The Trust Problem in the United States

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BY
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IN THE UNITED STATES"

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PREFACE

This book is a study of the trust problem in the United States. It presents an account of the early devices employed to restrain competition, and outlines the history and character of the modern trust movement; it describes a number of representative trusts; it analyzes the reasons for the formation of trusts, and their economic and social consequences; it describes the trust legislation, the decisions of the courts interpreting it, and the dissolution proceedings brought under it; and, finally, it considers (briefly) remedies.

The book is not a study of all combinations, but merely of those combinations that have (or had) monopolistic power, and that are properly designated as trusts. It is a study of monopolistic aggregations of capital under unified management. It contains no discussion of the experience of foreign countries, and only a brief (incidental) discussion of the experience of our forty-eight states. Material on these subjects was collected, but is omitted from the book for want of space, and because of a conviction that the trust problem is a national one, to be settled in the light of the conditions of our particular national life. The analysis of the six representative trusts is not intended to be complete; the aim has been merely to present the data in sufficient fullness to bring out concretely the reasons for forming trusts, the sources of their monopoly power, their tactics, and their economic consequences. In general, the history of individual trusts is not carried beyond the date of the dissolution proceedings instituted by the Department of Justice of the United States. Adequate reliable data for the subsequent history of these trusts are not available; and, moreover, the purpose is not to present a complete history of the representative trusts, but to explain the national policy toward trusts as evidenced by our laws and the manner of their enforcement.
The outstanding feature of the trust problem is its complexity. In the preface to an earlier book—"The Anthracite Coal Combination in the United States"—the author, after a detailed study of the facts connected with a particular combination, took occasion to emphasize the complex character of the trust question; and time has only served to deepen this early conviction. There is, so it would appear, no one solution of the problem; for we are confronted by a complex group of issues that must be dealt with collectively if any solution is to be had. The method of approach to this complicated problem has been that of the scientific investigator. The author would be neither advocate nor accuser. We are, in truth, in the grip of mighty forces,—forces that are modifying fundamentally the world's organization of industry; and he would be rash indeed who would venture to predict with assurance what the immediate future holds in store for us—whether regulated competition, regulated monopoly, or public ownership in one form or another. Or possibly even some new untried venture into hitherto unexplored economic fields. The author is therefore content to present primarily a record rather than an argument—or a prophecy.

Grateful acknowledgments are due to my brothers Grinnell and Percival, and to Messrs. J. S. Davis, F. B. Garver, C. A. Huston, H. L. Lutz, William Notz, C. O. Ruggles, F. W. Taussig, A. C. Whitaker, and M. S. Wildman, all of whom read portions of the manuscript. But my deepest obligation is to my father, Professor Richard Jones, who despite the demands of his own rigorous intellectual life has given unstintedly of time and counsel, to the end that I should, with Shakespeare, try to 'find where truth is hid,' and then take heed lest I 'deliver' more or less than truth.

E. J.

Stanford University
November, 1920.
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