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Special Session of Legislature Called to Consider Legislation Relating to

Occupational Diseases, Health, Comfort and Safety and Changes in Blower Act

GOVERNOR HORNER has called a Third Special Session of the Illinois General Assembly which began Wednesday, February 5. This session will run concurrently with the first and second special sessions which now have been in progress for several weeks.

Items to be considered in this Third Special Session which are of importance to industry relate to bills providing for remedies in occupational disease situation; legislation relating to health, comfort and safety; and measures making certain changes in the Illinois Blower Act. A digest of the principal provisions of these several bills is subjoined. Copies of any or all of these measures will be sent to members upon request to our Chicago or Springfield offices. It has not been feasible for the Association to send copies of these measures to members at an earlier date because the bills were not in form for submission to the Illinois Legislative Reference Bureau at Springfield until late Tuesday evening, February 4th. As a matter of fact, it is probable that some changes will still be made by the Legislative Reference Bureau before the bills are finally submitted to the legislature. However, as indicated above, copies of the bills as submitted to the Legislative Reference Bureau will be sent to our members upon request.

These measures are the result of extended consideration of this entire subject matter by the Occupational Diseases Committee of the Association under the chairmanship of O. E. Mount. This committee was appointed by the President of the Association early in 1933 to study the occupational diseases problem with a view to determining what remedial legislation was necessary in the state to bring about an equitable and practical system governing the rights, duties and liabilities of employers, employees and insurance carriers with respect to such diseases. At the time the committee was appointed, employers in the state were being flooded with damage suits, most of which were predicated on silicosis, asbestosis, and a variety of real and fancied lung afflictions. Some of these suits were meritorious, but to a large extent they were stirred up and solicited by ambulance chasers for unethical lawyers who, with the aid of doctors of like ilk, developed what for a time was a flourishing racket. The unethical lawyers and doctors, and not the employees themselves, profited from these suits.

The committee has devoted its activities exclusively to the development of adequate and comprehensive occupational disease legislation for the state, and it has actively and conscientiously continued its efforts to this desirable end during the past year. It has had the whole-hearted cooperation of member companies of the Association, which companies have placed at the disposal of the committee the services of legal, medical, engineering and lay members of their organizations. It has also received the cooperation and assistance of a number of the most outstanding legal, medical and lay authorities on the subject of occupational diseases in this country.

Measures Carefully Studied

Careful study and consideration has been given to occupational diseases acts which have been enacted by various states in this country and by foreign countries; and in our study of these various acts especial efforts have been made to determine what has proven satisfactory in actual operation from the standpoint of both employers and employees.

As soon as the first draft of a proposed act was approved by the committee, a copy of such measure was delivered to the representatives of labor for their consideration. We hoped that an agreed bill might be developed and introduced at the 1935 regular session of the Illinois General Assembly. The representatives of labor, however, introduced their own bill, which action placed us under the necessity of introducing our bill. Both bills were referred to the House Judiciary Committee, and by that committee in turn to a special sub-committee. The sub-committee conducted many hearings. Shortly before the end of the regular session, the Illinois Director of Labor requested representatives of employers and labor to confer in an effort to develop an agreed bill. The widely divergent views of the two groups ren-

Legislative Situation at Springfield

There are now three special sessions of the Illinois General Assembly running concurrently. The first special session covers the subjects of old age pensions, unemployment insurance, etc. The second session relates to unemployment relief, and the third, which has just been called by the Governor, covers the subject of occupational disease legislation, and several other items which are not of direct importance to industry.

The status of the unemployment insurance legislation remains unchanged. An unsuccessful effort was made to pass this measure in the State Senate on January 7th. Insufficient votes were secured. Senator Lee, sponsor of the bill in the Senate, secured the consent of the Senate to postpone consideration of the bill. Therefore, he is in position where he can call the bill up at any time for reconsideration. A companion bill is on second reading in the House of Representatives. It is in position where it could be advanced at any time. The Association is carefully watching this legislation and will promptly advise its members in event any further efforts to enact the measures into law are made.

The subject of occupational disease legislation is treated elsewhere in this issue.

The Association is represented at Springfield at all sessions of the legislature by Allan T. Gordon, Director of our Legislative Bureau, and other members of our staff. Detailed information regarding any measures pending at Springfield can be secured by communicating with our Chicago or Springfield offices.

dered agreement impossible in the limited time available.

The bill finally reported to the House by the Judiciary Committee was considered basically unsound by this committee. We accordingly opposed its enactment and, fortunately for Illinois industry, it failed of passage.

The situation with respect to the liability of employers for occupational diseases has undergone radical change during the past year. The decision of the Supreme Court in April, 1935, holding portions of the existing Occupational Diseases Act unconstitutional, and the subsequent decision of the Appellate Court in July, 1935, holding that no common law right of action exists in this state for occupational diseases, stopped the flood of damage suits against employers. As a result of these decisions hundreds of silicosis claims have been filed with the Industrial Commission on the theory that under further court decisions such claims would be held compensable under the existing law. No one is in position to predict with certainty the outcome of these claims. The situation, therefore, remains chaotic. No intelligent person considers that such a situation will be permitted to continue. Constitutional laws providing a logical solution can, will, and should be enacted. Unconstitutional laws should and must be eliminated.

The governor, recognizing the widespread interest and gravity of the situation, in the early part of September, 1935, arranged for a conference of representatives of labor and employers under the chairmanship of Hon. Peter J. Angsten, chairman of the Illinois Industrial Commission. This conference was called by the governor for the purpose of endeavoring to develop agreed legislation providing for the prevention of, and compensation for, occupational diseases.

Ever since the Workmen's Compensation Act was placed on the Illinois Statute Books in 1913, it has been customary for representatives of labor and industry to undertake to agree to such amendments in said act as seemed necessary or expedient for consideration at succeeding sessions of the legislature. These joint conferences through the years between representatives of labor and industry on the subject of proposed changes in the Workmen's Compensation Act were ordinarily initiated by the Illinois Industrial Commission. Accordingly, pursuant to such custom the Occupational Diseases Committee of the Association when it had completed the first draft of a proposed bill recommending changes in the law relating to that subject matter submitted a copy of such measure to representatives of labor for their consideration. This was done early in 1935, shortly after the Illinois General Assembly had convened in regular session. This action was taken with the hope that an agreed bill might be worked out and enacted at the said regular session. The representatives of labor, however, introduced their own bill bringing all so-called occupational diseases under the Workmen's Compensation Act under what was commonly referred to as the "Wide-open" clause. There was no definition of what constituted an occupational disease. If such a measure had been enacted into law, Illinois employers would have been obligated for claims for so-called occupational diseases which were not in fact related to employment. We would have had a recurrence of conditions which existed in New York State, where, under a law enacted there comparable to the so-called "wide-open" proposal just referred to, many New York employers were obliged to close down their plants and many others were unable to secure insurance except at prohibitive rates.

