



SOCIAL INSURANCE

by

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SOCIAL INSURANCE

By GRACE M. BURNHAM

WHAT IS SOCIAL INSURANCE?

Social insurance is a system of government support to give workers financial assistance, thus affording them a measure of security in case of accident, sickness, death of the wage earner, unemployment, child bearing, or dependent old age.

How many of these measures have been adopted in a particular country and how effectively they meet the needs of the working masses depend on how well the working class is organized to present and fight for its demands. In the Soviet Union, for example, where the state is entirely controlled by the workers and peasants (poor farmers) and where industry is no longer run for profit, they have already developed a most comprehensive system of social insurance. It is managed entirely by the workers, is fully suited to working class needs, and is part of a nation-wide system of labor protection. From birth to death, the well-being of the individual in the Soviet Union is the direct concern of the state. Prenatal clinics, leave of absence with full pay eight weeks before and eight weeks after childbirth, experienced physicians and nurses to care for mother and child, adequate hospital accommodations for all expectant mothers, nurseries attached to industrial establishments where the mother can leave her infant during working hours, free medical and hospital care for the sick worker or any sick member of his family, rest homes for the convalescent, clubs and vacation homes, annual vacations with pay, insurance against unemployment, accident, sickness, permanent disability, old age, and death are parts of this system.

No such complete system of social insurance can be expected from a capitalist government.

Wherever the working class is strongly organized on the political front as well as in trade unions, it is able to wrest

certain concessions from the capitalist state. Thus, in Germany as early as 1866, mass pressure forced the franchise from the government. The Social-Democratic vote at that time totaled half a million. Since then the growing political power of the German workers has been able to win a measure of unemployment and health insurance, provision for safety, and compensation for accidents.

But the system of social insurance in Germany, fine as it sounds compared with the almost total lack of such benefits in the United States, falls far short of meeting the needs of the German masses. The system of social insurance in Germany was deliberately designed to ward off more basic changes in government. Its administration was left in the hands of the employers and their allies, the Social-Democrats. It could not prevent the wholesale degradation of the working population on whom the employers placed the crushing burden of Young plans and reparation payments to American and other bondholders. It does not pretend to cope with the vast army of permanently unemployed workers, desperate for lack of food. Thus, in the winter of 1930 while 1,500,000 unemployed workers received benefits of a little over \$5 a week per family, millions more were left destitute and without relief.

Likewise in Great Britain the workers forced on the government the Factory Acts, health insurance, and unemployment insurance, besides the so-called "dole" for the post-war mass unemployment, but the relief given has always been inadequate, even though the worker contributes about one-third of the Unemployment Fund. The unemployed adult male now receives from this insurance fund only \$4.25 a week with \$2.25 extra for his wife (or other dependent adult) and 50 cents for each dependent child. And agricultural and domestic workers and government employees are excluded from the benefits.

American Class Contrasts

In the United States, the owning class, with its complete control of the machinery of government, takes determined pre-

cautions against every manifestation of working class protest. More than one-third of the foreign-born population of voting age is barred from the franchise. The young workers, the most energetic fighters for change, are below voting age although they form a large part of the industrial army. The Negro masses of the South, numbering approximately nine million, are practically without the vote. Thus, many of the most exploited sections of the working class are unable to voice their protest on election day.

The employing class uses every means at its disposal to keep the masses in dependence and insecurity. Blacklisting and deportation threats against the foreign-born for participation in revolutionary activities; a wholesale reign of terror in the South against the efforts of the new Left-Wing industrial unions and the Communist Party to organize Negro workers side by side with their white brothers in the fight against exploitation; brutal assaults and vicious jail sentences against workers who engage in unemployment demonstrations and meetings of protest, are clear indications of the employing class offensive against the workers.

The employing class openly flaunts its control of the government. Six millionaires sit in the Cabinet with President Hoover. Andrew Mellon, one of the four richest men on this continent, controls the Treasury of the country. "During the eight years in which he has held that office," says Laurence Todd,¹ "\$3,500,000,000 in refunds, credits, and abate-ments of income taxes has gone to wealthy individuals and corporations without public hearings or explanation." An additional tax reduction of \$160,000,000 was given to rich taxpayers soon after the stock market crash.

In sharp contrast to dividends amounting to \$3,343,104,000 and interest totaling \$4,109,952,000 received by the owning class in the United States in 1929, with even considerably higher payments in 1930, the working class lives close to the starvation level.

By 1927, at the peak of the "prosperity" wave, average annual earnings of employed wage-earners in all manufacturing

industries in the United States were only \$1,299. And the average yearly full-time earnings of unskilled workers, after allowing for unemployment but excluding part-time work, was only \$1,184 in 1926.² The unemployment crisis and a terrific wage-cutting campaign by the corporations have already reduced these averages. Even the employers' agency, Standard Statistics Co., reported October, 1930, that the annual income of workers, exclusive of those in agriculture and government employees, had declined 20% in 1930 as compared with 1929, because of "wage cuts and part-time employment." The drop from this cause alone was more than \$9,000,000,000. And the U. S. Department of Labor, receiving scattering reports from only 10,000 firms, reported that 850 classes of workers received straight wage cuts in the first ten months of 1930. These did not include the thousands of small, unrecorded, departmental wage cuts all over the country.

With wages insufficient to cover the day to day needs of a worker's family, sickness, accidents, death of the wage earner, unemployment, child bearing, and old age become catastrophes all the more to be dreaded because they are inevitable. The capitalist state shifts the full burden of these catastrophes onto the working class.

