

Lincoln's type in Business:

An era of accommodation - Co-operation
A new Democratic type -

I should like to believe that we are developing in our business industrial life the type of leader who thinks and acts as Abraham Lincoln did. The important thing about Lincoln is the way he handled his mind and his conscience - developed them - tied them to problems as they came along - drove the two in a harness. One hears silly talk about what Lincoln would have done, how he would have voted, whether he would have ^{been} for or against this law or that. ~~What is important~~, What you can be sure he would do that is important is that when he had thought the thing out, and Lincoln was slow in thinking things out, for the reason that he had a kind of necessity to feel sure that he has got as good a solution as he could get. There was no quessing - there was no ^{expressed} statistical giving an opinion because he did not want to be caught without an opinion, there was no hustling to get in ahead of somebody else whose opinion was more radical for in and complain because it took him a month after he reached Washington in 1861 to make up his mind just what he could do about Sumpter - before he could do anything wisely he knew that he must learn the lay of the land in Washington - what he could expect from Mr. Seward, for instance, not an easy thing at that moment to find out. Law making is coming to a decision and here is the point where our new ^{type is} getting today. He had no hesitation in giving out his conclusion, standing by it. One finds in his debate with Douglas, where his backers begged him to keep silent, ~~at~~ was the crucial point in 1864 when whole parties prayed

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that he would not make another *draft* until after the election.

It was not only against his nature - it was against his conviction of what was sound policy in any situation where the public was concerned. People must know what he thought, what he proposed to do. He believed that taking them into counsel was the best policy, they had a right to be taken in.

Such frankness, such openness, was called professional policy/
wouldn't work?
 An amateur *couldn't do that* in politics but he did it. The soundness of his judgment was proved again and again. *amateur by the teaching.*
2d - Unhired
in making curriculum

As it worked out this policy of frankness, intelligent onlookers - (Quote Lowell

There is no doubt at all that the industrial leader of *du* today, this new type, explains his gives his judgment and his reason for it. In the same position, the leader in the party may protest, ^{and} declare that it embarrasses him, embarrasses the party to have this open speaking - may be all true but why say it - keep it under your hat. That is the politician leaves out of the current of fact that in this factor, this economic situation, the greatest factor in the long run is the public, to have them thinking right, to have them understanding so they may think right. It is the basic thing and however much patience it may take, and it does take patience, or the law it must take, and it does take law, to express the views to get over a point of view which you believe to ^{be} sound, how thoroughly they understand the better.

that he would not make another *Crash* until after the election.

It was not only against his nature - it was against

Phrase - title - name the way organized in the
Era of suspicion - a confidential canyon - a
bachelor - ~~as~~ a "criminal" & would be in the
sequence.

best policy, they had a right to be taken in.

The new type is a mixture of Calley name
similarity to many - explain -
he must - stand in heels of statement
in to call on man as international banker
if that phrase is to loose the popular
face from the international banker must
tell the public what he is doing & why
and that - he is trying to do. He can
afford to. He has helped the ~~con~~ world,
certainly he cannot afford not
to. The Blatterlight can commit the money
if he refuses -
It is explaining & saying that - the
independent must do of

This is coming out in spite of industry itself, the whole nature of the industry, its component part. What is capital - what is labor - ^{is} being made clear in many practical ways to the whole body. It is not to be kept secret by a few men on a Board. The man at the machine who owns one share of stock is getting his report and in well organized industries where some form of representation is carried out intelligently and honestly, the discussion of the financial condition of a concern, its markets, the effect upon it of foreign debts, of tariff, of local conditions, inventions; all of those things that keep any business constantly moving, keep it under the necessity of adapting itself to all the varying moods of the world's industrial movement - all these things, management if wise is today ~~not~~ taking pains to make clear.

