

Name.	Number of Firms.	Capital. £
J. and P. Coats (Limited), (sewing cotton) ...	...	7,498,000
The English Sewing-cotton Company ...	15	3,000,000
Bradford Dyers' Association ...	30	4,750,000
Bleachers' Association (Limited) ...	53	8,250,000
The Salt Union ...	...	4,200,000
British Oil and Cake Mills ...	17	2,250,000

These may be taken as examples of some of the larger combinations engaged in business in England. The capital invested is well known, and fully organized trusts of this class may be roughly estimated at £100,000,000. Such a sum, however, sinks into insignificance compared with the stocks and bonds which represent the capitalisation of single American trusts, such as the Standard Oil Company and the United States Steel Corporation.

There is no active political or national feeling against the aggregation of English firms into powerful corporations. It is only lately that a distinct feeling of uneasiness as to the possible future of business has arisen. A good deal of resentment has been expressed against Ministers of State sitting as directors and holding large interests in trade corporations, but it has birth partly in political bitterness, and partly in dread lest corruption in administration should appear if men engaged in shaping the destinies of the State should be led into playing into the hands of corporations.

The desire to escape exhaustive competition has been the chief influence which has led to amalgamation. Many trading firms found that they were working without profit, and it was necessary to combine to enable such a grip to be put upon selling prices as to insure a reasonable return for their energies. Unless, however, by amalgamation greater economies could be achieved, it was hopeless to attempt to crush competition. They found that, as in Austria and Germany, there were savings to be made by shipping from the nearest plant and so save in cross-freights. The pay of commercial travellers and agents, extensive advertising, &c., were all in a great degree eliminated from the cost of sales. The English Sewing-cotton Company considered it saved as much as 40 per cent. by savings in this way. Purchases in bulk made for different members of the same trust enabled large quantities of raw material to be bought at a low rate, while valuable patents, formerly the property of single firms, were utilised by extension to the whole combination. In some instances it is claimed that power to reduce wages and to deal with strikers has been an effect of coalition among employers, since in case of a local strike the establishment can be closed down and the work carried on in other places by plants of the one corporation. It is reported that there is an agreement among certain large engineering firms to act together in regard to trade-union labour, although there is no combination of any other nature.

Agreements or pools of various kinds are very common in England, although they often stop short of unity into single corporations. They are usually local agreements dealing with prices and the methods of business. The London coal-merchants have such a ring, the flour-dealers another, the bacon-dealers another. The Co-operative Wholesale Union, to escape the influence of the bacon ring, had to establish factories in Denmark, as the Danish sellers were not allowed to sell to persons not in the bacon combination of London. Some combinations are entirely local, and of this class consist the Bradford Coal Merchants and Consumers' Association, the Bradford Dyers' Association, and the Bleachers' Association of Manchester. Others, such as the Associated Portland Cement Manufacturers, the Calico-printers' Association, the Fine-cotton Spinners and Doublers' Association, do international business. Yet others are international combinations; of these, the English Sewing-cotton Company is an example. The greatest of the thread firms, J. and P. Coats Company, has large interests in the Sewing-cotton Company (although not in the combination) and control the American Thread Company in the United States. There is reciprocal action here, as some of the directors of the American Thread Company hold much of the stock of the English company. The agreement of the J. and P. Coats Company with the English Sewing-cotton Company is to the effect of partitioning markets, and not to cut prices; the reciprocal ownership of stocks insures security of the contract.

Generally of late years it has been found that agreements or pools were not so satisfactory a method of business as the formation of single corporations, as the former did not give sufficient hold over members, nor allow of economies in consolidation of plants. The process followed has been to put a valuation on the properties of the uniting firms and form a central company to buy them up. This is the ordinary form of trust already often spoken of and needing little comment. There is another variety of organization, known as "the E. J. Smith combination," which has attained considerable favour. It was first promoted by E. J. Smith, of Birmingham, for the brass-bedstead trade, but has also been adopted in the fender, metal-rolling, china, furniture, electrical-fittings, brass-cased-tube, and coffin-furniture trades. Its method is, briefly, as follows: Manufacturers meet and fix the minimum cost of raw material, labour, interest, manufacture, salaries of managers (even if they are themselves the manufacturers), and all other items. They then make agreement that in selling goods no one will sell below a fixed percentage on fixed cost. Of course, if any member can produce cheaper than others he will make a greater profit, and will not suffer from ruinous competition. One of the advantages claimed is that until manufacturers agree to give each other a true bill of costs none of them are accustomed to work out the details of their business and find out where real profit and loss reside. In many of these agreements there has been inserted a further condition to support the formation of trade-unions and not to engage non-union labour; the trade-unions in return pledging themselves not to work for firms outside the combination. There are also to be given bonuses on wages (the bonus sliding with profits), conciliation boards to fix wages, prices, &c., with other advantages to the workmen, although full control and management of works is left with employers. This style of combination is really a coalition between manufacturers and their men to control prices, but it is pleaded that consumers have no right to complain if there is only a fair profit made. The selling price adopted by the