

"It is to be regretted that our National, as well as so many of our State Governments, have failed thus far to respond to this great and humane requirement. We direct every possible effort be made to remedy this grievous situation, and recommend approval of this section of the report of the executive council."

After a brief discussion, it was unanimously adopted. Page 553.

Social insurance. Proceedings, pages 598-603

Resolutions Nos. 10, 20, 32, 38, 57, 76, 91, 101, 124, 126, and 186 dealt with the question of social insurance. They were reported upon in a group, as follows in part:

"The Cincinnati convention in 1932, by unanimous action, placed the American Federation of Labor on record in favor of compulsory employment insurance. Three years before, the Toronto convention gave an equally effective expression to the conviction on the part of this federation that the time had arrived in American industry when it was in the interest of general welfare that provision should be made for old-age pensions. Taken together with workmen's compensation, this provides for the major hazards of industry. The experience of the passing months has confirmed your committee in the soundness of their declaration in favor of social insurance. Your committee therefore recommends concurrence with the intent of these several resolutions looking toward the endorsement of this proposal." * * *

"Your committee recommends the whole-hearted endorsement by this convention of the general proposals for social insurance, in line with action which has already been taken by previous conventions, and of study of those other phases of social insurance upon which previous conventions have not already acted. We concur with those proposals for support of social insurance that have been set forth in the legislative program of the federation and nonconcur with methods that have been advanced which are at variance with this sound and established policy."

Report unanimously adopted.

The CHAIRMAN. All right, Mr. Gordon. Mr. Browder.

STATEMENT OF EARL BROWDER, NEW YORK CITY, REPRESENTING THE COMMUNIST PARTY

Mr. BROWDER. Mr. Chairman and gentlemen of the committee, speaking for the Communist Party, and for the approximately 600,000 organized workers who have endorsed our program, and for the several millions who have endorsed our position on unemployment insurance, I want to oppose the bill before this committee which embodies the administration conception of unemployment, old-age, and social insurance.

It is the position of the Communist Party that it is the responsibility of the National Government to provide, against all those vicissitudes of life which are beyond individual or group control, a guaranty of a minimum standard of decent livelihood equal to the average of the individual or group when normally employed. This, always a vital necessity, has now, due to the economic crisis and the protracted depression, become literally a matter of life and death for millions, and for the main bulk of the population a basic factor for maintaining standards of life.

Any proposed legislative enactment which claims to forward this aim of social security must be judged by the degree to which it embodies the following provisions:

1. It must maintain the living standards of the masses unimpaired. Anything less than this is not social security, but merely institutionalizing the insecurity, the degradation of the masses. It must provide

for benefits equal to average normal wages, with a minimum below which no family is allowed to fall.

2. It must apply to all categories of useful citizens, all those who depend upon continued employment at wages for their livelihood.

3. Benefits must begin at once, when normal income is cut off, and continue until the worker has been reemployed in his normal capacity and reestablished his normal income.

4. The costs of social insurance must be paid out of the accumulated and current surplus of society, and not by further reducing the living standards of those still employed. That means that the financing of the insurance must come from taxation of incomes, beginning at approximately \$5,000 per year, and sharply graduated upward, with further provisions for taxation of undistributed surpluses, gifts, inheritances, and so forth.

5. Social-insurance legislation must provide guarantees against being misused by discriminations against negroes, foreign-born, and the young workers never yet admitted into industry, and other groups habitually discriminated against within the existing social order.

6. Guaranties must be provided against the withholding of benefits from workers who have gone on strike against the worsening of their conditions, or to force workers to scab against strikers, or to force workers to leave their homes, or to work at places far removed from their homes,

7. Administration of insurance must be removed from the control of local political machines, to guarantee that the present scandalous use of relief funds to impress masses into support of the Democratic Party shall not be made permanent under pretext of "insurance"; this means, that administration, must be through the elected representatives of the workers involved, making use of their existing mass organizations, relying upon democratic self-activity and organization.

The Communist Party opposes the Wagner-Lewis administration bill because it violates each and every one of these conditions for real social insurance. It does not provide for any national system at all, and the systems permitted for the various 48 States in effect prohibit the incorporation of any of the above-mentioned seven essential features;

The Wagner-Lewis bill prohibits benefits of more than a fraction of average normal wages.. It specifically excludes from its supposed "benefits" whole categories of workers, such as agricultural and domestic workers and those employed in small establishments, who need insurance the most because they are the most insecure, the most exploited and oppressed, and which include the majority of the Negroes. It provides for a benefit period which is only a small fraction of the average period of unemployment.

Examining only these three phases of the Wagner-Lewis bill, the conclusion cannot be escaped that the result of the bill would be to provide even less than is now being given in relief, miserably inadequate as that amount is, and to cut off from even this reduced amount the great masses now unemployed. The plain intention of this bill is to reduce the volume of governmental aid to all those suffering from involuntary unemployment.

