

# The Six Governors' Fake Unemployment Insurance Plan

## PART III (CONCLUSION)

6) "When the accumulated reserve per employee shall exceed \$50, the employer's contribution shall be reduced to 1 per cent of his payroll, and when his reserve has reached \$75, he shall make no further contribution to the fund until his reserve falls below \$75 per employee." This is another avenue of escape provided for the employers in order to keep up the sham of unemployment insurance. The report further states: "The purpose of this provision is to offer employers effective incentives for the exercise of control of fluctuations in employment." In other words it is to be used as a black jack over the heads of the workers who still have jobs, to keep them from putting up demands for increased wages, improved conditions, etc., in short, it is a **strike-breaking** implement.

"Certain firms or groups of firms are to be exempted from establishing such 'unemployment insurance funds,' which have set up reserve funds providing benefits equal to, or greater than, those enumerated in the fore-going proposals."

This, of course, would apply to such firms as the General Electric Company, whose president, Mr. Swope, introduced a plan, whereby the workers in the shop are reduced to an average of \$15 a week with a so-called "guarantee of 26 weeks of the year." In the General Electric in Schenectady, there were 25,000 thousand workers, of whom today 11,000 are employed, and 14,000 working part-time.

The 11,000 remain totally unprotected by insurance according to the Swope Plan, but the 14,000 are compelled to do any kind of work given them. These workers, many of them skilled workers, are obliged to do work ranging from sweeping the yards to carrying boxes, in order to earn the \$390 a year, which equals \$32.50 a month, spread over the year. According to the Swope Plan in addition, the company pays 2 per cent into the fund and the men themselves 2 per cent, which means a further reduction per year of \$7.60 directly and \$7.60 indirectly taken off by the concern as its "contribution" to the unemployment insurance fund.

At this point, it must be added that the General Electric workers, like the U. S. Steel, American Telephone and Telegraph, Goodrich, Goodyear, Firestone, etc. and many other concerns in years past induced their workers to buy bonds of the company, houses, autos, radios, etc. and saddled the workers with tremendous mortgages as a means of making them "loyal" to the concern. These workers were terrorized at the prospects of losing their property and became "loyal," "obedient," willing slaves of the company. Today, they have lost all this property and therefore are in rebellion and now Messrs. Swope, Roosevelt, etc. scheme that they shall be tied down to a measly \$100 a year maximum and be used as strike-breakers against any workers in the shops who have the guts to fight against the shameful conditions in the shop. This is the "exercise of control over fluctuation in employment" that the bill proposes.

7) "The State shall act as the custodian, investor and disbursing agent of the reserve funds." The bill proposes the establishment of an unemployment commission of 3 members, representing "labor, industry and the public," which means that the scales are weighted from the beginning against the workers.

Excluded from the so-called unemployment insurance are all agricultural workers, and all workers in shops employing less than 6 workers. This means to turn over to the pangs of hunger a large number of agricultural workers and those working in small shops in these 6 states.

No provision whatever is made in case a concern goes out of business voluntarily or through bankruptcy. The workers so affected will be deprived of all protection from unemployment insurance and in view of the increasing number of bankruptcies, it is obvious that a large number of workers will face starvation.

The bill declares that "it is not sound to impose an onerous burden of cost on American industry" and that these measures can only "incidentally serve to mitigate the effects of severe and prolonged industrial depression." "At the best," the report states: "there will be for some time remain a residuum of unemployed who must continue to look for assistance to the agencies of private and public charity." In the whole report no attempt is made basically to take up the question of unemployment and unemployment insurance, since the advocates of this bill recognize that public and private relief agencies will be called upon to take care of a large section of the unemployed. In other words, the bill which provides a maximum of \$8.33 a month for workers now employed who may lose their jobs, which excludes the agricultural workers and

all workers in small shops, which faces the fact of insolvencies and bankruptcies whereby workers will be robbed of every protection, even in the smallest form, from unemployment insurance, and which totally disregards the 6,000,000 unemployed in these 6 states as part of the army of 12,000,000 unemployed in the country, has the word **FAKE** written across its face.

The proposals of the six governors' conference have already been embodied in bills introduced in the New York State Senate and House and are merely a fake gesture to make the workers of New York believe that steps are being taken to relieve their misery.

Why is this bill brought forward at the present time? Under the leadership of Roosevelt, it is perfectly obvious that this is an **election stunt** and that Governor Roosevelt believes he can fool the workers into the belief that, like Al Smith, he is "a man of the people" and sincerely interested in providing unemployment insurance and relief.

Hoover, Roosevelt, Walker, all talked about building construction programs as one of the means of reviving work. These programs were supposed to involve millions of dollars—but today are non-existent. The claim of these republican and democratic politicians is that it is necessary now to achieve "economy" in order that the tax rates may not be raised. This means that the millions of building trades workers in the country who today are unemployed—or as stated in the report, more than 62 per cent of skilled labor is unemployed today—have been faked into support of these parties, and therefore of the present system. Hoover does not hesitate to propose billions in relief for the capitalists, the bankers, the railroad magnates, etc. He advocates the issuance of "baby bonds" to extract the last pennies from the pockets of the workers and the small business men. But not one penny is taken out of the pockets of the capitalists for the benefit of the workers, and even the 2 per cent of the payroll as provided by the Governors' Unemployment Insurance Bill will come out of the pockets of the workers.

This is quite in line even with the charity relief plans that are the program in every state of the country. The community chests, the relief drives have been taken directly into the factories where the workers were compelled, on pain of losing their jobs, to contribute either a lump sum or a sum to be deducted every week from their pay envelopes. The school teachers in New York were bludgeoned into contributing 3 per cent of their salaries, and an attempt was made to extort even 5 per cent for the relief of the school children which the school children did not receive directly but only in part from the emergency relief bureaus to which the teachers' funds are sent. The "Block-aiders" now being formed all over the country are for the purpose of making the workers in the neighborhoods bear the responsibility of providing for the unemployed.

It is clear from the above that the capitalists have no intention of providing unemployment insurance and are bluffing with every kind of proposal because this is election year and because they are afraid not only of the voters in November but of the safety of the country if the millions of unemployed organize, and together with the employed and part-time workers, put up a real struggle.

As against all these fake plans, the Communist Party, the revolutionary unions and the Unemployed Councils, put forward the **Workers' Unemployment Insurance Bill**, with unemployment insurance covering EVERY worker, irrespective of industry, size of establishment, etc., Negro and white, native and foreign-born without discrimination, to be borne exclusively by the bosses and the government. The Communists declare that the same governments that can provide billions for the bankers and manufacturers and billions for war purposes, can and must be compelled to tax these same bankers and manufacturers for unemployment insurance. The rate of unemployment insurance shall be at full wages for the unemployed workers, covering the full period of unemployment, the fund to be controlled and administered not by a committee weighted against the workers, but by a committee of workers, who, in these days of graft and corruption, alone can be trusted to handle such important responsibility.

The schemes of the capitalists as embodied in the report of the six governors must be unsparingly exposed and every worker be made to understand that it is **FAKE** being perpetrated against the millions now unemployed and those still having jobs and that only by a united struggle for the **Workers' Unemployment Insurance Bill**, can real unemployment insurance be obtained in this country.