

1935

Year

468

Chapter

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CHAPTER

468

3d Rdg. 1422

No. 2

IN SENATE

April 9, 1935

Assembly bill No. 9765 introduced by Mr. RILEY read twice and referred to the Committee on Labor and Industry—reported favorably from said committee with amendments, and ordered reprinted as amended and substituted for Senate bill print No. 2189 as amended on the order of third reading

AN ACT

Amend. To amend the labor law, in relation to creating an unemployment insurance fund and providing for the method of administration and making an appropriation therefor.

Notes

Compressed copy - line 13

"employment" is spelled

"imploiment"

Jurats and Enacting Clause

Compared by

Massman Huntington

April 25, 1935

red by

STATE OF NEW YORK

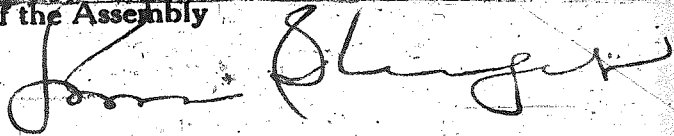
MAR 20

1935

In Assembly,

This bill was duly passed, two-thirds of all the members elected to the Assembly voting in favor thereof.

By order of the Assembly



Speaker

STATE OF NEW YORK

In Senate,

1935

This bill was duly passed, two-thirds of all the Senators elected voting in favor thereof.

By order of the Senate

President

AN ACT

To amend the labor law, in relation to creating an unemployment insurance fund and providing for the method and mode of its administration, and making an appropriation to carry out the provisions thereof.

1301-S

WESTERN UNION

gram unless its deferred character is indicated by a suitable sign above or preceding the address.

SIGNS	
DL	= Day Letter
NM	= Night Message
NL	= Night Letter
LC	= Deferred Cable
NLT	= Cable Night Letter
Ship Radiogram	

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILGIVER
FIRST VICE-PRESIDENT

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at Cor. Pine and Lodge Sts., Albany, N. Y.

1935 APR 16 AM 2 50

NC5 60 NL=NEWYORK NY 15

GOVERNOR HERBERT LEHMAN=

EXECUTIVE MANSION ALBANY NY

RECEIVED
APR 16 1935
LUNDEEN TO GOVERNOR

MINUTES IN TRANSIT	
FULL-RATE	DAY LETTER

WE THE 14TH CONGRESSIONAL ACTION COMMITTEE FOR GENUINE SOCIAL INSURANCE REPRESENTING THE VOTERS OF THIS DISTRICT WHO HELPED TO ELECT YOU DEMAND THAT YOU VETO THE FRAUDULENT ANTI WORKING CLASS BYRNE KILGREW BILL WE FURTHER DEMAND THAT YOU TAKE IMMEDIATE STEPS TO BRING BEFORE THE LEGISLATURE A BILL DUPLICATING THE LUNDEEN BILL HR2827=

14TH CONGRESSIONAL ACTION COMMITTEE FOR GENUINE SOCIAL INSURANCE.

3

Postal Telegraph

THE INTERNATIONAL SYSTEM

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This is a full rate Telegram, Cablegram or Radiogram unless otherwise indicated by signal in the check or in the address.

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NL	NIGHT LETTER
NM	NIGHT MESSAGE
LCO	DEFERRED CABLE
NLT	NIGHT CABLE LETTER
WLT	WEEK END CABLE LETTER
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INDICATED ON THIS MESSAGE

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HR. NEWYORK NY 26 354P

1935 APR 26 PM 4 14

HERBERT H. LEHMAN

Chap

GOVERNOR OF NY EXECUTIVE CHAMBERS ALBANY NY

AS ONE WHO HAS BEEN INTERESTED IN AND SERVED ORGANIZED LABOR FOR MORE THAN TWO DECADES AND HAS COME TO KNOW THE PROBLEMS AND ANXIETIES OF THE LABORING MAN I WISH TO EXTEND TO YOU MY PROFOUND CONGRATULATIONS ON THE ENACTMENT UNDER YOUR COURAGEOUS AND FORWARD LOOKING LEADERSHIP OF THE STATE UNEMPLOYMENT INSURANCE BILL CONSIDER IT THE MOST PROGRESSIVE MAKING PIECE OF SOCIAL LEGISLATION IN OUR STATE WITHIN A GENERATION

MORRIS ROTHENBERG.

