Nazi regime, 230–31; ownership patterns during postwar years, 231–37; ownership patterns during Weimar Republic, 229–30; ownership patterns in early twentieth century, 227–29; path dependent processes and, 28–29; postindustrialization developments for corporate governance in, 261–68; proxy voting in, 254–58; pyramiding in, 14–15; relationship between share ownership and voting rights in, 262–65; role of banks in, 6; role of banks in corporate ownership in, 237–46; Shareholder Law of 1937 in, 14, 265–66; state capitalism in, 7; transplants and, 47
- GKN (Guest, Keen, and Nettlefolds Limited), case study of, 597–99
- Glass-Steagall Act (1933) (United States), 26, 51, 633
- Google, 5
- Gordon, Walter, 134
- Governance. *See* Corporate governance
- Government involvement, corporate governance and, 52–54
- Great Britain. *See* United Kingdom
- Great Depression, 620; Canada, 104–5; in Germany, 261–62; influence of, on corporate governance, 29–31; institutional reform and, 56; in Italy, 328
- Greenmail, 20
- Harkness, Stephen V., 626–29
- Harris, Robert, 80
- Head, Francis Bond, 80
- Hendry, John, 92
- Hincks, Francis, 81, 82
- Holding Company Liquidation Commission (HCLC), 425–26
- Holland. *See* Netherlands, the
- Honda, 438–39
- Hong Kong, corporations in, 2
- Hongzhang, Li, 154, 158, 159–60
- Horizontal *keiretsu*, 435, 436f
- Horsely, William, 106
- Howe, Clarence Decateur (C. D.), 67, 105–6, 116–17, 119, 121, 125–26, 128, 133
- Howe, Joseph, 79
- Hudson's Bay Company, 12, 28, 75–76, 77, 78, 83, 85, 87; annual dividends of, 76f, 77; ownership structure of, 97
- Hydro One, 69n2, 103
- IBM, 305
- Ideas, 57
- India, 283–84; business-government relations in, 294–96; business groups and governments in power in, 296–98; business groups and institutional voids in, 298–302; cultural factors and corporate governance in, 45–46; entrepre-

- neurship in, 298–302; ethnic groups and entrepreneurship in, 300–301; group companies in, 286–88, 290–91t; history of corporate ownership in, 284–94; IBM in, 305; License Raj in, 297, 297n4; multinational corporations in, 286–87, 302, 305; overview of corporate governance in, 15–17; path dependent processes and, 29; persistence of concentrated ownership in, 285–89; persistence of dominance of business groups in, 289–94, 294t; recent evolution of groups and markets in, 302–3; rent seeking by business groups, 297; Securities and Exchange Board of India and, 302–3; social usefulness of persistence of concentrated ownership in, 315–18; software industry in, 303–15; state capitalism in, 7
- Indigenous institutions, 58
- Indirectly controlled subsidiaries, 377
- Industrial *zaibatsu*, 392–94
- Infosys Technologies, 313, 314–15
- Inheritance laws, 187; in France, 205–6
- Institutional change, corporate governance and, 46–47
- Institutional ownership, in United Kingdom, 584
- Institutional reform, 55–56
- Institutional stability, 55
- Institutions, indigenous, 58
- Instituto per la Ricostruzione Industriale (IRI), 328, 329, 336
- Insurance companies, in Canada, 89
- Interlocking directorates, in Germany, 246–54
- Irving, Kenneth Collin (K. C.), 105
- Israel, corporations in, 2