What they are getting into their heads ^{these new leaders} is what Lincoln tried to get into the heads of the country before the Civil War - there was an industrial struggle going on and its ^{was} between those who held what he called the *Mud sill* theory - the theory so old ^{that you} in the world ^{must} have a great mark of practical gain on which to build cultivation. He absolutely refused to believe ^{because} a man labored with his hands it was not ^{he was} incapacitated to rise into what we speak of as the capitalistic class. The whole American theory, according to him, was to bring your man up by the open ^{path} into the class where his labor accumulated into capital. That was what capital was, he said, accumulated labor. Labor did not

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Linden dealt with ~~all~~ of the most different.
industrial situation, the country has en-
faced, ~~is~~ a by product of the capacity con-
tending that it is ~~indeed~~ must be ~~business~~
to perfect - that Miller the Bible is the D.
of the - had a right to do with it - ~~business~~
business need ~~helped~~ - it was not ~~business~~
the conclusion of the ~~dominate~~ leader of the
Q & S, Business demanded security -
principles - the unequalness ~~address~~
of the labor in the business ~~business~~
of Miller - Bible or de. of the. lead ~~any~~
relation to the question ~~business~~
But I did not believe ~~business~~ the necessary
for the ~~business~~ as well as money
He must - my will have said as I ~~business~~ did
in his ~~business~~ when they fought his policy. ~~business~~
if you must - do ~~business~~ things because ~~business~~
you do them because they pay - but ~~business~~
they pay because they ~~business~~ are not - ~~business~~
until ~~business~~ they pay.
Dependent on a ~~business~~ in this my
hope ~~business~~ etc.
Our new type of leader is going ~~business~~ ~~business~~
concerns - ~~business~~ of the secondary place of
capital in the industrial ~~business~~ - ~~business~~
L.S. ~~business~~ it as accumulated ~~business~~

rest on capital - capital rested on labor. And he had no narrow view of labor, that is, that it was merely the work of hands. He knew it to be the work of brains, highly directed by brains. He knew many achievements to have many elements. *He is a man of ^{steady} money -* the banker. But he was your servant. There was the man who invented. Lincoln was keen on the invention - had at least one patent himself and several with others and wrote a lecture on the subject. The inventor was a laborer *he* he was the man who directed - he was the man who adjusted difficulties. They were all part of the party and ^{to} each must go according ^{to} his service.

Our new type of industrial leader is getting this large view of the industrial relation which Lincoln brought into the great industrial question of the '50's and '60's, every man a part and ^{to} each according to his work, his contribution. *— ou*

Progress, development, as a growth and not as a trick as the speculator would make it, as the promoter, prospector looks at it, but an industrial development as a result of intelligence, patience, careful work, like the growing of a oak. The new industrial leader putting his hands to an enterprise is beginning to get some conception of the relation between stability, permanency, and of the laws of growth. He is getting to be less of an opportunist and more of a statesman. He is ^{not} afraid of size, holds that ~~dignity~~ ^{be} to inevitable and ^{he is} getting more and more wary about the undermining factors of business life, speculation, capitalization of hope, belief in eternal

Hope - as an element in calm. - L. called it the
"inspiration of calm" - the class to p. 11 by Selections
Lalm - my land - the
"shirts" - the individual leader
the will that L. was applying in 10 yrs before
iii. Prot. When he spoke of the importance of
Lalm - it was not in regard to slavery
- the economic weakness - the class whom you could
drive into the circle to reach 75 - like
Lalm must a chance to become a capitalist
guide -
exactly what the individual of today is
trying to do - in order - He is
in debt - not - land - not - tools - the struggle
with - capital - The man can earn money as
Lalm earned his first shot as a capitalist
in money but - progress is a pit
that a lay student finds too deep
when a typical man of power, of a certain
skill up his head till it

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[Lincoln's Type in Business]

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The close of the last half century, 1880 - 1930, sees the dawn of a New Era in our industrial life - an era which it is to be hoped will wipe away the last vestige of that Era of Banditry with which the period began - the Era of Suspicion to which it gave birth.

The promise of better things lies in the new type of business leader emerging in this country. I like to think of him as a Lincoln type because he is coming in his handling of affairs to accept and practice something of the spirit, the patience, the frankness, which were behind Abraham Lincoln's handling of large affairs.

He had large affairs to handle - no mistake about that - the most serious industrial problem with which this country has ever had to cope was solved under his leadership - the problem of slavery.

Slavery was at bottom an economic problem. A large part of this country believed that its main crop cotton could only be produced by slave labor. It is no new contention. Men in all ages ^{have} held that in order to carry on the work of the world there must be a great mass of men and women which they could use much as we now use machines - and generally with less care.

Ten years at least before he wrote the first draft of the Emancipation Proclamation Lincoln came squarely out against this theory. He never ceased to fight it as uneconomical as well as contrary to human rights and human nature.