PRENTICE-HALL, INC.

70 FIFTH AVENUE - NEW YORK, N.Y.

Announcing--

The first loose-leaf Service on

NEW YORK STATE UNEMPLOYMENT INSURANCE

noted *HHK*
To be noted

~~There is now available a new loose leaf guide covering the entire~~
Federal and New York State Unemployment Insurance and Pension Laws.
This authoritative guide, which will be kept right up to date week by week, enables you to:

1. Clearly understand how the new New York State unemployment insurance law, and the Federal law soon to be enacted, affect your clients.
2. Help clients follow certain procedure *right now* so they will be prepared to meet future requirements more efficiently.
3. Take definite action, *beginning this month*, in order to keep your clients' future PAYROLL TAX as low as possible.
4. Receive the official forms you will need, and determine what records your clients must keep, *beginning this month*, in order to avoid additional bookkeeping in the future.

FREE, from now until next July:

Every attorney will need this authoritative Service - if he expects to help his clients meet the new State and Federal unemployment insurance requirements in the way most advantageous to them!

To encourage you, as an attorney, to secure this Service NOW, we will install it in your office at once and keep it up to date until next July WITHOUT CHARGE -- in connection with a subscription to begin after July 1.

The Service answers questions such as these --

1. Can you avoid paying insurance assessments on persons employed by another firm, if you contract for a job to be done by that firm?
2. What procedure should you follow, *beginning this month*, in order to keep your future unemployment insurance costs to a minimum.
3. Unemployment insurance will affect production costs. How should you allow for this TODAY on contracts for future delivery?

4. What records should clients keep, *beginning this month*, in order to ~~avoid additional bookkeeping when the law goes into effect?~~
5. If a client sells to a retailer on consignment, will he be subject to insurance assessments for the purchaser's salesman?

You **MUST** have quick, accurate answers to such questions as these **NOW**.
~~You can't afford to wait. There is too much money involved--too much danger. Delay in getting accurate information may result in payment of too much payroll tax, or a heavy penalty for failure to comply.~~

You cannot afford to ignore these five facts --

1. ~~In addition to the State payroll tax, the Federal tax alone may be up to 5% and more! (On each \$25 a week clerk this means a tax of \$71 a year, plus State taxes!)~~
2. There are **MANY** ways in which your clients can reduce their payroll tax liability if they take action **NOW**.
3. The Unemployment Insurance Service gives you complete information on State and Federal Unemployment Insurance laws and comes to you **WITHOUT COST** for the next three months!
4. Any delay may cost your clients hundreds, perhaps thousands of dollars this year!

This loose-leaf Service is always up to date:

Information on current developments that affect State & Federal Unemployment Insurance will be sent to you at frequent intervals during the period of your subscription. This current material is to be filed right in the loose-leaf binder. It is indexed and cross-referenced so that you have the latest information on these important subjects all in one place whenever you need it.

These supplements will include the latest regulations -- both Federal and State - the forms which you must use in complying with the law, court decisions affecting the law, and all other current developments with which you must become familiar.

FREE SERVICE from now until July --

There is no need to wait. You can save nothing by waiting to subscribe, and a delay may cost you several times the price of the Service. The sooner you mail the enclosed card, the more Service you will get without cost.

LBac

Very truly yours,

Richard H. Hedges
President

BERNARD E. FINUCANE
1204 LINCOLN-ALLIANCE BANK BUILDING
ROCHESTER, N.Y.

March 20, 1935

In Re -
Byrne-Killgrew Bill

Hon. Herbert H. Lehman,
Governor of the State of New York,
Albany, New York

Dear Governor Lehman:--

I feel that from several different angles it is important that I should go on record with you as heartily opposing the above mentioned bill in its original and present amended form.