- Italy: characteristics of corporate governance in, 325–27; economic policy in, 328–30; effect of Great Depression on stock market in, 335–36, 336f; enforcement and stock market development in, 340; evolution of investor protection in, 331t; family-owned companies in, 350–57; financing of economic growth during 1950s and 1960s in, 342–43; Great Depression in, and banking system, 328; independent public offerings (IPOs) in, 341–42; influence of Great Depression in, 30; institutional change in, 47; investor protection and development of stock market in, 338–39; legal and regulatory environment in, 330–34; market competition in, 330; nationalization of electric industry in, 329–30; openness of trade and financial development in, 340–41; overview of corporate governance in, 18–19; ownership structure of firms in, 343–50; path dependent processes and, 29; politics and stock market development in, 340; state capitalism in, 7; state-controlled pyramidal groups and 1990s economic crisis in, 53; state-owned enterprises in, 330; stock markets in, 334–38
- Japan: centrally planned economy under military government of, 413–23; early industrialization following Meiji restoration in, 373–74; industrialization in, 368; influence of Great Depression in, 30–31; institutional change in, 47; *keiretsu* groups in, 367–68; legal framework for shareholders in, 431–32; MacArthur and Anglo-American capitalism in, 423–34; overview of corporate governance in, 19–21; ownership changes during depressions in, 402; path dependent processes and, 29; Planning Agency during WWII in, 368–69; postwar attempts to dissolve *zaibatus* in, 425–31; postwar business groups, 369; rent seeking in, 449–50; role of banks in, 6; state capitalism in, 7; Tokugawa economy of, 370–73. See also *Keiretsu*; *Zaibatsu*
- Jian, Zhang, 10
- Jiangnan Arsenal, 154
- Jodrey, Roy, 105
- Kaiping Coal Mines, 154, 158
- Kaneko, Naokichi, 403–13
- Keiretsu*, 21, 33, 34, 39, 54, 367–69, 431, 432–34, 445–46, 450–52; definitional ambiguities of, 438–39; economies of scope and scale and, 442–45; horizontal, 435, 436f; insulation from market pressures and, 447–49; organization of, 434; political rent seeking and, 449–50; private benefits of control and, 446–47; role of, 434–35; vertical, 436–37. See also Family business groups; *Zaibatsu*

- Keiretsu* defense, 432–35
 Kikakuin, 368–69, 422–23
 King, Mackenzie, 116, 118, 119, 121, 124
- Labor rights, in Canada, 117–20
 Land reform, in Canada, 82–83
 Latin America, oligarchic institutions in, 45
 Laurier, Wilfred, 67, 85, 92, 124
 Law, 57–58. *See also* Civil law; Common law
 Law, John, 11, 12, 28, 187, 191–95, 201
 License Raj, 53
 Limited companies (NVs), in the Netherlands, 469–74
 Limited Liability Acts (1867) (France), 202
 Limited-liability share companies (AGs) (German), 225–27, 226t; in early twentieth century, 227–29; in industrialization period (1870–1913), 258–60; during Nazi regime, 230–31; in postwar years, 231–37; during Weimar Republic, 229–30
 Living standards, capitalism and, 5–6
 London Stock Exchange (LSE), 587–88
 L'Oréal, 206, 210–11
 Lower Canada, 77–78; Chateau Clique in, 77, 78
- MacArthur, Douglas, 423–25
 Maclean, John Bayne, 91–92
 MacDonald, John A., 82, 87, 88, 92, 95, 117
 Manitoba: establishment of, 78; Republic of, 87
 Martin, Paul, 123
 Mercantilism, 73–74; as defining feature of Canada, 123–24; evolution of, in Canada, 125–30
 Mergers and acquisitions: in Canada, 93–95, 94f, 97–98, 101–11; in first half of century in United Kingdom, 593–97; in United Kingdom, 583–84
 Merritt, William Hamilton, 80
 Mexico, 446; corporations in, 2
 Michelin, 206, 207–9
 Milan Stock Exchange, 335
 Mining industries, in Canada, 91, 92–93, 104–5, 106
 Mississippi Company, 11, 39, 187, 192–94, 201. *See also* Company of the West
 Mitsubishi family, 19, 410; *zaibatsu*, 391–92, 393f
