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Familism in Irish Capitalism in the 1950s

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Abstract: This article is concerned with the Ireland of the 1950s and with one segment of the Irish upper class — the Irish business élite. The importance of studying the 1950s lies in the fact that if there is to be an understanding of the class structure of today the reconstruction of the immediate past is a required precondition.

The business élite is defined in terms of those who control Irish corporate capital. Corporate capital is the key form of private property related to economic power. Capital as it relates to the business system is divisible into commercial, industrial and financial interests.

Section I of the present article presents the concepts and current debates relating to the issues of capital ownership and control and the role of the family as an important mechanism in the control of, and reproduction, of wealth. Section II discusses methodology and identifies Ireland's top companies in the 1950s. Section III examines patterns of ownership in prominent Irish companies and financial institutions. Finally Section IV identifies Ireland's leading business families of the 1950s and raises questions relating to the nature of dynastic control.

I CAPITAL OWNERSHIP AND THE EXERCISE OF STRATEGIC CONTROL

Studies on the ownership and control of companies were pioneered by Berle and Means (1932) and later replicated by Gordan (1945) and Larner (1966). Berle and Means suggest that as the company structure develops and demands more capital, shareholdings within the company will be diversified and the ownership interests of the founding family will give way to minority control by the family which will be forced to depend on the co-operation of management. As the company expands even further and dispersion of stock holdings increase, minority or working control by individual interests are eventually

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dislodged by management control. This leads to a situation of "power without property" where professional managers without property control the corporate economy.

This quiet managerial coup has led many sociologists to claim that the capitalist class has virtually disappeared (Dahrendorf, 1957; Galbraith, 1967; Aron, 1967; Dahl, 1958; Shonfield, 1965; Parsons, 1960; Bell, 1973). Scott (1979) however argues that even where there has been extreme diversification of shareholdings the capitalist class has not been dislodged from exercising control over corporate decisions as the nature of class structuration in capitalist society preserves privileged access to important power positions. This together with social and cultural mechanisms of class structuration which create "commonality" of background and a common view of the world, functions to unify the various members and segments of the capitalist class and reproduce the capitalist system.

Control of any one company can be exercised through a combination of corporate devices: ownership of a sizeable block of stock; representation on the board of directors, particularly in the positions of chairman or presidency; and representation in top management. Control through ownership of sizeable blocks of voting stock represents the ultimate source of power in a corporation for in the event of a major struggle for control of a company, the issue is almost always resolved in favour of the faction that can cast the most votes (Burch, 1972 p. 20). The struggle for control does not take place in a vacuum. It takes place within the limits set by the control type of the enterprise, and it is in this context that the much debated notions of "ownership and control" have their relevance.

The most far reaching and innovative contribution to the ownership and control debate has been made by Maurice Zeitlin (1974) who combines a comprehensive theoretical framework with detailed empirical analysis. Zeitlin (1975) points to the necessity of focusing on the family as the basic unit when analysing the corporate system. He contends that the special significance of the extended family is often formalised so that family property is held in common through family foundations, holding companies and trusts. A key to understanding how any one company or group of companies is controlled necessitates the unravelling of the ownership interests of dispersed shareholdings among different members of a particular family or group of families. The task of the sociologist is thus to discover whether identifiable families and other cohesive ownership interests continue to control major corporations. The actual control group of any one company can only be adequately identified if the specific situation of each company is investigated.

This section of the paper presents a framework for analysing ownership and control in the Irish context. Four main control-types are outlined and used to index the top Irish industrial, commercial and financial companies. In order to operationalise control-types, it is necessary to devise cut-off percentage points of shareholdings held by various proprietary interests for each type. The percentage points used vary with different studies, depending on the time period they relate to and the capital base of the companies studied.

The four major control-types are:

1. Majority Control: If a wealthy individual, individual family, group of families, a group of business associates, interrelated kinship groups or some other proprietary interest control a large proportion of the voting capital and thus directly influence the constitution of the board of directors which in turn controls strategic decisions relating to the company, the company may be classified under "majority control". The cut-off point used to operationalise majority control in the present study is 50 per cent.

