

STATEMENT OF NATHAN CRONHEIM, REPRESENTING THE LOCAL ACTION COMMITTEE, PHILADELPHIA, PA., AND THE PHILADELPHIA CHAPTER OF THE INTERPROFESSIONAL ASSOCIATION

The **CHAIRMAN**. You represent the Local Action Committee of Philadelphia?

Mr. **CRONHEIM**. Yes, and also the Philadelphia Chapter of the Interprofessional Association, which is a federation of architects, engineers, chemists, and technicians, all together comprising some 25,000 to 30,000 members.

The gentlemen who have spoken ahead of me have gone very thoroughly into the manual workers' need for the disqualification of this bill. I shall present the professional workers' views! that is, those of the doctor, lawyer, teacher, social worker, architect, engineer, chemist, technician, artist, musician, and so forth.

To tie in with the preceding speakers, I wish to show that, due to the inadequate financial return to be given the worker, he will not be able to take advantage of the scientific advancements of the professions, namely, in medicine, housing, social welfare, and education. As far as housing is concerned, we can quote from Sir Raymond Unwin, who says that we cannot have low-cost houses without unemployment insurance. These things the worker sorely need.

Due to the provisions of this bill all Government employees are excluded from the benefits of this bill, hence virtually all teachers and social workers and many architects, engineers, and so forth, are excluded.

Most other employed professionals, that is, doctors, lawyers, chemists, musicians, artists, and many architects and engineers, -are employees in small businesses. Employees in these small businesses are also excluded from the President's bill.

At the present time, the professionals compose one of the largest of the groups that make up our huge army of the unemployed. Every one of these men and women, due to the terms of this bill, are definitely excluded from benefits until such time as they receive employment. At the present time, the prospects for employment are not bright.

Finally, the professional worker must keep in touch with and be thoroughly up to date with the latest discoveries in his chosen field. This then requires that he must not have long periods of inactivity unless he receives sufficient funds to proceed with his studies, buy necessary books and equipment, and do this without economic worries.

Even if this, the President's bill, were rewritten so as to include the professional worker, we, the professional workers, would still go on record against it because its source of income is unsound and its remuneration is totally inadequate. We stand definitely for H. R. 2827.

The **CHAIRMAN**. Thank you very much. Mr. Philip Ickler, Portland, Oreg.

STATEMENT OF PHILIP ICKLER, PORTLAND, OREG.

Mr. **ICKLER**. Of course I represent myself. I have lectured throughout the entire country on the solution of unemployment with great success. I have millions of working men behind my plan. I will submit the following propositions for your consideration:

1. I think the amount of money mentioned in social insurance and old age bill, S. 1130, is far off from coping with this vital issue.

2. As we have right now over 5,000,000 people in the United States over 60 years of age, which are in need of an old-age pension very badly.

3. I think the age limit of 65 years mentioned in this bill, S. 1130, is absolutely too high, and the limit should be brought down to 60 years of age at least.

4. The amount of \$15 a month by Federal and State together, \$30 a month, will just about take care of three meals a day, but there is nothing left for rent, clothing, or other needed items.

5. I think the amount to be paid of old-age pension should be at least \$50 a month for persons with dependents, and \$40 a month for single persons.

6. Even the financing of the bill is doubtful, as we have too many tax dodgers in our country who always find a way to get out of it.

7. For this reason I hereby like to offer a plan of financing the old-age pension, as well as the unemployment insurance.

8. I venture to say that the machine and the mechanical labor-saving devices are to a great extent responsible for most of the unemployment, as well as from people above 50 years of age holding their jobs.

9. Therefore I advocate to put a tax on all machines and mechanical labor-saving devices which displace human labor. I think if the machine is the cause, the machine then should pay by putting a tax sufficient to take care of part of the financing of the old-age pension and unemployment insurance.

10. We paved most of the highways throughout the country by a tax on the machine, an automobile, a license tax. The automobile and the trucks needed the hard-surfaced roads, so the automobile and the gasoline had to pay through a tax to build the roads, which was practical.