THE WHIP OF UNEMPLOYMENT

Unemployment is one of the most far-reaching disasters that confronts the working class in the United States as well as in every other capitalist country to-day. The "unemployment reserve" in the United States, that is, the number of workers for whom there never are any jobs, has at no time since 1910 been less than 1,000,000. The average has been more nearly 2,500,000. In periods of business crises such as the years 1921, 1924, 1930, the number of idle workers rose to between 4 and 8 million. This means that from 10% to 25% or more of American workers are at any moment liable to be faced with the problem of *how to live without wages* for an indefinite period.

Employers and capitalist politicians try to make us believe that American workers can save enough from their previous

earnings to tide them over "hard times." An examination of wage trends in the United States has shown that even in fairly good years this is impossible except for the small percentage of the most highly skilled "labor aristocracy."

Nor do the employers make provision for taking care of the unemployed during periods of business depression. It is true that the corporations lay aside huge sums of money to insure their machinery, buildings, and surplus stocks of goods and to provide for the payment of dividends to stockholders even when profits are low. But when it comes to providing for the workers, quite the contrary is the case. And for a very good reason. The employing class has invested millions in buildings, equipment, and stocks. The loss or injury to any of these would mean a direct loss in profits and dividends. Moreover, in the case of surplus stocks of goods, it pays to hold them out of a glutted market for a rise in price.

But it pays even better to lay off workers. Not only is the entire bill of wages saved amounting to billions of dollars, but the glutting of the labor market makes wage cutting easier and serves the immediate interest of the capitalists. The saving of this wage bill enabled the employing corporations, even when the plants were idle and business in a crisis, to pay \$500,000,000 more in dividends during the first nine months of 1930 than they paid during the same period in 1929, and more than one billion dollars more than they paid during the first nine months of 1928. In contrast to these astounding profits a total of "eleven individual firms, maintaining unemployment benefit plans of their own and employing approximately 11,000 wage earners, paid out \$11,871 during 1928."³ These were all the American companies that operated unemployment benefit plans not connected with trade union schemes.

Can unemployed workers count on union benefits? Possibly 100,000, or about one-third of one per cent of all workers, are receiving some form of unemployment benefits, either through union assessments entirely or through a joint fund to which both workers and employers have contributed. But benefits under all these schemes amount to only a fraction of wages

and are paid for a maximum of six months. Workers are not responsible for mass unemployment and union members should refuse to be taxed for insurance which the capitalist class should be forced to provide.

What happens to the millions of unemployed workers and their families left totally unprovided for by the employing class and its government? They go into debt. They pawn every article of clothing and furniture they can spare. They forfeit the money paid to insurance sharks for a coffin and a "decent burial." They are powerless to resist the installment houses which haul away their furniture because they can no longer meet the payments. They are evicted for non-payment of rent. They drift to the charities with their bread lines and humiliating hand-outs. They become part of the fast growing army of dependency. They die from starvation. They commit suicide.

Unemployment takes its toll in every form of human misery.

"More mental and other cases have come to New York City hospitals in 1930 than ever before," announces Commissioner J. G. W. Greeff, who says that "the fear of unemployment in hard times is actually driving people to worry until they become mentally or physically ill."

Some 2,500 more patients with mental diseases were admitted to Bellevue Hospital in the first six months of 1930 than during the same period in 1928. Tubercular wards were particularly overcrowded.

Appeals to charity in New York City almost doubled in the seven months from January 1, 1930, to August 1, 1930. More than 12,000 families were added in this short period to the 15,000 families already on the "dependent" list of nine out of sixty charity agencies reporting to the Welfare Council of New York City. By December, about 60,000 families were registered as destitute and in need of relief, even by the police department which had made a hurried check-up. In each case "the bread-winner was out of work."

One day early in October, 1930, four children, ranging in age from 10 to 2, were picked up on the street in Cleveland, starving and cold. Their father had been out of work for

months and had disappeared. At the same time charity agencies in Cleveland were asking for old clothes to be remodeled into "garments" for 4,000 children who would otherwise go naked through their unemployed parents' poverty.

In Warrior, Ala., about the same time, a family of miners was found half dead, while their six-year-old boy actually did starve to death. The local newspaper admitted that the family had not eaten for days. The mines in the neighborhood were running only one day a week.

From a *Federated Press* correspondent in New Jersey came a report during the same months that suicides of the jobless were getting so common as to excite little attention, while in December, 1930, suicides in New York were reported 17% above the figures for December, 1929.

In Rural Ridge, a small mining town near Pittsburgh, an unemployed miner found stealing a loaf of bread for his four motherless children hanged himself when faced with imprisonment.

Yet alongside these tragic acts of desperation there is already evident a movement of protest and struggle which is making notable headway. Unemployed councils are organizing not only to demand immediate relief and unemployment insurance but to stop evictions.

Even the unemployed worker who hanged himself on a Hoover "prosperity" sign during the 1930 election campaign ended his life in a protest against capitalist hypocrisy and brutality.⁴

TOO OLD FOR A JOB

Among the millions of able-bodied workers for whom capitalist society can provide no jobs, those said to be "too old" constitute a problem of prime concern to the working class. In their arbitrary control of the job the employers can cut off whole categories of workers from earning a living by imposing an age qualification above which they will not hire.

With the "dead line" before the crisis at from 40 to 45, the hiring age of men is growing continually lower as speed-up and

unemployment drive all but the youth from the field. And Caroline Manning of the U. S. Women's Bureau declares that for women age barriers are even more severe. "Beyond the age of 25 or 30 industrial employment becomes increasingly precarious." Speaking before the social workers' conference in Boston, October, 1930, she said, "To the woman over forty, forced to seek a job, the situation seems almost hopeless."