2. Minority Control: In the second and third generation, control of the company is likely to shift from the founding family. This occurs as demand for capital increases in order to expand the company. If one, however, follows Zeitlin and investigates "the congeries of intercorporate relationships" and the "intricate interweaving of interests" in which the company is involved (Zeitlin, 1975), it may be possible to identify stable coalitions and alliances who collectively may exercise control. Financial institutions which include banks, insurance companies and pension trusts may play an important role as stockholders in their own right, and thus be an important segment in exercising "minority control".

The present study assumes that a company is "minority controlled" if a company, individual, group of individuals, or coalition of groups own between 20–50 per cent of voting stock. The cut-off point of 20 per cent was used by Berle and Means (op. cit). A more inclusive percentage of 10 per cent was used by Larner (1966).

3. Control Through an Unstable Constellation of Interests: "Minority control" depicted above refers to a stable coalition of interests which makes it probable that the minority will be able to realise their corporate objectives over time. Scott and Hughes (1980), however, advocate an additional category for analysing control which they name "control through a constellation of interests". This is a situation where the major shareholders collectively hold a block of shares which would be large enough for a cohesive group to exercise minority control. However, the group of major shareholders is so diverse that no stable coalition can arise. They will, however, arrive at some agreement on the composition of the board of directors. The balance of power on the board will depend on the balance among major shareholders. A company is therefore assumed to be controlled by a "constellation of interests" if an unstable coalition of minority interests own between 20–50 per cent of a company.

4. No Identifiable Controlling Interest: It is argued by many sociologists that portfolio diversification by principal shareholders has taken place to such an extent that the propertied class no longer maintain even "minority control" or control through a "constellation of interests" over the corporate system. It is, however, argued by theorists that even when this occurs, the capitalist class have not been dislodged from exercising control. Important societal mechanisms intervene to ensure that the capitalist class assume important strategic positions and exercise control over the system as a whole. Focus has thus been directed to the operation of "strategic control" at an inter-organisational level and in particular on the role of the "interlocking directorate" as an important element in the exercise of strategic control. This transformation in how control is exercised is referred to by Scott (1979) as "the managerial reorganisation of the capitalist class", a phrase originally coined by C. Wright Mills (1956). The interlocking directorate refers to a situation whereby the same person occupies a directorship position on two nominally independent companies. Whatever the original cause of interlocks, it is clear that interlocks do not merely connect the two companies involved but tie both companies into an already existing network of interlocking directors. This opens up channels of communication between companies and influences the operation of strategic control (Scott and Hughes, 1980). The interlocking directorate is thus seen as a central inter-organisational mechanism for the capitalist system as a whole. "Finance capitalists"[1] who interlock between financial institutions (banks, insurance companies) and prominent companies are seen as central to the network.

II IRELAND'S TOP COMPANIES OF THE 1950s

In definitional terms, the business élite consists of the individuals and families of the business system who play a significant role in the economy. Large industrial, commercial and financial companies which control a disproportionate amount of business resources are examined in the present study. Although subsidiaries of foreign companies located in Ireland comprised almost 35 per cent of top companies, they are not a central part of the study. National ownership is determined by the location of registration of the company. The central focus of the present study is thus confined to the Republic of Ireland.

The difficulty in the Irish context of identifying the largest companies for the year 1950 lies in the fact that there is no published source which classified by size

1. According to Lenin (1916) and Hilferding (1910) finance capital became prominent at a particular stage in the evolution of capitalism. This stage occurred when financial institutions ceased to be merely "loan capitalists", i.e., merely rentier, and became major shareholders in the corporate economy. Even though it is not implied in the present study that Ireland had reached this mature stage of capitalism, it appears that the emergence of the coalescence of interests between finance and industrial capital was taking place.

both private and public companies. *O'Neill's Commercial Who's Who and Industrial Directory of Ireland*, compiled annually between the years 1948 and 1958 lists by sector, 5,734 private and public companies for the year 1950. Listings by paid-up share capital, one indicator of size, are confined to public companies. The *Stock Exchange Official Year Book, 1950*, which provides details on share capital and the histories of particular companies is again confined to public companies. *Thom's Commercial Directory, 1950*, presents a directory of companies in Ireland and gives details concerning company directors, but no information which allows companies to be ranked by size.