The Illinois Manufacturers' Association was, therefore, obliged to introduce its own occupational diseases bill. Both measures, i.e., the so-called "wide-open" bill, sponsored by organized labor, and the measure sponsored by our Occupational Diseases Committee were referred to the Judiciary Committee of the House of Representatives and by that committee to a sub-committee.

The committee has had a large number of meetings. In fact the committee has met almost continuously since the date upon which it was called together by the Industrial Commission in September of last year. As indicated above, the bills were not in final form for submission to the Legislative Reference Bureau until the night of Tuesday, February 4th.

The decision of the Supreme Court of Illinois holding portions of the Occupational Diseases Act unconstitutional in effect invalidated the principal features of the Illinois Act pertaining to rules and regulations providing for "Health, Safety and Comfort" in Illinois industry. The proposed legislation relating to that subject, which is a part of this program and a digest of which is subjoined, represents the conclusions of the committee as the most practicable and least objectionable plan that is available under all existing circumstances.

The changes in the Blower Act, which are also contemplated by this series of bills, are the result of extensive study by a group of engineers identified with representative member firms. It was the conviction of the members of that group that the present laws relating to that subject are indefinite and involved and could not, in many instances, be conformed to in practical operation. This proposed measure relating to this subject is intended to more clearly define the rights and liabilities of employers in connection with this subject matter, pending further treatment of this subject by the Industrial Commission pursuant to the authority given to the Commission under the terms of the Health, Comfort and Safety Act.

As indicated above, the various measures included in this proposed legislation are the result of extended consideration of our Occupational Diseases Committee over a period of several years. In this activity we have had the assistance of all of the other principal employing groups in Illinois, all of whom we are informed are in sympathy with and have endorsed this program.

This legislative program has also received the careful consideration of the Illinois Industrial Council and our Board of Directors and has the unanimous approval of both of those groups. We shall be glad to undertake to answer inquiries from our members regarding any features of this program upon which they desire additional information.

Digest of Bills

The following is a brief digest of the five Bills:

1. The first Bill is for a Workmen's Occupational Diseases Act.

This is a Bill covering the subject of liability of employers for injuries or deaths resulting from diseases. It provides for an elective compensation liability, with a liability for damages imposed on non-electors.

Section 3 of the Bill provides for liability for damages to an employe who has sustained injury to health, or death, by reason of a disease contracted or sustained during the course of his employment and proximately caused by the negligence of the employer, unless the employer shall have elected to pay compensation as provided in Section 4 of this Bill. In connection with the liability for damages of non-electing employers, the Bill provides that the violation by any employer of any effective rule or rules made by the Industrial Commission pursuant to the Health and Safety Act, or the violation by the employer of any statute of this State intended for the protection of the health of employes, shall constitute negligence. This Section further provides for the period in which actions for damages must be commenced and removes the common law defenses of the employer.

Section 4 provides that any employer may elect to provide and pay compensation according to the provisions of this Bill for disablement or death resulting from occupational diseases. The Bill provides for the method of making the election, and further provides, that employers electing may have the right to elect out from under the Act on October 1st, 1937, and on each October 1st for four years thereafter, providing, however, that an employer who has elected to come under the compensation provisions of the Act, then has elected not to be under them, and has subsequently elected again to come under the Act, shall not have the right to any further elections.

The employes of any employer who has elected to be bound by the compensation provisions of the Act have the right not to be so bound. Unless an employe files notice to the contrary within thirty (30) days after the election by the employer, he shall be deemed to have accepted the compensation provisions of the Act.

The Bill defines an occupational disease as follows:

"Section 6. In this Act the term 'Occupational Disease' means a disease arising out of and in the course of the employment. Ordinary diseases of life to which the general public is exposed outside of the employment shall not be compensable, except where the said diseases follow as an incident of an occupational disease as defined in this section.

"A disease shall be deemed to

arise out of the employment, only if there is apparent to the rational mind upon consideration of all the circumstances, a direct causal connection between the conditions under which the work is performed and the occupational disease, and which can be seen to have followed as a natural incident of the work as a result of the exposure occasioned by the nature of the employment and which can be fairly traced to the employment as the proximate cause, and which does not come from a hazard to which workmen would have been equally exposed outside of the employment. The disease must be incidental to the character of the business and not independent of the relation of employer and employee. The disease need not to have been foreseen or expected but after its contraction it must appear to have had its origin in a risk connected with the employment and to have flowed from that source as a rational consequence."

The Bill defines disablement as follows:

"'Disablement' means the event of becoming disabled from earning full wages at the work in which the employee was engaged when last exposed to the hazards of the occupational disease by the employer from whom he claims compensation, or equal wages in other suitable employment; and 'disability' means the state of being so incapacitated."

The Bill further provides that no compensation shall be payable for occupational diseases unless disablement occurs within one year after the last day of the last exposure to the hazards of the disease, except in cases of occupational diseases caused by the inhalation of silica dust or asbestos dust, and in such cases within three years after the last day of the last exposure.

The Bill further provides that the employer liable for compensation shall be the employer in whose employment the employe was last exposed to the hazard of the occupational disease claimed upon regardless of the length of time of such last exposure, except that in the cases of silicosis and asbestosis, the exposure during a period of less than sixty (60) days after the effective date of the Act shall not be deemed a last exposure.

The provisions relating to amounts of compensation, and to procedure are incorporated in the Bill in the same language, and by the same section numbers, as they are contained in the Illinois Workmen's Compensation Act.

The Bill, if enacted, shall take effect on October 1, 1936, and shall be administered by the Industrial Commission.

Health and Safety Bill

2. The second Bill is the Health and Safety Bill.

This Bill vests in the Industrial Commission the power to make reasonable rules to provide reasonable protection to the lives, health and safety of employes.

