

December 15, 1943

MEMORANDUM FOR MR. CORWIN EDWARDS

Re: Program for a Seminar On the Structure of the
European Market Regulations

A. Introduction.

1. General objectives of the Cartel Committee in the field of European Industrial organization exclusively determines the scope of the seminar.

2. The Seminar has four aims -

- a. To instruct the working team on elementary facts and sources of material.
- b. To come to an understanding about uniform terms to be used in the work.
- c. To exchange information on each subject under work, and to keep every part of the team informed about the work and the success of the other parts of the team.
- d. To bring and to keep the development of the work in a system which actually promises to meet the requests of the Cartel Committee.

The four aims require different forms of approach? a and b permit us to come to a definitely prescribed scope while c and d make necessary a flexible development of the scope of the seminar.

We will attempt to overcome this difficulty by splitting the seminar in two parts:

- (A) Preliminary summary of basic elements
- (B) Discussion on the Specific Fields.

I.
B. Elementary Facts.

1. In Economy

a. Economic geography of Europe:

- (1) Raw Material: from coal to electric power, including water power
- (2) Iron and Steel
- (3) Copper, mercury, molybdenum , zinc and other metals
- (4) Oil
- (5) Potash, phosphate
- (6) Bauxite
- (7) Timber
- (8) Agricultural raw material (especially vegetable oil)

b. Industrial Products

c. Transportation

2. The needs of each part of the European economy. Special discussion on the use of European statistical material.

3. Dependency of European countries on countries outside of Europe in regard to raw material.

4. The political European entities and the economic entities.

II. Organization of industry (compared with organization of American industry)

1. On the side of business:

a. The legal forms of private enterprise

b. The financing method including principles of accounting (and method of control over single enterprises)

- c. Special forms of organization of technique and research in private enterprises.
 - d. The forms of business cooperation
 - e. The development of capitalistic concentration
 - f. The development of technical concentration
2. On the side of labor:
- a. The form of organization of employers and labor
 - b. The forms of labor contracts
 - c. The practical methods of distribution of labor.
3. On the side of government:
- a. Forms of governmental participation in industry
 - b. Forms of governmental control over industry
 - (1) Plants
 - (2) Capitalistic activities
 - (3) Production and marketing
 - (4) Research
 - (5) Cooperation

III. Organization of Transportation:

- 1. Of road
- 2. Of rail
- 3. Of shipping

IV. Organization of Trade:

- 1. Wholesale trade and its connection with the producers.
- 2. Retailers and their dependency on the wholesaler-producer group.
- 3. Cooperatives
- 4. Governmental activities in this field.

V. Organization of credit and insurance

VI. The relation between agriculture and industry in Europe

C. Special Studies in European Economy

1. The organization of mining:

- a. Coal
- b. Iron and steel
- c. Potash
- d. Mercury
- e. Other metals

2. The connection between the organization of mining and the industrial organization, especially under the new German set-up and its effects on the occupied countries.

3. The organization of the light metal industry:

- a. Aluminum
- b. Magnesium
- c. Other light metals

4. Organization of dyestuff industry

5. Organization of pharmaceutical industry

6. Organization of fertilizer industry:

- a. Potash
- b. Nitrogen

7. Organization of textile industry, including rayon and cellwool

8. Organization of the industry of synthetic rubber and synthetic oil

9. Organization of the chemical industry not included in 3-8, especially explosives and plastics

10. Organization of industry producing means of transportation:

- a. automobile industry
 - b. engine industry
 - c. railroad car industry
 - d. rail industry
 - e. airplane industry
 - f. industry manufacturing special parts for airplanes
- 11. Organization of photographic and film industry.
 - 12. Organization of optical industry.
 - 13. Organization of agricultural machine industry
 - 14. Organization of tool machine industry
 - 15. Organization of business machine industry
 - 16. Organization of shoe and shoe machinery industry
 - 17. Organization of leather industry
 - 18. Organization of electrical industry:
 - a. Bulbs
 - b. Radio and television
 - c. Electrical machinery
 - d. Medical electrical equipment, including dental equipment
 - e. Cable and wire
 - 19. Organization of foodstuff industry:
 - a. Oleomargarine
 - b. Milk products
 - 20. Organization of industry of raw materials obtained from ocean (whale oil and other fish material)
 - 21. Organization of glass industry
 - 22. Organization of iron and steel industry not included under B (2)
 - 23. Organization of aluminum industry
 - 24. Organization of Match industry
- D. Relations between the organizations of industry, and
- 1. Activities of government -
 - a. defense
 - b. income of government (taxes, tariffs, etc.)

SUGGESTED OUTLINE FOR CARTEL SEMINAR

- I. Extent of controls by Cartels and Combines.
 - A. National cartels in principal countries.
 - B. International cartels in principal industries
- II. History and Bases of European cartel and combination movement.
 - A. Industrial Bases.
 1. Special industrial characteristics of European cartels, if any.
 2. Relation between cartels and tariff policies.
 - B. Role of Government
 1. Relation to national defense and desire for self-sufficiency.
 2. Development of synthetic industries
 3. Pooling of research
 4. Control of investment
 5. Role of government in developing ~~the~~ industry.
 - C. Role of major political movements.
 1. Attitude of socialists
 2. Attitude of agrarian groups
 3. Relation between industrialists and older ruling classes; the nobility, the Army, etc.
 - D. Role of the banks.
- III. Nature of Cartels and Cartel Controls.
 - A. Types of Cartels.
 1. National and international
 2. Associations and patent licensing agreements.
 3. Are combines or amalgamations an ultimate form of cartels?
 - B. Cartel controls.
 1. Control of prices.
 2. Allocation of markets
 3. Restriction of supply
 4. Limits on nature of production
 5. Restriction of capacity to produce
 6. Restriction upon invention and technological change.
- IV. Government controls of Industry in Major European Countries.
 - A. Control of Investment.
 - B. Control of prices.
 - C. Control of foreign trade.
- V. Combines and Cartels in Particular Industries.

Besides a general description of the development and activity of the cartel or combine, stress should be laid on the following significant results of monopolistic activity:

- A. Geographical Distribution of Output
- B. Prices
- C. Investment
- D. The rate of introduction of new products or methods.
- E. Prices and monopoly controls in the American market.
- F. Exploitation of other markets by American industry.