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Book Review

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20 MILLION CARELESS CAPITALISTS. By Carter F. Henderson and Albert C. Lasher. New York: Doubleday & Co., Inc. (1967). pp. 287. $5.95.

The first six chapters of this book are devoted to an interesting and well written account of the early history of American business, with special attention to the American shareholder. The historical treatment ranges from colonial times, through the era of the Robber Barons, the stock market crash and the depression, to the days of the "New Deal" and the enactment of the Securities Act of 1933 and the Securities Exchange Act of 1934. There follow separate chapters on the financial press, corporate reports, and the professional investment community. Individual attention is also given to annual meetings, several pages being devoted to setting forth in some detail what a typical annual meeting is like. In dealing next with the corporate director it is noted that, while the stockholders elect the directors, they usually do not nominate them, with the result that management's nominees continue to be elected and serve as directors year after year until they retire or die. In the succeeding chapter, relating to the power of the proxy, reference is made to proxy contests, professional proxy solicitors, and take-over bids. There also is a profile of the average stockholder as a customer, partner, and propagandist, and still another chapter on the well-known corporate gadflies, Lewis D. Gilbert and Wilma Soss.

Having thus surveyed the corporate and shareholder world today in the United States, the authors turn from the careless to the careful capitalists. They include, of course, the Rockefellers, Mellons, Phippses, and Whitneys, and their corps of high-priced and full-time investment advisers. The careful capitalist may also include, however, not only the comfortable but less well-to-do, but likewise the average American shareholder. Investment advice, the authors point out, is available in all shapes and sizes, and at any price one cares to pay from thousands of dollars to absolutely nothing. It may be obtained from investment counseling firms, investment counseling departments of a bank or trust company, or from investment trusts, as well as from stock brokers and investment clubs. In short, if a stockholder does not care to keep himself well informed as to the market, he may rely on someone else who is knowledgeable. The National Association of Investment Clubs, it is observed, counsels generally that one should invest regularly, reinvest all earnings, invest in "growth" companies, diversify, buy both large and small companies, buy management, and buy stocks that are reasonably priced. Investment information, often initially drawn from reports to the Securities and Exchange Commission, is easily available directly or indirectly to the careful capitalist.

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