The power of the Industrial Commission to make rules is limited to the following purposes:

(a) The proper sanitation and ventilation of all places of employment to guard against personal injuries and diseases.

(b) The arrangement and guarding of machinery and the storing and placing of personal property to guard against personal injuries and diseases.

(c) The prevention of personal injuries and diseases by contact with any poisonous or deleterious materials, dusts, vapors, gases or fumes.

(d) The prevention of personal injuries and diseases caused by exposure to artificial atmospheric pressure.

Rules of the Industrial Commission adopted in the manner provided in the Bill shall have the force and effect of law.

This Bill would apply to all employers engaged in any occupation, business or enterprise in the State, except farmers and others engaged in farming, tillage of the soil, or stock raising, and to coal mining.

The rules adopted by the Industrial Commission must be clear, plain and intelligible, and must be uniform and general in their application.

The Bill provides that it shall not be construed as granting the Industrial Commission the power to make any rule which will require the submission of any plan, specifications, or other information concerning any proposed installation, alteration, construction, apparatus or equipment, or in any manner regulate the hours of labor of any employee in the State.

The Bill sets forth the procedure for the adoption of rules by the Industrial Commission.

The Commission may either institute proceedings on its own initiative by a resolution, or upon petition signed by five employes or five employers in a specified industry.

The Commission shall set a date for a public hearing not less than thirty days, nor more than ninety days, after the date of the passage of the resolution by the Commission, or the filing of the petition.

Notice of the hearing must be given at least thirty days prior to the date of hearing, by publication in a newspaper of general circulation and by mailing notice to any employer and to any association of employers or of employes who have filed their names and addresses with the Industrial Commission requesting notice of such hearings.

Any interested party may submit evidence at the hearing.

Upon the conclusion of the hearing, the Industrial Commission shall enter its decision in writing and send a copy of the decision to the interested parties whose names are on file with the Commission, and a certified copy of the decision shall be filed with the Secretary of State.

Within thirty days after the entry of the decision, the Industrial Commission may correct, modify or vacate the decision, rule or rules, and any person affected by the decision may object in writing, stating the specific grounds of his objection.

Any person affected by the decision, whether he participated in the proceedings or not, may file a praecipe for a writ of certiorari in the Circuit or Superior Court of the County in which the subject-matter of the hearing is situated, for review of the reasonableness or lawfulness of the decision or rules.

The Circuit or Superior Court may confirm or reverse the decision of the Commission as a whole, or may reverse and remand it as a whole, or may confirm part and reverse and remand part of the decision.

An appeal from the order of the Circuit or Superior Court may be taken to the Supreme Court within forty-five days, except as to the portions of the decision which are remanded by the Circuit or Superior Court.

The Industrial Commission may fix the date that rules or decisions adopted by it shall become effective, provided that no such decision, rule or rules shall become effective until ninety days after entry by the Industrial Commission, nor shall they be effective during the pendency of any proceeding for review or appeal, and upon termination of appeal, no decision, rule or rules shall become effective until a period of time has elapsed after the filing of the Court's Mandate equal to the period of time originally fixed by the Commission.

The Industrial Commission is required to keep a full and complete record of all proceedings, and at least once a year shall publish in printed form all of the rules in full force and effect at the time of the publication.

The enforcement of the rules is vested in the Department of Labor, with the proviso that the Industrial Commission shall not take any part in their enforcement.

The Department of Labor is given power to inspect places of employment affected by rules, subject to a proviso that whenever any secret processes are used, the owner shall furnish an affidavit that he has complied with all effective rules, which affidavit shall be accepted in lieu of inspection.

The Bill provides that the Department of Labor shall give proper notice in regard to any violation of the Act, and any person who fails or neglects to comply with any rules adopted by the Commission after due notice is given, is guilty of a misdemeanor and subject to fine.

This Bill provides for repeal of the Health, Safety and Comfort Act, to take effect July 1, 1937, and for the repeal of Section 4 of the so-called Basement Blower law, to take effect October 1, 1936.

The Bill contains an emergency clause, and is intended to take effect immediately upon its passage.

3. A Bill to amend Sections 7, 14, and 19 of the Workmen's Compensation Act.

The amendment to Section 7 is a result of the decision of the Supreme Court in the Moweaqua Coal Company case, 360 Ill. 104, and adds the following language to the section:

"Whenever four times the average annual earnings of the deceased employe as provided in paragraph (a) of this Section amounts to four thousand dollars and not more than four thousand four hundred dollars and the deceased employe left surviving him one child under the age of sixteen years the amount payable shall be four thousand four hundred dollars.

"Whenever four times the average annual earnings of the deceased employe as provided in paragraph (a) of this Section amounts to four thousand dollars and not more than four thousand seven hundred dollars and the deceased employe left surviving him two children under the age of sixteen years the amount payable shall be four thousand seven hundred dollars.

"Whenever four times the average annual earnings of the deceased employe as provided in paragraph (a) of this Section amounts to four thousand dollars and not more than five thousand dollars and the deceased employe left surviving him three or more children under the age of sixteen years the amount payable shall be five thousand dollars."

The amendment to Section 14 adds the words "or assistant secretary" in connection with certain duties conferred on the Secretary of the Commission.

The amendment to Section 19 is for the purpose of taking care of the situation which might arise where a claimant misconceives his remedy and files his claim under the Occupational Disease Act when he should have filed under the Compensation Act, or where he files under the Compensation Act when he should have filed under the Occupational *Disease* Act. The amendment provides that in such event the application may be amended to assert claim for disability or death under the proper Act, and shall be deemed to have been so filed as amended on the date of the original filing, and such compensation shall be awarded as is warranted by all of the evidence.

4. A Bill to amend Section 44 of the Act in relation to the Civil Administration of the State government to authorize the Department of Labor through the Industrial Commission to administer the Health and Safety Act and the Workmen's Occupational Diseases Act.

5. This is a Bill to compel the using of exhaust systems for removing dust and dirt from grinding, polishing and buffing operations, repealing the present Blower Law, and containing an emergency clause.

The Bill is to remain in effect until July 1st, 1937, by which time it is contemplated that the Industrial Commission will have adopted rules covering the subject-matter.

This is a Bill which was drawn by a Sub-Committee of the Occupational Diseases Committee of the Illinois Manufacturers' Association, and was introduced in the Legislature at the last General Session.

