

The Six Governors' Fake Unemployment Insurance Plan

By I. AMTER

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Unemployment is growing throughout the nation in spite of the few ups and downs in a few isolated sections of industry. The recent reports in the capitalist press state that "in New York and the New England states, employment seems to be decreasing. The Philadelphia district sees no signs of an upward turn. The Middle West reports a distinct "back to the farm" movement. St. Louis reports unemployment acute. The south sees slight improvement here and there. The Far West finds employment in a new low." This indicates clearly that instead of the promises and hopes of the bosses and the Hoover government that there would be a revival of trade in spring, there is not the slightest outlook of any improvement, but on the contrary unemployment is steadily growing growing throughout the country. The continual in the steel industry, in carloadings, and the fake boom development in the auto industry through the announcement of a new type of car

by Ford, cannot offset or negate the fact that employment in the industries is declining. In the State of New York alone, the State Department of Labor reports: "Payrolls are at 55 per cent of the normal level and unemployment only 65 per cent, a drop of 14 per cent from the same period last year. Building construction is 15 per cent less than it was in 1931 and 62 per cent of skilled labor now is unemployed." The findings of the State Department of Agriculture show that the "principal products of the State are lower now even than they were in 1910" The New York Times Combined Index shows a drop of 18 per cent in the principal fields of 1931 from the 1930 average. Generally speaking the report declares "The net situation in industry today is 15 per cent worse than for the corresponding period last year." Much noise has been made about an alleged increase in savings deposits in the banks of this country, but the Bankers Association announced on November 15th that the savings banks accounts declined \$270,085,000 for the year ending June, 1931 and there has

been a further decline since that time.

In view of this situation, demands have been made by Frank G. Taylor, Public Welfare Commissioner of the State of New York, for 200 million dollars for relief during the present year. Mr. Johnson, State Commissioner of Social Welfare, declares that "The need for relief must continue through the year 1932, at least and probably in diminishing degree during part of 1933."

In the State of New Jersey, the situation is no less appalling. Chester I. Barnard, State Director of Emergency Relief, states that "250 million dollars per annum will be required at this time to meet the conditions due to depression."

The capitalists realize that the situation is very serious and therefore are making gestures in proposing various forms of aid to the more than 12 million unemployed in the country at the present time. The LaFollette-Costigan Bill, providing 375 million dollars in relief to the

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States, was rejected by the United States Senate by an overwhelming vote, indicating clearly that when the capitalists are compelled to provide relief and at the same time advance taxes for this provision, they will make every concession to the taxpayers, namely the rich but will grant absolutely nothing to the workers. After this rejection, a bill for 750 million dollars was introduced by Senator Wagner, but it has not the slightest hope of being passed. The LaFollette-Costigan bill was introduced for election purposes, in the hope of winning votes. Following the rejection of this bill, the Democrats in the United States House of Representatives put forward a bill of \$132,500,000 for "emergency highway construction." Of this amount \$120,000,000 would be loaned to the states to be spent before June 30, 1932 and to be repaid to the U. S. treasury within ten years. According to the first information, this would provide jobs for one million men. This, however, is ridiculous, especially in view of the fact that Representative Burnell of Indiana, declared "Not more than 25 per cent of the money will go to the working men engaged on such construction." This would have meant that \$20 would be allotted per man. However, the figures were later corrected and showed that only 55,400 men would be employed at such work—and this means less than \$400 per year per worker. The question might arise "What becomes of the 75 per cent?" Does this go chiefly to graft, as in all the relief campaigns that are being conducted in the country? However, there need not be any speculation on this matter, for it is already reported that Hoover will veto the bill, not on the basis it will not provide the workers with enough, but on the basis that Hoover demands "economy."

The City of New York with its more than 1,000,000 unemployed has stopped the carrying out of \$213,000,000 worth of work, which means the denial of jobs to tens of thousands of workers. Mayor Walker, obeying the dictates of Wall St. has also "economized" but only at the expense of the workers. Still, in the city of New York, it is admitted that only 22,469 workers, men and women, have been given any kind of work since January 1st and that an "additional 50,000 applicants for emergency work have been investigated and now await placement as soon as funds becomes available." This is only a fraction of those in need and yet the statement is made in view of the fact that the relief funds are disappearing and there is no outlook of further funds being obtained. One of the most shameful manifestations, however, of the situation is the proposal of the Federal tax bill amounting

to \$1,096,000,000 carrying a 2 1-4 per cent manufacturers' sales levy. This bill be handed on to the workers in the form either of immediate wage reductions or in increases in the price of commodities—this in the face of constant wage cuts!

