September 25, 1919.

GENTLEMEN:

You have been called together by President Wilson because, in his own words, "We are now facing a danger greater than war itself," and are charged with the responsibility of formulating some plan by which we can avoid the impending crisis. Your responsibilities are great, but your opportunities are greater; for, if you can lay down the principles on which industrial peace can be established, you will also have outlined the basis of international peace.

No permanent peace is possible as long as one man is able to exploit the services of another for his own benefit. The business and industrial systems of all countries grew up on account of the service they could and did render to their respective communities. Their great growth in the last half of the nineteenth century was due to the fact that their compensation was, in a measure at least, commensurate with the service rendered. Not until they began to abuse the great power which they had thus acquired, by attempts to fix autocratically prices to consumers and wages of employees, did any serious trouble arise. It is this change of policy that has brought us to the present impossible position. To escape the consequences of this great error we must hasten to return to the policy of exacting reward only in proportion to services rendered, which was the basis of this wonderful growth. This applies to both capital and labor.

To do this we must

First: Eliminate all industrial and other special privileges of whatever kind, and make business and industry serve the community.

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Second: We must put in charge of all industries producing socially necessary commodities - and in this we include all public service corporations - men who have the ability to run them democratically and efficiently, and who have an appreciation of their responsibility to the community, rather than allow them to be run by those whose only claim to authority is ownership.

During the war both Great Britain and America were forced, to a degree at least, to adopt both of these principles to give us strength to win; and it is now becoming more and more clear that an observance of these principles is just as important for the preservation of civilization in times of peace as in times of war.

We hold that it is a violation of the above principles that is responsible for the industrial crisis with which we are now brought face to face. Moreover, that it was a violation of these principles pretty generally throughout the business and industrial world that produced not only the industrial unrest which preceded the great war, but to a large extent caused the war itself. We hold, therefore, that the principles themselves are not subject to discussion, and declare that unless your findings are based upon them, that your report will be a counsel of confusion, which will intensify rather than allay the consequences of the existing crisis.

Respectfully submitted:

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