The government, no less than private corporations, is a party to this campaign to pauperize middle age. The Navy Department and the U. S. Civil Service Commission, for example, bar from new employment in the navy yards any man who has reached the age of 48 years. The excuse given is that the retirement fund must be protected.

About 600 industrial concerns, for the most part public service corporations, railways, light and power companies, give some sort of pension to a small number of their employees after some 20 or 25 years of continuous "loyal" service. Perhaps 100,000 workers are receiving this form of private pension. The average amount given is less than \$500 a year. The workers are, of course, allowed no voice in the management of these schemes and the decision as to who gets the pension rests arbitrarily with the employer.

At the same time trade unions, which from their very start have made use of beneficiary features to attract and keep members, are finding it difficult to maintain such funds in the face of unemployment and lowered age qualifications.

What of the 2,000,000 men and women 65 years of age and over, who are physically unable to work? A few states give a miserable pittance, called "relief" or a pension, to a few thousand of these unfortunates. The others drift to the private charities and finally to the poorhouses. It is estimated that about a half billion dollars is now spent each year in the United States for the upkeep of dependent aged workers, most of this going to the maintenance of degrading poorhouses which serve principally to enrich building contractors and capitalist politicians.⁵

While 41 foreign nations have adopted some form of pen-

sion or insurance to care for aged workers, the United States, where poor laws have undergone few changes in the past 300 years, continues to house these workers with the feeble-minded, the epileptic, the imbecile, and the drunkard.

The old age pension legislation advocated by A. F. of L. officials, liberals, Socialists, and capitalist politicians out to get labor votes, is entirely inadequate. "Of the existing laws," admits the *Monthly Labor Review*, July, 1929, "probably none can be strictly classed as mandatory or compulsory." All these laws require residence in the state for from 10 to 25 consecutive years before a worker is eligible for a pension. Citizenship for the entire period is also required. In Nevada, where the law was passed in 1923, there were in 1925 only 55 applicants, of whom only 37 were eligible for pensions. In the entire state of Wisconsin there were only 295 eligible applicants in 1927. In Kentucky, where the law was passed in 1925, only one county has so far accepted the provisions of the act. In Maryland and Colorado the counties also "failed to accept the provisions of the act." California, credited with having at that time the best law, provides a maximum of one dollar a day, requires fifteen years of citizenship and residence within the state, and gives no pensions to workers under 70 years of age.

The New York old age relief bill, signed by the Democratic Governor Roosevelt, backed by the State Federation of Labor, and passed by a Republican legislature in 1930, requires a worker to declare himself practically destitute before he can qualify for the relief. The law is so worded that even the American Association for Old Age Security, supporter of the measure, admits that it "will probably allot most of the totally destitute \$10 a week . . . while yearly payments will average about \$250," in other words, \$5 a week. No worker under 70 can get one cent. In addition the aged worker must be a citizen, a resident of New York state for ten years, with no children nor grandchildren able to support him.

INDUSTRIAL INJURIES

The actual number of workers killed and injured in American industry each year is not known. The business interests keep careful inventories of their stocks of merchandise and of their machinery, but not of the workers whose lives are used up in piling up profits for the employing class. The federal government takes no responsibility for the health or safety of the workers of the country. Except for government employees, it does not even keep records nor does it formulate or enforce regulations.

Information from the states is fragmentary and unreliable. In those states where employers are required by law to pay compensation benefits, more or less accurate figures for accidental deaths and injuries are available. Some estimates place the total number of annual industrial deaths at 23,000, and others at 25,000. Figures as high as 35,000 have been given by other experts. There are in addition about 100,000 accidents causing permanent disability, at least one-fourth of these being serious enough to cripple the worker for life. The National Safety Council (July, 1929) estimates the total number of non-fatal industrial injuries at about 3,250,000 a year.

These figures, startling as they appear, leave out entirely the thousands of workers killed or injured for life by exposure to industrial poisons, fumes, gases, and harmful dust. They completely overlook the scores of workers who collapse under the strain of long hours, heat, and the terrific speed of machinery.

Mine catastrophes, explosions, and cave-ins on construction jobs are commonly recorded in the press and accepted as a matter of course as the inevitable price to be paid for American high-speed production. The country becomes momentarily aroused when five workers employed by the Standard Oil Company of New Jersey die in strait-jackets from exposure to "looney gas." The readers of the tabloids shudder in horror over the slow torture of 42 workers condemned to rot away from radium poisoning contracted in painting watch dials. But the employing class which is responsible for this sacrifice of

workers' bodies remains unchallenged in its power. No curb is placed on the poisons which workers are forced to use. No limit except sheer physical endurance is placed on the speed at which workers are driven.

The Inadequacy of Workmen's Compensation

Occupational injury, whether it be accident or disease, strikes a terrific blow at the worker, a blow from which he and his family rarely recover.

In 1924, E. H. Downey, expert on workmen's compensation in the United States, wrote: "Economically considered, the direct loss from industrial accidents is not short of one billion dollars annually. Temporary disabilities alone cause a yearly loss of more than 6,000,000 working weeks."

The system of insuring workers against accidents, known as workmen's compensation, furnishes only a part of the wages lost by the injured worker. Maximum percentages of recoverable wages range from 50% in 9 states to 66 $\frac{2}{3}$ % in 13 states and the District of Columbia. Most states limit even this provision by specifying a weekly maximum compensation payment. For an unmarried man the maximum ranges from \$14 in two states to \$25 in three states. Amounts allowed for serious partial disability are even lower. Four states, South Carolina, Arkansas, Mississippi, and Florida, have no compensation laws. Only 12 states have amended their laws to cover occupational diseases and in all but five states only certain enumerated diseases are included, thus disqualifying a majority of the injured.

