

INDUSTRIAL COMBINATION

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649282654

Industrial combination by D. H. Macgregor

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

D. H. MACGREGOR

**INDUSTRIAL
COMBINATION**

INDUSTRIAL COMBINATION

INDUSTRIAL COMBINATION

BY

D. H. MACGREGOR, M.A.

FELLOW OF TRINITY COLLEGE, CAMBRIDGE, AND OF THE ROYAL ECONOMIC SOCIETY



LONDON
GEORGE BELL & SONS
CAMBRIDGE-DEIGHTON BELL & CO.

1906



HD 2731
.M2

3/12/2021

RICHARD CLAY & SONS, LIMITED,
BREAD STREET HILL, E.C., AND
BURGAY, SUFFOLK



PREFACE

THE purpose of the following pages is to study the problem of industrial combination from some new points of view. Not the least important of these is derived from the fact that this book is written in England, where Trusts and Cartels have not yet become a matter of public agitation. To a great extent, foreign literature on this subject is political rather than economic in tone, and descriptive rather than analytical in its content. While there seems to be room, therefore, for an English economic study of the most pressing question of industrial organization, it is impossible not to acknowledge the greatest debts to foreign economists who write from nearer the centre of the problem. It will be evident how much I owe to Dr. Liefmann, Professor Jenks, and Professor J. B. Clark. I have sought to use their work without retraversing their ground. The general scheme and analysis of this book is original; in one chapter I have tried to indicate why it appears to me that this question cannot be taken as part of the same study as labour combination.

In only one of the controversies which the combination movement has aroused can this volume be said to take a side. I do not think that the Trusts and Cartels can properly be regarded as a step towards Socialism. In this respect my work has a point of view different from that of Mr. Macrosty, whose *Trusts and the State* focusses in one light all the aspects of the combination movement, and that light the Socialist one.

Whether, or how long, or with what modifications in structure, Trusts and Cartels will endure in the twentieth

century is, in my view, impossible of prophecy. It is possible only to analyse the conditions, favourable or the reverse, whose further evolution will increase or lessen their title to be regarded as the representative structures of the future.

The division of this book is as follows: In Part I. are analysed the factors of competing strength, in order to study the effect of combination on each of them. No doubt, productive efficiency is the factor which must tell in the long run; but there are so many short runs in the long one that it would be an imperfect study which neglected the part played in the competitive struggle by bargaining and other forms of industrial strategy. Although detailed policies are in constant change, I hope that the classification of this part is elastic enough to include them. Part I. is on the whole a deductive study: in Part II. are considered more inductively the present-day conditions which have fostered industrial combination, and have led it to take such different forms in America and on the Continent. In Part III. some questions of public expediency come up for brief treatment.

In its original form this work was submitted in 1904 to the Fellowship Electors of Trinity College. I am greatly indebted for criticisms to Professors Marshall and Foxwell and Mr. C. P. Sanger; and my work has been entirely recast for publication. While I am now solely responsible for every opinion which is expressed here on a very wide subject, I take the opportunity of paying my tribute of thanks to Professor Marshall, to whom I owe my guidance in economic study, and whatever may be of value in my work.

D. H. MACGREGOR.

*Trinity College, Cambridge,
July 1906.*

CONTENTS

INTRODUCTION

	PAGE
COMBINATION AS A "REPRESENTATIVE METHOD"	1

PART I.—THE FACTORS OF COMPETING STRENGTH

CHAP.		
I.	PRODUCTIVE EFFICIENCY	19
II.	RISK	46
III.	BARGAINING STRENGTH	66
IV.	RESOURCE	93

APPENDIX

V.	FAIR PRICE	108
----	----------------------	-----

PART II.—TRUSTS AND CARTELS, AND THEIR RELATION TO TRADE UNIONS

I.	GENERAL CAUSES	115
II.	COMPARATIVE CAUSES AND STRUCTURES	138
III.	INDUSTRIAL COMBINATION AND LABOUR COMBINATION	168

PART III.—NATIONAL ASPECTS

I.	NATIONAL EFFECTS OF COMBINATION	191
II.	PUBLIC POLICY AND INDUSTRIAL COMBINATION	217

