

Sugar Syndicate, to be distributed among producers of raw sugar according to amount the Government tax officials allow to each by way of output. In return, the raw-sugar producers are pledged not to refine, and also not to sell except to factories within the combination or for the export trade—outsiders are “boycotted”; nor must a refiner buy raw sugar from any producer outside the combination.

In the case of the potash combination, its products were formerly wholly obtained from mines belonging to the Government, but private mines were opened and agreements made in which the State itself (Prussia) is a party. The State had factories of its own to work up the products of the mine, and upon forming a pool with other mine and factory owners made certain rules, which, being agreed to, bind mine-owners not to supply to outside factories or these factories to buy from independent mines, but the Government retains the power of regulating the amount of output, and even of making special concessions in price for the benefit of German agriculture. There can be little reason to consider the State as being a partner in an evil combination when on many occasions the rights reserved to itself have been productive of enormous advantage through its chemists and agriculturalists to the nation. It does not scruple to punish guerilla competition by a competitive war, and has forced private enterprises to desist from business or enter the combination, but its direct influence has been that of the beneficent autocrat.

The coal syndicate is a corporation for the buying and selling of coal and coke; it is not formed for the distribution of large dividends, but in the interest of the mines, with each of which a contract is made. The output of the mine is determined, and this output of coal, coke, and briquettes must be delivered to the syndicate, whose directors distribute the delivery and sale. If at the end of the year any mines have delivered more than the allotted output these mines pay the value to the syndicate for delivery to the mines which have delivered less, so that profits are proportional. For breach of contract and delivery fines are levied. These contracts or agreements have been held valid in the Courts.

The iron combination has a powerful organization resembling in constitution that of the coal syndicate, orders from the central office being given as to output, and sales effected by the associated directors, who appear to have almost unlimited powers.

In Germany, as in Austria, the banks are considerable holders of industrial stock, and have large control of direction. The high protective tariff is defended as a means to prevent the flooding of the country with surplus products of foreigners, and many people do not regard a low price to the consumer as being the only consideration, holding that the producer and his family have a right to protection. The savings made by combination appear to be chiefly in freight, by shipping orders from the nearest plant, in common purchase of supplies, and in sales through a common selling-bureau. The greatest value of combinations to their members is in the control of selling prices, and it is scarcely to be disputed that prices have steadily risen. Their promoters insist that the rise in prices is only sufficient to insure them moderate profits with greater steadiness and fewer fluctuations of markets. It is not believed that combinations have had any effect whatever in raising or lowering the wages of workmen.

The law in Germany appears, like public opinion there, to be more favourable to combinations than in any other countries. Where lower Courts have held in cases of breaches of agreement between members of a combination that contracts in such matters were invalid, the higher Courts have upheld the legality of the arrangement. They appear to consider that if one subjects himself voluntarily to limitations as to how and where he shall carry on his business he is bound to fulfil the contract, and that if it is fair for legislative bodies to raise the prices of commodities by protective tariffs it is fair for producers to league themselves together to prevent ruinous competition among themselves. Corporations are subject to such strict regulation in their formation and the conduct of business that secret or fraudulent business is scarcely possible to be carried on to any great extent, and there is little fear of evils from such practices as “watering” stock, &c. The paid-up capital of a company must be represented by property of full value. In the articles of incorporation the history of formation must be inserted. Promoters are civilly and criminally liable for the accuracy of their statements and reports. Independent auditors are to be provided, and details must be given regarding persons from whom the company is to buy property, and the nature of consideration for which shares are issued. If a company takes over a business the results of the two preceding years trading must be reported, &c. After organization very complete and sufficient knowledge of the company’s proceedings must at stated periods be given to holders of stocks. This publicity does not seem to have affected German enterprise in any way to its detriment.

ENGLAND.

Agreements regarding prices and other objects have been for a long time in force, but of late years the tendency towards consolidation has been very marked, and the coalitions have in many cases taken the form of trusts or of single corporations. Of these, several take prominent place on account of their large capitalisation and of the amalgamated firms they represent. Among these may be noted the following:—

Name.		Number of Firms.	Capital. £
Wall-paper Manufacturers' Association	...	30	4,200,000
Associated Portland Cement Manufacturers	...	34	8,000,000
United Alkali Company	...	49	8,500,000
The Calico-printers' Association	...	60	9,200,000
English Velvet and Cord Dyers' Association	...	22	1,000,000
Fine-cotton Spinners and Doublers' Association	...	40	6,750,000
The English Sewing-cotton Company	...	15	3,000,000