Like other so-called labor laws, compensation legislation in the United States is class legislation. In every instance it discriminates against the injured worker for the benefit of the employer and the insurance company. In four states where no legislation exists, the employers are able to transfer the entire financial burden of accidents and occupational diseases to the injured workers or their surviving widows and children. In every state where compensation legislation is in operation large numbers of injured workers remain outside the law. In

no state does the injured worker receive anything approximating his average earnings. In no state does compensation start from the day of injury. Always there is a "waiting period," one week, ten days, two weeks, during which no compensation is paid. Where private insurance companies are allowed to operate, they have made enormous profits out of their monopoly of the insurance field. Delays, appeals, and technicalities skillfully introduced by cunning lawyers defraud workers of even the petty benefits to which they are entitled under the law. Where the state operates the fund, conditions are little better, the object being to protect the fund and reduce insurance rates for employers rather than increase the benefits to the worker.

PROFITS FROM THE SICK

Care of the sick in the United States is a private monopoly. There is no insurance against sickness provided by the federal government or any state.

The worker who is ill not only loses his wages, but must pay the entire cost of medical care, doctors' fees, nurses, hospital, X-rays, medicines. Sickness is next to unemployment the largest factor forcing workers into destitution, causing seven times as many appeals to charity as do industrial accidents. More than one-third of those unable to work because of sickness receive no medical care either at home or in institutions because it costs too much.

Every worker can figure on an average of at least ten days of sickness a year. This is in addition to ailments suffered by other members of the family. Nearly 3,000,000 workers are disabled for more than one month each year. A quarter of a million of these are sick for over six months, and over 100,000 for more than one year. And it must be remembered that the worker who is ill for any considerable time usually loses his job.

The fact that medical practice is a private monopoly makes, of course, for a double standard of medical care. The rich, the employers, the profit-takers, who can afford the extortionate fees of medical experts, receive the highest standard of treat-

ment in addition to special hospital quarters, private nurses, every type of diagnostic service, X-rays, and laboratory tests. Moreover, they are able to give themselves and their families the benefit of extended convalescent care so that they return to activity fully cured.

The poor, the working class, can never afford such service. Specialized private medical attention is barred to them. At home they fall prey to a type of medical practitioner, often unable to diagnose their ailments, who uses a low fee and the unfamiliarity of his patients with medical symptoms to make additional unnecessary visits.

At the hospitals the sick workers are crowded into inadequately staffed wards, free clinics and dispensaries. A fee is always charged—10, 25 or 50 cents a visit—as well as extras for medicines, X-rays, and tests.

A visit to the clinic or dispensary usually means a day's wages lost. Hospitals are rarely located in working class quarters. There are always dozens of patients to each doctor. Endless red tape concerning admissions, transfers to other departments, and difficulties in understanding the language result in delays, hasty examinations, and the necessity for frequent returns. Although many of the more able physicians give a certain part of their time to "free medical work," they leave most of the actual contact with the patients to the medical students or recent graduates who get their experience and training at the expense of the poor. The sick who are forced to consult these clinics suffer inexcusable humiliation at the hands of a host of petty functionaries.

The dread of submitting to such treatment and especially the fear of losing a day's wages often result in putting off the visit to the clinic as long as possible. Operations are frequently postponed until too late because funds are lacking. The cost of hospital beds is for many prohibitive. Proper convalescent care is out of the question. Illness for the working class means privation, lowered resistance for the industrial struggle, chronic diseases, and premature death.

A national system of health insurance providing free and

efficient medical care for all workers who are sick, in addition to payments equal to the weekly income of the wage earner for the entire period of his disability, offers the only solution.

Sixteen European countries outside of Soviet Russia have adopted some form of compulsory health insurance while six others help to subsidize unions or insurance companies which offer health insurance to workers. The only plan for health insurance in the United States was formulated in 1914 by the American Association for Labor Legislation which has never contemplated any such comprehensive system of relief as exists in European countries. The plan proposed a contribution of 20 cents a week, \$10.40 a year, out of the worker's pocket, with the employer contributing an equal amount. No benefit was to be paid for the first three days of illness, after which a cash payment of not more than \$8 a week was to be provided. Workers temporarily ill were to receive free medical, hospital, and dental care, medicine, and surgical supplies. But while the worker when ill was to have an income of not more than \$8 a week the high fees of the medical profession were carefully safeguarded.

The medical societies fought even this limited legislation as an interference with the liberty of the private doctor, while the employers and the commercial insurance interests mobilized their political agents to kill all health insurance measures which threatened their profits. So effective was their work and so feeble the policy of the reformist advocates of these measures that all health insurance proposals have remained dead for over ten years.

TRIBUTE FROM MOTHERHOOD

At least one out of every five wage-earners in the United States is a woman and the proportion of women workers is rapidly growing. Over 2,000,000 working women or one in every four is married. Among Negro women wage earners nearly one-half are married, the higher percentage being due to the fact that wages of Negroes are notoriously low.

Workers' wives in capitalist countries are for the most part

forced into industry because their husbands' pay is too small to supply the family's bare necessities or because the death, illness or injury of the husband has forced the mother to take up the struggle to support the family. This is not the place to discuss the double load which working mothers must shoulder. It is a well-known fact that the woman worker must endure not only the strain and hazards of industry, but the added strain of sewing, washing, cooking, and cleaning for the family, the burden of pregnancy and childbirth, the care of babies and growing children, and the duty of nursing the sick.

Here as in every other problem of workers' needs, the federal government stands aside to let the workers bear the full force of capitalism's greed for profits and neglect of those who make profits possible.