11. Now if it was fair to tax the machine (automobile and gasoline) to pave and build roads, why is it not fair to tax the machine for the misery and starvation which it created by taking millions of jobs away from the workingman in most every industry throughout the country? Make the machine pay.

12. It is astonishing how much machinery and mechanical labor-saving devices we have in our country-over one billion-and here is an absolutely tremendous field for taxation, and I am absolutely sure we will be able to at least raise over \$5,000,000,000 a year, which will be almost sufficient to take care of the old-age pension and unemployment insurance.

13. And if we tax the machine we will probably be able to eliminate most of the tax dodgers, as almost every machine has a serial number, and the Government would hereby have a good control of all machines and labor-saving devices by their numbers.

14. I believe in taxing the machine and labor-saving devices by their cost price, at least 1 percent of the cost per \$100 and up, according to the value and the displacement of men in proportion.

15. By taxing the machine and the mechanical labor-saving devices we would reach most of all the employers and big industrialists, as they own and control most of these machines.

16. I further advocate if this machine tax will not raise sufficient revenue for the old-age pension and unemployment insurance, that all working men working for a salary or wage by the day, week, or month should pay 50 cents per week on both items, old-age pension and unemployment insurance, \$1 total a week.

17. For the reason that I am advocating that the workingmen should pay, too, is that he would be fully aware of it that it is his pension and unemployment insurance paid part of it and have a right to take part in and of the administration of those institutions. As it is now he pays to his unions, sick lodges, life insurance, fire insurance, etc., if he wants to get something, why not also pay to the Government in this particular instance? He has to pay anyhow. I do not care how we raise the finances, as the consumer always in the last end has to pay and the working man is the biggest consumer.

18. Most of the Government employees as well as State, county, or city employees, having retiring pension, which in most cases is 3½ percent from their pay roll, so postal employees, navy-yard workers, police, and firemen, why not treat all workingmen alike and give them security and self-protection for old age, as well as unemployment?

19. In my plan which I advocate in my enclosed pamphlet the solution of unemployment I show in brief and in figures that we will be able to take care of this old-age pension and unemployment insurance in a short time, in about 90 days at least, for sure to be able to start paying inside of 1 year on a self-sustaining plan without going into any indebtedness even if the Government would not give anything to start with.

20. I also favor any person, if he is a United States citizen, should be able to draw benefits in any State in the Union or Territory of the United States of those institutions, when established residence inside of 1 year waiting time, and noncitizens of the United States should be able to draw benefits from these institutions if able to prove he has been a resident of the United States at least for the last 5 years when applying for such benefits, and also live at least 1 year in that particular State where he applies for said benefits.

21. I believe the time has come where we should have more uniform laws all over the States, particularly in this instance, as we are living in a machine age and people are traveling very much from one State to another; some of them are forced, through lack of work, or sickness, and many other reasons which therefore should be protected, not to lose their right which they have established in a certain State, whenever to be forced to move into another State.

22. My plan also offers unemployment insurance and well financed for about five million people all the year through, every week in the year, \$12 a week for a single person and \$15 a week for persons with dependents, wherever unemployed.

23. And our Government should try to expedite this matter so the institutions can be put in operation at least by January 1, 1936, as the situation is getting more serious every year, as long as we bring out more and better machines and mechanical labor-saving devices unemployment will increase.

I hereby offer this in writing to your honorable body for your earnest consideration, and I am submitting my little booklet to you.

OLD-AGE PENSION AND THE SOLUTION OF UNEMPLOYMENT

(Revised second edition)

A SQUARE DEAL TO THE AMERICAN PEOPLE

FOREWORD

The unemployment problem of our Nation needs serious and immediate attention towards bringing about a solution. For almost 30 years I have been observing with growing alarm the progress of machinery, step by step, and its ultimate effect upon labor, feeling with concern what the inevitable result of this progress of mechanical labor-saving devices would be and that unemployment would become a growing menace to the welfare of our country year by year.