There is no question in my mind, nor in the minds of any of my friends in industry, that unemployment insurance must become a reality in the near future, but in assuming this obligation let us not penalize our home industries by untimely action.

It seems to me that it would indeed be an unfortunate thing for the industries of the State of New York to be handicapped as against the industries manufacturing in other States by imposing this obligation on New York State industries before the other neighboring States were obligated to impose a like burden on their own industries thru the adoption of a Federal Act.

If this bill could be passed with an amendment to the effect that it would become effective as of January 1, 1936 providing no Federal Act had been passed prior to that time it would indeed help the situation.

One feature of the bill which I think is unquestionably based on the wrong theory is that it requires the operation on the basis of a pool thereby penalizing the Company which has intelligently faced the proposition of stabilization, and placing a premium on the inefficiency or indifference of the heads of industry who have not faced this vital problem intelligently.

The plan as ultimately worked out should unquestionably provide an incentive to all industries to stabilize their employment.

BERNARD E. FINUCANE
1204 LINCOLN-ALLIANCE BANK BUILDING
ROCHESTER, N.Y.

Practically all of the leaders of industry in our City have approached me in no uncertain terms about the enactment of this bill at this time, and it is the weight of argument of these fair minded men in addition to my own conviction that persuades me to address this communication to you.

Before writing this letter I have consulted with my good friend, Marion Folsom of the Eastman Kodak Company, in whom I have great confidence not only as a loyal Democrat but as an outstanding student and authority on the subject with which this bill deals. He is apparently very much in agreement with what I have set forth here, and seems to feel very definitely that the re-action to the present proposed hasty action will be very disastrous for us in this community.

Furthermore, although I have discussed this subject here from a standpoint of industry only, I am equally convinced that the pool plan as against plant reserve plan will be as great a penalty for the employees of industrials which are operating on an intelligent, stabilized plan of employment as for the industry itself. Therefore, I urge that that side of the question receive your most careful consideration.

The ideal plan in my mind would be to await the result of Federal legislation and then, if necessary, call a special session for the enactment of this important legislation.

I sincerely hope that you will accept this letter in the spirit in which it is offered. It is not often that our community here becomes so riled up about a situation as it has in this case, and, therefore, I feel that as a friend and well wisher of yourself and the administration that it is my duty to make the above recommendations to you as emphatically as I possibly can.

With most sincere good wishes, I wish to remain,

Very truly yours,

Bernard E. Finucane

Hon. Herbert H. Lehman, Governor,
Albany, N.Y.

Dear Sir -

The Byrne-Kilgrew bill, as now passed by the assembly, will tax educational institutions three per cent of their pay-roll, and put the proceeds into a pool. This fact seems to work a hardship on private institutions - founded like Mechanics Institute - to help those in need. It really would penalize them, since the employers would get no benefit from the state pools. Aside from this particular instance, Rochester employers, many

of whom have paid unemployment benefits for several years. It is unwise to pass a State unemployment compensation law ahead of a Federal law, which will probably set standards to which our laws must comply.

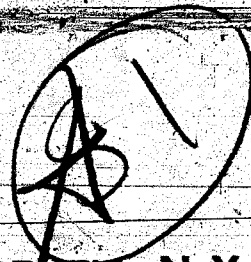
As a member of the "Board of Directors of Mechanics Institute," I wish to call your attention to the unfairness of this bill.

Sincerely —

(Mrs.) Fannie R. Bigelow

March, 22/35-

CHAS. E. LORD
MANUFACTURING
CONFECTIONER



HORNELL, N. Y. 4/15/35

Gov. Lehman,
Albany N.Y.

Dear Sir:

In one of your campaign speeches made at Rochester, prior to your first term as Governor, you were quoted as asking why the manufacturers were leaving this state, and also quoted as saying that you noticed many advertisements put out by the State of Delaware asking manufacturers to come there.

The answer was then, and is now, very simple; such legislation as you have just enacted, the un-employment insurance, and many other radical labor measures, by yourself and your predecessor, then Gov. Roosevelt.

I have long wanted to call your attention to this speech.