The death rate among working class babies is at least four times as high as that among babies of owning class mothers. Working mothers die in childbirth out of all proportion to their number.

"Industrial women are almost wholly without protection during the period preceding and following childbirth," states the Communist Party of the U. S. A. in its pamphlet, *American Working Women and the Class Struggle*.

Forty-three states have no restrictions on women's being employed during this period—in spite of the agreement of medical authorities that at least six weeks' vacation from labor before and after childbirth are necessary to safeguard the health of mother and child, and where the woman's work is strenuous a longer vacation is necessary. . . . In no instances are any arrangements made for the woman worker to be compensated for the wages lost during this period (or to get back her job after childbirth). Pressed by economic necessity women wage-earners labor as long before and as soon after giving birth as possible with great injury to themselves and a consequent heavy death rate among the infants.

No provision is made in any state for medical care and hospitalization of working women before, during, and following childbirth. For such care the wives of the rich pay specialists as much as \$1,000 or more per child, while \$150 is the *minimum*

cost for maternity service by a general practitioner, according to the Metropolitan Life Insurance Company. This is exclusive of hospital fees which are usually no less than \$3 a day.

Note in this connection the fact that it is a crime to make available to the poor, scientific and safe information regarding birth control, or to assist in abortions when unwanted pregnancy occurs. Here again the wives of the rich buy their way to safety behind the doors of skillful physicians well paid to break the law. How many working mothers injure themselves for life or actually die in an attempt to counteract pregnancy will never be known.

As for the children of working mothers their handicaps pile up from the time they first breathe. No system of public nurseries, nursery schools or preschool care has been prepared for them. Neglected or parked with more fortunate neighbors while the mother is at work, or crowded into the day nurseries provided by private charity, fed what can be afforded from the scant pay envelope, with the street as a playground, they grow up undernourished and already ill when the time comes for them to take their places on the industrial treadmill.

Mothers' Pensions

A word about mothers' pensions which are in operation in all but four states for widows with dependent children. Although there are now 11 states which put no legal limit to the pension a mother may receive, in none of these states has the actual pension paid with a few exceptions exceeded \$64 a month. In Massachusetts and Rhode Island where no maximum is set in the law the highest amounts paid in 1928 were \$64 and \$50. In Connecticut the maximum amount paid was \$47; in Pennsylvania, \$39; Illinois, \$26, and Minnesota, \$25.

The New York law, which is typical, leaves it to the county or municipality to raise the required funds. The amount of money a mother may receive is not stipulated, except that "it shall not exceed amounts spent on children in state institutions for the poor." This is a maximum. The pension fund is administered by the Child Welfare Board which in New York

City is appointed by the mayor and holds office for a nine-year term. The members of the board pry into the private lives of every family they assist. The mother who receives a pension becomes virtually a slave of the welfare board. It practically determines the kind of work she shall or shall not do. It can arbitrarily reduce the amount of her pension, without warning, as a penalty for its displeasure. It exhibits all the sordidness of private charity under the cloak of public responsibility.

The sum of \$18.85 a month for the first child, with a graduated scale for each additional child, was the allowance to widowed mothers under this law up to 1930. This maximum was made in 1915 and had not been changed in 15 years, according to the president of the Child Welfare Board who in 1930 asked for an increase to \$30 a month. A widow in New York City was supposed to support herself and one child on \$4 a week. Now she is to be granted \$6.75 a week. It is assumed, of course, that she leaves the children somewhere and goes out to work, or that both of them starve to death in the unemployment crisis, thus relieving the city of its entire burden!

INSURANCE INTERESTS

The struggle of the working class in the United States for an adequate nation-wide system of social insurance involves a bitter struggle against all the forces of capitalism. Among these forces none will be found more formidable than the private insurance interests. In 1905, when life insurance graft and scandals were so ill-smelling that the New York legislature "protected" the public by the usual "investigation," control of legislation was one of the outstanding abuses disclosed. And proposed legislation at that time was nothing more than workmen's compensation insurance of the weakest kind.

Workers must realize that the insurance corporations which have been able to wrest unlimited tribute from a monopoly on human misery will not relinquish their profits without a fight to the finish. In their campaigns to weaken and defeat social

insurance bills life insurance lobbies have at their disposal unlimited resources.

By 1929 there was outstanding in the United States \$110,000,000,000 in life insurance policies,—an amount which exceeds the resources of all the banks in the United States and Canada combined. The premiums paid in to cover these 95,000,000 policies yielded, for investment purposes alone, \$17,000,000,000 worth of cash and securities. Insurance corporations, through their investments in real estate and industrial stocks and bonds, thus control an extremely important part of American industrial and financial capital. Their officers look forward to an ever increasing share in the wealth produced by the workers of the nation. According to predictions of insurance experts the amount of life insurance in private companies, and hence premiums paid in, will double in the next ten years.

What do the workers get out of these \$110,000,000,000? Even life insurance executives admit that ordinary life insurance “has not reached the bulk of the population.” Some 285 multi-millionaires each carry a million dollars worth of life insurance, according to *The Spectator*, a New York insurance weekly, while “14,000 other business and professional men in firmly entrenched financial positions, own life insurance policies ranging in value from \$50,000 to \$1,000,000. Pierre Du Pont, a gunpowder and chemical baron, heads the list with a seven million dollar policy. Five million dollars were paid to the heirs of William B. Ward, president of the anti-union Ward Baking Co., when he died in 1929.

Even including such staggering policies, the average insurance claim in New York in 1929, according to the Insurance Commission of that state, was only \$2,500. Those workers who might have been fortunate enough to own an average life insurance policy would thus have left to their widows and children an income of \$125 a year (\$2,500 invested at 5%) or \$2.50 a week!

