## DEBATE ON TRUSTS. AT THE CHAUTAUQUA ASSEMBLY, AUGUST 26, 1889

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Debate on Trusts. At the Chautauqua Assembly, August 26, 1889 by O. C. Barber  $\&\,$  Hon. J. A. Kohler  $\&\,$  W. Gladden

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# DEBATE ON TRUSTS,

BETWEEN

Ohi. boin in O. C. BARBER

AND

HON. J. A. KOHLER,

Ex-Member of the General Assembly, and Ex-Attorney-General of the State of Ohio.

ALSO THE

### Debate on Trusts

BETWEEN

DR. WASHINGTON GLADDEN, Of Columbus, Oblo.

AND

GEORGE GUNTON,

Of New York City,

At the Chautauqua Assembly, August 26, 1889.

With other Interesting Articles on the same Subject by Men of Note.

AKRON: Bracov Pus. Co., Printers. 1889.

### PREFACE.

In publishing this debate in pamphlet form, for distribution, I am prompted in part by selfishness. Being largely interested in corporations that are made up of different companies and corporations, their plants and franchises being merged in one corporation with a view to the profit incident to such organizations, I am very anxious that they be better understood. They are now and have been made the target for severe criticism, and unfriendly legislation has been suggested and urged against them by the press and by public speakers who are entirely in ignorance of their operations and purposes. My opinion is that Captain Kohler, having had experience both as a legislator and Attorney-General of the State. has as ably, perhaps, presented his side of the case as any one could. It would have been better for both parties to have omitted the personalities of the debate, which no doubt have very much offended the good taste of Mr. and Mrs. Straightlace and Mr. and Mrs. Goodsoul, yet they will please bear in mind that they are not the only ones to be considered. The human family has diverse feelings, and very many think such personalities as we have indulged in have only added zest to the argument and brought out more clearly the points that each has made.

In debating this question I have made no attempt to define a trust, but the debate has developed that it is a combination under a new form—an association for commercial purposes. In the corporations that I am interested in, we have adopted a legal form of combination. Trusts vary from corporations in this one point—there are no statutes thus far that regulate them or charter them. Perhaps those who have adopted them see some advantages because of the absence of restraints which give them greater freedom in their operations.

It is not so clear that the trust form of combination is better than the corporate form of combination, either for the public or for those interested; but it is very clear that association and combination are features in commerce absolutely necessary to an extended business. In the wonderful development of the resources of this country, which are calling for the use of every dollar of capital of the country, together with every man, woman and child that wishes to work for an honest living, new methods are constantly being suggested to facilitate development and commerce. It has not occurred to all that this industrial activity which in this century has brought into use forty-six million horsepower by the discovery of the use of steam, representing the working force of a billion of men, is immensely cheapening both the products of the soil and factory, and that each individual laborer's power of production is largely increased by these improved methods of production. This being the case, it often occurs that the markets are glutted with what is called over-production, and then follows a state of inactivity consequent on such over-production, and the distress of those who have not had the ability to provide for themselves a sufficient surplus in time of activity to carry them over the period of inactivity. Would it not be as well for the people, if the waste of overproduction were checked and these periods of extraordinary activity toned down a little and the period of inactivity toned up a little?

The mission of association, co-operation, or combination, in whatever form it may take, either that of a trust or corporation, is to systematize commerce and manufacturing-to prevent waste of over-production and distribution and to perfect the processes of production and methods of distribution. In whatsoever particular branch of business they do this, then they take that branch of business out of the general chaos, and if by these methods they can keep only the given number of people necessary to supply the want of the particular branch steadily employed, they have accomplished one good to mankind, even though it savors of monopoly. Monopoly does not always mean despotism, but it sometimes means superior methods and ability to serve the public in the line monopolized. Up jumps the little grumbler now, and asks, What is to become of the surplus people, after all branches of business have been systematized? My answer is, that there will be no surplus people. Either man will find it unnecessary to work as many hours per day, or he will have more wants to be supplied. There can never be an over-production of comfortable and pleasant homes, and the cheaper they become, the more abundant they will be.

