

# Industrial Commission Reports

The following report is given by the Associated Press:

Chicago, Aug. 22—Summaries of the reports, three in number, of the United States commission on industrial relations as to findings and recommendations for the information of congress were made public here tonight.

The commission, which ceases to exist tomorrow, was composed of three representatives each of the employers, the employed and the general public. It became apparent some time ago that they would be unable to agree on a single report, and it is said that none of the reports given out tonight can properly be called a "majority" report.

The personnel of the commission follows:

Frank P. Walsh, Missouri, chairman; John R. Commons, Wisconsin, and Mrs. J. Borden Harriman, representing the public.

R. H. Aishton, Illinois; Harris Weinstock, California, and S. Thurston Ballard, Kentucky, representing the employers.

John B. Lennon, Illinois; James O'Connell, District of Columbia, and A. B. Garretson, Iowa, representing the employed.

The report of the representatives of the employes, known as the "staff" report, drawn up by Basil M. Manly, director of research and investigation for the commission, was signed by Commissioners Walsh, Lennon, O'Connell and Garretson. In connection with the main reports, these commissioners issued three "Supplemental Opinions and Suggestions," as follows: One by Mr. Walsh, one by Mr. Garretson and one by Mr. Lennon and Mr. O'Connell jointly.

The report of the commissioners representing the public was written by Commissioner Commons. He and Mrs. Harriman signed it without reservation. Commissioners Aishton, Ballard and Weinstock approved it in large part, and in part their dissent to portions of it and to the Manly report are expressed in the so-called Weinstock report, signed by Weinstock, Aishton and Ballard.

The reports are identified as the Manly, or staff report; the Commons, or report of the commissioners for the public, and the Weinstock report, which, among other things, expressed dissent from the findings of the other two reports.

## Limit of \$1,000,000 on Inheritances

The Manly report sets forth that there is an unjust distribution of wealth and income and as a remedy urges "the enactment of an inheritance tax so graded that while making generous provision for the support of dependents and the education of minor children, it shall leave no large accumulation of wealth to pass into hands which had no share in its production."

The report suggests that a limit of \$1,000,000 be fixed on the amount that shall pass to the heirs. It recommends that the revenue from this tax be reserved by the federal government for three principal purposes:

The extension of education, the development of other important social services which should properly be performed by the nation and development in co-operation with states and municipalities of great constructive work, such as road building, irrigation and reforestation, which would materially increase the efficiency and welfare of the entire nation.

"There is no legislation," says the report, "which could be passed by Congress, the immediate and ultimate effects of which would be more salutary or would more greatly assist

in tempering the existing spirit of unrest."

## Suggestions in Commons Report

The Commons report recommends that to provide funds for the maintenance of the industrial commission and further social welfare, without increasing taxation of the people, an inheritance tax be levied on large fortunes. "The rate of the inheritance tax," the report says, "should be graduated from 1 per cent, on the excess of \$25,000 fortunes left to direct heirs, to 15 per cent on fortunes more than \$1,000,000. The tax on estates going to distant heirs should be greater.

"The inheritance tax proposed would be collected by the federal government through existing machinery that collects the income tax, and a portion would be turned over to each state. The various states now collect a sum equal to about \$25,000,000, in inheritance taxes, but the rate is low in some states. By increasing the rate as proposed it is estimated that a fund of \$200,000,000 a year would be collected, of which \$50,000,000 would be returned to the various states.

"The principal of this fund it is proposed to invest in homes for working men, hospitals, rural credits for farmers and other purposes of a social nature as would insure an income."

## Causes of Industrial Unrest

The Manly summary finds "that the causes of industrial unrest group themselves almost without exception under four main sources, which include all others. They are:

- "1. Unjust distribution of wealth and income.
- "2. Unemployment and denial of opportunity to earn a living.
- "3. Denial of justice in the creation, in the adjudication and in the administration of the law.
- "4. Denial of the right and opportunity to form effective organizations."

Remedies are suggested.

On the same subject the Commons report says:

"The greatest cause of industrial unrest is the breakdown of the labor laws and the distrust of our municipal, state and national governments on the part of a large portion of our people." The report outlines a plan for remedying conditions through the institution of a permanent "Industrial Commission and Advisory Council," with comprehensive powers.

The Weinstock report dissents from the recommendation that the secondary boycott should be legalized, but finds that employes have many grievances and are thoroughly justified in organizing. It explains the prime objects to recognizing and dealing with organized labor as follows: Sympathetic strikes, jurisdictional disputes, labor union politics, contract breaking, restriction of output, prohibition of the use of non-union-made tools and materials, closed shop, contests for supremacy between rival unions, acts of violence against non-union workers and the properties of employers and apprenticeship rules.

The Manly report consists of three sections, only the first of which was given out today. The second section will be made public Tuesday and the third section given for publication on Thursday.

The "Supplemental Opinions and Suggestions" of Commissioners Garretson and Ballard were made public tonight, while those of Walsh, O'Connell and Lennon are expected to be given out at a later date. In addition to the three main reports and the individual opinions and sugges-

tions, according to announcement by Mr. West, will make public on August 27, a report on the Colorado strike, and a few days later a report on the situation of the structural iron workers.