But most American wage earners cannot afford even this trivial amount of life insurance. All the protection they can

manage to carry for their families is the weekly payment industrial policy. There are 3½ of these industrial policies in force to every ordinary life policy. The average death claim on industrial policies in 1927 was \$173.

The usual American funeral costs \$400, according to estimates of the Metropolitan Life Insurance Co., the leading industrial insurance writer in the country. So the average industrial policy does not yield the worker's family even enough to give him a decent burial.

Overhead and Fat Salaries

There is yet another side to the picture. When a worker falls behind in his insurance payments, he must forfeit his policy. All the money paid in up to the date of forfeiture goes to the insurance company. In 1928, for every worker industrially insured in the Metropolitan Life Insurance Co. eight were forced either to surrender their policies or allowed them to lapse. Some 7,562,428 workers were unable to continue payments of 10 or 15 cents a week. In this way the company saved almost two billion dollars worth of future death claims.

Why do the profits on the 17 billions of insurance company investments net the small policy-holder so pitiful a sum? Why must the worker who falls behind on his payments lose everything? Because dividends to investors and huge salaries to insurance company directors eat up the premiums. Almost one-half (48%) of the premiums paid in on new policies in New York state in 1928 went for "acquisition costs," while for companies not authorized to operate in New York the overhead was 75.5%. The overhead on renewals was 14% in New York and 23% in the case of the 215 other companies not authorized to operate in that state. These are the figures found in an investigation made by the New York State Insurance Department.

Included in "acquisition costs" are the enormous salaries paid officers of the companies. In 1928 the president of the Metropolitan Life Insurance Co. drew the huge salary of \$200,000; one of his sons, as vice president, drew \$35,000, and

one vice president (now president) received \$175,000. In short, 19 persons in the Metropolitan were paid a total of \$919,000 in salaries; 13 in the Prudential drew \$538,000; 10 in the Equitable received \$387,961; seven in the Travelers, \$279,500; and six in the Mutual Life, \$260,000. "Altogether eighty high officials of ten of the larger insurance companies received the staggering amount of \$3,492,627 during 1928." ⁶

On the other hand a large percentage of the girl clerks of the Metropolitan start at \$12 a week with a maximum of \$33 a week between the tenth and twentieth year of service.

The class nature of private insurance operations is also shown by the arrest of four members of the Office Workers Union, affiliated with the Trade Union Unity League, when they attempted to organize these wage slaves of the insurance interests to fight for better conditions. "The arrests were made," says the *New York Times*, "after officers of the insurance companies had complained of the Communists' activities." With the assistance of police clubs and capitalist courts the Metropolitan Life manages to keep its 32,000 employees unorganized.

Company Insurance

Group insurance is one of the methods used by the corporations and the insurance interests to fool the workers and to defeat legislation for their benefit. Initiated in 1912, this type of insurance now totals eight billions of dollars and covers corporations employing some six millions of workers. In point of volume, group insurance policies amount to only about 5% of the individual policies. And they cover workers only so long as they stay with the company. When a worker goes on strike or is fired, he forfeits his policy.⁷

Most of the group insurance policies require regular payments by the workers, in addition to payments made by the company. The plan of the Southern Railway to insure its 60,000 employees against old age, mishaps, and sickness requires a minimum payment by the worker of \$2.50 a month. Should an employee quit or lose his job he receives only the

amounts he has already paid in "less a small surrender charge if this takes place before the end of the second year." If he wishes to continue the policy, he must pay the entire premium at individual policy rates, about \$87.50 on a \$2,000 life policy. The Eastman Kodak Co., employing 20,000 workers, also sees that the workers pay the premium.

Group insurance leaves out the overwhelming mass of wage earners. It is always beyond the reach of the unemployed. It feeds on the wages of those workers who have been tested as docile, pace-setting servants of the corporations using this type of welfare bait. It is simply one more method of making money for the private insurance companies and allying them more closely with the corporations in their attacks on the working class.

A. F. OF L. TREACHERY

Out of the 32,000,000 wage and salaried workers in the United States, about 3,500,000 are in trade unions. And the great majority of these unions have become nothing more than agencies of the employers under the domination of high salaried officials who mislead the workers and betray their interests. The American Federation of Labor, allied with the employing class and the capitalist parties, has bitterly fought the entrance of the workers into the political field with their own class demands and candidates.

Every state federation of labor has its "legislative representatives," or political lobbyists who work chiefly behind the closed doors of sessions of the state legislatures selling labor's endorsement to various measures. For 20 years these "labor lobbyists" have juggled with workmen's compensation, bargaining for a dollar more for the loss of an eye or agreeing that the loss of a thumb should be paid for at the rate of $\frac{1}{8}$ of total disability. But all the time they have accepted the employers' principle of partial compensation, the principle that an injured worker is entitled to only a part of his wages, two-thirds, one-half or even less. They have never dared to challenge the capitalist dictum that there must be

no national law in the United States for the protection of workers. Year after year they have bargained for dribble improvements in 48 state laws. And after 20 years we find workers in four states still without the right to compensation. We find injured railroad workers, farm laborers, and certain other categories of workers still unprotected. The A. F. of L. leaders and lobbyists have always opposed a real nation-wide campaign for social insurance, for the protection of the sick, of the working mother, of the aged, of the unemployed. They have always fought all federal measures and have bargained for piecemeal and ineffective state legislation.

In June, 1918, the American Federation of Labor voted down a resolution in favor of the "adoption by the government of a comprehensive national system of social insurance." And during a constitutional convention in Massachusetts, August, 1918, A. F. of L. politicians of that state joined the insurance interests in defeating all social insurance measures. "Securing maximum sustained output," and "reducing the cost of labor turn-over" are mentioned by some labor officials as among the other special benefits to be gained by industry from health insurance when they do find it good politics to support the measure. Not the protection of the worker but the employers' profits seems to be their chief concern.

