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Industrial Combination. By D. H. MACGREGOR, M.A. Pp. 245.
(London: George Bell and Sons, 1906.) Price 7s. 6d. net.

MR. MACGREGOR begins this very interesting work by defining industrial combination as "a method of industrial organisation by which a common control, of greater or less completeness, is exercised over a number of firms which either have operated hitherto, or could operate, independently. This control may be either temporary or permanent, for all or only for some purposes." This is an admirable definition, except for the phrase "or could operate," which leads him to include under combinations the case of a firm which "extends its enterprise by building new works in various parts of the home and foreign markets." The extension of the term is entirely illegitimate; and to say that "the refineries of the Standard Oil Trust did not "enter into" a combination; they are the results of the enterprise of a combination," is either a mistake or misleading. The South Improvement Company, the Refiners' Association, and Mr. Rockefeller's purchases in 1874-79 were all stages in the development of the Trust, and they were all marked by the combination of previously independent companies. A large firm may have a monopoly without being a combination, and a combination may be, but is not of necessity, monopolist. To include the large many-membered firm among combinations because it dominates an industry is to confuse the result and the method.

The capacity of the combination to substitute itself for the large independent firm as the representative method of industry is analysed in detail under the heads of productive efficiency, risk, bargaining strength, and resource. By risk is meant ability to sustain the risks inherent in the form of organisation, and to undertake the risks of the industry; by resource is meant the ability to utilise the opportunities of the market. These several categories to some extent overlap, as the author admits, and they might be summed up in the one word "management." This part of the work is thoroughly well done, and is full of suggestive criticism. Praise, too, must on the whole be awarded to the chapters on the causes and structures of trusts and kartells. In a separate chapter, which in many ways exhibits the author at his best, the differences between labour combinations and industrial combinations are fully discussed. This is a thoroughly useful piece of work, for, even if Mr. Macgregor does not completely dispose of the argument that trusts and trade unions are akin in that they each seek to increase the bargaining strength

of their members, it is more important to bring into prominence their differences, and so defeat the attempts that are being made, especially in America, to involve the unions in the same odium that envelops the trusts. The weakest part of the book is the last chapter, in which the author essays to prove that those industries which are at present conducted by the State are of an entirely different nature from those left to private enterprise. To defend nationalisation of railway transport on the ground of "its exceptional strategic position in the industrial system," and to oppose the nationalisation of, say, coal and iron, which are equally necessary to all other industries, is, as a matter of argument, to take up a very weak position.

The strength and weakness of the book is that it is so purely theoretic. It is difficult, indeed, to imagine any better contribution to the study of combination from the standpoint of theory than this volume, of which another theorist could only complain that Mr. Macgregor has confined himself so largely to American and German experience, and has to a great extent neglected Great Britain, where he would not have had to deal with the artificial stimulus of tariffs and railway rebates. From theory comes the temptation to regard ordinary combinations as abnormal. A combination of firms which have attained their full development, for the purpose of utilising in a higher degree the opportunities for economy offered by the general organisation of industry, is, to Mr. Macgregor, normal development. "Defensive combination," on the other hand, "arises out of abnormal market conditions." Right here theory and practice come into conflict. It is a matter of common knowledge that in trade after trade prices keep running down to unprofitable levels, owing to stress of competition, and, that being so, what is the use of stigmatising such conditions as abnormal? Investigation shows us that with the widening of the market the individual loses control over the conditions attending supply and demand. The tendency towards production at a loss and the evolution of combination in order to control the market are, in fact, "normal," if one must use that, economically, very misleading term. Again, to imply that combination is the cause of over-capitalisation is not entirely true, for the over-capitalisation is already there in the industry suffering from over-competition. The truth is that a price has to be paid for permission to regulate the industry, and the only question which arises and has to be settled separately in each case is whether that price is more than is justified by the subsequent economies. Mr. Macgregor seems to conceive

of capital as being much more fluid than it really is, of the over-capitalised company as having to succumb before the new competitor. But, so long as the debenture-holders are paid, a company need not close its works; it can and does meet the prices of its rival, and if there is an over-supply, both are alike involved in loss, and the newcomer finds itself in effect over-capitalised. Mr. Macgregor does not consistently keep before him the facts that destructive competition does not pay, and that the object of business is to pay. In a word, he has written a very good book, but it is not the final analysis of combinations.

HENRY W. MACROSTY

Economics for Irishmen. By "PAT." (Dublin: Maunsel and Co.)

IN face of the paucity of treatises bearing on the economic condition of Ireland at the present day, and the results of the agrarian and social changes of the past century, the title of the present work is an attractive one. It perhaps contains a promise of some constructive proposals which is not fulfilled in the work itself, but this loss may be lightly passed over owing to the frequency with which in dealing with this subject suggestions for reform tend to precede and obscure a clear investigation of fact. The author's task being largely that of exposition we regret the more that his style in places should seem to catch too much of the spirit of his environment, and that statements and conclusions, the results, no doubt, of careful observation and deduction, should lose in weight by a lack of moderation in expression. The inefficiency of the average Irish agriculturist arising from defective education and lack of enterprise is the main argument of the book, and no one after its perusal, whatever his other opinions may be, will doubt that the author has given the question a careful and impartial study before drawing his conclusions, or that, as he claims himself, he has "spent a considerable time examining the data of our agrarian economics, not merely in the study, from statistics and arguments, but mainly in the open field, face to face with the concrete facts."

These facts as observed by him have led to the conclusion that peasant proprietorship, so far from increasing the annual output of the land and benefiting the community generally, has rather tended to perpetuate the worst faults of the Irish farmer, has depressed the position of the labourer, and bids fair to reduce Irish economic life to a state of perpetual stagnation. The Land Acts