

# How a Trust Makes Cripples and Dodges Taxes

Out on the southwest side of Chicago lies the McCormick branch of the International Harvester company. Here six thousand human beings—men, boys and girls—shape and arrange millions of pieces of iron and wood, and make the harvesters that cut a large share of the wheat crop of the world.

Suspended above the great rooms of the factory, powerful electric cranes perform the work formerly done by hundreds of toilers, lifting and transporting heavy pieces of iron.

On July 1, 1907, Walter Merritt, an electric repair man in the employ of the harvester company, was directed by his superintendent to go upon one of the electric cranes to inspect its motors. He climbed up an iron post by the suspended cage in which the crane operator works the levers that apply power to the crane. As he stepped from the top of the cage to the wheels on which the crane rested, the operator, a few feet beneath him, suddenly pulled a lever, applied the power, and Merritt was thrown over into the gearing. In an instant the merciless cogs had cut into his flesh, and, before the machinery could be stopped, his right arm was crushed off at the elbow. He was taken to a hospital, where blood poisoning set in and rendered his other arm almost useless.

At the time of the accident Merritt was earning \$2.75 per day of ten hours, but by working overtime he managed to draw about \$90 per month. After a three weeks' stay in the hospital, the injured man was taken home. Weak and discouraged, he discussed the future with his wife. The comfortable little flat, with its piano, paintings, and bric-a-brac, would have to be given up.

One day, shortly after he came from the hospital, while he was thinking hard, trying to solve the difficult problem of how a man with only one arm, and that partially disabled, could earn a livelihood for himself, his wife, and child, Merritt had a visitor. It was Mr. Brown, the claim agent for the Harvester company. Brown's duty was to settle personal injury claims as cheaply as possible. An increase in Brown's small salary depended upon his showing better results this year than last; in showing at the end of this corporate year a smaller sum paid out for damages to the heirs of killed and to wounded workmen than last year.

Addressing Merritt in a sympathetic tone, the trained adjuster said:

"Walter, I'm awfully sorry for you, and I want to assure you that the company means to do the right thing by you. We always treat our employes right. I suppose you need a little money, so I have brought you \$50, and I want you to sign this receipt."

Not a word of explanation of the formidable looking document with its many lines of printed and type-written matter!

This was Merritt's first experience with a claim agent. It was a case of guilelessness and inexperience against cold, calculating business.

As Merritt found himself grasping awkwardly a pretty little fountain pen in his left hand, he thought it was rather kind of the company to make him a present of the ten crisp five-dollar bills that he needed so much. Glancing at the paper before him, his eyes caught the words "release and forever discharge." These were not the words of a simple receipt. Then there were many other things peculiar about this document. So many words and such fine print! Handing back the \$50 to the claim agent but keeping the paper, Merritt said:

"Well, Mr. Brown, I never had to sign any paper before when I got my pay from the company, and I don't quite understand why I should do so now. I will read this paper over carefully and let you know in a few days. I don't quite like to sign it now."

Know all Men by these Presents, That I, Walter Merritt, of the city of Chicago, county of Cook, and state of Illinois, for and in consideration of the sum of fifty dollars to me in hand paid by the International Harvester company, a New Jersey corporation, the receipt whereof is hereby acknowledged, do hereby release and forever discharge, said International Harvester company from all claims and demands and each, every and all right cause and causes of action of every name, nature and description whatsoever, which I now have or which has accrued in my favor against it, said International Harvester company arising or growing out of or by reason of any matter, cause or thing whatsoever, from the beginning of

the world to the day of the date hereof.

And, I do further hereby declare that said International Harvester company has not, nor has anyone for it, or in its name, at any time prior to the execution and delivery of this release by me, made me any offer of employment, nor held out to me any inducement of future employment in any capacity whatever, as a part consideration for the execution of this release, and that I thoroughly understand the meaning of this release and know that its execution by me is an absolute waiver and bar of all and every claim and demand I may have against said company of every name and description, and that under no circumstances can I sue or maintain any action, suit or proceeding against said company by reason of any matter or thing whatsoever happening to me, or arising in my favor against said company prior to the execution and delivery hereof; and I further expressly state that no fraud or undue influence on the part of said company, or on the part of anyone representing it, has in any way entered into this release or into any of the steps leading up to it.

Witness my hand and seal this 24th day of July, A. D., 1907.

Witnesses:

..... (Seal)  
.....

State of Illinois, County of Cook, ss

I, ....., a notary public in and for said county, in the state aforesaid, do certify that Walter Merritt, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 24th day of July, A. D., 1907.

.....  
Notary Public.

The price of an arm. The paper that an agent for the International Harvester company asked Merritt to sign.

Brown could not ask for the return of the paper without arousing Merritt's suspicions, so he violated one of his own rules by leaving the document with the injured man.