As for old age pension legislation, pressure from affiliated unions and workers generally forced its endorsement at the 1929 convention of the A. F. of L. after more than ten years of agitation. But again no national campaign was contemplated; only the endorsement of state legislation and of a kind so limited in benefits and scope as to leave the majority of dependent aged workers to starvation.

Challenged by three of the more "progressive" delegates to take a stand for unemployment insurance, the 1930 convention of the Federation, held in the midst of the severest unemployment crisis that ever hit the workers of the United States, again betrayed their interests by voting merely to "study the question." What more could workers expect of an organization whose Executive Council had some months previously given

its word to President Hoover that it would help the corporations by discouraging strikes?

Why should Federation officials worry about insurance for the unemployed when their jobs are so well paid and last so long? Samuel Gompers held the office of president of the Federation for over 40 years. Mr. Green draws a salary of \$12,000 a year and \$8,000 more for expenses, while Frank Morrison, Secretary of the Federation for 34 years, takes \$10,000. Presidents of the barbers, plasterers, plumbers, and telegraphers unions get \$10,000 a year; the heads of the machinists, miners, elevator constructors, and garment workers, \$12,000; train service brotherhoods, \$12,000 to \$15,000; bridge and structural iron workers and operating engineers, \$15,000; and theatrical stage employees, \$20,000.

Besides, the A. F. of L. itself has gone into the private insurance game with the organization of the Union Labor Life Insurance Co. Outside of providing high salaries and soft jobs for a number of labor leaders, notably its president, Matthew Woll, leading Red-baiter and acting president of the National Civic Federation, this union insurance outfit has not been very successful. No dividends have been paid. In fact, \$63,000 of the original investment taken from workers' pockets has already been used up. In a speech to the Building Trades Employers' Association of New York in December, 1930, Woll states that his company was formed "to delay largely, if not entirely, the appeal to political bodies" for insurance, meaning efforts to secure any program of social insurance. He stated that it was formed also "to promote among the wage earning class the idea that our social order is best designed to promote the welfare of individuals." Woll, as always, showed himself more capitalist-minded than the rest of his fellow capitalists and racketeers.

The policy of the A. F. of L. officialdom in opposing social insurance is at one with their general policy of playing the employers' game against the workers. This policy is not merely to discourage strikes through building up arbitration machinery which ties the hands of the workers. When they can no

longer prevent strikes they actually break them, forcing the workers back on the job instead of encouraging them to fight for their demands and giving them the support of organized labor as a whole. Where non-A. F. of L. unions have been able to mobilize workers for militant struggles, A. F. of L. unions have often acted the part of strikebreakers and in many cases secured injunctions against the Left Wing. Where campaigns for social insurance have been started A. F. of L. lobbyists have stood with the employers against the workers.

REFORMIST PROGRAMS

The common aim of all reformist programs for the relief of misery in the United States is to perpetuate capitalism and divert the working class from revolutionary activity—ward off “internal upheavals during troublous times” is the way one of the reformists put it.

The American Association for Labor Legislation is a mixture of Socialists, social workers, labor leaders, government officials, and non-union employers. Instead of a real social insurance program it suggests an “American Plan” for “unemployment reserve funds.” Under the state laws which it proposes the unemployed worker would receive “a maximum of \$10 a week” in relief, and “for no more than 13 weeks in a year,” providing he had been employed at least half a year in the same state. In other words, he could secure no more than \$130 a year and only half that amount if he happened to be a young worker under 18 years of age. Under this legislation he would have to wait at least two weeks before getting any relief.

A particularly bad section of this proposed law is the one that grants exemption to any employer who sets up his own company insurance scheme to give “benefits at least equal” to the meagre ones provided by the state fund. This opens the way for more welfare doping of workers by the employers, who will hurriedly set up their own “voluntary” “loyalty”-breeding devices in order to avoid any payments to the state fund.

The Conference for Progressive Labor Action is a collec-

tion of Socialists, ministers, professors, and "forward-looking" labor "advocates" headed by the liberal preacher, A. J. Muste. It has drafted a bill which would grant the unemployed worker, after a waiting period of one week, only 40% of his former weekly wages, with an addition of 10% more if he lives with his wife, and a maximum of another 10% additional, regardless of the number of his dependent children. This relief, the bill declares, shall be given for only 26 weeks at most and can only be granted to a worker who has worked at least one year in a state, or twice as long as in the bill proposed by the American Association for Labor Legislation. This is equal to saying that a worker must accept, while out of a job, a standard of living 50% or more below what he has been accustomed to. And what happens to him after the 26 weeks is up these "progressives" do not say. Besides, if he has been discharged for "misconduct" (not defined in the bill) he gets no benefit. The administration of this measure is to be left to the labor departments of the 48 states, all of them manned by capitalist class politicians. And they are to be assisted by an "advisory board" which will consist of two employers, two "representatives of organized labor" and "one representative of the public" to be appointed by the capitalist state governor.

The social insurance plank of the Socialists in their 1930 election campaign called for "adequate benefits" instead of full wages. Later in the year, in a tentative "State Unemployment Insurance Bill," a committee of the party proposed that the "indemnity" for unemployed, who had worked in the state for a whole year, should be only 50% of wages for a single worker, 60% for one married with a dependent wife or husband, plus 5% for one child or 10% for two or more children. Even the man with a dependent wife and children can get no more than \$25 a week with a minimum of \$12. There is no minimum set for those without wife or children dependent on them. The worker must be jobless one week before he can get any benefits. The administration of the law is left to an insurance board consisting of the state labor commissioner, and two representatives each of the employers and of "organ-

ized labor," all of them chosen by the capitalist governor of the state.

