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ANGLO-AMERICAN CORPORATE TAXATION: TRACING THE COMMON ROOTS OF DIVERGENT APPROACHES*

Steven A. Bank

Over the last century, countries have typically followed either the United States model or the United Kingdom model in taxing corporate income. In the U.S., corporations are subject to tax as separate entities under what is called the classical system. Income is taxed first to the corporation when earned and a second time to the shareholders when distributed as a dividend. This double taxation was mitigated to some extent in the U.S. by a 2003 reduction in the rate applied to the shareholder-level tax on certain dividend payments, but it left the basic double tax system intact. The U.K. system of corporate taxation has traditionally stood in sharp contrast to the U.S. approach by integrating the corporate and individual income taxes through an imputation approach in which shareholders are provided a credit designed to offset at least a portion of the tax paid on that income at the company level. The amount of that credit has declined in recent years, but the U.K. has retained at least a hybrid approach to corporate income taxation.

This sharp divide between the U.S. and U.K. approaches has not always existed. When income taxation was employed during the nineteenth century, both countries taxed corporate income in a system that was integrated with the individual income tax. It was only around World War I that the nations began to diverge as the U.S. moved to a classical system while the U.K. retained a largely integrated approach. Moreover, there have been several instances during the last century when the countries moved closer together, including most notably during the last decade or so. This book seeks to explore the history of British and American corporate income taxation in search of the factors that may help explain why they diverged and converged over the years and what this portends for the future of corporate income taxation in the two countries and around the globe.

The way corporations in the United States and the United Kingdom dealt with retained earnings and set dividend policy reflects an underlying difference in the location of power in corporations in the respective countries. This difference in the

location of corporate power, in turn, contributed to the divergence of corporate income tax schemes. The reason is that the corporation itself was simply perceived differently in the two countries during the first half of the twentieth century when the income tax systems were still developing. Power in the large British public corporation was primarily located at the shareholder level, thus leading to a shareholder-focused corporate tax, while power in the large American public corporation was primarily located at the entity level, thus leading to an entity-focused corporate tax. These differences were then hard-wired into the respective national consciences and continued to influence corporate tax reform in ensuing years.

This difference in the locus of power in British and American corporations not only affected decisions about the appropriate dividend policy, but it may have affected views on the appropriate role of corporate taxation in regulating corporate power and in reaching corporate wealth. To the extent that ownership separated from control much later in the U.K. than in the U.S., U.K. policymakers may have conceived of a family controlled corporation when they contemplated the taxation of the corporation. This necessarily would have suggested a more aggregate conception of the corporation, pointing toward an integrated approach to the taxation of corporate income. Conversely, if in the U.S., the separation of ownership and control occurred much earlier, the rise of the manager-controlled enterprise may have made it easier to conceive of a classical system of corporate taxation in which the corporation was taxed separately on its earnings. Moreover, variations in tax treatment could occur at various points and on individual provisions in response to specific contingencies or because of shifts in the nature of corporate ownership and governance. Nevertheless, the justifications for such variations were often framed in the historical rhetoric. Thus, the adoption of an American-style classical corporate income tax in the U.K. between 1965 and 1973 was justified as an aid to stemming the tide of excessive dividends paid to wealthy shareholders, while the adoption of an undistributed profits tax in the U.S. between 1936 and 1939 was justified as a means of constraining abusive managers.

I. THE DIVERGENCE IN THE NATURE OF THE CORPORATION

The differing contemporary descriptions of the corporation and the differences that developed in the fundamental nature of the respective corporate tax systems during the early twentieth century are connected. Given this, it is valuable to examine the divergence in the development of the corporation itself that occurred between the turn-of-the-century and the onset of World War II. This includes legal and practical differences in the position of shareholders and the locus of power as a result of the varying degree to which ownership separated from control in the two countries over this period.