"Hope is the inspiration of labor," was his fine phrase. "The slave whom you cannot drive with a lash to break seventy five pounds of hemp in a day, if you will task him to break a hundred and promise him pay for all he does over will break you a hundred and fifty. You have substituted hope for the rod."

Every industrial leader today worth his salt accepts the idea that 'hope is the inspiration of labor.' He seeks to give a man the opportunity to develop his full powers, to find and train his aptitude, ^{to} inspire his confidence and ^{to} make him a partner in the enterprise. Study Mr. Gerard Swope's plan - it will depend finally not upon co-ercion but upon the co-operation of every man in the industry which he seeks to organize. Mr. Swope's plan gives men a reason for co-operation. Already in the great General Electric Company of which he is the operating head and of which Mr. Owen D. Young is the inspiration - this co-operation of all factors from the bottom up has been so established that throughout this long and dreadful period of unemployment no worker has been obliged to apply to public charity. They have worked together - men at the bench - in the offices - on the road - officers - salesmen - mechanics - ^{to} take care of themselves.

At another point our new industrial leaders are coming closer to Lincoln and that is in ^{their} ~~his~~ conception of the relation of labor and capital.

in strategy industry

There has been an attempt in the land largely fostered by those who knew better, that capital was something esoteric, not to be comprehended by common folks. It was brewed in a bowl by bankers and brokers and as they only had the secret, to disturb them in their compounding would disturb perhaps destroy capital, which they sought to persuade the public was the final base - the under-pinning of prosperity.

Lincoln never tolerated such an idea of capital. He saw it as "accumulated labor" - the result of the labor of hands and of minds as expressed in inventions, in management, in handling finance - all labor. No hokus pokus about it.

Now our modern industrial leader accepts something of this kind, struggles to convey the idea to his co-operating employers. Never has he seen more clearly how the splendid edifice of property would topple to the ground if ^{the} labor^s ceased to turn out wheat, corn, cotton, if he ceased to lay by pennies, if he ceased to buy what is produced. All that capital deals with, all that it can do depends on the labor, the savings and the buying of the mass. It is nothing in itself.

Lincoln's judgment was that under our system every man should have the opportunity to become a capitalist and that it was possible if he would do as he had done - work with his hands, save, start out for himself on a piece of land in a little business, in a profession.

"Twenty five years ago, ^{he} ~~said~~ ^{in 1854,} I was a hired laborer, ^{the} hired labor of yesterday labors on his own account today and will hire others to labor for him tomorrow."

Today the Lincoln type of industrialist is trying to convince the country that these words are still ^{True & correct} opening the doors for investment, for owning homes and farms, for becoming sharers in the ^{fruit} of the enterprise. Study what the International Harvester Company - the United States Steel Corporation are doing. They are producing capitalists - and scores of our modern employers are struggling to do the same thing.

But to make ^{these} ideas accepted generally is no easy task. Our present leaders in Big Business are the followers of a class who first came conspicuously to life - showed their hand, so to speak, in the period between 1880 and 1900.

So far as the dominating type was concerned it was an Age of Banditry.

Undoubtedly these early dominating leaders were men with a genius for affairs. They came on the stage at a time when the possibilities of wealth were so dazzling that they went to their head. They had the far-sightedness to see what it would mean to control the newly discovered wealth of ore, of coal, of oil. They were not the discoverers - hundreds upon hundreds of prospectors, with knap sacks on their backs and picks in their hands, hundreds and hundreds of wild caters, drilling holes in the ground, found the wealth they seized and developed for themselves.

They saw what it meant to control transportation - what it meant to enjoy special rates on railroads and ^{the} barons of the railroad and the barons of the factories combined forces.

Inventions, an extraordinary facility in contriving quicker, easier ways of doing things - more productive ways of getting all that there was out of iron, ore, oil, coal, feed their schemes.

With an energy unbelievable - with resourcefulness and daring they developed what they controlled ^{But} with this vast wealth of natural resource - with this transportation built from the savings of hundreds of thousands of men and women both in this country and abroad - with an imported labor power of first order which cost them nothing to grow - with this unbelievable fertility of inventions - with a consuming power which until then had never been dreamed of they were not content. To make sure of their domination they introduced a new code into business, claiming because of their power and ability the right to operate in defiance of public opinion and of all government regulation, the right to spy - the right to use the railroads as they would - the right to franchises essential to the life of cities and towns.