His parting words were spoken confidentially:

"Now, Walter, you know we don't want any trouble about this. When you get well, I'll see what I can do for you. Don't go to any lawyer, for if you do I may not be able to help you at all, for you know it wasn't our fault that you got hurt, and we could beat you in a lawsuit. We always win our cases. I'm telling you this as a friend."

The intuition of the unfortunate man's good little wife told her that in this serious matter it wasn't quite safe to rely on Mr. Brown's advice. So next day Merritt went to a lawyer's office and showed him the paper that Mr. Brown wanted him to sign.

The lawyer told him it was a form of release, which, if signed by the injured man would forever bar him from collecting damages. Merritt stated the facts as to the circumstances of the accident. The lawyer said:

"The International Harvester company is a New Jersey corporation. If you sue the company for more than \$2,000 it will transfer the case to the federal court, because it claims to be a citizen of New Jersey and you are a citizen of Illinois. The federal courts will probably decide that you and the crane man were fellow servants, and you would lose your case there. But you might sue in the state courts for \$2,000, and the company could not transfer the case to the federal court, because that court will not consider any case unless the amount sued for is more than \$2,000. In cases like yours the law of Illinois is much more favorable to the plaintiff than that of the United States courts, and you could probably win in the state courts. The company will appeal if a jury decides in your favor. The calendars of the court are crowded with thousands of cases like yours against corporations, and it would take at least three years to collect your damages."

Merritt was surprised to find that the law put such cheap value on human limbs. He would talk it over with his wife. She advised

him to see Mr. Brown and settle his case for \$1,000 rather than face the uncertainties and delays of a lawsuit.

Brown was very sorry, but his hands were tied by his superior. The company was not liable, and he was instructed to pay Merritt \$50 and to say that after a while they might give him a job as night watchman, where he could earn about \$12 per week.

"But remember," said Brown, "we can't make any agreement in writing about giving you a job. You will have to take my word for it."

The unfortunate man had no alternative but to fight the International Harvester company and to devise some new way of earning a livelihood. He had one relative, an uncle, who, although poor, had managed to save a few hundred dollars. From him Merritt borrowed \$200 and rented a little store near one of Chicago's crowded public schools. He laid in a small stock of candies and school books. His little capital was not enough to provide all of the articles that the children called for, and his profits from the sales, paid mostly in pennies and nickles by the children, amounted to about seventy-five cents per day.

Merritt returned to the lawyer's office, and suit was brought against the International Harvester company for \$2,000.

An overworked and underpaid employe in the office of the harvester company—one whose duty it is to attend to the routine details of damage suits up to the time of trial—neglected to file in court the proper papers answering Merritt's claim for damages in the time fixed by law, and Merritt's lawyer took a default against the company, and a judge entered judgment for \$2,000 in his favor.

A few days afterwards the lawyers for the company appeared in court and asked to have the judgment set aside. They explained that the young law clerk in the office of the company had forgotten about the case and that the company had a good defense. The judge ordered the company to produce its witnesses, so that Merritt's lawyer might cross-examine them.

If the company showed that it had a good defense, then the judge would set aside the default and submit the case to a jury, where both sides might have their witnesses heard. If the company failed to show that it had a good defense the judge would order the judgment to stand, and Merritt could then collect the \$2,000 quickly.

On the day set for the inquiry into the facts, an important witness, a former employe of the company, was not brought to court by the company.

## PUTTING A WITNESS OUT OF REACH

Merritt's lawyer had procured a written statement from the witness showing the company's negligence. If called to court, the witness would have told the judge that the man who pulled the levers on the crane and cut off Merritt's arm was an incompetent man; that he was an ignorant workman, chosen from the common laboring gang only a short time before the accident, and that the witness, who was an expert crane man had notified the superintendent of the company before the accident that the man was incompetent and careless.

This witness was taken out of the state by Mr. Brown the day before the hearing, and he was paid \$25 for his time spent in keeping away from court.

As the hearing was not an actual trial, Merritt was not allowed to testify or produce witnesses, and he found that the law does not favor defaults.

The judgment was set aside, but only on conditions that were quite favorable to Merritt. The judge directed that the company pay Merritt \$100 at once; that he be given leave to sue for \$7,500 instead of \$2,000, and that the company should not remove the case to the Federal court. In order to escape the payment of the judgment for \$2,000, the company accepted these conditions.

And Merritt felt half-glad over the decision. He might be defeated and get nothing for his arm, but his fight was now worth while. He had secured a chance of collecting \$7,500 from the harvester company for the loss of his arm.

The suit came on for trial March 16 and lasted until March 23. The defendant corporation contested the case bitterly, and called over fifty witnesses. The verdict was in favor of