Company listings in the 1960s and the 1970s are again restricted. *The Irish Times Annual Survey*, first published in 1965 which ranks companies according to capital employed and the *Sunday Independent Annual Survey*, first published in 1973 which lists companies by market capitalisation are both confined to public companies. It was not until 1978 that *Irish Business* magazine published a survey of 180 companies which ranks both private and public companies by size. Manufacturing and distribution companies were ranked by turnover and the top financial organisations were ranked by assets. Since 1978, other listings, representing both private and public companies, have become available.

Public companies no doubt play a significant role in the economy. For the year 1950, there were 5,734 non-financial companies registered with a paid-up share capital of £91,036,904. (*Companies: the General Annual Report of the Department of Industry and Commerce, 1950*). Although public companies accounted for only 6 per cent of companies, they made up 40 per cent of the paid-up share capital. They were thus likely in the 1950s to be disproportionately represented in the top companies. None the less there are key private companies which are important whether evaluated in terms of turnover, assets employed, market capitalisation or paid-up share capital.

The method of selection of the 1950 population involved the use of a combination of sources.

1. Public companies listed in *O'Neill's Directory, 1950*, were ranked by paid-up share capital. There were 142 public companies, excluding state and semi-state companies and co-operative societies.
2. Through an analysis of production statistics (*Annual Census of Industrial Production*) and the distribution of company size by sector *(General Annual Reports of the Department of Industry and Commerce)* it is possible to identify important industrial and commercial sectors for the 1950s. Prominent private and public companies are identified through an analysis of companies by sector *(O'Neill's Directory)*. The share-capital for these companies was ascertained from the Companies' Office archives which contain files on the incorporation of each company, together with an annual updating of each company's history.

3. Business advertisements in popular journals, business magazines and newspapers were identified and the companies who owned advertisements were considered prominent companies. The share capital for these companies was extracted from the Companies' Office archives.
4. All companies listed in the *Irish Business Survey, 1978*, were checked against *O'Neill's* index to ascertain whether the company was listed in 1950. If the company was a private company its share capital for the year 1950 was extracted from the Companies' Office archives, and it was filed as part of the company population.
5. Key informants, comprising businessmen, economists and financial journalists were requested to scan the *O'Neill's* 5,000-odd list of companies with the objective of identifying prominent firms.
6. All companies involved in the above five sections were ranked by paid-up share capital and were checked in the *Stock Exchange Official Year Book* and *Who Owns Whom in the Republic of Ireland* in order to assess whether the companies listed were subsidiaries of other larger Irish companies, Northern Irish companies, British companies or subsidiaries of companies from other countries.
7. Twenty-seven wholly owned subsidiaries of non-Irish companies and 67 Irish companies with share capital all over £100,000 were identified. The 67 Irish companies were included in the population under study.
8. Nine Associated Banks and 11 Insurance Companies were listed in *O'Neill's Directory, 1950*. Ownership of these institutions was extracted from the Companies' Office Archives. Five of the banks and 8 of the insurance companies were externally controlled.
9. Sixty-seven Irish companies, 4 Associated Banks and 3 Insurance Companies form the central focus of the present study.

Large sections of the Irish industrial, commercial and financial landscape in the 1950s were externally owned. In fact 40 (34.7 per cent) of the top 115 companies were externally controlled.

In attempting to identify the prominent companies, studies have adopted different criteria. Companies have been ranked by sales, paid-up share capital, market value of stock, net income after taxes and number of employees. The use of assets as a criterion gives disproportionate prominence to capital intensive industries such as transportation companies. The use of sales, or turnover, gives special importance to those engaged in retail or wholesale sectors. Owing to the difficulty of using any one indicator, some of the more recent studies have adopted a combination of the above criteria. Due to the lack of data relating to Irish business companies in the 1950s, this multivariate approach could not be adopted. The problems reflect the inadequacy of publicly available information on companies and the unavoidable element of arbitrariness that enters the construction of any list of "top companies".

