

June 13, 1931.

Professor W. Z. Ripley  
Newton Center, Mass.

Dear Professor Ripley:

Was very sorry not to be able to get in touch with you a week ago Monday, and I hope that you will let me know when you are in New York. I have delayed writing to you because I have expected each day that I would have completed the article on "The Separation of Ownership and Control" of which I spoke to you. I am enclosing a copy of it, and would appreciate any remarks which you might have to make with regard to it, since it is not in its absolutely final form. The copy I am sending you I have not had an opportunity to put in perfect shape, but the tables are in their final form, and the text is approximately as I hope to have it published.

In respect to the Associated Gas and Electric, I have arranged to obtain a copy of the original charter and amendments, and should have them within a few days. I have also collected a certain amount of material with respect to that company. I am particularly struck with the fact that only recently has it come to be an important system. Up to 1922, there were only approximately 150 stockholders of the Company, and its assets in 1921 were well below forty million. The amazing growth has therefore occurred within the last eight years. This should somewhat simplify the study since the relevant material will all be of recent date.

In connection with checking on the operations of the Company, I am told that a very hot time is being had in Rochester, N.Y. The papers there are said to be full of accounts relative to the Associated Gas and Electric; although I have no accurate information on this, I am told that the Associated Gas brought control of one of their utilities, and more or less ran it into the ground, buying out the minority interests and the bondholders on what the populous regard as "shocking terms." I have sent for newspaper files and other information relevant to this case, and hope that it may give a very definite lead.

In making the study, my present idea is to take the charter and by-laws, study them, and discover any radical extension of powers which they involve. Then I intend to make a list of all the acquisitions of Companies by the Associated Gas and Electric, particularly since the present management came into position of power. I would then examine the financial details of each acquisition in so far as material was available. All of this should take a relatively short time, and it seems to me probable that the work can best be done here in New York as the Marwyn Soudder Library has a very complete list of listing statements, newspaper clippings and security offering notices. When the files of this Library have been examined, it might be necessary to come to the Harvard Library to see if any gaps remaining can be filled in.

With this work completed, it occurs to me that a great deal of information might be obtained by getting in touch with members of the Chamber of Commerce, or bankers, or others in various towns where the Associated Gas has obtained control of a local utility. Thus when I was in Worcester perhaps in 1925 or 1926, there was a great Mullabalee in the papers with respect to the efforts of an outside interest, ultimately proved to be the Associated Gas, seeking to obtain control of one of their utilities. Newspaper files of that time would undoubtedly reveal considerable account of them. Perhaps the same material could more quickly be obtained by seeking out important local business men. The same would be true of Rochester today. How many other towns or localities one should investigate in the short time available, I don't know. It would depend somewhat on the length of time it took to get in contact with the suitable local business men. I feel convinced that if the proper person were reached, they would not hesitate to supply the relevant material, would probably have the relevant pamphlet and circular material on file, and would be able to point out its significance.

If this plan met with your approval, I would take my car and drive around to "local points of interest". I hope to see you in New York soon, and

Very sincerely,

GM:MDS