 Mitsui family, 36, 371–72, 378–81, 410; pyramid structure and, 383–87, 388f
 Molson, John, 79
- Monopolies, 1; Canada and, 115–17
 Montreal, Bank of, 78–79
 Montreal Stock Exchange, 80
 Moody, John, 614–15, 622–25, 622n9, 630
 Morgan, J. P., 616, 633
 Mulroney, Brian, 109, 117, 128, 132–33
 Multinational firms: in Canada, 101; in India, 286–87, 302, 305
 Multiple voting shares, 14
 Munk, Peter, 110
- National Economic Policy (Canada), 117
 National Energy Policy (1981) (Canada), 127–28
 Nationalism, Canada and, 67
 National Policy (Canada), 95–96
 National Product Marketing Act (1934) (Canada), 116
 Nehru, Jawarharlal, 16, 296
 Netherlands, the, 467–68; CEOs in, 23; cultural factors and corporate governance in, 44; empirical analysis of firms in, 480–84; equity financing in, 474–75; evolution of public limited companies in, 469–74; history of development of industrial finance in, 468–69; influence of boards and networks in, 492–93; influence of boards and networks in, data on, 493–94; influence of boards and networks in, results and analysis on, 494–502; insurance companies and financing of industrial growth in, 478–79; nineteenth-century railway finance in, 502–7; overview of corporate governance in, 21–23; path dependent processes and, 29; pension funds and financing of industrial growth in, 479–80; pyramid holding companies in, 488; role of banks in financing industrial growth in, 475–78; role of stock markets in industrial finance in, 474–75; “structured regime” in, 488–89; takeover defenses in, 484–88; takeover defenses in, data on, 489–91; transplants and, 47; voting power of large outside shareholders in, 49
- Networks, 36
 New Deal, 30
 New Democratic Party, 119
 Nissan group, 394–97
 North American Free Trade Area (NAFTA), 132n48
 Northwest Company, 77

- Notaires*, 195–97
Nova Scotia, Bank of, 79
- Oligarchic devices, 23
Oligarchic institutions, 45
Oligarchies, 33
Oppression Remedy, 122
Organ bank hypothesis, 413
- Palme, Olof, 545
Patent Act (1872) (Canada), 95
Path dependence, 29, 71; in China, 28; in Sweden, 563–64, 575
Pattison, Jimmy, 110
Pearson, Lester, 107–8, 132, 133
Pereire, Emile and Isaac, 12
Pesenti group, 350–53
Peugeot (PSA Peugeot Citroen), 206, 211–14
Phillips, Eric, 106
Phyn, Ellice, and Co., House of, 78
Plutocratic voting, 48
Political rent seeking, 123; in India, 294–98; in Japan, 449–50
Politics, 58; corporate governance and, 52–54; effects of, in U.S., 637–38; lack of block holders in U.S. and, 618–19
Power group, 108, 110
Preference shares, 23
Priority shares, 23
Progressive movement, 26, 631–32
Prospect theory, 54–55
Proxy voting, 237; in Germany, 254–58
PSA Peugeot Citroen, 206, 211–14
Public Utility Company Holding Companies Act (1935) (United States), 26, 633
Public Utility Holding Company Act (1938), 644
Pyramid structure, of corporations, 4; American utility companies and, 644–45; in Canada, 9, 103–7; in Germany, 14–15, 237; in Italy, 18, 325–26; in Japan, 19–20; in the Netherlands, 488; in Sweden, 563; in United Kingdom, 24–25; in United States, 26–27; *zai-batsu* and, 376–77, 381–83
- Quebec: founding of, 72–73; Révolution Tranquille and, 126, 130. *See also* Canada
- QWERTY effect, 56
- Railroads, in Canada, 80–81, 87–89
Rao, Narasimha, 295
- Real bills doctrine, 51
Rent seeking. *See* Political rent seeking
Richelieu, Cardinal, 73
Rockefeller, John D., 615, 626–29
Rockefeller, William, 626
Roman, Stephen, 106
Rowell, N., 189
- Savings: capital and, 4–5; methods of, 5–7
Schacht, Hjalmar Horace Greeley, 29
Schweppes, case study of, 599–600
