June Quiz

In parliamentary terms, what is the distinction between a "merger" and a "consolidation"? How can you remember the difference between the two? Or is there even a difference?

Here's what RONR says [p. 561, ll. 27-35:

- In the case of a **merger**, one of the two organizations continues, while the other loses its independent identity and ceases to exist, since it is merged— that is, absorbed—into the former.

- In the case of a **consolidation**, two or more organizations each discontinue their independent existence, and a new entity is formed that includes the memberships of the consolidating organizations, continues their work, and assumes their assets and liabilities.

An analogy to help remember which is which:

- Think of freeway lanes when four lanes "merge" into three. The far right lane (lane number four) ceases to exist as it becomes a part of the number three lane. The number three lane remains constant, never losing its identity, but it must accept cars that used to be in the number four lane, which has now gone out of existence.

- Or think of two independent freeways (such as I-210 and I-310) that come together and create a totally new freeway at a "Y" (creating say I-10). This would be a "consolidation" where all of the cars from both feeder highways start traveling on a brand new, totally different freeway, with the two prior freeways losing their individual numbers and identities. Got it?