I call the relief that is even pretended, the foreign-born and Negro workers are shamefully discriminated against. In the original provisions for relief in Harlem, which is mainly for the Negro population, out of the \$18,000,000 collected in the City of New York, only \$300,000 was allotted to Harlem. The situation of the Negroes is desperate, not only in that relief is not being given them, but in the starvation and the high rents that they have to pay. For instance, whites pay for the same accommodations in New York \$6.67, whereas Negroes pay \$9.50. This is the manner in which the most exploited sections of the working-class are being "sustained" in the crisis.

G. H. D. Cole, the noted British economist, states that the "slump may be a mortal wound to capitalism." He believes, however, that capitalism can be put again on its feet only provided certain conditions are met, conditions that are impossible under capitalism.

The extent of the distress in one city alone, namely New York City, in the present situation, may be gathered from the following excerpts from the report of the Emergency Work and Relief Bureau: In an investigation covering 6304 cases gathered by 41 investigators, the following facts were compiled:

"1) Food was lacking in 81 per cent of the homes visited.

"2) Fuel was urgently needed in 25 per cent of the homes.

"3) Breadwinners reported being unemployed from 4 months to 2 years, the average being 8 months.

"4) 88 per cent were in arrears for rent. In virtually all mortgage cases, foreclosure was imminent.

"5) 74 per cent had borrowed from friends or relatives and were in debt from \$50 to \$500 or more.

"6) Winter clothing was lacking in 2387 families. Children were found to be home from school for lack of clothing. Many were using playing cards in shoes to reinforce soles that had been worn to a sliver.

"7) Half of those having insurance had borrowed on policies or had obtained cash surrender values.

"8) In more than 1,500 homes, furniture had been pawned or sold to buy food.

attempting to subsist on food tickets : 3

"9) None of the cases visited was known to any family welfare society, but about 50 per cent were attempting to subsist on food tickets obtained irregularly from other emergency relief offices.

"10) In nearly 40 per cent of the homes, the investigators reported discouragement and bitterness aggravated by the breaking up of homes made necessary by the inability to care for children."

This is capitalism and its fake relief for the unemployed. This is the way Hoover, Roosevelt, Walker, Smith, Gibson, the American Legion, the American Federation of Labor officials and the Socialist Party in their combined efforts are relieving the unemployed of this country.

At the Convention of the A. F. of L. in Vancouver, William Green, who made a vicious attack upon the proposal for Unemployment Insurance as being "un-American" and "destructive of the rugged individualism" of the American workers, declared that he would go before the United States Congress and if necessary, demand a billion dollars in relief for the unemployed.

The U. S. Government which has made gifts to the capitalists in the form of loans to the banks of more than a billion dollars, hundreds of millions of dollars into the pockets of the manufacturers through the protective tariff, 750 million dollars to the railroads in the form of higher rates, a few hundred million dollar to the high income tax payers, provisions for the bankers through the newly adopted reconstruction board, the "baby bond" measure, etc., categorically refuses to do anything for the unemployed except to allow them, as stated in a previous report, to "attempt to subsist on food tickets obtained irregularly".

According to William Green, in New York alone, "there are 250,000 families in immediate need of relief", whereas no more than a pretense is being made to take care irregularly of more than a fraction of this number. William Green and the Executive Council of the American Federation of Labor admit that "the number of unemployed is constantly increasing, millions of children are suffering from hunger and cold every day and many thousands are unable to attend school because of the lack of food, clothing and shoes." Yet the leadership of the American Federation of Labor constantly opposes Unemployment Insurance as an "un-American" measure—and they had a little hunger march to the U. S. Capitol to support the Costigan-La Follette bill, which the U. S. Congress turned down. The A. F. of L. bureaucrats had made a fake gesture—and sat down.

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