A single criterion of paid-up share capital was used, with a cut-off point of £100,000. While something is lost in that multivariate indicators cannot be used, in contrast to other studies which have been undertaken on Irish companies of the 1950s, the present procedure provides a new departure in that it recognises the important role of private companies.

Table 1 shows the size distribution of the 67 non-financial companies. The total paid-up share capital of the 67 companies amounted to £19,432,295. For the same year there was 5,734 companies registered with a paid-up share capital totalling £91,036,904.

Table 1: *Size Distribution of Non-Financial Companies, 1950*

Paid-Up Share Capital	*Number of Companies*
£	
1,000,000+	1
500,000-999,999	6
400,000-499,999	9
350,000-399,999	—
300,000-249,999	5
250,000-299,999	8
200,000-249,999	9
150,000-199,999	11
100,000-149,999	18
Total	67

The significance of the 67 companies lies in the fact that although it comprises only 1.2 per cent of companies registered for the year 1950, it accounts for 21.3 per cent of total paid-up share capital. The population selected identifies important Irish companies and thus it provides a necessary anchoring point from which to identify the Irish business élite.

The sectoral composition of companies selected and year of incorporation of companies are presented in the following two tables.

The top food/drink companies of the 1950s included Beamish and Crawford, John Power and Co. Ltd and Jacobs. Irish Glass Bottle Co., Cement Ltd and Roadstone Ltd were frontrunners in the Stone, Clay and Glass category. Other companies included in the top 30 were John Jameson Ltd., Murphy (James) Ltd, Dwyer and Co. Ltd., Martin Mahony and Co., W. and H.M. Goulding and Dublin Artisans Dwelling.

Table 2: *Sectoral Composition of Non-Financial Companies, Ranked in Terms of Paid-Up Share Capital, 1950*

	Number of Companies		
Sector	*Top 10*	*Top 30*	*All 68*
Food, drink, milling	3	9	16
Tobacco	1	1	1
Leather, clothing, footwear		4	4
Textiles		4	6
Paper and allied products		1	3
Printing, publishing and allied industries	1	2	6
Motor vehicles		—	3
Chemicals		1	1
Stone, clay, glass and concrete products	3	3	3
Fabricated metal			1
Electrical goods			2
Property	1	2	2
Wholesale/distribution		1	9
Retail		1	5
Hotel			1
Gas	1	1	1
Pottery			1
Warehousing			1
Transport			1
Total	10	30	67

Table 3: *Year of Incorporation of Companies*

Year of Incorporation	*Non-Financial Companies*	*Per cent*
Pre-1922	43	64.1
1922–1933	13	19.4
1934–1950	11	16.5
Total non-financial	67	100.0
	Financial Companies	
Pre-1922	5	71.4
1922–1933	1	14.3
1934–1950	1	14.3
Total financial	7	100.0

Table 3 presents a distribution of the year in which the top 67 non-financial and 7 financial companies were founded. As can be seen a large proportion of them were founded prior to 1922.

The distribution of companies by location of companies' headquarters is given in Table 4.

Table 4: *Distribution of Companies by Location of Companies' Headquarters*

County	*Number of Companies*	*Per cent*
	Non-Financial Companies	
Cork	11	16.4
Dublin	43	64.1
Kildare	1	1.5
Laois	2	2.9
Limerick	2	2.9
Louth	3	4.8
Offaly	2	2.9
Waterford	1	1.5
Wexford	1	1.5
Wicklow	1	1.5
Total non-financial	67	100.0
	Financial	
Cork	1	14.3
Dublin	6	85.7
Total financial	7	100.0

III STRUCTURE OF OWNERSHIP AND CONTROL OF IRELAND'S LEADING COMPANIES, 1950

Data on stock ownership figures and directorships were collected from the Companies' Office archives. The basic source of information was the Share Register and the List of Stock Holders filed by each firm as required by company law. The Share Register comprises the names, addresses and occupations of all shareholders, together with the number and type of shares they each hold. It also showed the particulars of transactions which took place during the year — the buying and selling of shares. People who bought shares and sold shares were listed. Data obtained on company directors were derived from the Particulars of Directors and Secretaries Form, which specifies first name, surname, nationality, residential address, business occupation, and other directorships held by directors.

