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CAROLINA WINS.

D. P. Stern and R. R. Williams Win the First Debate with Johns-Hopkins.

The first of the series of annual debates between representatives of the University of North Carolina and Johns Hopkins University took place in Baltimore on the evening of March 13th. The question was: "Resolved, That modern trusts threaten the future welfare of the American people." Johns Hopkins had the affirmative and was represented by Messrs. H. W. Plaggenmeyer and Harvey B. Stone. The University of North Carolina was represented by Messrs. D. P. Stern and R. R. Williams who supported the negative. Synopses of the speeches of Messrs. Stern and Williams are here given. We very much regret the fact that we are unable to give the speeches delivered by the Hopkins debaters, as we have not been able to obtain true copies of them.

Mr. Stern spoke as follows:— "Whatever the Trust is or may be it has to do with business, a legitimate phase of life, hence the only question can be is the Trust a legitimate expression of business life? This must be settled in accordance with business principles. It must be settled by business men. The business man always works to perfect his business methods that he may become supreme in his particular line of business. To accomplish this it has always been necessary for him to organize his industrial forces into an institution that would conform to the needs and conditions of the age in which he lived. Changing and progressive industrial conditions have caused the evolution of business from the individual producer to the firm and from the firm to the small corporation. And the transition from the small corporation to the large corporation or Trust is just as natural and necessary a step in the evolution of business as the transition from the individual producer to the firm. For in the last few decades business has been making great strides forward. The possibilities and extent of business have increased a hundred fold. The vast expanse of the universe has been made the market place for the remotest factory. To meet these colossal demands colossal business organizations--Trusts--are necessary. Hand in hand with this extensive development of trade has come the demand of the home consumer for better goods at lower prices. The old competitive institutions tried to meet these demands and the result was overproduction, cut-throat prices, depression, panic. The life of the business man was at stake. For self preservation a further conservation of industrial energy was necessary. In answer to

this we have the Trust, a combination into a large corporation for the purpose of establishing a permanent money-making business. It has entrenched itself in and today permeates our industrial system. This success of the Trust may be best explained by the fact that the Trust is an application to industry of the principle of organized combination, the principle that is one of the great civilizing forces of our life. The purpose of the Trust, the use of the principle, is to secure maximum efficiency in production and distribution, for only by efficiency can it establish a permanent money-making business. The Trust comes nearest to the realization of this because maximum production and administration of the largest mass are always cheapest. By organizing into the Trust the business man can run only the best plants and these to their full capacity, can fix the standard of quality by using and selling only the best, can afford opportunity for experimentation, can utilize every bit of waste into the manufacture of by-products, can tide over temporary reverses, can secure the advantages of comparative accounting and administration, can save large amounts in cross country freights, dispense with useless advertising and a useless selling force—in short the Trust gives the business man efficiency in production and distribution. Such an institution cannot threaten our future welfare for the interest of the business man is the interest of the people; as the one thrives so thrives the other. Indeed trust success in business is dependent upon good service to the community at low rates. The only trust that have succeeded, the ones that can succeed are the ones thus managed. Unless the Trust do sell goods at low rates the demand will be curtailed resulting in increased cost of production and lessened profit: latent capital will spring into activity and do for the community what the Trust have failed to do. If the Trusts unduly raised prices, however little, it might have a boom but it would lose a business. That the Trust managers believe that a business is better than a boom is shown by the fact that the greater part of the Trusts have lessened prices. Thus the Trust by economies inherent in its nature, can, must and does increase the purchasing power of the American republic. By so doing it benefits the laborer in his capacity as a consumer. But it goes further and increases the number of dollars at the command of the laborer for the prosperity of employer and employee