Through constant application and thought I have evolved a plan whereby the unemployment situation could be solved within a few months and I am convinced that my plan would be successful theoretically as well as practically. I have also a plan to finance unemployment insurance as well as the old-age pension on a basis that would cause no hardship under any circumstances. I think that these two items are vital to the future welfare of our country and if these are solved the farm problem will automatically solve itself, the most important object, in my opinion, being to form buying power of the masses, which would naturally bring back normal conditions.

Therefore the unemployment problem is a very vital question in the economic recovery of our country. It is earnestly desired of every loyal, sincere citizen of America that he cooperate to the greatest extent possible in order to assist in enacting humanitarian laws such as unemployment, insurance and old-age pension, as well as a shorter workday, and to provide funds to finance these acts.

From a humanitarian point of view it is our duty to take care of this situation created by steadily advancing civilization and science in form of mechanical labor-saving devices and inventions which are yearly taking more and more the place of human labor and robbing mankind of his existence. What upsets the economic system in our country more than anything else, is that we are not going along fast enough with the advancement of inventions and the machine. We are living in a machine age and all we have to do to adjust ourselves to the machine age is to shorten the working day, and provide an old-age pension and unemployment insurance. Therefore it is the utmost duty of every citizen, of the United States to pay his obligations to the funds created so that the unemployment insurance as well as the old-age pension can be properly administered. What is needed also is to give more consideration to the regulation of consumption so that everybody will be able to secure the necessities of life, then production will automatically adjust itself.

It is for the benefit of the entire country to bring a more normal and fairer regulated distribution of money among our people. Some may believe that they shall never need it but none of us ever know when we will be thankful that someone helped to provide for just such institutions, as the depression that our country is suffering at the present proves—that we never know when we will become rich or poor—so we must do everything in our power to cooperate with good will, idealistic, patriotic, and humanitarian spirit—then there will be no burden upon anyone and pauperism will cease.

To curb the unemployment problem and its steady increase through continuous, scientific inventions of mechanical labor-saving devices, I hereby offer the following plan for solving the unemployment situation.

PHILIP ICKLER,
4028 S. E. Salmon Street, Portland, Oreg.

OLD-AGE PENSION AND A PLAN TO SOLVE THE UNEMPLOYMENT PROBLEM

It is very necessary that the working day should be shortened to at least a compulsory 6-hour day, and in industries that never stop operating, and where there are shifts, a compulsory 7-hour day should be installed to create a fourth shift.

1. All men of 60 years and over who work for a salary or in any paid position should be retired within 30 days and automatically pensioned from then on continuously until death.

2. Then, every year, 1 year to be dropped from the old-age limit of 60 years and the individual pensioned—this to be continued until we reach the age limit of 55 years.

3. Any employee, private or Government, who is drawing a pension through military, postal, or other service, equal to the average wage scale of a workingman, should be retired from his employment at once.

4. All families where the head earns \$35.00 a week or more, either the husband or wife, should be investigated and only one allowed to work, excepting their children above 18 years of age, and the children not to begin work until fully 18 years of age.

5. A compulsory old-age pension law should be enacted by the Federal Government and an old-age pension fund should be created by collecting revenue from some source. All revenue should be collected by the Federal Government, also all old-age pensions should be paid and distributed by the Federal Government.

6. An old-age pension of \$50 per month for a married man with wife or dependents, and \$40 per month for a single man would be a fair amount.

7. A compulsory unemployment insurance law should be enacted by the Federal Government and an unemployment insurance fund should be created by collecting revenue from some source. All revenue should be collected by the Federal Government as well as all insurance moneys paid and distributed.

8. The unemployment insurance amount paid weekly can be \$15 for a married man with wife or dependents and \$10 per week to a single man.

9. If an approximate unemployment insurance of \$12.50 per week is paid per man to 5,000,000 men the amount would be \$3,250,000,000 per year; 5 percent of above amount for expenses, such as office help, stationery, etc., \$162,500,000; total per year, \$3,412,500,000.

10. If an approximate old-age pension is paid of \$45 a man per month to about 5,000,000 men it would amount to \$2,700,000,000 per year; 5 percent of above amount for expense, such as office help, stationery, etc., \$135,000,000; total per year, \$2,835,000,000.