A major difficulty encountered in the research procedure was that without prior investigation of the genealogy of the family, family representatives are difficult to identify. Sons-in-law, or married women who assume the names of their husbands are impossible to recognise. On the other hand, people with a common last name may not be remotely connected. Key informants were interviewed in order to overcome this problem.

A case-by-case analysis was made of the 67 non-financial companies in order to establish:

(a) year company was incorporated
(b) original directors of company
(c) other companies with whom original directors were involved
(d) interlocking directorates between the 67 companies
(e) shares held by all interlocking directors
(f) percentage of shares held by top shareholders
(g) percentage of shares held by the board of directors
(h) other business interests of all directors were investigated and an investigation was undertaken to ascertain if other companies associated with the directors had shares in any of the 67 companies.
(i) Research was undertaken to identify a family, group of families or affluent individuals who controlled the company under investigation by taking into consideration the founding members of the business, their other business interests, kinship ties and family trusts; interlocking directors, their kinship ties and business interests; the principal shareholders, their kinship ties and other business interests.

Using the above criteria the 67 non-financial companies were classified under the control-type categories discussed in Section II.

Table 8: *Percentage Distribution of Companies by Control-Type**

Control Category	*Number*	*Per cent*
Majority control	30	44.4
Minority control	22	33.3
Control through an unstable constellation of interests	9	13.6
No identifiable loci of control	5	7.7
Total	66	100.0

*For one company, company office returns for the year 1950 which comprise the share register were unavailable.

Table 8 shows that almost 45 per cent of companies were majority controlled by clearly identifiable proprietary groups and that almost 78 per cent of companies were controlled by either majority or minority interests. These proprietary interests are comprised of extended families and institutional shareholders (banks, insurance companies).

The pervasiveness of family control is reflected in the number of members from the same family (brothers/father/sons) who were represented on the board of directors of any one company (Table 9).

Table 9: *Percentage Distribution of Companies by Number of Family Members on the Board of Directors*

No. of Family Members on Board of Directors	*Number of Companies*	*Per cent*
8	1	1.49
7	0	0.00
6	2	2.98
5	3	4.48
4	9	13.43
3	7	10.45
2	26	38.80
1	19	28.36
Total	67	100.0

In many companies voting shares were highly concentrated. Table 10 shows that in almost 27 per cent of companies, families represented on the board of directors controlled 80-90 per cent of voting shares and that in 55 per cent of companies, families represented on the board of directors controlled over 50 per cent of shares.

The dominance of family interests are, also, reflected in the fact that in only 2 of the 30 companies classified as majority controlled (Table 8), did an institution participate as a major shareholder. Institutional investors combined with family interests in their control of 13 (54 per cent) of the 24 companies classified under "minority control" or "control through an unstable constellation of interests". In the remaining 11, families were the only significant shareholders. It is, therefore, possible to reconstruct the control-types as follows:

In the 59 companies in which prominent families participated in the exercise of control, the chairman of 43 of those companies was a member of a prominent shareholding family. In all, 90 major shareholding families of prominent non-financial institutions can be identified. In the analysis of the 7 financial institutions 2 were majority controlled by identifiable family interests. In addition, 15 families with sizeable shares in the 7 financial institutions were identified. These 15 families were also represented on the boards of directors. Given the concentration of shareholdings under the control of prominent families and the concen-

Table 10: *Percentage Distribution of Voting Shares owned by (Families of) Board of Directors*

Per cent of Shares Owned by Board of Directors	*Number of Companies**	*Per cent*
Less than 1	1	1.52
1-4	3	4.55
5-9	4	6.06
10-19	8	12.12
20-29	7	10.60
30-39	6	9.09
40-49	7	10.60
50-59	7	10.60
60-69	5	2.58
70-79	—	0.00
80-89	18	27.27
Total	66	100.00

*For one company, company returns for the year 1950 which comprise the share register were unavailable.