It was drawn by engineers, and contains detailed and scientific requirements to replace the present antiquated Blower Law.

Efficient Committee Service

The Members of the Occupational Diseases Committee of the Association and of the Illinois Industrial Council, which groups as indicated above represented the interests of our members in connection with the preparation of the above measures, are:

OCCUPATIONAL DISEASES

O. E. Mount, Chairman, American Steel Foundries.
L. K. Ayres, Vice-chairman, George S. Mepham Corp.

Members—General

J. R. Allen, International Harvester Co.
Donald Blake, Blake Monument Co.
E. Bernstein, Caterpillar Tractor Co.
Major R. A. Bull, Silvyer Steel Castings Co.
W. E. Crocombe, American Manganese Steel Co.
A. M. Davis, International Silica Co.
J. S. Dempsey, Bnda Company.
F. H. Elam, American Steel Foundries.
Walter Evensen, Crane Co.
Andrew J. Percival, A. E. Staley Mfg. Co.
H. C. Thornton, Ottawa Silica Co.
R. E. McEwen, Western Electric Co.
A. Warsaw, Wedron Silica Co.

Members—Legal

David R. Clarke, Fyffe & Clarke, Attorneys.
J. L. Earlywine, Counsel, Illinois Steel Co.
A. C. Hirth, Counsel, Owens-Illinois Glass Co.

Members—Medical

Dr. J. A. Britton, Supervisor of Medical Service, International Harvester Co.
Dr. J. R. DeMotte, Chief Surgeon, Pullman-Standard Car Mfg. Co.
Dr. A. M. Harvey, Chief Surgeon, Crane Co.
Dr. J. H. Chivers, Personnel Director, Crane Co.
Dr. C. O. Sappington, Consulting Industrial Hygienist.

ILLINOIS INDUSTRIAL COUNCIL

Ross Bowles, President, East Side Associated Industries, East St. Louis, Ill.
J. L. Walker, Vice-President, Fox River Valley Manufacturers' Assn., Aurora, Ill.
L. E. Roark, Peoria Manufacturers' & Merchants Assn., Peoria, Ill.
M. H. Ward, Alton District Manufacturers' Assn., Alton, Ill.
Richard W. Gass, Acting Secy., Belleville Chamber of Commerce, Belleville, Ill.
R. I. Pierce, Mfrs.' Assn. of Chicago Heights, Chicago Heights, Ill.
Henry Bolz, Decatur Association of Commerce, Decatur, Ill.
M. H. Ward, East Side Manufacturers' Assn., Granite City, Ill.
R. W. Jones, Will County Manufacturers' Assn., Joliet, Ill.
N. J. Ziener, Mgr., Kankakee Chamber of Commerce, Kankakee, Ill.
O. M. Benson, Illinois Valley Manufacturers' Club, LaSalle, Ill.
E. C. Xander, Tri-City Mfrs.' Association, Moline, Ill.
C. S. Bather, Rockford Mfrs.' & Shippers' Assn., Rockford, Ill.
W. E. Long, Sterling Mfrs.' & Shippers' Assn., Sterling, Ill.
G. Robert Galloway, Chamber of Commerce of Waukegan, Waukegan, Ill., North Chicago, Ill.
C. L. Blatchford, National Metal Trades Association, Chicago, Ill.
H. D. Sayre, National Metal Trades Assn.
Allan T. Gordon, Springfield, Ill.

SUB-COMMITTEE MEMBERS

The members of the sub-committee, who, during the period of several months, carried on the negotiations and the detailed work associated with the drafting of the bills, are: O. E. Mount, Chairman; J. L. Earlywine, T. G. Essington, Walter E. Beebe, Dr. J. H. Chivers, Dr. C. O. Sappington and Mr. E. O. Jones.

Messrs. David R. Clarke and John Harrington of the firm of Fyffe and Clarke, General Counsel for the Association, also participated in the work of the sub-committee as well as Attorney Frank R. Peregrine, an authority upon Workmen's Compensation legislation who was retained as special counsel by the Occupational Diseases Committee to assist in the drafting of such measures.

This activity on behalf of the members of the Association has involved a very substantial expenditure of time, energy and funds. It is the conviction of all of those who have carefully followed the progress of the work that these groups have rendered a genuinely valuable service to the employers of Illinois.

South American Trade

Noah Van Cleef, of Van Cleef Bros., manufacturers of molded rubber products who recently returned from an extensive trip through South America for the purpose of extending the trade of his office, says that goods manufactured in the United States enjoy wide acceptance in South America. In many cases North American manufacturers have found it a decided sales advantage to ship their products bearing the same labels and markings as are used in their domestic transactions. The average South American considers the North American carton a trade mark or guarantee of excellence.

Mr. Van Cleef in an article in the Chicago Credit News pointed out that a handicap to the American exporter is the discrimination in the rate of exchange against the United States in favor of other nations.

The Interstate Commerce Commission has postponed a verdict in its study of passenger fares. Some ICC officials forecast that in the near future railroads will begin charging as little as 2 cents a mile for day coach and 3 cents a mile for Pullman coach rides.

How Corporation taxes fall on the investor is indicated by some pertinent data in the January issue of Investor America, published monthly by the American Federation of Investors, at Chicago.

Developments in Congress of Importance to Illinois Industry

A LARGE variety of measures designed to impose new taxes and restrictions upon industry have been introduced in the Federal Congress. These include the O'Mahoney Bill requiring the licensing of all corporations, the products of which enter interstate commerce; the Thirty Hour Week Bill; the Walsh Government Contract Bill requiring conformity with standards on wages and hours (to be based upon the requirements which were included in codes of fair competition which governed industries under the NRA), by industries and contractors engaged even remotely on government contracts; and the neutrality legislation which would give to the President the unqualified right to declare an embargo not only on war materials, but on all commodities and products which might be remotely associated with the conduct of war.

The Illinois Manufacturers' Association is keeping closely in touch with federal legislation and will promptly communicate to its members any developments at Washington directly affecting their interests.

Two significant movements in Washington relate to efforts to amend the Constitution to limit the authority of the federal courts. Both of these movements are designed to give our federal government a greater degree of control over industry and to deprive the states of the powers they now have to regulate purely intrastate or internal questions.