It was a code of greed claimed ^{which they} essential to the development of the wealth of ~~the~~ ^{the} country, as the cotton grower claimed that by slave labor alone could a profitable crop be produced.

So brilliant were the achievements of these leaders in organizing, integrating, extending our industrial life that even today with the evils and losses they brought upon us you

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hear men saying, not only that it was all justified by results, but that what they did was the accepted procedure of the day.

"They did in the last century," an interpreter wrote not long ago, "exactly what every other person was trying to do, using the same methods and employing the same methods which were universally employed at that time - simply did what the fellow was trying to do and to quote Eben Holden, "did it just."

This is equivalent to saying that in the last twenty years of the Nineteenth Century the Common Law, the Golden Rule, the Ten Commandments, the Declaration of Independence and the Constitution of the United States, were unknown or at least relegated to Sunday Schools or political meetings.

It was never true and the louder the arguments of the leaders in the Era of Banditry that their code was the price of wealth, the louder the outcry against them.

It was business men, not big business men, but the hundreds of thousands of small farmers, merchants, transporters, producers of raw materials, ^{who} arose against a code which discarded the fundamental political principles of the country, as well as the fundamental principles of human relations. And so we have the revolt against our Nineteenth Century of bandits. It brought us the Inter-State Commerce Commission - it brought us the Anti-Trust Law - it also brought a contemptuous defiance of both which was natural from men who had attained the power these leaders had.

Fourteen years after the Inter-State Commerce Law forbidding the granting of rebates by the railroads, when the United States Steel Corporation was first organized, the minutes of one of the first meetings show that certain directors declared that, "The proper policy for the new Corporation was to encourage the railroad to put up freight rates in iron and steel as high as possible and at the same time tell them that the new Corporation was to have, 'off-setting advantages!'"

Sixteen years after the Inter-State Commerce Law was passed we find the Standard Oil Company receiving rebates so extensively that a disgusted Judge fined them Twenty nine million dollars for their sins.

What it amounted to was that these dominating leaders in big business were thumbing their nose at the Government.

It was inevitable that the Era of Banditry would produce an equally strong Era of Suspicion. It had come to the point by the end of the last century in this country that vast numbers of the people refused to believe that a Corporation could be anything but an instrument of oppression - a Corporation lawyer anything but a skillful trickster - that as I heard one great banker say not long ago - "a bond holder and criminal" were synonymous terms!

Reform comes from within. At the beginning of this century the future of big business in this country depended upon leadership. If these bandits of the previous twenty years were to be over-thrown it must be done inside the house itself. And it was inside the house of big business that a rival code was developed and put over in the first decade and a half.

Now a man who at that time attempted to reform inside the house of big business was bound to be treated with suspicion and contempt by the public. No one would believe when it became noised abroad that the Chairman of the United Steel Corporation, Judge Elbert Gary, was trying to establish in his Billion Dollar Trust certain rules of primary ethics ^{viol-} and it was anything but a clever dodge to pull the wool over the eyes of the country.

But Judge Gary did propose for his Corporation a set of policies ^{the} ~~whichever~~ very opposite of those which big business had been contending were essential to its life. He took hooded ~~at~~ secrecy, declared it destruction of confidence and published an annual report. He co-operated with Theodore Roosevelt in his ^{Ref} stick campaign. At one point this co-operation was so resented by the Board which he led that a resolution was introduced forbidding him henceforth to communicate with the President of the United States. A fine tempest it stirred in the usually mild Judge.

A labor policy must be developed - rebates must be stopped - no advance information to members of the board giving them an advantage over the public on the market - a code which brought jeers as well as resentment from many of his associates.

His Sunday School talks as they were dubbed in Wall Street are said to have driven one powerful individual from the Board with the remark that while he believed in Sunday Schools he did not believe in mixing business with Sunday School.

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Judge Gary's answer to all protests was that if they would not follow his policies because they were good they must do so because they paid. They must remember, too, that they were not good because they paid, they paid because they were good!

Certainly it became more and more evident that the Era of Banditry was costing the country dear. Probably there has not been a more wasteful period in the development of our business life. Nothing more expensive than the results of this defiance of public opinion, defiance of government, secrecy in operation, lack of co-operation with labor, refusal to admit that business to be sound must be ethical and that in this country must be conducted with the Declaration of Independence in mind.