A. Familial Capitalism and the Presence of Blockholders

Although the U.S. and the U.K. were more or less on parallel tracks in the growth and dispersion of their shareholder populations in the early twentieth century, the

countries diverged as to the extent of blockholder control. This had two dimensions. First, families maintained controlling stakes in British public corporations, at least in the industrial and manufacturing sectors, at a relatively high rate. Second, American corporations more quickly developed a management structure that ceded control to individuals who were not directly associated with or controlled by the shareholders. The combination meant that even amidst the growth in public corporations and the expansion of stock ownership in both countries, different patterns emerged. While the U.S. was moving closer to the outsider/arm's-length structure of corporate governance, the U.K. continued to adhere to the insider/control-oriented model.

In both the U.K. and the U.S., the founding families of newly-public corporations often maintained control of their early twentieth century corporations by retaining ownership of a block of stock sufficient to affect voting. In the U.K., for instance, Imperial Tobacco continued to be dominated by the Wills family even after a 1901 merger of seventeen U.K. tobacco companies and an ensuing public offering in 1902 designed to finance the merger. At the time, the Wills family owned sixty-eight percent of the resulting company's ordinary shares and it still held fifty-five percent in 1911 after the death of William Henry Wills, the founding chairman of Imperial.¹ One commentator later described Imperial as a "glorified family firm."² This phenomenon was true even for very large firms with widely-dispersed shareholders. Lever Brothers, a British soap manufacturer and the forerunner of the modern conglomerate Unilever, had 187,000 shareholders but "remained firmly under the thumb" of its founder, William Lever, until his death in 1925, through the family's control over the voting stock and the management structure.³ To avoid diluting family control, the company only issued debentures and non-voting preferred stock and other stock with limited or no voting rights in connection with their aggressive acquisition campaigns.⁴

I. Blockholders

The British companies were not unique in this regard in the early twentieth century. In the U.S., large companies such as Ford Motor Company, the Mellon family's Gulf Petroleum and Aluminum Company of America, and the Duke family's American Tobacco Company were all heavily dominated by family ownership and control.⁵ According to studies of corporations in the first several decades of the twentieth century, a similar percentage of families, or other shareholder groups, maintained control in the U.S. as in the U.K. In Berle and Means' study, fifty-five percent of the largest 200 American corporations were controlled by minority blockholders such as families as of 1929.⁶ Likewise, Leslie Hannah found that fifty-five percent of the largest 200 British corporations had family members on the board of directors in 1919, with that percentage rising to seventy by 1930.⁷

The difference between the U.S. and the U.K. was not in the presence of family control in the early 1900s, but rather in the extent to which it continued through

the twentieth century. The development of a true outsider/arm's-length form of corporate governance in the U.K. was delayed in large part by the persistence of family control.⁸ According to Brian Cheffins, "[o]nly after World War II would the transformation to outsider/arm's-length corporate governance become complete."⁹ Even considering the 1950s and 1960s as the demarcation point, there was still substantial evidence as late as the 1970s of the type of familial capitalism and blockholder control in the U.K. characteristic of an early generation.¹⁰ Mary Rose distinguishes this from the experience in America, noting that "in contrast to the experience in the United States, where from the 1880s onwards ownership and control became increasingly divorced, in Britain personal capitalism persisted well into the twentieth century."¹¹

Part of the reason family insiders were able to maintain control in many U.K. companies at such a high rate is because they frequently retained some or all of the voting equity after listing the company's other securities. As P.L. Cottrell observed, "[a]lthough the number of public companies grew, this development did not lead to 'outside' shareholders gaining control of their assets. The equity, which carried voting rights, remained generally in the hands of their vendors whereas extra funds were raised at the time of conversions, or subsequently, by the issues of either preference shares or debentures."¹² According to Cottrell, "[i]n the years before 1914 domestic public joint-stock companies issued more than seventy-five percent of their new capital in fixed-charge securities Ordinary shares remained generally with the original proprietors, who took them in payment for fixed assets and goodwill that they made over to the new limited concerns."¹³ A.R. Hall confirms this, stating that "a large number of the 'disposals', probably the majority, did not involve the sale of ordinary shares but only preference shares and debentures."¹⁴