When it comes to provisions for financing this parody of insurance it becomes even more clear that the intention is to relieve the rich

and to place all burdens upon the poor. Nothing is to be taken from the social surplus., which exists only in the form of the higher-income brackets, undistributed surpluses, and so forth; everything is to be taken directly out of the meager and decreasing wage fund and indirectly from the same source by a tax on pay rolls which inevitably is passed on to the masses of consumers in a magnified amount.

Instead of guaranteeing against further intensification of discrimination against Negroes, the foreign-born, and young workers, the Wagner-Lewis bill does the opposite; it provides explicitly for such further discrimination, by excluding from benefits those who need them most, agricultural and domestic workers.

Instead of guaranties against the use of insurance as a strike-breaking machinery, this bill in application would become an elaborate black-list system for the destruction of the trade unions. The only system of organization that could flourish under the Wagner-Lewis bill would be the company unions, those menacing forerunners of facism in the United States.

Instead of providing for democratic administration of the insurance system by the workers, the Wagner-Lewis bill would impose an enormous bureaucracy, entirely controlled by appointment from above, which would make into a permanent institution that system which in the present relief administration has already shown itself as the greatest menace to our small remaining civil liberties and democratic rights. We already have enough examples in the labor boards which are doing tremendous damage to organized labor.

These are the reasons, in concentrated outline, why the Communist Party opposes the Wagner-Lewis bill. These are the reasons why we declare this bill is not even a small step toward real insurance; but on the contrary, a measure to prohibit, to make impossible, a real social-insurance system.

The alternative to the Wagner-Lewis bill is before Congress for its consideration, in the form of the workers' unemployment, old-age, and social-insurance bill, H. R. **2827**, introduced by Congressman Ernest Lundeen of Minnesota. This bill, H. R. **2827**, while still suffering from a few defects, embodies in the main the principles which we support energetically and unconditionally, for which we have been fighting for many years. Only the principles embodied in H. R. **2827** can provide any measure of real social security for the toilers of the United States.

It is one of the symptoms of the irrationality of our present governmental system, from the point of view of the interests of the masses of the people, that this committee is considering legislation on unemployment insurance without having before it the workers' bill, the only project which has organized mass support throughout the country based upon intelligent discussion involving millions of people. The workers' bill is supported not only by the Communist Party and its **600,000** supporters for whom I speak, but by several million other organized workers, farmers, and middle-class people.

There is a fashion, nowadays, for every upstart demagogue to try to impress Congress and the country with fantastic figures of tens of millions of supporters for each new utopia, each quack cure-all, which exploits the misery of the masses. I have no desire to compete in this game, the paper counters of which cannot be checked against any reality. The figures which we cite of organized supporters of the

workers' bill are verifiable membership figures of established mass organizations, almost all of them of long standing and including a great section of the American Federation of Labor.

An attempt is being made to smother in silence the workers' bill, both in Congress and in the newspapers. To make more plausible this silence on the workers' bill, which is the only practical alternative to the Wagner-Lewis bill, there has been trotted out as the "alternative" a straw man in the shape of the so-called "Townsend plan." It is very easy to tear to pieces this straw man, in spite of its very *praiseworthy desires to care for the aged, and to consider that this disposes of the workers' bill, which makes really practical provision for those over working age. But it will not be so easy to get the masses to accept this verdict. Even such loyal servants of the administration as the executive council of the A. F. of L., who have swallowed, one after another, the injuries and insults dealt the workers for 2 years and who have bitterly opposed the workers' bill, have been forced to draw back before the discredit and mass revolt against them which must inevitably be the lot of all who identify themselves with the Wagner-Lewis bill.

The workers' bill is before the Congress and before the country. You have not answered it. Your present bill is no answer but only a new insult to the suffering millions. You cannot continue to answer only with silence.

We know, of course, that the enemies of the workers' bill have prepared and are preparing their arguments against it, when it shall finally force itself upon the floor of Congress. It would be more honest if they would at once place their arguments, and the comparison of the two alternative programs, before this committee and others and before Congress as a whole.

All arguments against the workers' bill finally resolve themselves into one, the argument that "it costs too much"---that "the country cannot afford it."

What does this mean, the statement that "the country cannot afford it"?

Does it mean that our country is too poverty-stricken to care for its own people at a minimum decent living standard? Does it mean that in our country we do not have enough productive land, natural resources, plants, machinery, mines, mills, railroads, and so forth, or that we lack trained, skilled people to operate them?

Such an answer would be, of course, only nonsense. All the wise men and authorities of the country are wailing that we have too much of these things and of the commodities they produce. The Government has been exerting all its wits to reduce the supply to destroy the surplus which it claims causes all the trouble.

Does it mean that the Government is unable-is too weak-to raise vast sums of money on short notice? That answer, too, is excluded. Our memories are not so short that we fail to recall how, in 1917-18, the Government raised tens of billions of dollars for participating in a destructive war; if we can afford to sink tens of billions in explosives, poison gases, battleships, and other materials to destroy millions of people abroad, why cannot we spend similar sums to provide food, clothing, and shelter to save the lives of millions of people at home?

