

The Six Governors' Fake Unemployment Insurance Plan

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PART 2.

Facing this situation, with the growing menace of food riots and violence on the part of the unemployed who are driven to desperation, the governors of six states—New York, New Jersey, Connecticut, Massachusetts, Pennsylvania and Ohio—appointed an Interstate Commission on Unemployment Insurance, which submitted its findings and recommendations on February 14, after nearly a year of study. To begin with, the report declares: "It seems to us unlikely that any single measure now adopted, without further experimentation and experience, can cope successfully with all forms of unemployment, or with the total period of unemployment, or even with all of the unemployed."

Its main thesis is that no war threatens the Soviet Union. All organs of the II. International, from the Berlin "Vorwärts" to the Vienna "Arbeiter-Zeitung," seek to lull the vigilance of the working class by means of this criminal thesis.

At Geneva Litvinov is fighting for peace. The II. International simply sneers at his efforts. The Soviet government is endeavoring to turn aside the Japanese provocations. The II. International maintains silence regarding these provocations, and the "Vorwärts" declares that the Soviet Union is just as imperialistic towards China as is Japan.

In 1914, the social democracy did not prepare, did not organize the war. At that time it supported the war which the bourgeoisie had organized and prepared. Now, however, the social fascists organize and prepare the war. The fight against intervention and war is also a fight against social fascism, a fight to win the workers who are still under the influence of the bourgeois socialist parties of imperialist war and intervention.

The proposals do not make any provision whatever for the 12 million unemployed at present out on the street—or for the approximately six million unemployed in the six states above enumerated. These 12 million are a non-existent mass and therefore will be allowed to continue to starve as far as the provisions of the so-called Interstate Unemployment Insurance report are concerned.

It is necessary, however, in view of the fact that in the State of Wisconsin with the aid of the "Socialists", Unemployment Insurance has been introduced, that the bill of the six governors be analyzed and exposed to the workers. According to the Wisconsin Bill, each insured worker at present working in industry, shall receive a maximum benefit of \$100 a year. "Workers eligible for benefits are those who lose jobs involuntarily or those who have been resident employees in the State. This bill, however, does not go into effect until June 1, 1933."

The six Governors' Commission makes the following proposals:

1) The compulsory establishment of state-wide systems of unemployed reserves. The report declares that only a small fraction of the work force of the nation is covered at the present time by voluntary unemployment insurance.

2) The payment of each employer of a contribution of 2 per cent of his payroll. The report states quite cynically that "We have canvassed carefully the arguments for and against the payment of contributions or premiums by employees" and therefore the commission is against it, stating that "the employees should not be required to reduce their earnings further by the payment of contributions into unemployment reserves." It is perfectly obvious, however, that the 2 per cent that would be paid by the employers into the insurance fund will be deducted from the payroll of the workers, so that this is a direct wage-cut on the workers still working in the shops and factories, and any attempt by the

Commission to cover this up is sheer humbug and throwing sand into the eyes of the workers and blinding them to the real facts, even of this pretense of providing "Unemployment Insurance."

3) "Payments made by each employer shall constitute the unemployment reserve of his firm and shall be so treated in the accounts." The purpose of this proposal is to make each establishment responsible for unemployment insurance to cover its working force. It leaves it within the province of the particular concern to fire any workers they please, especially as the unemployment insurance fund has to be built up over a certain period. The proposal declares that "each company assume responsibility, limited by the amount of its contribution for the unemployment of its own work force."

4) The maximum rate of benefit shall be 50 per cent of an employee's wage or \$10, whichever is lower, and the maximum period of benefit shall be 10 weeks within any 12 months." Provision is made for part-time employees but "in no case, however, shall the benefit of a part-time employee exceed \$10 a week for 10 weeks within any 12 months."

It is obvious from the above that the government has the shameless effrontery to propose starvation even for those workers who still have jobs, namely, that they shall not receive more than \$100 a year or \$8.33 a month. This is called "Unemployment Insurance."

5) "The financial responsibility of an employer shall be strictly limited by the amount of his unemployment reserve." To safeguard this so-called "principle", it is proposed that when the employer's reserve at the beginning of any month is less than \$50 for an employee, the maximum rate of benefit be proportionately reduced. This means that even the maximum \$10 per week for 10 weeks can be arbitrarily reduced by the employer.

To be concluded