From start to finish the reformist programs put forward by every one of these organizations from liberal to Socialist are insincere, inadequate, piecemeal stop-gaps. They can in no instance be considered as social insurance programs. They are not workers' measures. They are weapons of the employing class to fool the workers, and to stop the drift toward more radical programs.

THE COMMUNIST CHALLENGE

The proposals of the Communist Party, on the other hand, constitute a comprehensive program of social insurance which, if enacted into law, would give the wage earners of the country an immediate measure of security under the prevailing system of exploitation.

Lenin, rallying the Russian workers to a struggle for greater security while yet under the Tsarist régime, outlined at a Bolshevik Conference in 1912 the following complete system of social insurance to be administered by the workers:

The best form of workers' insurance is state insurance, built on the following bases: 1. It must care for the workers in all cases of loss of working capacity due to accident, sickness, old age, invalidity; for the woman workers likewise in case of pregnancy and child-birth; for widows and orphans after the death of the bread-winner, also in case of loss of support as a result of unemployment. 2. The insurance must embrace all wage workers and all members of their families. 3. All insured must receive relief to the full amount of their wages, all costs of insurance to be borne by the employers and the state. 4. All branches of the insurance system are to be administered as uniform insurance organizations on the basis of complete administration by the insured themselves.

The Communist program demands government support for unemployment, old age, maternity, widowhood, sickness, accidents, occupational diseases, and permanent disability. It is, in short, not piecemeal legislation but a complete system of social insurance. The aim is a federal law which will secure similar benefits for all workers throughout the 48 states.

The goal of the Communist campaign for social insurance

is the abolition of the whole fraud of private charity and the wiping out of all profits coined from human misery by the insurance interests. Workers in need of social insurance are to receive not a starvation pittance but an amount equal to the average wage in the country—for the present \$25 a week.

The entire financial burden of the system of social insurance proposed by the Communists is to be borne by the employing class and the state.

“Seven billion dollars is immediately available for the inauguration of this insurance fund,” the Communists declare, referring to the seven billions of interest and dividends pocketed by the employing class of the United States as its annual tribute from the toil of the workers.

Every cent which the government is appropriating for war preparations and colonial oppression should be demanded by the workers for their own benefit. Finally, *the administration of all social insurance funds must be taken out of the hands of the employing class and placed in the hands of “commissions of workers directly elected by the workers themselves in shops, mills, factories, trade unions, and councils of the unemployed.”*

The Communist Party offers workers no illusions that the capitalist government will grant real measures of relief without a terrific struggle. They therefore realize that the first step in the campaign must be the nation-wide mobilization of the working masses. They know that to combat effectively the organized forces of capitalism the campaign for social insurance must root itself in every factory and workshop, must link the worker who has a job to his fellow worker on the bread line. They know that the struggle for social insurance must go hand in hand with a real trade union struggle against unemployment, wage cuts, and speed-up.

While they are carrying on the campaign for a national system of social insurance, Communists are also fighting for the immediate relief of the starving workers in every state and city.

Unemployed Councils are organizing not only to demand

immediate local relief and unemployment insurance from the federal government, but also to stop evictions. During September, October, and November, 1930, according to the Trade Union Unity League under whose auspices Unemployed Councils are formed, evictions have been stopped, and furniture has been moved back into homes in many cities as a result of action of Unemployed Councils with the assistance of the workers in the neighborhood. In Detroit alone, 245 evictions were stopped either by mass demonstrations before the furniture was moved out, or by moving the furniture back into the homes. The police and landlords were thus successfully defied by the militancy of the workers.

Some Immediate Demands

Free food, carfare, and clothing for unemployed children, paid for by the city, not by charity, is another immediate demand which cannot wait until the national or state governments act. Free medical care for the sick through the commandeering of hospitals and medical staffs by the city is another such measure. Too long have the sick workers suffered at the hands of charity clinics.

Through such a campaign it is possible to place squarely before the workers adequate demands in contrast to the hypocritical proposals of all other political parties and organizations. Every hunger march, every demonstration in such a campaign, makes clear to the workers how little they can get from existing administrations, whether Republican, Democratic, or Socialist.

Wherever workers' heads are cracked by the police in demonstrations for social insurance or immediate relief, the myth of securing any gains without a struggle is shattered. Under a Socialist mayor in Milwaukee, under a "reform" mayor in Detroit, under a Republican mayor in Pittsburgh and under a Tammany Democratic mayor in New York, the answer to the demand for work or wages has been the same—brutal clubbings and jail sentences.

These experiences teach the workers there can be no easy

path to victory. They see their militant leaders beaten into unconsciousness for voicing their demands, shot in the back as was Steve Katovis, railroaded to jail as were the New York unemployment delegation and scores of labor's valiant fighters now rotting in prison, or sent to the electric chair as were Sacco and Vanzetti. They come to realize that only from their own ranks can be drawn fresh forces, fearless and determined enough to carry on the struggle.

The fight for social insurance must go on because it is a fight for security in the daily struggle for existence faced by every member of the working class. The fight for social insurance must go forward under the leadership of the revolutionary unions and the Communist Party, because those unions and that political party are the only workers' organizations determined to push on until the employing class, beaten back by the rising power of an awakened proletariat, gives way. This struggle for social insurance in the United States, as in every other capitalist country, receives continuous inspiration from the progress made by the workers of the Soviet Union who have abolished the private profit system and have taken into their own hands the conduct of their lives.

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