PLAN FOR RAISING FUNDS FOR UNEMPLOYMENT INSURANCE

1. Two billion dollars in welfare bonds should be sold by the United States, bearing 2 percent interest per annum. The revenue that is realized from the sale of these bonds should be used to begin paying the unemployment insurance at once, and to continue paying until other means are found to raise revenue to cover the continuous paying of unemployment insurance. These bonds should be retired from revenue or surplus revenue that is collected for said unemployment insurance.

2. Every workingman or employee working for a salary is to pay 50 cents per week every week, if working or receiving unemployment insurance until he arrives at the age where he retires and his old-age pension beings.

3. Considering that there are 40,000,000 employees, the approximate yearly revenue thus derived would be \$1,040,000,000.

4. A tax to be levied upon every mechanical labor-saving device or machine to the extent of \$1 per \$100 as represented by its cost when purchased new, and 50 cents per year for 2 years thereafter, then 25 cents yearly until out of use.

5. A \$1 tax to be levied upon every mechanical labor-saving device or machine costing from \$50 to \$100 when purchased new, and 50 cents per year for 2 years thereafter, then 25 cents yearly until out of use.

6. A 75-cent tax to be levied upon every mechanical labor-saving device or machine costing from \$25 to \$50 when purchased new, and 35 cents per year for 2 years thereafter, then 25 cents yearly until out of use.

7. A 50-cent tax to be levied upon every mechanical labor-saving device or machine costing from \$10 to \$25 when purchased new, and 25 cents yearly for 3 years thereafter, then the tax shall cease in this particular rate.

8. Approximate revenue thus derived from all mechanical labor-saving devices and machinery yearly, \$2,500,000,000, i. e., considering that there are about 500,000,000 labor-saving devices or machines employed and taxed at an average of \$5 each.

Revenue raised of items 2 and 3.....	\$1, 040, 000, 000
Revenue raised of items 4, 5, 6, 7	2, 500, 000, 000
Total.....	3, 540, 000, 000

PLAN FOR RAISING FUNDS FOR OLD-AGE PENSION

1. Two billion dollars in welfare bonds should be sold by the United States, bearing 2 percent interest per annum. The revenue that is realized from the sale of these bonds should be used to begin paying the old-age pension at once

and to continue paying until other means are found to raise revenue to cover the continuous paying of the old-age pension. These bonds should be retired from the revenue or surplus revenue that is collected for said old-age pension.

2. Every workingman or employee working for a salary is to pay 50 cents per week, if working or receiving unemployment insurance, until he arrives at the age where he retires and his old-age pension begins.

3. Considering that there are 40,000,000 employees, the approximate yearly revenue thus derived would be \$1,040,000,000.

4. A tax to be levied upon every mechanical labor-saving device or machine to the extent of \$1 per \$100 as represented by its cost when purchased new, and 50 cents per year for 2 years thereafter, then 25 cents yearly until out of use.

5. A \$1 tax to be levied upon every mechanical labor-saving device or machine costing from \$50 to \$100 when purchased new, and 50 cents per year for 2 years thereafter, then 25 cents yearly until out of use.

6. A 75-cent tax to be levied upon every mechanical labor-saving device or machine costing from \$25 to \$50 when purchased new, and 35 cents per year for 2 years thereafter, then 25 cents yearly until out of use.

7. A 50-cent tax to be levied upon every mechanical labor-saving device or machine costing from \$10 to \$25 when purchased new, and 25 cents yearly for 3 years thereafter, then the tax shall cease in this particular rate.

8. Approximate revenue thus derived from all mechanical labor-saving devices and machinery, yearly, \$2,500,000,000, i. e., considering that there are about 500,000,000 labor-saving devices or machines employed and taxed at an average of \$5 each.