The specific proposals to amend the Constitution are:

Proposed Constitutional Amendments

SJR. 165: Mr. Logan of Kentucky: To authorize Congress to legislate concerning industrial disputes between all persons and their employes (farmers excepted) whose products may move in or affect interstate or foreign commerce; and would be empowered to regulate and control the production of any agricultural, mineral, or manufactured product that may move in or affect interstate or foreign commerce.

Referred to the Senate Committee on the Judiciary, 1-9-36.

SJR. 186: Mr. Schwellenbach of Washington: Would permit the Constitution to be amended by a proposal by two-thirds of both Houses of Congress, with ratification by a majority of the people voting in each of three-fourths of the states at the next Congressional election following submission, or at special elections called by the President.

Referred to the Senate Committee on the Judiciary, 1-9-36.

HJR. 440: Mr. Marcantonio of New York: Would empower Congress to regulate agriculture and industry throughout the United States by uniform law; to regulate the labor of persons under 18 years of age; to fix maximum hours and minimum wages; to provide old-age, sick and unemployment relief; and to establish and take over any or all businesses for government ownership and operation.

Referred to the House Committee on the Judiciary, 1-8-36.

HJR. 446: Mr. Ferguson of Oklahoma: The present provision in Article I, section 8, of the Constitution, which empowers Congress to lay taxes in order to pay the debts and provide for the common defense and general welfare, would be amended to confer upon Congress the power to tax and, in addition, a general power to legislate for the common defense and general welfare.

Referred to House Committee on the Judiciary, 1-10-36.

Jurisdiction of Courts

Bills relating to the jurisdiction of the courts are:

H.R. 10106: Mr. Gillette of Iowa. Providing that no act of Congress could be held unconstitutional by the Supreme Court of the United States in the exercise of its appellate jurisdiction under Article III of the Constitution (the judicial power) without the concurrence of at least seven of the Justices of the Court in the decision.

Referred to House Committee on the Judiciary, 1-14-36.

H.R. 10128: Mr. Martin of Colorado: Providing that with the exception of the United States Supreme Court in the exercise of its original jurisdiction, no federal, state, or local court would have jurisdiction to hear or decide upon the constitutionality of any federal statute which is or purports to be an exercise of the tax, commerce, or monetary powers of the United States with respect to the general welfare, interstate commerce, taxation, or the issuance of money or prescription of the legal-tender rights thereof; nor would such courts have jurisdiction to hear or decide upon the constitutionality of any federal statute which affects or purports to affect due process, when the rights affected are not procedural in nature.

Referred to House Committee on the Judiciary, 1-13-36.

Another measure of importance to manufacturers relates to interstate labor compacts. Mr. Tobey of New Hampshire has introduced HJR 321. This measure would give Congressional consent to the labor compact which was signed on May 29, 1934, on behalf of the states of Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, New York and Pennsylvania; and which was ratified by Massachusetts on June 30, 1934, and by New Hampshire on May 29, 1935. The compact provides that its minimum-wage provisions shall be in effect in the ratifying states when the compact has been ratified by two or more states and approved by Congress.

Under this compact no employer shall pay a woman, or a minor under 21 years of age an "unfair or oppressive wage"; and requires that the state agency administering the minimum-wage law enacted in conformity with the compact shall have authority to investigate the wages of women and minors, to appoint wage boards (on which employers, employes and the public are to be equally represented) for the purpose of recommending minimum fair wages for women and minors, and to fix wages by a "directory order." Violation of mandatory order must carry a penalty of a fine or imprisonment, or both. The agency also shall be given authority to take assignment of wage claims from employes who have been paid less than the wage fixed by a mandatory order. Provides for records concerning hours, wages, etc., of women and minors.

Sets up administrative machinery for each state that ratifies compact.

Passed House, 1-20-36; referred to Senate Committee on the Judiciary, 1-21-36.

These labor compacts were favored by Peter T. Swanish of the Illinois Department of Labor last Tuesday, January 28, before the Catholic Conference on Labor at the Palmer House.

INDUSTRIAL CENSUS

Illinois Manufacturers' Association Co-operates with the Bureau of the Census

Members of the Illinois Manufacturers' Association have been requested to cooperate in a census of business comparable to those made by the Bureau of the Census for 1929 and 1933. The census will be taken this year and will cover business activities for 1935.

Enumerators will call on members of the Illinois Manufacturers' Association and other industrial and business concerns. An announcement from the Bureau of the Census states:

"This business census will provide a complete enumeration of types and kinds of business on an establishment basis. It will furnish business men with such indispensable, basic facts as volume of business for 1935, expressed in terms of functional classes and comparably arranged; payrolls, or the purchasing power in the form of wages and salaries added to each community by business concerns operating there. In addition, information will be obtained on the location of various types of establishment, legal form of organization (partnership, corporation, etc.), business in which engaged and type of operation.

"This census will make possible the presentation of data on volume of business, expenses, personnel and payroll on a geographic basis (by states, cities and counties). Some additional statistics on specialized trades will also be obtained."

The death rate in Illinois is 11.7 per thousand of population. This is 3 per thousand lower than California and 1.8 per thousand lower than Florida.

WATCHMEN'S SCHOOL

Well Trained Guards Prevent Factory Fires

Importance of well trained watchmen in the prevention of fires is emphasized by the Central Watch Service Incorporated, 19 South Wells Street, in a letter to the Illinois Manufacturers' Association.

During the last few years since the depression, factory fires were much less numerous than they were during the busy industrial period of 1929. Fewer factories in operation and more care exercised by employes cut down the number of fires. Nevertheless factory fires still occur and are not only a great loss to industry but to employes who are thrown out of work and to the community. The Central Watch Service Incorporated has established a school for watchmen, emphasizing the importance of certain regulations among them.