Securities and Exchange Board of India, 302–3
Securities and Exchanges Act (1934) (United States), 27, 41, 121
Securities Trading Act (1948) (Japan), 431
Shanghai Cotton Cloth Mill, 158
Shareholder capitalism, 5
Shareholder Law (1937) (Germany), 14, 265–66
Shareholder rights: in Canada, 120–23; common law and, 38–39; insecure, trust and, 51
Shareholders, large outside, corporate governance and, 48–50
Share ownership, voting rights and, in Germany, 262–65
Sherbrooke Cotton Mill, 81
Simpson, George, 87
Social Democratic Party (Sweden), 30, 519; bank reforms and, 527; historical agenda of, 538–41
Socialism, 7
Società di Gestioni e Partecipazioni Industriali (GEPI), 18
Software industry, in India, 303–15; distribution of companies by revenues in, 306–8, 307t; industrial organization of, 306–8; success of, 308–12; top-twenty companies in, 307t
Sony, 438
South Sea Bubble, 11, 28
South Sea Company, 191, 201
Standard Oil, 626–30; breakup of, 633; diversification of shares and, 634–37; shareholder diversification and, 634–37
State capitalism, 7
Steamship lines, Canadian, 79
Stock markets: corporate governance and, 50–51; ill-trusted, banks and, 51; in Italy, 334–40, 336f; in the Netherlands, 474–75

- Sumitomo family, 19, 372–73, 380–81, 410; pyramid structure and, 388, 389f
- Suzuki family, 19–20; rise and fall of, 402–13
- Sweden: alliances between banks and industrial firms in, 527–29, 528f; business-government relations in, 36–37; closed-end funds as owners of largest listed firms in, 535–38; controlling families in, 529–34; controlling interests of the fifteen families in, 530, 531f; corporate ownership and development of financial markets in, 550–59; corporations in, 2; corporatist innovation model in, 542–44; critical evaluation of Swedish model of corporate ownership in, 559–70; direct ownership of listed shares by households in, 535; entrepreneurship in, 542; general accord of 1938, 541–42; history of corporate ownership in, 522–38; influence of Great Depression in, 30; institutional change in, 47; labor market policies in, 544; necessary conditions for Swedish model of corporate ownership in, 547–49; orthogonal trajectory away from economic democracy in, 546–47; overview of corporate governance in, 23–24; overview of history and corporate ownership in, 517–22; ownership and control of largest firms in 1945, 529–30, 529t; ownership and control of largest firms in 1967, 532t, 533t, 630; ownership and control of largest firms in 1990, 532–33, 534t; path dependent processes and, 29; public investment projects in, 543; radical policies to implement economic democracy in, 545–46; reasons for historical path of corporate ownership in, 571–74; reform of corporate taxes in 1938, 541–42; Social Democratic Party in, 30, 519, 527, 538–41; Swedish model in, 544–45; transplants and, 47; transportation industry in, 543
- Swedish model of capitalism, 8
- Takahata, Seiichi, 403–4
- Talon, Jean, 74
- Tariffs, Canada and, 131
- Tata Consultancy Services (TCS), 304–5, 312–14, 315, 317
- Tata family (India), 15, 17, 289, 296, 298–300, 303, 317; software industry and, 304; time line of entry into new business by, 299f
- Tax systems, in Canada, 113–15
- Taylor, Edward Plunkett, 105, 106
- Temporary National Economic Committee (TNEC), 643, 643n48, 643n49, 643n50
- Thompson, Roy, 105, 106
- Thornton, Henry, 198
- Timber barons, 78
- Toronto Stock Exchange, 82
- Toyoda, Sakichi, 400–401
- Toyota, 438
- Trade openness, in Canada, 95–97
- Transplant effect, corporate governance and, 47–48, 58