## Wealth and Unemployment

"Certain measures for dealing with industrial conditions," the Manly report says, need to be pushed forward with all possible vigor, but it may be confidently predicted that the unemployment situation will not be appreciably relieved until great advances have been made in the removal of the two prime causes—unjust distribution of wealth and monopolization of land and natural resources. With respect to the latter question the following basic suggestions are submitted:

"Vigorous and unrelenting prosecution to regain all land, water power and mineral rights secured from the government by fraud.

"A general revision of our land laws so as to apply to all future land grants the doctrine of superior use, and the forcing of all unused land into use by making the tax on non-productive the same as on productive land of the same kind, and exempting all improvements."

Under the head "Denial of Justice" the report cites numerous typical instances intended to prove discrimination by the courts against the poor and in favor of the wealthy and powerful.

## Respecting Right to Organize

Referring to the "denial of the right and opportunity to form effective organizations," the report recommends:

Incorporation among the rights guaranteed by the constitution of the unlimited right of individuals to form associations, not for the sake of profit, but for the advancement of their individual and collective interests.

Enactment of statutes specifically protecting this right and prohibiting the discharge of any person because of his membership in a labor organization.

Enactment of a statute providing that action on the part of an association of individuals not organized for profit shall not be held to be unlawful, where such action would not be unlawful in the case of an individual.

That the federal trade commission be specifically empowered and directed by congress in determining unfair methods of competition to take into account and specially investigate the unfair treatment of labor in all respects, with particular reference to the following points: Refusal to permit employes to become members of labor organizations; refusal to meet or confer with the authorized representative of employes.

That the department of labor, through the secretary of labor or any other authorized official, be empowered and directed to present to the federal trade commission, and to prosecute before that body all cases of unfair competition arising out of the treatment of labor which may come to his attention.

That such cases, affecting as they do the lives of citizens in the humblest circumstances, as well as the profits of competitors and the peace of the community, be directed by congress to have precedence over all other cases before the federal trade commission.

## Four Causes of Unrest

Widespread existence of living and working conditions in American industry that menace the nation's welfare by denying proper standards of living to millions of citizens, and by making them subservient to the wills of employers who control their opportunities for labor, is alleged in the report, which finds that the causes of industrial unrest group themselves

almost without exception under four main sources, which include all the others. These four are:

Unjust distribution of wealth and income.

Unemployment and denial of opportunity to earn a living.

Denial of justice in the creation, in the adjudication and in the administration of law.

Denial of the right and opportunity to form effective organizations.

Discussing the first of these causes, the report summarizes evidence showing that 44 families possess aggregate incomes totaling at the least \$50,000,000 per year, while between one-fourth and one-third of male workers in factories and mines, 18 years of age and over, earn less than \$10 per week, and only about one-tenth earn more than \$20 per week.

## Inheritance Law Condemned

"According to the income tax returns for 10 months of 1914, there are in the United States 1598 fortunes yielding an income of \$100,000 per year or over," the report adds. "Practically all of these fortunes are so invested and hedged about with restrictions upon expenditure that they are, to all intents and purposes, perpetuities.

"An analysis of 50 of the largest American fortunes shows that nearly half have already passed to the control of heirs or to trustees (their vice regents), and that the remainder will pass to the control of heirs within 20 years upon the deaths of the 'founders.' Already, indeed, these founders have almost without exception retired from active service, leaving the management ostensibly to their heirs, but actually to executive officials upon salary.

"We have, according to the income tax returns, 44 families, with incomes of \$1,000,000 or more, whose members perform little or no useful service, but whose aggregate incomes, totaling at the least \$50,000,000 per year, are equivalent to the earnings of 100,000 wage-earners, at the average rate of \$500."

## WHO PAYS?

Who pays the tariff?

There used to be a pleasant delusion that the "foreigner paid," the idea being, apparently, that European manufacturers loved us so much that they would pay from 50 to 150 per cent duties on their goods out of their own pockets, and never dream of adding the sum to be paid to the final selling price. By way of commentary on that notion—not so popular now as it used to be—the Journal presents the following true story:

Down in Ohio there is an automobile firm which is trying hard to get a good Canadian trade. With good roads, vast distances and a prosperous people, Canada offers a splendid market for autos. Here, if anywhere, the foreigner ought to pay the tariff tax which Canadian legislators have placed on motor cars. Does the Ohio firm do it?

Not quite. It advertises thus: Touring car, United States price \$750. Touring car, Canadian price \$1,050.

The Canadian duty on automobiles is 42½ per cent. Forty-two and one-half per cent on the retail American price would come to \$318.75, whereas the actual excess the Canadian customer pays for this Ohio car is only \$300. The extra \$18.75 probably comes out of the Canadian agent's commission.

Does the foreigner pay? He does not, and here is one firm honest enough to say so. The consumer pays, first, last and all the time. On automobiles, soap blankets, matches, window glass and soothing syrup, the consumer pays.—Chicago Journal.