1. Report for duty on time and do not leave until relieved by proper party.
2. Make all rounds on schedule, examine premises thoroughly, doors, windows, skylights and transoms.
3. Familiarize yourself with the plant, every room, stairways, closets, elevators, all doors and windows and their fastenings, fire doors, etc., together with rules governing the discipline of the establishment.
4. Familiarize yourself with the different lines of piping, steam, water supply and sprinkler system, and the valves controlling the supply to each.
5. Familiarize yourself with the most likely causes of fire in the plant such as spontaneous combustion in waste cans, oily overalls or rags, rubbish and dirt, hot boxes on shafting or machines.
6. Watch for leakage from water pipes, sprinkler heads, faucets, toilets, wash stands or from a broken fitting. REPORT TO OFFICE AT ONCE.
7. On your first round be sure to see that the plant is properly closed for the night and everything in apparently good condition. A few employes in almost every factory in their haste to leave, or through carelessness, sometimes leave the premises in a condition contrary to the rules of the establishment.
8. You must not tamper with the watch-clock system, alarm boxes or any other recording devices. IF OUT OF ORDER REPORT TO OFFICE AT ONCE.
9. You should know the location of the fire buckets and extinguishers, and each line of small hose.

"One of the most important things a watchman has to learn," said Mr. Williamson of the Central Watch Service Incorporated, "is the location of fire boxes and use and operation of the valves and sprinkler system. It is also important to avoid opening windows and doors which cause a rapid spread of the flames by the draft."

> ***Are You Taking Advantage of the Special Services of the Illinois Manufacturers' Association?***
>
> **The Illinois Manufacturers' Association is in a position to render a large variety of personal services to its members. We maintain a very large research library and have comprehensive files on many problems of vital importance to industry, including employe relations, wage rates, taxes, government business, federal, state and local, foreign trade, traffic, waterways, speakers for meetings, marketing, agricultural relations, public utilities, employment service for industrial executives and a large variety of other subjects of importance to industry.**
>
> **The Association maintains a staff of twenty-five persons who are devoting their entire time to serving the interests of Illinois industry. We maintain a well equipped office at Springfield in charge of Allan T. Gordon, which has continuous contact with all the departments of our state government.**
>
> **TAKE FULL CHARGE OF THE EXTENSIVE FACILITIES OF YOUR ASSOCIATION.**

NAVIGATION PROTECTED

Successful Opposition by I. M. A. to Gate in Chicago River

Successful opposition to the construction of a single gate at the mouth of the Chicago River and Harbor was presented by the Illinois Manufacturers' Association at a hearing on Jan 7 conducted by Captain S. N. Karrick of the Corps of Engineers, United States War Department.

The War Department at Washington rejected the plan of the San[illegible] District to build the single-gate [illegible]trol works on the grounds that [illegible] contained possible dangers and [illegible]drances to vessels navigating fro[illegible] river to the lake. A partual spe[illegible]tion of a new plan which, it was [illegible]dicated, would be acceptable to the government was presented. The substitute plan provides for a construction of two gates to form a lock.

Objections by the I. M. A. included:

"It will obstruct free navigation and so impair the use of the river as part of the Illinois Waterway System.

"It will seriously slow up river traffic, interfering with the business of our members.

"It will be detrimental to the interests of Chicago and the State as a navigation and shipping port.

"Many of the members of the Illinois Manufacturers' Association use the Chicago river as a means of transportation. They include shippers of grain, piping and plumbing, salt, sugar, canned goods, lumber, general merchandise."

Manufactured gas service is available to more than half the population of Illinois.

SMALL MANUFACTURERS

As an argument against the multitude of bills directed against industry, both in Congress and the Illinois General Assembly, all of which would have the effect of increasing the cost of operation, the Illinois Manufacturers' Association in a statement just issued points out that 82.73 per cent of the manufacturing industries in Illinois, according to the last government census employed less than fifty persons, and 87.9 per cent employed less than 100 persons. The percentages were as follows:

1	5	employes	43.0
6	20	employes	26.03
21	50	employes	11.3
			82.73
51	100	employes	5.9
			87.9
101	250	employes	4.8
251	500	employes	1.8
500	1,000	employes	.8
Over	1,000	employes	.4
			95.7

An independent survey conducted by the Illinois Manufacturers' Association in the Chicago district showed that 69.6 per cent in the Chicago district employed less than 50 persons and 81.6 per cent employed less than 100 persons; 9.3 per cent employed from 101 to 250 persons; 4.8 from 251 to 500; 2.5 from 501 to 1,000, and 1.8 over 1,000.

Thirty-one per cent of the firms in the Chicago district had a capitalization of less than \$25,000; 15.2 per cent had a capitalization of \$25,000 to \$50,000 and 14.4 per cent were capitalized from \$50,000 to \$100,000. Those that were capitalized from \$10,000 to \$250,000 constituted 16 per cent, \$250,000 to \$500,000, 8.2 per cent; \$500,000 to \$1,000,000, 5.5 per cent, and corporations capitalized over \$1,000,000 embraced 8.8 percent of the manufacturers listed in the Chicago district.

The Illinois Manufacturers' Association also points out that in 1932, only 4,816 corporations in Illinois reported a net income amounting to \$131,959,429. During the same year 34,144 Illinois corporations reported no net income, and a deficit amounting to \$820,154,704.

About twenty per cent of the corporations showing no net income were manufacturing, and manufacturing establishments comprised approximately 17 per cent of those reporting incomes.

"GUFFEY" COAL

A caution regarding use of coal produced under the "Guffey" Act was carried to manufacturers in a ruling from the Comptroller-General in connection with the subject. It holds that use of such coal is required under governmental contracts "for any public work, or service," and that a provision for such use in a contract for the purchase of supplies is not required. The ruling was given to the Treasury Department after it had inquired whether it should reject the bid (the only one received) of a Chicago packing company to supply the United States Narcotic Farm, Lexington, Ky., with butter and cheese. The packing company had stricken out the Guffey coal provision in its bid.

Recent Meetings in Which the I.M.A. Participated

Jan. 2.—Meeting of directors of Associated Arts and Industries at Illinois Manufacturers' Association to formally accept the generous gift of the famous old Marshall Field residence on Prairie Avenue as the new home of the organization. This property has a frontage of 170 feet on Prairie Avenue and extends east 128 feet. Class rooms and offices will be established in the residence and shops and ateliers in the huge garage which is being remodeled for that purpose. Wm. Nelson Pelouze formerly president of the Illinois Manufacturers' Association is president of the association and several of the Illinois Manufacturers' Association directors serve on its board.

Jan. 3—Sub-Committee on Federal taxes. C. C. LaRue, U. S. Gypsum Company, Chairman, decided to recommend to directors views on policies outlined in Referendum 70 of the Chamber of Commerce, U. S. A. This in part expressed opposition to increasing expenditures by governmental orders. Recommended coordinated plans for reduction of public expenditures, balancing of the federal budget and protested against mounting taxes.