This does not mean that separation of ownership and control had not spread to any British industries. An early example of where such separation occurred was in the railroads. In 1872, a Joint Select Parliamentary Committee noted that "[o]n railways there is a powerful bureaucracy of directors and officials. The real managers are far removed from the influence of the shareholders and the latter are to a great extent a fluctuating and helpless body. The history of railway enterprise shows how frequently their interests have been sacrificed to the policy, the speculations, and the passions of the real managers."¹⁵ As Cheffins explained, "[o]wnership was divorced from control in large UK railway companies as far back as the mid-19th century and the situation remained unchanged up to World War I."¹⁶ Nevertheless, in the British industrial sector, where firms were often local and may have had a disproportionate influence on popular thinking about the nature of the firm, familial and personal capitalism continued to be dominant.¹⁷

Between 1880 and 1930, the small, privately held, family-controlled U.S. business appeared to gradually give way to the large, publicly traded, manager-controlled corporation.¹⁸ According to Alfred Chandler, such a transformation primarily occurred before World War I, with U.S. companies developing independent and sophisticated management structures quite distinct from their shareholders.¹⁹ This phenomenon was repeatedly emphasized by contemporary observers. F. Edson White, the president of a meatpacking firm Armour and Company, reported in a 1924 interview that “[b]ig business is rapidly becoming decentralized in ownership – and it desires to be.”²⁰ *The New York Times* noted the following year that “a widespread diffusion of corporate ownership is unquestionably now in full swing.”²¹ By 1927, economist William Ripley noted that “[t]he prime fact confronting us as a nation is the progressive diffusion of ownership on the one hand and of the ever-increasing concentration of managerial power on the other.”²²

Adolf Berle and Gardiner Means offered empirical data to buttress these contemporary observations of the transformation to a manager-led corporation. In their famous 1932 study,²³ Berle and Means documented that a substantial majority of the 200 largest corporations in 1930 were controlled by management rather than by an individual or family.²⁴ They wrote “[w]e have reached a condition in which the individual interest of the shareholder is definitely subservient to the will of a controlling group of managers even though the capital is made up of the aggregated contributions of perhaps many thousands of individuals.”²⁵ Although their conclusion was not as clearly supported by their data as they asserted,²⁶ other studies soon followed to confirm that many of the largest corporations in the U.S. were indeed controlled by managers.

In the U.K., this transformation to a manager-controlled corporation appeared to take place much later than in the U.S. John Micklethwait and Adrian Wooldridge, in their history of the company, described this divergence:

British entrepreneurs clung to the personal approach to management long after their American cousins had embraced professionalism. As late as the Second World War, a remarkable number of British firms were managed by members of the founding families. These founders kept the big decisions firmly within the company, only calling on the help of professional managers *in extremis*. Family-run firms had no need for the detailed organizational charts and manuals that had become commonplace in large American companies. They relied instead on personal relations and family traditions.²⁷

For example, a study by Phillip Sargant Florence of eighty-two of the largest industrial and commercial firms in Britain as of 1936 found that the vast majority had a dominant owner.²⁸ Similarly, in a recent study of fifty-five listed U.K. firms as

of 1950 by Julian Franks, Colin Mayer, and Stefano Rossi, the authors reported that the largest ten shareholders held an average of almost forty-nine percent of the shares.²⁹ The real transition appeared to occur during the 1960s. In 1961, Anthony Sampson analyzed twenty-three of the largest U.K. companies by asset value and concluded that among these firms “there is still often a family or an individual with a dominating influence on the board.”³⁰ A decade later, in 1971, Sampson concluded that “the big corporations are left, like perpetual clocks, to run themselves; and the effective power resides not with the shareholders but with the boards of directors.”³¹