It produced the State of War between capital and labor which lasted in ^{the} ~~all~~ the periods with its desperate strikes and lock-outs - it produced the Era of Suspicion with all its ignorance and demagogry - an era when by calling names, not marshalling facts the popular reputation of men could be blasted, though if the truth had been known these men were possibly struggling to correct the very evils which infuriated the country.

The cost of that Era of Banditry is only paralleled in this country by the cost of slavery. Whatever wealth it may have produced, like the wealth produced by slavery, it brought a train of misery, bitterness, wrong thinking, the most costly things that can come upon a country.

But out of the Era of Banditry and the Era of Suspicion are developing men who see that these things cannot be and out of them we must work our way.

In no point was Lincoln of more value to this country in the ten years struggle against the extension of slavery first, and the breaking up of the union second, than in the presidency in which he tried to make people understand why he was doing what he was doing. James Russell Lowell, who gave all the power of his fine intellect and cultivation to the interpretation of the struggle going on over slavery and who watched Lincoln with a critical eye as well as one of great penetration, said in the war about his state papers that,

"No higher compliment was ever paid to a nation than the complete confidence, the fireside familiarity, with which Mr. Lincoln always presents himself to the reason of the American people."

One of the weaknesses of big business in this country is that it has not taken ^{the pains to explain} heed to its plans itself and that failure has been interpreted and often rightly as a proof that what was being done was done through greed, a desire to monopolize, done without any consideration of the public.

We are getting now a group of men who make it part of their business to explain themselves to the public. You can't say that they do it in the masterly way that Lincoln did, but some of them are doing it mighty well. There is Mr. Thomas Lamont who ever since the war has been explaining

in carefully prepared and clearly written papers the financial conditions of Europe and trying to show us our relation to it. Mr. Alber Wiggins recently has done something of the same thing, that is, here are two of our leading bankers going out of their way to educate us.

The great trouble with our thinking on financial matters has been and is that we do not have full and frank explanations placed before us by principles. We have become wary of accepting the explanations which emanate from paid publicity agents. They speak for the employer. It is the employer that we want to hear - it is the employer that must speak if we are ever to believe and they must speak honestly and that is what these two men I have mentioned seem ~~to be~~ to have done.

From another banker, Mr. Mervin Traylor of Chicago, we have had recently a bold, convincing exposition of the vice from a bankers point of view of stock speculation. There is only too much reason to believe that the disastrous orgies of 1929 received ^{large} ~~the~~ encouragement from the banks. When it happens as it did ~~that~~ in many a town of the United States that customers who for years who have been borrowing to finance their ^{return} over the periods between the harvesting and their selling, were denied money because higher rates of interest were given by the gamblers in Wall Street, it is of the highest value that a banker should speak out against the whole vicious business, should recognize publicly that however much world conditions have had to do with the situations in which we find ourselves there are hundreds of thousands of people today on the streets who would have been able

to take care of themselves through this period of depression, if it had not been for their folly in expecting that they could live by gambling and not by work, which seems to be the meaning of those new laws we have heard so much about.

It is good ^{to hear} ~~that~~ a banker ^{actually} ~~tells~~ the ~~sin~~ ^{sin} in no uncertain terms as Mr. Traylor did last Spring before the International Chamber of Commerce, a body from which it would be healthful to hear more of such vigorous common sense.

^{by plan alone} A splendid and encouraging example of the sort of frankness the public needs is in the finely argued, absolutely frank address of Mr. Gerard Swope in presenting his plan for industrial stabilization.

Mr. Swope in presenting his plan had not a shadow of that arrogance which characterized all our early big captains of industry when they were forced to go to the people. Mr. Swope invited criticism. Mr. Young, Mr. Swope's colleague, in commenting on the plan on its first presentation pointed out in advance objections he ~~foresees~~ - he asked help in making it as fool proof as a plan can be made - insisted it must be tried out by experience. What more could the public ask from a leader who has something he believes in and wants to try out?

Lincoln, himself, could not have been more generous in admitting that if this plan should ever be attempted by an industry there must be full government regulation, that is, we have come to a time when our industrial leaders recognize openly that there must be ^{with the public} ~~the~~ co-operation ~~between the two~~ if the public is to have confidence in their undertaking. All of which means

that these gentlemen are attempting to substitute for the old Era of Banditry and Suspicion an Era of open co-operation between Government and Industry as well as between the various factors of an industry.

Who can doubt that our future stability and happiness as an industrial nation depends upon their success.