

## TRUSTS IN GREAT BRITAIN.

A Britisher's Views of Trusts—Harmless  
Unsupported by Tariffs—Evil Results  
Of British Subsidies to Shipping.

I have been at considerable pains to inquire if we had in this country anything approaching that alarming species of trade monopoly which our American cousins call "Trusts." In Great Britain we have to search for trusts. In America they come unsought for and insist on remaining. We have, it is true, a large number of joint stock industrial and investment associations to which the name of "Trust" is indiscriminately applied but these organizations have little or nothing in common with the all-absorbing, price dictating combinations which have sprung into such dangerous prominence on the other side of the Atlantic. All the evidence goes to show that we in England, at all events, do enjoy, to whatever cause it may be, a substantial immunity from those evils which are associated with American industrial monopolies.

## England's Trusts are Few and Weak.

I do not say there is no tendency here towards commercial and industrial monopolies, and to the substitution of amalgamation for competition in business. Such a tendency is plainly observable. The British trader is probably as anxious to control the market as his American rival. But though combinations on a large scale have been attempted in many spheres of industry, notably in the bicycle trade, the salt trade and some of the textile trades, I am unable to discover any case where the prices of the commodities have been appreciably raised in consequence. I ought perhaps to make a qualification. At the present time (January 1900) we are paying exceptionally high prices for coal, the best Wallsend (London) being quoted at 27. (\$6.50) per ton as compare with 17.6 (\$4.20) this time last year. The congestion of traffic on the railway lines is the excuse generally given for the abnormal rise. But there is amongst many outsiders an uncomfortable suspicion that preconcerted action on the part of the colliery-owners may have something to do with it. What effect a coal combination would have upon sober English public opinion the following extract from the Spectator may serve to show:

"Indeed, if there were evidence of the probability to say nothing of the actual formation of a national syndicate for the control of the coal supply in this country, the case for drastic intervention on the part of the state would seem to us overwhelming."

The British Parliament, Liberal or Tory, Lords or Commons, would not stand such an audacious monopolist plot for one week. It would assume control over the industry and it has

no supreme court to question its decrees. The formation of a coal trust was advocated a few years ago by a late well known colliery owner in the ostensible interests of both masters and men. If it should ever appear it will not long survive its first attack on British industry.

## Results of England's Shipping Subsidies.

But it is in the transport trade that the attempt to dictate prices somewhat on the American plan, though a long way behind it, appears to have been most successful. The free-trade system under which England lives and thrives does not entirely cover the transport trade. That trade even under the most favorable conditions tends to develop monopolistic features. To begin with it needs a considerable amount of capital to make railways and steamship lines, and before there can be any effective competition against established lines the public are not unwilling to put up with some inconvenience. That is of course what may be naturally expected. And then the competition when it comes does not usually come from a large circle of competitors, as in the case of industries requiring less capital, but at the utmost from two or three. This of course facilitates the formation of "rings" and coalitions which may help to keep freight rates above their natural competitive level. In the recent history of the British transport service enough has transpired to illustrate the effect of "protection" upon prices. It matters not whether that protection be given in the form of "tariffs," "subsidies," or "bounties," the effect is to benefit the producer at the expense of the consumer living in the country which confers the protection. There is no gratitude in monopolies. The paternal state makes them a present of say a 50 per cent tariff on their goods. Not to be outdone by the state in generosity they forthwith proceed to give themselves another 50 per cent in enhanced prices, like the enterprising gentleman mentioned by Artemus Ward in one of his humorous sketches, who cancelled the debt owing by him to his employer in the same fashion.

## Trusts Harmless Under Free Trade.

Leaving the region of the transport traffic and surveying the wide area of British industry in general, it cannot be said that we suffer in any appreciable degree from combinations of producers to keep up prices. That "trusts" exist in free trade countries as well as in protectionist countries is undeniable, but while in the former, the economy in production which results from their promotion goes to benefit the consumer in the shape of reduced prices, in the latter they are identified with high prices to the consumers and large profits to the producers. Our American friends are

just now receiving a short lesson in the principles of free trade. They have built up high tariff walls in the interests of high prices. If the American workingmen want high prices, by all means let them have them, but surely it is a little illogical for them to complain when the "trusts" and combines have raised the prices to the limit allowed by the tariff. The "trust" in itself is a harmless institution; it is the tariff—the element of monopoly—that makes it harmful. If they want to cripple the power of the trusts they must attack them through the tariffs.

## British Not Ashamed of Cheapness.

We Britishers believe in cheapness. If we could get goods for nothing we would not be ashamed to take them. We are not ashamed to swallow the bounty-helped sugar of France and Germany which we can buy at 2d (6 cents) per pound cheaper than the retail price in the countries where it is produced. British sugar refiners have suffered thereby, but the confectionary, biscuit, jam, marmalade and sweet drink industries have received an immense stimulus owing to the cheapening of sugar. With the sugar which France sends us under cost price, and the cheap fruit she also sends us we make jam, which we again export to her at a handsome profit. If we had a tariff of 40 per cent on imported sugar that industry would be all gone and we should no doubt have a "Sugar Trust" to control prices as they have in America under similar conditions. Under the natural regime of free trade we gain in one industry what we lose in another.

## Tyranny of Protection.

The protectionist looks at one trade alone—the one in which he is interested. It is like looking at only one wheel in a complex piece of machinery where there may be thousands of wheels that depend on each other. The final result of the working of the machinery is the thing to be considered. We look to the whole world to supply our wants, and in a country whose commercial system embraces so wide an area it is absolutely impossible for a clique of capitalists to capture our industries and impoverish our people.

We are behind America in some forms of political freedom, but we are far ahead of her in industrial freedom. The adoption of the free trade policy in the middle of the century gave us freedom of distribution. The free and independent voters of America have surrendered their industrial freedom and independence. They went to bed thinking that they had shut the foreigner out, they are waking up to find that they have shut themselves in. They are ruled by a gang of commercial dictators in the prison house they have built for themselves. Whether the descendants of the