Table 11: *Percentage Distribution of Companies* by Control-Type*

Type of Control	*Number*	*Per cent*
Family control	46	68.6
Family control combined with institutional control	13	19.4
Institutional	2	3.0
No identifiable loci or control	5	9.0
Total	66	100.0

*For one company office returns for the year 1950 which comprise the share register were unavailable.

tration of these families on the boards of directors and in the important position of chairmen, it can be seen that "family capitalism" is the empirical model within which research on Irish capital in this era is embedded. For those companies not under family control, the "interlocking directorate" is advanced as an important mechanism in exercising control over the corporate structure at an inter-organisational level.

Thus, turning from the companies and major shareholders to the corporate directorate, Table 12 shows the distribution of companies by size of boards.

Table 12: *Distribution of Companies by Size of Boards of Directors*

Number of Board Members	*Number of Companies*	*Number of Directorship Positions*
	Non-financial companies	
2	2	4
3	1	3
4	10	40
5	18	90
6	20	120
7	8	56
8	5	40
9	2	18
10	1	10
Total non-financial companies	67	381
	financial companies	
6	1	6
7	3	21
8	1	8
9	0	0
10	1	10
15	1	15
Total financial companies	7	60

Table 12 shows that financial institutions had larger boards than non-financial companies. Financial companies had a mean size of board of 8.6 while non-financial companies had a mean size of 5.7. The Boards of the 10 largest companies were slightly above the average with a mean size of 6.9, while that of the 30 largest companies were 6.2. Table 13 presents the number of directorship positions occupied by females.

Four companies out of the 67 non-financial companies had female members. No financial institutions had female members. Of the 74 companies under study, 55 (74 per cent) were connected through interlocking directorships. A total of 364 people held 447 directorships. Fifty-two people (all men) held more than one directorship position. The distribution is shown in Table 14.

Table 13: *Distribution of Female Directorship*

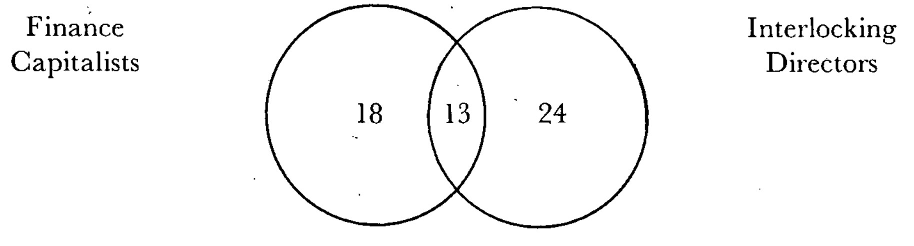
Number of Companies	*Number of Female Directorships*	*Numbr of Directorship Positions Occupied by Females*
2	1	2
2	2	4
Total non-financial		
4	3	6

Table 14: *Distribution of Directorships by Number of Persons Holding Directorship Positions*

Number of Directorships per person	*Number of Persons*	*Directorships*
1	305	305
2	30	60
3	14	42
4	6	24
5	2	10
Total	357	441

The following diagram (Figure 1) shows the distribution of "finance capitalists" and interlocking directors. Finance capitalists are persons who interlock between a financial institution and a non-financial institution together with

Figure 1: *Finance Capitalists and Interlocking Directors*



persons who have major shareholdings in financial institutions. There are 31 finance capitalists. These are comprised of 25 persons who interlock between a financial institution and non-financial institution and 6 major shareholders who do not interlock. Thirty-seven men interlocked between 2 or more non-financial institutions. These men are referred to as "interlocking directors". Thirteen people held both a finance capitalist position and an interlocking directorate position (Figure 1).

When we combine the major shareholders with the finance capitalists and interlocking directors, the main elements of the corporate élite of the 1950s can thus be identified as follows:

(i) Families who control major shareholdings of prominent non-financial companies.
(ii) Families represented on interlocking boards between prominent companies.
(iii) Families represented on interlocking boards between prominent companies and institutional investors (banks, insurance companies) and major shareholders of financial institutions. These positions are referred to in the literature as "finance capitalists".