- Trudeau, Charles, 105
- Trudeau, Pierre Elliott, 105, 108–9, 117, 126–27, 134
- Trust: business groups and, 36–37; corporate governance and, 35–37; insecure shareholder rights and, 51
- Uniform Commercial Code, 41
- Union Générale, 187
- Unions, in Canada, 117–20
- United Kingdom: case study of Cadbury Brothers, 600–601; case study of GKN, 597–99; case study of Schweppes, 599–600; changes in capital markets during 1940s and 1950s in, 584–85; control of corporations in, 4; cultural factors and corporate governance in, 44; data for, 586–87; family ownership in, 582–83; family representation on boards in, 590–93; hostile takeovers in, 584; institutional investors in, 49, 584–85; jurisprudence in, 40; key features of current corporate ownership in, 585; mergers and acquisitions in, 583–84, 593–97; overview of corporate governance in, 24–25; path dependent processes and, 28; peculiarity of, 582–83; rates of family ownership in, 587–90; shareholder capitalism in, 5; state capitalism in, 7; takeover offers in, 585–86; Takeover Panel in, 585; takeovers in second half of century, 601–5
- United States: block holdings, introduction on, 613–22; capitalism in, 1; civil codes in, 41–42; control of corporations in, 4; distribution of corporate control in,

- 644–45, 644t; effects of politics on block holdings in, 637–38; explanations for disappearance of company's founders for, 646–51; family capitalism in, 26, 615–17; financial capitalism at start of twentieth century in, 622–33; growth in number of shareholders in, 641t; immediate corporate control in 200 largest American corporations in 1930, 641–43, 642f; institutional change in, 47; institutional reform in, 56; number of shareholders in three largest corporations in, 640f; overview of corporate governance in, 25–27; Progressive Movement in, 26; proxy voting in, 639–43; shareholder capitalism in, 5; shareholder diversification in, 633–39; state capitalism in, 7; takeover offers in, 585–86; top fifty firms in, 292–93t; ultimate corporate control in 200 largest American corporations in 1930, 641–43, 642f
- Upper Canada, 77–78
Upper Canada, Bank of, 79–80
- Vajjayee, Atal Behari, 295
Vanderbilt, William, 616, 620, 632–33
Veblen, Thorsten, 30
Vertical *keiretsu*, 436–37
Voting caps: in Germany, 14; in the Netherlands, 23
Voting power, large outside shareholders and, 48–50
Voting rights, share ownership and, in Germany, 262–65
- Wallenberg family, 30, 47, 525–27, 530, 532–33, 538
Weimar Republic, corporate ownership patterns during, 229–30
White knight defense, 532
White squires, 369, 369n4
Wipro software company, 315
Wolvin, Roy, 118
- Yasuda *zaibatsu*, 388–91
Yokoi, Hideki, 432–33
- Zaibatsu*, 19, 20, 21, 36, 54, 368, 369–70, 450–52; banks, 439–42; Big Four, 383–92; break up of, by Supreme Commander of Allied Powers (SCAP), 424–25; centrally planned economy under military government and, 413–23; defined, 374–77; economies of scope and scale and, 442–45; formation of, 377; independent companies and, 400–402; industrial, 392–94; insulation from market pressures and, 447–49; local, 398–400; Mitsubishi, 391–92, 393f; Mitsui, 383–87; organ banks of, 413; political rent seeking and, 449–50; post-WWII attempts to dissolve, 425–31; preserving insider control and, 377–81; prewar local, 437–38; private benefits of control and, 446–47; pyramids and, 381–83; Sumitomo, 388, 389f; Suzuki, 402–13; weak institutions and, 445–46; widely held, 394–97; Yasuda, 388–91. *See also* Family business groups; Japan; *Keiretsu*