No; that phrase "the country cannot afford it", can only have one meaning; that the small group—an infinitesimal fraction of the population—which owns all the chief stores of accumulated wealth and productive forces and which dictates the policies of government, refuses to pay; while the masses of people, who need insurance precisely because they have been robbed of all, cannot pay.

But our country cannot and does not avoid paying the bill for unemployment, old age, maternity, and other hazards. Now the country pays, not in money but in the lives of men, women, and children. This is the price which, above all other prices, the country really cannot afford to pay.

We propose that our country shall begin to pay the bill **in that** only currency we can afford, in the accumulated wealth and productive forces, by taxing the rich.

We propose to reverse the present policy, which taxes the poor in order to relieve and further subsidize the rich; we propose to tax the rich to feed the poor.

Those gentlemen who argue that despite our country's immense wealth it cannot afford real unemployment insurance because the cost would dig into profits, and that our present system cannot operate if it touches these sacred profits, are really pouring oil on the fires of radicalization that are sweeping through our country. Millions of our people—the useful ones, those who work—are sick and tired of being told about the sacredness of profits, while their children starve. They are more and more getting into that mood which, in a previous crisis of our national life, produced the Declaration of Independence. The direction of the masses now, as then, is a revolutionary one, with this difference, that then it was independence from King George and a dying feudalism that was required, while today it is independence from King Profits and a dying capitalism which tries to prolong its life at the cost of denying social insurance.

We Communists have been denounced in this Congress, as well as in the daily press, as enemies of our country, as a "menace", because we speak of the possibility and necessity of revolution to solve the problems of life of the great majority of the people. We have been accused of all sorts of silly things, such as "plots to kidnap the President", of being bombers, conspirators, and so forth. All that is nonsense, but very dangerous nonsense—it is a screen of poison gas to hide the attacks that are being made against all, democratic rights, against the trade unions, against the living standards of the people. History has shown beyond dispute that such attacks, beginning against the Communists, never end there, but only in a full-fledged Fascist dictatorship which destroys all rights of the people.

The Communist "menace" really means that those moneyed interests which finance this great campaign against communism, knowing that millions of people are in a really desperate situation and a desperate frame of mind, are afraid that these millions will go over to the Communist Party and program.

But those gentlemen who really want to remove this "menace" should listen to the advice which we, the Communists, give you gratis. Remove the desperate situation of these millions, grant that minimum measure of real social security such as is provided in the workers bill, prove in fact, in life, that it really is possible for the

masses to continue to live under capitalism. In reality we are fighting to improve the living standards of the masses; when revolution comes it will be because the rulers of this country have proved that there is no other way out, that there is no other way toward a secure life.

It is worth remembering, that after 1776, when our Declaration of Independence acted as the spark that set fire to the democratic revolution in France and throughout Europe, the reactionary forces of the world fought against the "dangerous" ideas that were supposed to be "imported from America." Today the same comedy is repeated but this time the revolution is said to be "imported from Moscow." In both cases, the deep reality behind the nonsensical slogan is that the country attacked is the one that is showing the way to the solution of the problem of the people. "Moscow", that is the Soviet Union, has adopted complete social insurance, has solved unemployment, is improving the living standards of all the people, is enormously expanding its economic life. Do a better job, or even just as good, and "Moscow" will be not the slightest danger.

Present proposals which, while denying real unemployment insurance, would enact some new alien and sedition laws, to crush down the growing demand for a better life, also recall moments in the past history of our country. We had a period of alien and sedition laws in the early 1800's, also adopted and carried out in the interests of established property and designed to crush a democratic movement arising from the masses of the people. The party which sponsored those laws went down in disgrace and defeat, the laws were repealed after long suffering and struggles, those against whom the alien and sedition laws were directed came into direction of the affairs of the country. Any attempt to solve today's problems by alien and sedition laws will be as futile as those of the times of Madison and Jefferson.

There is no substitute, there is no way to avoid, the demand for full unemployment, old-age, and social insurance. Its denial will only accelerate the growing revolutionary mass unrest, intensify the social struggles. The Wagner-Lewis bill is a transparent attempt to sidetrack this demand. The new legislation against the Communist Party is only a futile attempt to silence the movement. Neither can succeed. Only the workers' unemployment, old-age, and social insurance bill can satisfy the aroused masses of the useful people, the working people, of the United States.

The **CHAIRMAN**. All right, Mr. Browder. Mr. Amter.

STATEMENT OF I. AMTER, NEW YORK CITY, REPRESENTING THE NATIONAL UNEMPLOYMENT COUNCIL

Mr. AMTER. I represent here the National Unemployment Council, the national organization of the unemployed of this country, with a membership of approximately 500,000. I speak also in behalf of the 17,000,000 unemployed in the United States who with their families suffer the bitterest want and destitution.

The unemployed of the United States are against the Wagner-Lewis bill and brand it as a fraud against a large section of the population, viz, the unemployed and their families, This bill has been brought in to the United States Congress in order to offset the cam-