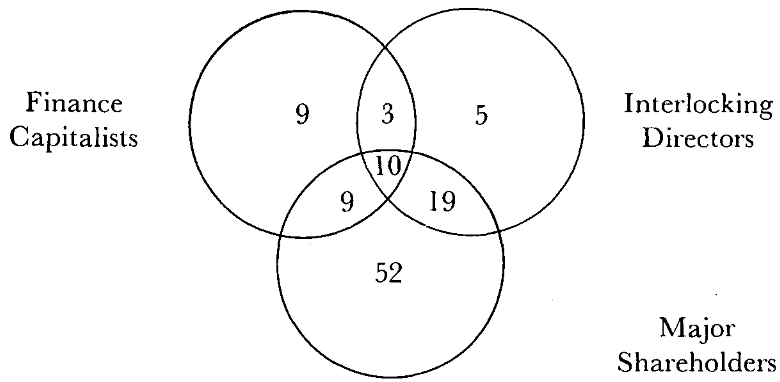
In the corporate structure under study, the distribution of prominent business families in the above categories is shown in Table 15.

Table 15: *Distribution of Business Families as Subsets of the Corporate System*

Subsets	*Number of Families*
Major shareholders	90
Interlocking Directors	37
Finance Capitalists	31
Total	158

In practice these categories overlap in that major shareholders intersect with interlocking directors and finance capitalists. The following diagram (Figure 2) illustrates how these subsets converge.

Figure 2: *Subsets of Irish Business Élite*



It can thus be seen that the Irish business élite of the 1950s was comprised of 107 prominent families, with 10 families located in the "inner circle" of this class.

This presentation set out to identify the control structure and the major controlling families of Irish capital in the 1950s. Sixty seven non-financial companies and 7 financial institutions provide the main anchoring point for the study. Although the present study uses the board of directors as the basic unit of analysis, it has developed both a refined procedure and extended version of this approach. It is more refined in that it recognises that the locus of control, although embedded in the board of directors, results in differential participation on the part of different board members. Secondly, it recognises the family, as opposed to the individual, as the basic unit of capital mobilisation and as such the family is seen as an important mechanism in the structuration of the capitalist class. It has been illustrated that the Irish corporate structure of the 1950s was controlled by prominent identifiable extended families.

IV DISCUSSION

Since Zeitlin's (1974) major critique of managerial theories of industrial capitalism, sociologists have attempted to explicate the prevalence and significance of family control. It is argued by Useem (1984) that family control was retained in Britain and the United States right up until the 1960s and 1970s. Useem maintains that even though the United States witnessed the emergence of the large multidivisional corporation and the corresponding diversification of shareholdings in the third quarter of the nineteenth century, strategic control was retained through a complex mix of family majority shares, minority control and bank credit. What one gets at this point in time are cliques of inter-married families around particular groups of firms, anchored in specific financial institutions. Villarejo (1961), Burch (1972), Chevalier (1969), Kolko (1962), substantiate this viewpoint. More direct forms of control persisted in England, (Scott, 1979; Useem, 1984). The most recent data on ownership and control in Britain suggest that in 1975, almost half of the top 250 British companies were minority controlled or majority owned (Nyman and Silberston, 1978). This was particularly apparent in the brewing, retailing and merchant banking sectors (Lisle-Williams, 1984). Scott and Hughes (1976) show that the extent of owner control was greater in Scotland than in Britain as a whole, with more than three-quarters being under either majority or minority control.

The discussion of ownership and control has extended to other European countries. In Morin's study (1974) of the largest 200 companies in France, half of the companies were family controlled, most families having majority or exclusive minority control. In Belgium, Italy and Germany there is also evidence of significant family influence. The survival of family interests is most strikingly marked in Norway and Sweden where a small number of élite families exercise control over strategic decision-making (Seierstad, 1974; Higley, 1976).