Very Truly Yours,

Chas Lord

Acknowledged

THE CAZENOVIA SEMINARY

FOUNDED 1924

CAZENOVIA, NEW YORK

S | April 16, 1935

The Honorable Herbert W. Lehman
Governor of New York
Albany, New York

Dear Sir:

The Unemployment Insurance Bill proposed for the purpose of obtaining taxes through earnings, especially of private educational institutions, is causing many people deep concern. Such an institution as Cazenovia Seminary, which operates without profit and which offers to its students approximately \$1,000.00 worth of tuition, room, board, etc. and charges its students only \$650.00 making up the difference from invested funds, church contributions, etc., would be greatly distressed and perhaps forced to discontinue by the passage of such a bill. The annual budget of such an institution is written at a very close margin. To add even \$1,000.00 to its annual expense through such a tax, in view of the fact that there is no available source of increased income, would be calamitous.

The problem of taxation relating to private colleges and secondary schools needs careful study, but the passage of any bill that does not take account of the ultimate effect upon such institutions is destructive legislation.

I hope that you will give this your personal attention, and I would appreciate a frank expression of your opinion regarding this matter.

Very truly yours

H. W. Lehman

President

HWH/DEC

GLEASON-TIEBOUT GLASS COMPANY

MANUFACTURERS OF
LIGHTING GLASSWARE
MAIN OFFICE
99 COMMERCIAL STREET
BROOKLYN, N. Y.

SHOW ROOMS
200 5th AVENUE N. Y. CITY AND
20 NORTH WACKER DRIVE, CHICAGO

FACTORIES:
BROOKLYN, N. Y. CITY
MASPETH, L. I. N. Y. CITY

April 23, 1935.

RECEIVED
APR 24 1935
EXECUTIVE
COUNSEL TO GOVERNOR

RECEIVED
APR 24 1935

C. Gleason

Hon. H. H. Lehman,
Governor of New York,
The Capitol Chamber,
Albany, New York.

Dear Sir:

You have before you the Unemployment Insurance Bill. This letter is written with no hope that it will in any way influence your action in this matter, but as a simple statement of the destructive injustice of this entire scheme to industries wherein the labor cost is high.

As a concrete example - we can take the payroll of our own company, which is the manufacture of illuminating glassware - a craft industry employing a considerable number of highly skilled men and an industry which has not, and cannot be materially mechanized. When the company does a business of about a million dollars a year, the payroll is \$8,000.00 per week or approximately 40% of the selling price of the product. When these laws are in operation, as we understand it, the tax will be 3% of the payroll in one case and 1-1/2% in the other and this will mean a tax of \$18,700.00 a year or \$360.00 each week. At the present time, and for four years, the company has operated without a profit. For the previous thirty years there was always a profit, but it did not average over 7-1/2%.

There are many other companies in mechanized industries who employ fewer and cheaper labor per dollar sales. Many of them have payrolls as low as \$3,000.00 a week. Upon this basis, their load for these two forms of social insurance will be only \$7,000. a year.

Our attitude is that Old Age Security and Unemployment Insurance is not the interest of the individual company or individual business but is that of the entire community. This being so, the charge for carrying should not be on the organization which gives opportunity for employment but on the entire community.

MARSHALL W. GLEASON, PRESIDENT
MARSHALL T. GLEASON, VICE-PRESIDENT

CORNELIUS H. TIEBOUT, TREAS. & SECY.
CHARLES W. GLEASON, FACTORY MANAGER

GLEASON-TIEBOUT GLASS COMPANY

MANUFACTURERS OF
LIGHTING GLASSWARE

MAIN OFFICE
99 COMMERCIAL STREET
BROOKLYN, N. Y.

SHOW ROOMS
200 5TH AVENUE, N. Y. CITY AND
20 NORTH WACKER DRIVE, CHICAGO

FACTORIES
BROOKLYN, N. Y. CITY
MASPETH, L. I. N. Y. CITY

-2-

But if it is considered impractical to so apply cost, then the levy should not be on payroll alone but it should be on a sliding scale worked out with the company having the lower percentage labor rate to sales volume and profits contributing at a higher rate so that the tax paid on a certain volume of business at the same profit should be equalized. It doesn't seem to us that it would be a very difficult thing to work out such a plan, as the Internal Revenue Department, Income Tax Division, has all of this information for years as to corporations making reports.