B. Corporate Governance

Even if the formal separation of ownership and control had occurred at roughly the same time in the two countries, shareholders maintained a degree of influence over corporate governance in British companies that did not exist in the U.S. This may have had long-standing roots. Lorraine Talbot attributes the British conception of shareholders to the survival of legal protections that emerged during the dominance of quasi-partnership companies in the post-Bubble Act era, noting that even after shares in widely-dispersed companies were reconceptualized as personal property rather than taking on the character of the firm’s assets, “[s]hareholders were still conceived as owners with the entitlement of owners, which seems to be more extensive than mere ownership of shares.”³² Talbot even suggests that this persists to the modern day, although this may be an overstatement: “In the United Kingdom, shareholders continue to be considered the owners of companies and the proper recipients of corporate activity, regardless of the level of share dispersal.”³³

One area where the difference in shareholder rights was particularly stark, at least on the face of it, was in dividend policy. From the middle of the nineteenth century, British shareholders of most companies were accorded the right to vote on the Board’s recommendation to declare a dividend. This right was incorporated in Table A of the U.K.’s Company Acts, which set forth a number of default rules that companies could adopt in constructing their charters.³⁴ According to paragraph 72 of Table A, “[t]he Directors may, with the Sanction of the Company in General Meeting, declare a Dividend to be paid to the Members in proportion to their shares.”³⁵ For many companies, the articles of association borrowed liberally from Table A, including the provision for shareholder vote on dividends.³⁶ According to Professor Colleen Dunlavy’s forthcoming database on corporate charters, which describes dividend and other provisions in a series of U.K. charters adopted between 1845 and 1865, two-thirds of the charters included provisions requiring shareholder approval for declaration of a dividend.³⁷ Although shareholders generally could not vote to change the amount of a Board’s recommended dividend and they could not initiate a dividend,³⁸ they could veto a dividend recommendation.

By contrast, U.S. shareholders have never held any power, even in the form of a veto right, over the dividend decision. The board of directors had the sole discretion to determine dividend policy. There were early instances in which the dividend

decision was delegated to stockholders under the corporation's by-laws,³⁹ but by the end of the century the rule was firmly established that "[t]he directors, being the agents of the corporation, alone have the power to determine the amount and to declare a dividend from earnings – a power resting in their honest discretion, uncontrollable by the courts."⁴⁰ Stockholders had a mere "inchoate right" in the profits of the corporation until a dividend was declared by the directors.⁴¹ Thomas Cooley elaborated, writing in an opinion for the Michigan Supreme Court that "until the dividend is declared . . . the dividend is only something that may possibly come into existence."⁴²

The established norm of shared or at least quasi-shared responsibility for the dividend decision in British companies may have perpetuated their high dividend payout ratios, especially since the depressed profits for British firms during the 1920s made maintaining level dividend payments more difficult.⁴³ For example, Charles H. Grinling, writing in 1903, attributed this liberal dividend practice to the shareholder-oriented corporate governance structure in British railroads:

[O]wing to the predominance of shareholders' influence upon British railway policy, it has been the custom to divide the profits of each half year "up to the hilt," subject only to a more or less liberal current expenditure for the maintenance of the property. Then the net profits are divided up amongst the shareholders as far as they will go, an amount being 'carried forward' to next half-year, usually because it was not possible to squeeze out another 1/4 percent.⁴⁴

This shareholder influence over dividend policy continued at least up until World War II. Economist Norman Buchanan wrote in 1938 that "[t]he tendency to distribute a larger share of the total annual earnings as dividends in Great Britain may, however, be partially explained by the rather common practice of having the shareholders vote upon the question in meeting, rather than leaving the dividends to be determined by the directors as in American corporations."⁴⁵ Notwithstanding that shareholder power over dividends was limited to the right to vote on a proposal by directors, the requirement that directors submit a proposal to a shareholder vote was a reflection of shareholder power and influence. As Benjamin Graham and David Dodd observed, "the mere fact that the dividend policy is submitted to the stockholders for their specific approval or criticism carries an exceedingly valuable reminder to the management of its responsibilities, and to the owners of their rights, on this important question."⁴⁶

In addition to dividend policy, the differential influence of U.S. and U.K. shareholders over corporate governance is also reflected in the location and nature of the corporate annual meeting. While British managers often moved their annual meetings to facilitate shareholder attendance, U.S. managers did the exact opposite,

