

STATEMENT OF LOUIS WEINSTOCK, REPRESENTING THE NATIONAL COMMITTEE ON UNEMPLOYMENT INSURANCE, AMERICAN FEDERATION OF LABOR

Mr. WEINSTOCK. My name is Louis Weinstock; I am the national secretary of the American Federation of Labor committee for Unemployment Insurance, 1 Union Square, New York City.

I am a member of the Brotherhood of Painters and Decorators, Local Union 848, affiliated with the American Federation of Labor. This committee I am representing is a bona fide organization within the American Federation of Labor, organized in 1932, with the objective of gaining the support of the entire American Federation of Labor for a genuine unemployment insurance bill.

Today, as a result of this committee's work, there are on record the official votes of nearly 3,000 local unions affiliated with the American Federation of Labor, scores of central labor bodies, and several State federations of labor, and the following international unions in favor of the Lundeen bill: The United Textile Workers Union, United Mill, Mine, and Smelter Workers of America, the Amalgamated Association of Iron, Steel, and Tin Workers Union, and, in addition, the American Federation of Silk Workers and the American Federation of Hosiery Workers, and the International Union of Molders.

Furthermore, this sentiment prevails in spite of the fact that obstacles have been placed in the way of the rank and file members of the American Federation of Labor for free expression of opinion on the question of unemployment insurance. For example, the executive council of the American Federation of Labor has been in opposition to any form of unemployment insurance until recently, when this position was reversed.

Mr. Chairman, my committee sent me here to oppose the Wagner-Lewis bill. I am going to oppose this bill and not on the basis that it has been opposed by Mr. Epstein on certain phases; for example, Mr. Epstein was afraid that if we demand too much we might choke. I am afraid that if we have this bill passed, we will choke because we will get so little that we will get only the bones, and nothing else. We find, for example, from the report of the Committee on Economic Security [quoting]:

Unemployment compensation as we conceive it is a front line of defense, especially valuable for those who are ordinarily steadily employed, but very beneficial also in maintaining purchasing power. While it would not directly benefit those now unemployed until they are reabsorbed in industry, it should be instituted at the earliest possible date to increase the security of all who are employed.

Mr. Chairman and gentlemen, we are interested in unemployment insurance. We are interested that those unemployed people—and I believe that the figures are between 14 and 15 millions—shall be protected. I have here a statement of the Labor Research Association, and they say the following on the problem of unemployment at the present time:

Over 17,000,000 men, women, and young workers were still unemployed in the United States in November 1934, according to the latest preliminary estimate just completed by the Labor Research Association. This number represents over 33 percent of all "gainfully occupied" persons in the country. The

estimated totals include as unemployed those workers having relief jobs on Federal emergency projects.

If we exclude these people, we will still have 14,300,000 people still unemployed at the present time. This Wagner-Lewis bill does not cover a single one of these unemployed workers.

Our committee last year, as well as this year, opposed the Wagner-Lewis bill for the simple reason that it is not an unemployment-insurance bill. We believe that these 14½ million people cannot be absorbed today in industry. Even if we consider the appropriation of \$4,800,000,000, even this amount will not take care of the unemployed at the present time, especially if your administration, with the \$4,000,000,000 appropriated for public construction, aims to cut the wages of the working people in this country, because, if I understand correctly, the \$4,000,000,000 appropriated for public construction has a proposal which limits the pay roll to \$50 a month. If you pay that \$50 a month, we would get \$12 weekly wages. Right now the building-trades workers have a prevailing scale of \$45 or \$50 a week. If the Government will institute through the public projects a weekly wage of \$12, naturally the building employers in private industry will follow the Government, and they will also institute wage cuts in the near future.

I shall call your attention to a newspaper published by the Building Trades Employers' Association. This newspaper here welcomes the announcement of the \$50 wage scale, and at the conclusion of the article appears the following [reading]:

That is the point to which the building-trades employers and general contractors are striving to reduce labor and material costs for a temporary period.

We have heard about this "temporary period" the last 6 years. [Continues reading:]

It can be brought about if the Presidential pronouncement will be carried out in actual practice in the construction field.

It means that these people are already welcoming the announcement of the wage cut.

Mr. Chairman, if you allow me a few more minutes, I believe I will be able to conclude, although it will be impossible for me to cover the ground I intended to.

The CHAIRMAN. You may extend anything that you desire in the record.

Mr. WEINSTOCK. Very well.

The CHAIRMAN. Your time is up.

Mr. WEINSTOCK. If you will allow me a few more minutes, I believe I can conclude in 5 minutes. I would like to give the arguments against the Wagner-Lewis bill. They can be given in 3 or 4 minutes. If you allow me I can conclude.

The CHAIRMAN. That can be included in the record.