The United States is using nearly one-sixth of the steam power of the world. With a population of sixty millions of people she is using a steam force equal to one hundred and sixty-six millions' able bodied men, and if we have a population of three people to one able bodied man, this steam force represents, in an operative sense, a population of five hundred millions of people. If by some terrible catastrophe the steam force of the world should be suddenly wiped out of existence, what, think you, man would do? How many hours would he have to work to maintain his present wants? And yet it has not been 100 years since its usefulness was first developed. And there is not a single horse-power of steam that does not imply association, co-operation, combination, trust, or corporation. The latter are the masters of this very good servant of man.

What a sad commentary on our present civilization that a great government like that of the United States should abandon the use of steam printing at the behest of a few disgruntled printers! Every member of Congress and Senator of the United States that voted to abandon the steam press in the Bureau of Engraving and Printing is open to severe criticism.

The Philadelphia Record truthfully says, "Such a victory of retrogression is more harmful to the cause of honest labor than many defeats could be. This is pre-eminently the age of machinery, and it is an error to suppose that the recurrence of the Bureau of Engraving and Printing to antiquated methods of production is an advantage either to working-men or to the government."

This is not only an age of machinery, but it is an age of organization, co-operation, and improved business methods for handling the wonderful discoveries that are daily being unfolded to us. Besides steam, we have electricity and the many thousand labor-saving machines that have multiplied man's ability to care for himself.

In reading over my opponent's letters, it strikes me that he has had a Rip Van Winkle sleep or that he was thinking of the good old times of Lord Coke, when he penned the following: "The evil results of such immense concentration of capital and enterprise are not entirely of a pecuniary character. The question is broader. The time is coming, if it has not already come, when we will not measure everything in this world by the dollar-and-cent standard. 'Is not life more than meat, and the body more than raiment?'" [How pathetic!] "Time was when a young man, active, eager and energetic, and having a capital of a few hundred dollars, found the door of opportunity open. All the avenues of trade and manufacturing were broad streets, with no barriers across them. Com-

petition was open and free and a young man could safely embark his small earnings or his inheritance and work his way to the front as a manufacturer and business man. There was little risk; his successedepended mainly upon his own efforts."

Those must have been the good old times referred to some 300 years ago, when Lord Coke kept competition open, or a period when there was no competition, if it were possible for every young man to work himself forward to success; but in this day, such sophistry to a young man of energy looks just a little fishy and sickening.

There are more successes to-day and greater possibilities of success than in any other period of the world's history. The young are succeeding to the well-established business of the old, and the old are retiring and turning over their business to the improved methods of the young, and each successive generation finds superior advantages over the preceding ones, or else civilization is coming to a halt. My opponent in this debate has made some wonderfully incorrect statements and specifications, which I have not undertaken to answer. I have confined myself, as far as he would permit me, to general principles, and have only deviated from the same except in matters with which I am familiar. He has criticised me severely for quoting so much as I have from eminent authorities. I have done so in every instance for the reason that the substance quoted had a bearing on the question we were discussing, and for the reason that they have stated the matter better than I could possibly state it myself. But such a criticism from an attorney seems rather absurd to a layman. What little knowledge I have of the methods of lawyers, I have noticed that in presenting a case to a jury or a judge, they generally have before them standard authorities on the subjects they are talking about, and read and quote from the same copiously.

Mr. Kohler, in his letter No. 4, says: "In this connection, I may refer to the strawboard business; such reports are not always true, and if there is any error in this statement I would be glad to be corrected." And then he goes on and makes ridiculous statements about the profits of the strawboard business and the management, and draws unjust conclusions. He has done the same thing in the match business, and when his attention was called to the unjust statements he had made about the match business, he jumped onto me," to use a slang phrase, with "both feet" and reasserted his figures in a new form, showing his utter ignorance of the question he was discussing. I show in my last letter, I think to

the satisfaction of all, that he did not know what he was talking about. If his statements about other trusts and combinations that he has held up to public contempt are founded on no better evidence or knowledge of facts, and I dare say they are not, his little arguments and long-drawn and ridiculous conclusions can have little weight with a careful reader. There will be found in the latter part of this pamphlet an article clipped from the American Economist on the subject of the Sugar Trust, which very fully shows up how false his statements on that subject were. To me it seems that he has drawn his inspirations and misinformation from the common stock in trade of the political agitator and newspaper reports, which are often garbled for political reasons.

Other interesting papers containing much information and the debate of Dr. Gladden and Mr. Gunton will be found following our debate.

I submit the papers to the public for their consideration.

O. C. BARBER.

AKRON, OHIO, October 26, 1889.