“preferring to hold annual general meetings far from where shareholders lived or worked.”⁴⁷ In 1947, the Investors’ League cited the examples of a paper company that held its annual meeting at an abandoned paper mill that could only be reached by a special train and a meeting of the American Can Company in an upstate New York town that was not accessible by rail at all.⁴⁸ Even where meetings were held in cities accessible to most shareholders, they were held on the same day as meetings of other corporations in different cities, effectively preventing shareholders from attending meetings of more than one of the corporations in which it held shares.⁴⁹

Part of the explanation for this difference in approach to annual and special meetings was structural differences in the corporate law governing U.K. and U.S. companies. As Janette Rutterford has explained, the federal system in the U.S. permitted businesses to be headquartered in one state, but incorporated in an entirely different and often far-off state. Because the choice to incorporate in a state was often a product of a competition among states to offer the most favorable laws for business and its managers, this meant that the protections for shareholders and the disclosure requirements were often quite minimal. The U.S. did not provide uniform disclosure requirements until the 1930s with the creation of the Securities Exchange Commission. The difference between the business home and legal home of a corporation also meant that annual meetings held near the registered office were more ceremonial than substantive, since they could be located quite a distance from any natural shareholding population surrounding the actual business operation of the company.⁵⁰ By contrast, in the U.K., with all English and Welsh companies filing documents and information to the Registrar of Companies in London starting in 1900, there was no advantage to locate far from a company’s base of operations and its natural shareholder and employee constituency.⁵¹ Disclosure was also more complete in the early twentieth century U.K. firm, with the Companies Act of 1900 even requiring the publication of shareholder lists.⁵² In a legal environment in which disclosure was required more broadly, the annual meeting might have the chance of actually being informative rather than merely ceremonial.

Even apart from the logistical obstacles to attending annual meetings in the U.S., the average shareholder had little incentive to attend. Frequently, their questions were ignored if there was even time reserved for questions at all.⁵³ Corporate management was highly suspicious of shareholder motives in this context. One railroad chief executive officer, James J. Hill of the Great Northern Railroad, reportedly testified before the Pujo Committee in 1913 that in thirty years “no stockholder so far as he could remember had attended the meetings . . . unless he wanted to make trouble.”⁵⁴ John Broderick, in his book, *A Small Stockholder*, offered a colorful explanation for why the lack of any chance to influence the corporation led people to ignore annual meetings:

What I am trying to calculate at the moment is the measure of interest that there is for me in any meeting of corporation stockholders which I am entitled to attend. In fact, while I am usually at ease in the presence of death in any form, if I were obligated to choose between hying to one of these corporate powwows, with its arid ceremonial, and going to a funeral, with its moving solemnity, there is no doubt that I would pick the funeral. At a friend's obsequies one may at least speak a consoling word to the widow, if he knows how, and possibly serve as a pallbearer.⁵⁵

As a result, John Sears of the Corporation Trust Company noted that "[i]t has become . . . customary for stockholders' meetings to be . . . devoid of personal attendance or participation in discussions."⁵⁶

There was reportedly a very different scene at annual meetings of British corporations, where annual meeting attendance had a long tradition. Indeed, while there were some instances of non-attendance and proxy voting, it "should not be assumed that it was very widespread."⁵⁷ A Royal Commission in 1886 found that "the directors are as a rule well looked after, meetings are frequent: generally they are held quarterly."⁵⁸ This general practice continued in the twentieth century, although by then proxy voting had gained a foothold, leading to dire predictions of the decline of the importance of the meeting.⁵⁹ Such predictions did not prove true. Sears noted that "[i]n contrast with our American experience we hear frequent reference to the large attendance, real discussions, and results secured at stockholders' meetings in England."⁶⁰ The *Wall Street Journal* marveled that:

Stockholders' meetings are held in London in a hall that accommodates two thousand people and it is frequently crowded. There is always a good attendance. The directors sit on the platform, with their chairman, and answer questions after the report has been read. The questions are usually shrewd and searching, and woe betide the director who tries to evade them. Such meetings are well reported in the newspapers, especially if the company is a prominent one. The result of this publicity is that the will of the stockholder tends to prevail.⁶¹

This does not mean, of course, that shareholders in the U.K. agreed with their American counterparts in concluding that British shareholder meetings were productive and useful or that shareholders in the U.S. were ineffective in imposing their will on directors. The popularity and significance of the shareholder meeting does suggest why a British shareholder might feel more involved in the governance of the corporation than a comparable American shareholder.