Mr. WEINSTOCK. Mr. Chairman, I believe that William Green, the president of our American Federation of Labor, was present here, and he gave testimony of about 60 pages. We are in disagreement with Mr. William Green's testimony. We are members of the American Federation of Labor. We believe that the rank-and-file membership—that is, the voice of this rank and file—should be heard at the committee, because otherwise it will make the impression that Mr. William Green, in the name of the A. F. L., had certain

small disagreements with the Wagner-Lewis bill, but in general he is in agreement. I say, in the name of the American Federation of Labor, that we are totally in disagreement with the bill and we propose something else instead.

The CHAIRMAN. The Chair is sure that the members will read the additional statement that the witness may care to submit.

Mr. CROWTHER. If there is no objection, I ask unanimous consent that he have 5 additional minutes.

The CHAIRMAN. Without objection, that courtesy will be extended. The time will be extended for 5 minutes.

Mr. WEINSTOCK. We favor the coverage of all workers at present unemployed. We want to go squarely against the administration's plan of forcing millions of workers into forced labor camps, into Public Works projects, and the miserable wage of \$50 a month, which is even below the immediate wages in the codes.

Eleven million unemployed workers, who will be driven down to the industrial status of coolie labor, will be compelled to fall back on the mercy of private charity or be herded into concentration camps in the manner of Hitler's program in Germany.

The Wagner-Lewis bill calls for a 3-percent tax on pay rolls. Even assuming that all States enact unemployment-insurance laws, how will it be realized on this basis? We cannot assume that all States will enact such a law these coming sessions, because there are four States of the Union where there will be no sessions at all this year, to my information.

According to the census of manufacturers, the total wages paid out in 1929 amounted to \$11,620,973,000. The salaries were \$3,000,000,000. Central administration amounted to \$600,000,000, a total of \$15,816,000,000. Three percent of this amount would yield approximately \$474,000,000.

This you accept will be borne by industry. But it is well known that industry will get this in the form of higher prices or lower wages. The workers will be compelled to pay 3-percent taxes, whether indirectly through higher costs for necessities, or directly through wage cuts. We are opposed to such a method of raising funds for unemployment insurance.

We maintain that if it is possible for the Congress of the United States to give millions of dollars to moribund banks and collapsing industries, it is equally within their power to provide funds for the millions of unemployed without compelling the workers to bear the costs of unemployment insurance.

We believe that the workers who have built up the power and wealth of this country should be treated equally with the banks and industries, and that Congress should appropriate funds based on the taxation of higher incomes of over \$5,000 to provide sufficient funds for the maintenance of all unemployed workers in the United States with an adequate amount of subsistence.

The administration plan does not determine what standard of insurance should be provided for unemployed workers. We declare that in the interest of the employed workers, whose standard of living must be maintained, that the unemployed workers must be given benefits equal to average wages and no less than \$10 a week and \$3 for each dependent in the family.

This demand is in the workers' unemployment-insurance bill, which is known as the Lundeen bill, H. R. 2827. In our opinion, the workers' bill provides for the needs of the unemployed workers. It makes immediate provision, as against the Wagner-Lewis bill, which provides for a small amount of benefit sometime in the future, limited only to certain sections of the workers and excluding large groups of the toiling population.

Mr. Chairman, I conclude, and I state the following, that the local unions of the American Federation of Labor have expressed themselves in favor of the workers' unemployment-insurance bill; and therefore, we believe that the Wagner-Lewis bill should be rejected and, instead H. R. 2827 should be adopted.

The CHAIRMAN. We thank you for your appearance and the information which you have given the committee.

STATEMENT OF HERBERT BENJAMIN, REPRESENTING THE NATIONAL COUNCIL FOR UNEMPLOYMENT AND SOCIAL INSURANCE

Mr. BENJAMIN. My name is Herbert Benjamin, 799 Broadway, New York City.

It is necessary to point out at the outset that I represent millions of employed and unemployed victims of the present crisis and of the economic insecurity which has been so sharply revealed in the course of the past 5 years. I represent the masses who for 5 years and more have suffered untold and indescribable privation, hunger, and misery in this the richest country in the world. Moreover, I represent the great and growing movement which has attempted by means of militant struggle to secure serious consideration for our plight and enactment of an adequate system of unemployment and social insurance by the Congress of the United States.

It is my duty and privilege to convey to this committee, and through you to Congress, the bitterness and resentment which we feel against those who have disregarded our dire needs and persistent demands, and who even now are attempting to evade the obligation of the Government to properly safeguard our very existence. It is not possible for us to speak to you in carefully chosen, polite phrases such as have been employed by the comfortable ladies and gentlemen who preceded us in these hearings.

We take this to be our right, and must, therefore, insist that we be permitted to present our position in our own way, without interruption. When our statement has been submitted, we will be glad to answer questions.

We feel that this preface is especially necessary here and now because we know why the administration has entrusted the Wagner-Lewis bill to you and not to the Committee on Labor, where such measures would ordinarily be referred. We take it that you are expected to discourage expression of opposition opinion. We, however, insist on our right to be heard.

Those who represent and speak for the group that owns the wealth and controls the Government of this country have graciously agreed that the problem is no longer "are we for or against unemployment and social insurance?"