Jan. 6—R. E. Wantz, Chairman of the Advisory Board, addressed Rotarians at Freeport on Social Security Act declaring it would take annually from Illinois between $150,000,000 and $200,000,000, adversely affecting the working capital of industry and savings of workers.

January 7—Association successfully protested against single gate at mouth of Chicago river, as an obstruction to navigation, at hearing conducted by U. S. War department.

Jan. 9—Committee on International Affairs considered United States policy of neutrality toward warring countries.

Jan. 9—Sub-Committee on Cook County Taxes. E. L. Hartig, Joseph L. Ryerson & Son, Incorporated, Chairman, met to discuss Cook County Personal Property assessment rates which have increased 60 to 70 per cent on tangible property and from 20 to 22 on intangibles.

Jan. 10—Board of Directors elected the following as members of the Advisory Board for the current year: Paul F. Beich, William Butterworth, D. A. Crawford, James D. Cunningham, Samuel M. Hastings, E. C Heidrich, Jr., George R Meyercord, Sterling Morton, William Nelson Pelouze. R. E. Wantz, retiring president, automatically becomes Chairman of the Advisory Board.

Jan 10—Executive and Advisory Committee of the Illinois Manufacturers' Costs Association met at the Morrison Hotel, following a dinner, to discuss the future program of that organization.

Jan 13—Meeting of the Landis Award Employers Association, Union League Club 12:30 p m.

Jan 13—"Proper Insurance Control" was the subject of a Technical Discussion meeting No 6 at Hotel Sherman, beginning at 7 p. m. G. M Pelton of Swift & Company presided. The discussion leaders were R. F. Colville, manager of the Insurance Department of Montgomery Ward & Company; Roy D. Brown, manager of the Insurance Department of Swift & Company, and J. J. Wickens, manager of the Insurance Department of Utilities Power & Light Company. Many practical insurance economies were illustrated.

Jan. 15—Executive Vice-President James L. Donnelly addressed the annual convention of the National Bedding Manufacturers Association at the Palmer House on "Cooperation for Protection." He emphasized the need on the part of business men of taking a more active interest in public and legislative affairs.

Jan. 16—Executive Vice-President James L. Donnelly addressed the Chicago Woman's Club on "Unemployment Insurance."

Jan 17—Addresses by Sterling Morton of the Morton Salt Company and a member of the Advisory Board of the Illinois Manufacturers' Association and Allan T. Gordon, Director of the Legislative Bureau of the Illinois Manufacturers' Association at a meeting of the Southern Division at the Broadview Hotel, East St. Louis. Mr Morton, who has made many addresses in industrial centers, took for his subject: "Planned Economy, a Challenge to Industry." He took the position that so-called planned economy was nothing but collectivism, Fascism, Socialism, Nazism or Communism—all members of the same family.

Jan 18—Represented at the Annual Dinner of the Cartage Exchange of Chicago, Grand Ball Room, Palmer House.

Jan. 21—Walter E. Spahr, director of Economics of New York University, following a dinner at the Hotel LaSalle by the Illinois Manufacturers' Costs Association on "Fundamentals of the Business Depression" and how a misconception of their causes misled the government in its adoption of a program for recovery which has created dissension and class friction.

January 21—Illinois Manufacturers' Association represented at meeting at the Union League Club to discuss naturalization of alien citizens in Illinois.

January 23—Meeting of Industrial Relations Committee of the Illinois Manufacturers' Association at the Union League Club to discuss means of bringing about a greater cooperation between employers and employes.

January 31—Meeting of Illinois Industrial Council at offices of the Association. All day session.

January 23—Sterling Morton, member of the advisory board, I. M. A., in an address at Omaha, Neb., urged an organized fight by industry and business against centralization of government. Centralization of government, he said, would kill individual initiative, individual responsibility and individual personal liberty.

Jan 29—Represented at Annual Meeting of the Will County Manufacturers Association, Louis Joliet Hotel, Joliet, at a dinner beginning at 6:30 p. m.

Jan. 29—Represented at 29th Annual Dinner of the Traffic Club at the Palmer House.

Feb. 3—"Practical Presentation of Cost Information and Its Use by Management" was the subject of Technical Discussion Meeting No. 7, held at the Hotel Sherman, beginning at 7 p. m. The Discussion Leader was Warren H. Sapp, General Manager of Armour and Company and Fred J. Steffens, Assistant Comptroller of Libby, McNeill & Libby, presided.

Feb 5—Meeting of Policy Committee of the Association held at the Union League Club, beginning at 12:30 p. m., to consider governmental activities.

Feb 5—Represented at Annual Dinner of The Employers' Association of Chicago at the Palmer House. S. Wells Utley, President of The Detroit Steel Casting Company, spoke on the subject of "What of the Future?" Joseph C. Belden, a member of the Board of Directors of the Illinois Manufacturers' Association, acted as Chairman of the meeting.

Feb. 6—Meeting of interested employers at Association headquarters to discuss revision of proposed fire prevention ordinance and sprinkler ordinance of Chicago.

ARMOUR INSTITUTE

Cooperative Course in Mechanical Engineering

A number of members of the Illinois Manufacturers' Association are cooperating with the Armour Institute of Technology in establishing a cooperative course in Mechanical Engineering which began this month.

At least fourteen colleges have cooperative courses in operation. Gen. Thos. S. Hammond, President of the I. M. A., is taking a special interest in this movement and presided at a meeting of forty manufacturers at a luncheon held recently at the Palmer House.

The plan provides a means by which energetic, ambitious young men, without sufficient funds to pay the costs of a college course, may be able to alternate between work in college and work in industrial plants, and obtain in a five-year course the equivalent of the usual four-year engineering college training.

The tuition for each of the five years is $240. Fees and text books will involve additional expense of about $30 per year.

The minimum wage for beginning students will be $15 per week. For the working periods, aggregating twenty-six weeks, the total earnings of $390 will be $100 more than the cost of tuition, fees and books.

—The Illinois Gear and Machine Company, 2108 North Natchez Avenue, Chicago, Illinois, have purchased all of the machinery and equipment of the William Ganschow Company Division of Gears and Forgings, Inc., in Chicago.