Company law provided further encouragement to the annual meeting function of British corporations. Shareholders in the U.K. were afforded some legal

entitlements that were absent under most state corporate law statutes in the U.S. In the U.K., for example, starting in 1900 shareholders collectively holding ten percent or more of the stock had the right to call a meeting of the company.⁶² The situation before 1900 was only somewhat less favorable. The default rule under Table A of the Companies Act of 1862 was that a general meeting could be called by twenty percent of the shareholders.⁶³ As Richard Nolan has explained, these rules reflected the basic assumption “that shareholders would make decisions at face-to-face meetings.”⁶⁴ Even if the discussions at such meetings did not result in real changes,⁶⁵ they afforded the shareholders fairly significant power. According to Nolan, “the shareholders could require a meeting whether or not they had the power to do so under the company’s articles, and whether or not the company’s directors were willing to use their powers to call a meeting.”⁶⁶ Given these background rules and the actual custom of participation, it therefore would not be surprising if the public conceived of the U.K. company as an aggregation of individual shareholders.

II. THE EFFECT ON CORPORATE TAX DESIGN

The real differences in the nature of at least the large public industrial corporation in the U.S. and the U.K. during the first third of the twentieth century appeared to have an effect upon the development of the respective corporate tax systems. In the U.K., for instance, where large corporations were often controlled by families or individual shareholders, tax measures often favored shareholders. During periods of concern about excessive distributions, though, tax measures were targeted at the wealthy shareholders who were suspected of draining the corporate coffers at the expense of both labor and the economic community at large. For example, after World War II, the U.K. enacted a Differential Profits Tax that subjected distributed profits to a higher rate than undistributed profits.⁶⁷ This was designed to force companies to reinvest in their businesses as part of the post-war recovery rather than paying out high dividends to shareholders.⁶⁸

By contrast, in the U.S., where large corporations were often controlled by managers, tax measures often served to protect the corporation from the high graduated marginal rates applicable to individuals. During periods of concern about excessive retentions, though, tax measures were targeted at the entity level to limit the ability of managers to drain the corporate coffers at the expense of shareholders and the economic community at large. For example, in 1936 Congress enacted an Undistributed Profits Tax designed to penalize corporations for higher amounts of retaining earnings.⁶⁹ This responded to a deep-seated concern about the overexpansion of corporations during the 1920s and the effect this had in deepening the Great Depression.⁷⁰

In other words, although both countries were worried about the problem of governmental expropriation or a tax burden that was too excessive for business

to continue to thrive, in the U.K. they were also worried about shareholder expropriation while in the U.S. they were worried about managerial expropriation. Since laws and attitudes linger long after the facts supporting them have dissipated, tax policy continued to be animated by these concerns at least through the post-World War II period, and in some cases through to the current day.