Revenue raised of items 2 and 3 _____	\$1, 040, 000, 000
Revenue raised of items 4, 5, 6, and 7, - - - _____	2; 500, 000, 000
Total _____	3, 540, 000, 000

WHY THE WORKINGMAN SHOULD CONTRIBUTE HIS SHARE

I have considered the raising of revenue to create and maintain unemployment insurance and old-age pension funds and have tried to find a way of doing so without taking anything from labor, but this is hard to do for the following reasons:

First, labor is the real beneficiary.

Second, when labor desires consideration it must in return give consideration in order to retain its independence as a factor and so give it the right to demand and receive. In so doing, the feeling of receiving charity would be avoided, which at the present is the lot of the workingman; he must beg for something that is his rightful due, and is forced to wait until the institution or its administrator gives him the necessary aid with the added considerable humiliating proceedings and much favoritism.

Unemployment insurance and old-age pensions paid to workingmen without their original individual support and contribution would have more the appearance of a dole than an unemployment insurance or old-age pension provided for by himself.

Many workingmen are now carrying sick benefit; life insurance, and death-benefit, insurance, either with lodges, unions, or insurance companies.

Therefore, if the workingman pays his share toward maintaining unemployment insurance and old-age pension funds he is certain of receiving the benefit of either one as occasion arises, without recourse.

One of the best reasons why labor should pay its share toward the maintenance of the unemployment insurance and old-age pension funds is that the opposing factors would be removed that are objecting to these institutions, namely, the employer, the middle class, and to a certain extent, the Government. These factors would realize that labor is contributing its share toward the bill and is therefore entitled to the benefits derived from funds provided by themselves in cooperation with the employer.

WHY THE MACHINE SHOULD BE TAXED

First of all, the machine is a great party to the cause of the unemployment problem, as it steadily usurps more and more the place of human labor in nearly every industry.

Hence, the machine, being the greatest factor in increasing unemployment, it should be compelled to contribute its share toward creating revenue for unemployment insurance and old-age pension by placing a tax on all machines and mechanical labor-saving devices. Through a (license) tax on the machine,

(automobile) many highways were paved. Why not tax the machine to pay the unemployed and the aged?

Since the machinery and mechanical labor-saving devices are principally owned or controlled by the employer, the employer is thus instrumental in paying his due share toward the maintenance of unemployment insurance and old-age pension funds.

We should by no means try to drive the machine out of existence, but mankind in general should derive the most benefit out of its proper regulation. Let mankind control the machine and not the reverse and let humanity still be the master and superior on earth.

WHY THE FEDERAL GOVERNMENT SHOULD CONTROL UNEMPLOYMENT INSURANCE AND OLD-AGE PENSION FUNDS AND THEIR ADMINISTRATION

The working class of people or any other class of our country, as one might call them, have time and again had sad experience to their disadvantage in all matters as related to guarantees such as sick benefit, death benefit, life insurance, etc., in their own lodges, unions, or private insurance companies as well as old-age pension or job insurance in industrial plants by their employer.

There have been too many failures, some due to insufficient influx of new members, business depressions, panics, or an epidemic of disease.

These conditions cannot as easily affect the Government-at least not to a point of complete break-down or bankruptcy, as there will always be government of some form, even though changes should occur through wars or other causes.

To make unemployment insurance and old-age pension a Federal compulsory act and not a State affair is to save expense in administering said institution as well as in collecting and distributing funds, and it would make possible a uniform law for all States.

Traveling in this mechanical age is more pronounced than ever and is increasing steadily. People move from one city and State to another, some for business reasons, others for climatic or health reasons, etc.

Thus, if these institutions of unemployment insurance and old-age pension are State-controlled each State would have its individual restrictions and regulations as regards beneficial limit to these funds, demanding certain lengths of resident establishment before the individual would be eligible to receive insurance or pension. All of this would naturally cause considerable injustice. As a matter of fact in various States right at the present time citizens must be residents for 15 years before they are entitled to pensions or privileges of that nature.

For example, some citizens stay in a certain State for about 10 or 15 years then, becoming ill, their doctor advises change of climate to another State best suited to the particular malady. In such event the citizen would perhaps lose his right to the benefits of the institutions which he helped build while a resident and taxpayer or contributor to such fund. Some States have laws so provided that when the citizen leaves said State he automatically loses his legally established residence and all the benefits attached thereto.

