

HOBBY HISTORY

Diamond Monopoly Had Nineteenth Century Roots

As has been noted in previous issues, the Diamond Match Co. rose to a point where it was the undisputed match manufacturing giant of North America, owning not only chemical plants, lumber mills, plastics companies, match factories, etc., but also many of its ‘competitors’—Lion, Federal, Universal, Bryant & May, West Virginia Match Corp., among others.

Not surprisingly then, perhaps, by the post-World War II era Diamond had been hauled into court more than once on charges of forming a monopoly. In fact, arguments were made that Diamond had a long history of monopolistic tendencies, going all the way back to its Swift, Courtney, & Beecher days. The latter company (one of the twelve that merged to form Diamond) also had a number of visits to court on the same charges, both before and after it moved its headquarters from Wilmington in the late 1880s. It, also, had a reputation for monopoly and for crushing its rival.

Indeed, there had even been something of a political scandal in Swift, Courtney & Beecher’s late Wilmington days. It seems a prominent Democrat aspiring for reelection to Congress was ‘smeared’ (albeit mildly compared to today’s political romps). In the midst of a discussion during the hotly contested campaign, the Democratic candidate, who was an attorney for the match company, explained that only the Swift, Courtney & Beecher Company had the cash at hand to lay out \$170,000 in cash at one time for Internal Revenue stamps, then a requirement for all match manufacturers. It was further shown that buying these tax stamps in large lots gave the purchasers a big discount which was supposed to have kept the Delaware company ahead of its rivals—which was the basis for the charge of

monopoly. It may duly be noted that the “smear” was a wasted effort. Since the disappearance of Swift, Courtney & Beecher in the 1880 merger to form Diamond, a 1944 newspaper article reports, Diamond, itself, had been frequently accused of monopolistic practices.

There is no doubt that Diamond controlled the majority of the industry coming out of World War II, but, in observing the situation on a more detached level, one has to wonder if there isn’t some sort of invisible ceiling that companies, upon approaching, triggers automatic cries of “Monopoly!” Sometimes it seems as if there is a very hazy difference between a very successful business and an illegal monopoly....witness the current situation with Microsoft as a modern-day example.