Useem maintains that in both Britain and the United States, right into the 1960s and the 1970s, companies were managed by owners who controlled who got into top management positions. Many institutions, such as exclusive clubs and kinship inter-marriage evolved, to lend a distinct collective identity to these upper class families. Co-operation evolved informally and non-contractually and depended on trust born out of personal knowledge and long association. The "genteel" values implicit in this lifestyle both informed business activity and produced alliances which staved off economic competition. Lisle-Williams (1984), for instance, maintains that the continuity of family-based ownership and control in the merchant banking sector was a direct outcome of social limits to competition and forms of support which relied on the cohesion of banking dynasties. On a broader level, Useem (1984, p. 182) argues that the failure of finance capitalism and corporate capitalism to sweep aside family and pre-corporate relations is the product of re-enforcing cultural, social and economic factors. The outcome of this process is that up until relatively recently, kinship and the economy were intricately intermeshed. Family concerns of the upper class impinged on economic rationality. It is in this sense that Zeitlin (1974) refers to the dominant controlling groups in the economy as "kinecon groups". In some ethnic sects, a system of kinship akin to the "family compact" of mercentile capitalism persisted right into the second quarter of the twentieth century. The "cousinhood" of the Anglo-Jewish community and the "clan" system of the Quakers consisted of joint ownership of companies by families who were inter-related by marriage (Bermant, 1971).

Gradually, however, in the United States, family capitalism gave way to corporate capitalism. The eclipse of family capitalism was characterised by the withdrawal of family members from executive control and the increasing emphasis on specialised skills and professional qualifications as employment criteria. The manager became locked into corporate-determined priorities. Growth in profits was top of the corporate agenda no matter what family loyalties remained. Managerial capitalism has now been replaced by institutional capitalism and executive sovereignty has itself given way to inter-corporate control (Useem, 1984). According to Useem (1984) the route to institutional capitalism in Britain by-passed corporate capitalism and moved from family capitalism directly into institutional capitalism in the 1970s.

Neither Berkovitz (1975) nor Useem (1984) are arguing that in advanced capitalism ownership of wealth or kinship are unimportant. For although families are no longer the single most important units in the system, benefits accrue to members of privileged groups and they continue to play a critical role in the administration and direction of banks, trust companies and corporations through which their wealth is institutionalised. Direct inheritance has been supplanted by the possession of educational credentials (Stanworth and Giddens, 1974). Parkin (1979) argues that educationl credentials have been accorded their present importance largely because they legitimate the exclusionary process. He states that "formal qualifications and certificates would appear to be a handy device for ensuring that those who possess 'cultural capital' are given the best opportunity to transmit the benefits of professional status to their own children" (Parkin, 1979, p. 55).

Increasingly, however, business decisions are governed by the internal logic of business rationality as opposed to the family concerns of the upper class. This comes about as a result of the extreme diversification and dispersion of shareholdings whereby the capital of prominent business families is invested in the economy as a whole and the capitalist class have thereby a classwide interest in the economy as a whole.

From an analysis of the Share Register of the top 67 Irish companies and top 7 Irish financial institutions, it is clear that the Irish corporate structure of the 1950s was under the control of prominent extended families. Clear-cut patterns of dynastic control were, however, giving way to a more diversified pattern of control. Alongside this trend, a major transformation of Irish capitalism was occurring. This has been referred to as "The Great Switch" and involved the domestic Irish bourgeoisie in a new "triple alliance" with the state and international capital (Wickham, 1980; Bew and Patterson, 1982). Both the external and internal preconditions for this change and the mechanisms by which Irish capital was restructured are under-investigated.

This article has made a contribution by making this investigation possible. It has not only established the importance of familism but has also identified the top 107 controlling families and raised questions relating to the nature of dynastic control. Detailed and systematic research is required on the following areas, a number of which are in train by the author — the origins of the families involved in different types of companies; their connections with the landed gentry and our own colonial past; the social and corporate structuration of Irish capital in the 1950s; the relationships among economic élites, political power and the State; and finally, the re-organisation of the Irish capitalist class between 1950 and 1980, and the extent to which the families of the 1950s consolidated their positions as the dominant class in the "New Ireland". The significance of this research will hardly be a matter of controversy.

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