flow from the same fountain, the fountain of cheap and efficient production and distribution. The trust is the most efficient and distributor; hence the value of the laborer's services, his wages, must be greater than the old institutions. That the Trust does benefit the laborer is evident by the absence of strikes, the increase in wages, and the general attitude of laborers towards the Trust. But Trust influence does not stop here. It moves on to the raw producer in that it provides an outlet for our surplus agricultural products. Thus the growth of Trusts and the revival of the material prosperity of all classes in our industrial society have come hand in hand. Indeed the Trust has perfected our industrial life. A perfect industrial life is essential to our political, social and economic welfare, and we may well be thankful that our industrial Smiths, our Morgans and our Schwabs have with the sledge hammer of organization beaten out upon the anvil of progress an economic instrument that insures our future welfare in that it harmonizes the wealth producing forces of our country, in that it places the manufacturer, the laborer, the consumer, squarely on dollar and declares unto them "Perfect thyself."

Mr. R. R. Williams was second on the negative and spoke as follows:

My colleague has shown you that trusts can never threaten our future welfare. My object shall be to show you that they have decidedly advanced it, because, First, they have made our welfare more secure and Second, they have made it more universal.

For the one thing that has hitherto destroyed our industrial security has been our great commercial panics. These panics have been caused by the chaotic system of modern competitive production. To eliminate this evil, therefore, we must regulate our production to meet our consumption. And that is what trusts have done. For all of their factories are under one management. That management knows the consumption of society and regulates the production to meet that consumption. Hence in just so far as you adopt trusts, you give to business a stable basis.

And that is the very essence of our prosperity. For with stability guaranteed, industry has naturally undertaken more gigantic enterprises. These have created more gigantic opportunities-- And these positions are necessarily open to every man in America, according to his ability. But not only have trusts opened up these greater opportunities, but they have also trained our young men to grasp those opportunities, by increasing their individual initiative. For in trusts everything is based on personal responsibility, and advancement depends upon ability. That is the system of trusts, and it is that system that has reversed society and made the poor boys of a generation ago, our present industrial leaders.

And along with this opening for business talent has come a still wider opportunity—an opening for society whereby it may find a safe

investment for its money. For trust stocks, absolutely safe as they are because of their freedom from strikes, overproduction and ruinous competition, are placed upon the open market, where any man can buy them without asking any other man's consent. And statistics show that the number of stockholders in trusts is greater than it was in the same industries before the trusts were formed.

That, then, is the policy of the trusts—the widening of the opportunities of the laborer on the one hand and of the community on the other. And it is these forces that are solving our future welfare. For it is they that are making America the industrial leader of the world. For trusts, by creating greater industrial opportunities, have produced Schwabs and Hills and Morgans. And it is upon these men that our industrial leadership now depends. For the cheap labor of Europe can be offset by the more perfect organization found in trusts. And it is for this reason that since the formation of trusts, America has jumped from the fourth place in the rank of nations to the undisputed leadership. And, if we have failed to interpret the cause of this, our enemies have not. For all European writers declare that trusts have proved America's commercial salvation. And it is to this dominance that we owe our present greatness as a nation and prosperity as a people. For never has there been such an abundance of the comforts of life as among the American people of today.

It is to trusts, therefore, that we must attribute our present prosperity and with it, also necessarily our social welfare. For the abundance of the comforts of any people is a sure test of the social and intellectual development of that people. For to obtain social development man must be given the means with which to obtain it. And that means is wealth. Our true policy, then, should be to place the man above the dollar, but to place him also in reach of the dollar. For without that, he can never accomplish for himself any advancement in culture or intelligence.

And upon that rests also our political welfare. For the greatest political corruption is among the ignorant and degraded and the least among the elevated and enlightened.

We contend, therefore, that while there are in trusts incidental and temporary evils that must come as the natural accompaniment of every human development, the real, inherent and permanent forces in them are inevitably making for the advancement of mankind. For by harmonizing the boundless resources of our God-given nature and the superb organization of our intellectual men, they have given to the accumulated thoughts of ages, the long-needed momentum of properly directed wealth which has reanimated those thoughts and transformed them into a civilization so fraught with renewed opportunities and possibilities, renewed ambitions and incentives, as to make it better to be the humblest citizen of America than the despot of any other country."