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36. IX Companies Act, 1862, 25 & 26 Vict., c. 89, First sch., tbl. A, par.72 (Eng.).
37. For a description of the database, *see* <http://history.wisc.edu/dunlavy/Corporations/cdatabase.htm> (last visited March 7, 2013).
38. II Companies Act, 1929, 19 & 20 Geo. 5, c. 23, par. 89 (Eng.) (“The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.”). *Cf.* Companies Act. 1985, c. 6, par. 102 (Eng.) (“Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.”).
39. *See* 1 ARTHUR STONE DEWING, *THE FINANCIAL POLICY OF CORPORATIONS* 91, n.dd (5th ed. 1953) (“In rare cases the dividends are declared by the stockholders, in accordance with a provision of the bylaws. Among early corporations the stockholders’ control over dividend disbursement was quite usual. Such a reservation of power is now very rare; it runs counter to the generally accepted theory of the powers and responsibilities of directors.”).
40. Cyrus LaRue Munson, *Dividends*, 1 *YALE L. J.* 193, 196 (1892).
41. H.W.R., *Dividends*, 9 *CENT. L. J.* 162, 163 (1879).
42. *Lockhart v. Van Alstyne*, 31 *Mich.* 76, 78 (1875).
43. *See* A. James Arnold, *Profitability and Capital Accumulation in British Industry During the Transwar Period, 1913-1924*, 52 *ECON. HIST. REV.* 45, 48 (1999). The vast majority of investors preferred current income rather than capital appreciation. *See* HORACE B. SAMUEL, *SHAREHOLDERS’ MONEY* 145 (1933) (“Excluding that comparatively small number of persons who buy for capital appreciation, the majority of investors in this country purchase securities in the hope of enjoying the dividends that they anticipate will be paid.”).
44. Charles H. Grinling, *British Railways as Business Enterprises*, in *BRITISH INDUSTRIES: A SERIES OF GENERAL REVIEWS FOR BUSINESS MEN AND STUDENTS* 166 (William J. Ashley ed., 1903).

45. Norman S. Buchanan, *Theory and Practice in Dividend Distribution*, 53 THE Q. J. OF ECON. 64, 83, n.7 (1938).
46. BENJAMIN GRAHAM AND DAVID L. DODD, SECURITY ANALYSIS: PRINCIPLES AND TECHNIQUES 383, n.1 (2d ed. 1940).
47. Janette Rutterford, *The Shareholder Voice: British and American Accents, 1890 to 1965*, 13 ENT. & SOC'Y 120, 132 (2012).
48. *Id.*
49. *Id.*
50. *Id.* at 132.
51. *Id.* at 124.
52. *Id.*
53. *Id.* at 132.
54. JOHN H. SEARS, THE NEW PLACE OF THE STOCKHOLDER 148-49 (1929).
55. *Id.* at 151 (quoting JOHN T. BRODERICK, A SMALL STOCKHOLDER (1926)).
56. *Id.* at 153.
57. JAMES B. JEFFERYS, BUSINESS ORGANISATION IN GREAT BRITAIN, 1856-1914 399 (1977).
58. ROYAL COMMISSION ON THE DEPRESSION 4592 (1886), *quoted in* JEFFERYS, *supra* note 57, at 400.
59. JEFFERYS, *supra* note 57, at 429.
60. SEARS, *supra* note 54, at 150.
61. *Id.* (quoting the *Wall Street Journal*).
62. Companies Act, 1900, 63 & 64 Vict. c. 48, §13; CHEFFINS, *supra* note 1, at 129-30. This right continues under modern law, but the threshold was lowered in 2009 to only require stockholders possessing five percent or more of the vote in order to call the meeting. See Christopher M. Bruner, *Power and Purpose in the "Anglo-American" Corporation*, 50 VA. J. OF INT'L L. 579, 604 (2010).
63. Companies Act, 1862, 25 & 26 Vict. c. 89, sch. 1, tbl A, art. 32; CHEFFINS, *supra* note 1, at 130, n.214.
64. R.C. Nolan, *The Continuing Evolution of Shareholder Governance*, 65 CAMBRIDGE L. J. 92, 103 (2006).
65. CHEFFINS, *supra* note 1, at 127-29.
66. Nolan, *supra* note 64, at 103.
67. Morris Beck, *British Anti-inflationary Tax on Distributed Corporate Profits*, 1 *National Tax Journal*, 275 (1948).
68. RICHARD C. WHITING, THE LABOUR PARTY AND TAXATION: PARTY IDENTITY AND POLITICAL PURPOSE IN TWENTIETH-CENTURY BRITAIN 17-18, 85 (2000).
69. Revenue Act of 1936, ch. 690, §14(b), 49 Stat. 1655 (1936).
70. Steven A. Bank, *Corporate Managers, Agency Costs, and the Rise of Double Taxation*, 44 WM. & MARY L. REV. 167, 167 (2002).