

# THE NEW INDUSTRIAL REVOLUTION

WALTER MEAKIN

THE NEW  
INDUSTRIAL REVOLUTION

*A STUDY*  
*FOR THE GENERAL READER*  
*of*  
RATIONALISATION AND POST-WAR  
TENDENCIES OF  
CAPITALISM AND LABOUR

*VICTOR GOLLANCZ LTD*  
14 Henrietta Street Covent Garden  
1928

X9.3.N2

F8

7652

*Printed in Great Britain by*  
The Camelot Press Ltd., London and Southampton

## CONTENTS

<i>Preface</i>	page	7
<i>Introduction</i>		11
<i>Chap.</i>		
1 Coalfield Reconstruction		27
2 The First Results		55
3 Vast Changes in Steel Production		87
4 A Record of Recovery		111
5 The Chemical Trust		125
6 General Industry and Power		137
7 Standardisation and Simplification		151
8 Out of the Abyss		161
9 The Position in Great Britain		177
10 The Choice for Labour		199
11 German Trade Union Policy		213
12 Unemployment and Trade Expansion		229
13 The Clash of Old and New Ideas		245
14 Monopoly or Community Welfare		263

## PREFACE

The suggestion that nothing less than a new industrial revolution is involved in the process of "rationalisation" may appear to be so sweeping as to need justification. This will be found in the following pages, wherein it is shown that, contrary to a widespread belief in this country, the word is not an unintelligible term used merely to describe old industrial devices such as combines, cartels, and trusts.

It is certainly not capable of simple definition, but the reader of this book will not deny, unless he is hopelessly prejudiced, that rationalisation implies fundamental changes in the structure, control, and purpose of the industries to which the process can be completely applied.

Nor is rationalisation a theoretical conception. It is used to indicate a practical plan for the reconstruction of industry, which has already been carried into effect with astonishing energy in Germany, and to which the rapid recovery of that country from the post-inflation crisis is mainly attributable.

More and more it is coming to be a theme of discussion in every important manufacturing country, especially where the staple industries are depressed, either because production costs are too high or productive capacity is in excess of present demand. It is impossible to survey the international economic situation without being convinced that what has been

## PREFACE

accomplished in Germany will be attempted in every country where similar industrial problems have to be faced.

In the following pages there is available for British readers the first effort to explain broadly but comprehensively, and with the least possible use of technical terms, the scope and purpose of the German reorganisation, the methods employed, and the results achieved in the three years of intensive rationalisation which began in 1925. The situation in the depressed industries of Great Britain is examined in the light of these events in Germany. The issues of policy affecting the attitude of both employers and labour in this country to rationalisation are fully discussed. Attention is drawn particularly to the problem of safeguarding the interests of the community as a whole, and, finally, an attempt is made to indicate the direction of the forces and tendencies which are shaping the "new industrial revolution."

It appears to the author to be difficult, if not impossible, to resist the conclusion that the changes now taking place in industry and capitalist organisation and control in Europe will be at least as comprehensive and far-reaching in their effects—although widely different in character—as those which followed the rise of the steam-power factory system.

Rationalisation, beginning as a process of national control and regulation of whole industries, and possibly intensifying in its first stage the struggle for markets between the national industries, will gradually extend its sway to the international sphere. In emphasising the importance of the subject, and in urging that the closest study should be made of rationalisation

## PREFACE

efforts in every country, the permanent committee of the World Economic Conference of the League of Nations has been quick to realise the potency of the new ideas and conceptions of industrial and commercial organisation which have developed from Germany's desperate effort to restore her economic life.

*May 1928*