Therefore, institutions of such far-reaching scope and nature as the unemployment insurance and old-age pension should be enacted and administered by the Federal Government.

It is only just that every citizen of the United States be at liberty to change his residence and travel at will without losing advantages attached to permanent locations in this particular instance since traveling is growing considerably more extensive. Why do we have railroads, ships, automobiles, airplanes, etc., if not for travel, which as time goes on make our country as well as the world seem smaller and smaller.

Centralization increases with civilization..

Approximate estimations of revenue and expenditures accruing in administering unemployment insurance and old-age pensions

Revenue to be collected for unemployment insurance-	\$3, 540, 000, 000
Revenue to be collected for old-age pension-	3, 540, 000, 000
 Total _____	 7, 080, 000, 000
Allowance for expense, office help, etc., 5 percent of above amount.....	354, 000, 000
 Leaves balance of revenue-	 <u>6, 726, 000, 000</u>

Approximate estimations of revenues and expenditures accruing in administering unemployment insurance and old-age pensions-continued

Unemployment insurance to be paid _____	\$3, 250, 000, 000
Old-age pension to be paid- -----	2, 700, 000, 000
Total.....	5, 950, 000, 000
Allowance for expense, office help, etc., 5 percent of above amount.....	297, 500, 000
Total amount of expense _____	6, 247, 500, 000
Total amount of revenue collected _____	6, 726, 000, 000
Less total amount of expense, etc. -----	6, 247, 500, 000
Surplus revenue left for year _____	478, 500,000

Approximate estimation of number of mechanical labor-saving devices or machines now in operation

Automobiles -----	30, 000, 000
Trucks -----	10, 000, 000
Tractors and farm machinery -----	100,000, 000
Washing machines-----	20, 000, 000
Vacuum cleaners-----	25, 000, 000
Refrigerators-----	10, 000, 000
Radios-----	25, 000, 000
Typewriters-----	20, 000, 000
Adding machines-----	10, 000, 000
Industrial machines -----	250, 000, 000
Total.....	500, 000, 000

CONCLUSIONS

Now, in summarizing, I want to say that my plan may be far from perfect, but there is nothing perfect in this world. However, I think that I have given a good foundation for the solution of the unemployment problem. I feel confident that I have struck upon the fundamental principles.

It is our duty, from a standpoint of humanity, insofar as idealism, brotherly love, and patriotism are related to each other, to cooperate to our fullest extent. If we earnestly desire a problem solved, such as is at this present day confronting us, we must face facts.

Of course, my plan is subject to correction as regards the exact amounts of revenue to be collected from labor and taxes to be placed upon machinery and mechanical labor-saving devices, etc., also as to exact amounts that labor should receive, which should be fair, according to normal living conditions, and not so high that it would imperil the financing of the plan itself and as well as the shortening of the work day. Such items as these have to be corrected from time to time to make allowance for the further progress of civilization as changes become necessary.

Therefore, I offer the foregoing solution of the unemployment problem for the approval of my fellowmen, whose welfare I have at heart, subject also to the approval of our Government.

I have been a member of organized labor for 32 years continuously and still am. During this period I have attended many great gatherings, such as lectures, conventions of many descriptions, such as labor union, American Federation of Labor, fraternal lodge, business organizations, conventions of different political parties, and even religious congresses, and I have constantly made efforts to learn and improve and gain thereby, benefits for myself as well as my fellow men, and thus I have taken the privilege of offering this plan.

PHILIP ICKLER.

4028 S. E. SALMON STREET,
Portland, Oreg.

(If you have read this pamphlet and the plan appears practical to you or meets with your approval then write to your United States Senator and United States Representative in Washington, D. C., and ask them to take action along these lines. This is the most direct way to get results.)

Senator COUZENS. Are there any other witnesses? If not, we will adjourn until 10 o'clock tomorrow morning.

(Whereupon, at the hour of 11:55 a. m., the committee adjourned until 10 a. m. of the following day, Wednesday, Feb. 20, 1935.)