$37,365,000

Direct and Indirect Cost of Illinois Industrial Accidents in 1932

The Illinois Manufacturers' Association has received from Peter T. Swanish, Division of Statistics and Research of the Illinois Department of Labor an interesting report on the cost of industrial accidents in Illinois for 1932.

Compensation payments in 1932, exclusive of hospital and medical care (except in hernia cases disposed of by settlement contract), artificial limbs and funeral expenses, totalled $7,473,622.

This, however, does not include the hidden costs to employers, exclusive of compensation and liability claims, medical and hospital cost, insurance premiums which are as follows:

(1) Cost of lost time of injured employee;
(2) Cost of time lost by other employes who stop work (a) out of curiosity, (b) out of sympathy, (c) to assist injured employee, or (d) for other reasons;
(3) Cost of time lost by foremen, supervisors, or other executives (a) assisting injured employee, (b) investigating the cause of the accident, (c) arranging for the injured employee's production to be continued by some other employee, (d) selecting, training, or breaking in a new employee, and (e) preparing State accident reports, or attending hearings before industrial commissioners;
(4) Cost of time spent on the case by first-aid attendant and hospital department staff, when this time is not compensated by insurance;
(5) Cost due to injury to the machine, tools, or other property, or to the spoilage of material;
(6) Cost due to interference with production, failure to fill orders on time, loss of bonuses, payment of forfeits, and other similar causes;
(7) Cost under employee welfare and benefit systems;
(8) Cost in continuing the wages of the injured employee in full after his return even though the services of the employee (who is not yet fully recovered) may for a time be worth about half of their normal value;
(9) Cost due to the loss of profit on the injured employee's productivity, and on idle machines;
(10) Cost of subsequent injuries that occur in consequence of the excitement or weakened morale due to the original accident and
(11) Overhead cost—the expense of light, heat, rent and other such items—which continues while the injured employee is a non-producer.

It is well to point out that in 1932 industrial activity in Illinois declined to the lowest level in the thirteen years, 1923-1935, for which records are available. The Division of Statistics and Research estimated that the direct and indirect costs of industrial accidents (four times compensation paid plus compensation paid) in 1932, exclusive of hospital and medical care (except in hernia cases disposed of by settlement contract), artificial limbs and funeral costs, totalled approximately $37,365,000.

DOUBTFUL PROPRIETY

Our attention has been called to activities which are being engaged in by various associations in their effort to secure memberships from manufacturers of Illinois which would appear to be of questionable propriety. These activities include getting from a given employer a list of firms with which such employer does business or from which he may purchase supplies or materials, etc. Such employer is then persuaded to write letters to all of such firms on his stationery soliciting their membership in a given association. Quite frequently, according to our information, these letters are written for such employer in the office of the organization for which such membership is being solicited. Instances have been called to our attention where individuals identified with such organization have called up manufacturers who were prospective members and given the impression that they were speaking on behalf of the industrial executive whose name was signed to the letter soliciting such application, although in fact the industrial executive may not have had any knowledge of such supplementary telephone solicitation.

SAFETY COUNCIL ELECTION

T. J. Carney, vice president of Sears, Roebuck & Co., was reelected president of the Chicago safety council for the third successive year at the annual meeting at the Palmer house.

New members elected to the advisory board of the council are: F. A. Croft, vice president of the Magnus Metal Company; T. S. Hammond, president of the Illinois Manufacturers' Association; J. L. Keeshin, president of the Keeshin Transcontinental Freight Lines, Inc.; D. F. Kelly, president of the Fair store, and G. C. Kimball, vice president of the Carnegie-Illinois Steel Corporation.

Three new members were elected to the board of directors: C. S. Craigmile, vice president of the Belden Manufacturing Company; Robert Kenyon, Jr., secretary-treasurer of Chicago Lloyds, and R. E. Vernor, manager of the fire prevention department of the western actuarial bureau.

It will be noted that most of the new officers are from member firms of the I. M. A.

WAGES AND HOURS

Since the end of the National Industrial Recovery act last May there has been no widespread tendency to cut wages, increase hours of work, or to lay off employes, the National Industrial Conference Board found in a survey of about 2,000 manufacturing plants in 25 industries.

The analysis involving more than a million workers shows that hourly earnings and employment in October, 1935, were above those of April, the last month of the NRA and that the average working week was nearly two hours longer.

WORKERS WILL PAY

Between $180,000,000 and $200,000,000 annually would be taken from the earnings of the workers and the payrolls in Illinois by the Federal Social Security Act, according to R. E. Wantz, who spoke before the Rotarians at a luncheon at Hotel Freeport, Jan. 6.

The administration of the act, said Mr. Wantz, will be by politically appointed boards with almost law-making power, sitting in every political sub-division in the state. There is no guarantee of any exact amount of return, he said, to those who are supposed to benefit by the act, as, for instance: a man beginning to pay on the old age pension at the age of 20 and continuing to pay for 45 years without receiving one cent of benefit from it, cannot borrow on his payments and has no guarantee of the amount the government will pay or whether his dollars will be worth as much on the promised date of payment as they are when he pays them in.

ECONOMIC SECURITY

Aid in developing economic security for American workers is being provided voluntarily by many employers in all major industries. This help is supplied through such mediums as guaranteed employment, dismissal compensation, group life, health and accident insurance, mutual benefit associations, pensions and loans to employes.

The foregoing information is from a recent nation-wide investigation of industrial relations policies by the National Industrial Conference board. The survey covered 2,452 business establishments in manufacturing, mining, transportation and communication, wholesale and retail trade, finance, and public utilities. The employment represented by these companies totals over 4,500,000, or 15 per cent of all persons gainfully employed in the industries covered by the survey.

LITTLE WONDER THEY MOVE

"In the past 30 days one Wisconsin firm with a million dollar a year payroll has definitely made arrangements to move out of the State," says the Wisconsin Implement Dealer. "Another firm with equally as big a payroll has contemplated the same move. Less than a year ago a big knitting mill sought another State for its operations. Isn't it about time the people of Wisconsin began to ask why this exodus of payrolls? . . . The answer is as plain as the nose on every voter in the State. Those men move their factories because of the excessively high taxes and because government officials condone irresponsible labor strikes by sitting with hands folded and permitting strikers to destroy, through mob action, factory properties. Labor has always the right to say whether it will work or not, but no one has the right to destroy the property of another."

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