As we see it, this legislation predicates the gradual extinction of those industries in which highly intelligent, skillful workers are used. Advance in price to equal this levy can only come from the volume of business sufficient to keep the factories involved employed at a reasonable rate. Our company has consistently opposed, as you know, practically every one of the so-called "reforms", not because they are in themselves opposed but because this is a society in which profit must exist to carry forward even the most needed reforms and without the expense of the reform, will gradually destroy.

Yours very truly,

GLEASON-TIEBOUT GLASS COMPANY.

Cornelius H. Tiebout
Treasurer.

CHT-EJL.

ROBERTS B. THOMAS
ATTORNEY AT LAW
101 PARK AVENUE
NEW YORK
ASHLAND 4-9760

April 23, 1935.

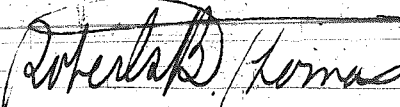
Hon. Herbert H. Lehman,
Capitol,
Albany, New York

Dear Mr. Governor:

I refer to the unemployment insurance bill now before you. My reason for writing is to express the hope that if the bill becomes law and you appoint the Advisory Council set up thereunder, you appoint as a member of that Council at least one person with a knowledge of the construction industry. I cannot but feel from a study of the bill and from my experience as counsel for various associations of structural steel contractors that the intermittent character of construction employment must bring up problems and situations that will require intensive study.

The bill apparently was drafted from the standpoint of factory employment experience and without due regard to the conditions of casual employment. As you know the construction employee loses time between jobs and from weather conditions so that, even in normal times, his average employment seldom exceeds 150 days in a year. I am sure that after the bill has been in operation for a period and the actual situations that arise have been studied, amendments will be necessary to take care of contracting conditions.

Very truly yours,


ROBERTS B. THOMAS

RBT:MLT

EUGENE T. McQUADE

116 JOHN STREET

NEW YORK

CABLE ADDRESS "QUADE"

acknowledged

P
468

April 29, 1935

Hon. Herbert H. Lehman
Executive Chambers
Albany, New York

My dear Governor Lehman: Re: STATE UNEMPLOYMENT INSURANCE ACT

~~As a friend of labor I want to register with you~~
an emphatic protest against the provisions of paragraph (d) of Section 506 of the State Unemployment Insurance Act. That paragraph states, among other things, that a worker receiving benefits is not obliged to accept employment where the wages, hours and conditions are such as tend to depress wages or working conditions. If you wanted to perpetuate or increase unemployment you could have adopted no better device than the provisions of paragraph (d) of Section 506.

We are all aware of the pressure brought upon you and the Legislature by organized labor to include this provision in the Act. The provision reflects the current philosophy among many labor leaders. No one questions their good intentions or good faith, but what they accomplish by the quoted provision will not help labor. Time will prove this but while waiting for the proof may I suggest that you submit this proposition to one or more professors of economics in any recognized university.

The quoted provision makes the title of the Act exactly descriptive of what it accomplishes: The Act insures that unemployment will continue. Any sound economist and any responsible governmental official in European countries who have had years of experience with this problem will assure you that the depression has been continued and aggravated by the immobility of wages and prices. The Bill you have just signed will go a long way to increase the immobility of wages and hence, to a considerable extent, the immobility of prices. It is only in those countries in which immobility in wages and prices exist that you find a large degree of unemployment. The South American and Oriental countries have practically no unemployment, largely, in my opinion, because wages and prices are adjusted by economic forces.

As we all know, England was unable to eliminate the immobility of wage levels because of the short-sighted views of its powerful labor unions. It solved this problem in the only possible way, -by going off the gold standard and devaluing its currency. Devaluation was effected in England because forty percent or more of its business is export trade and the devaluation in effect accomplished an adjustment of costs as far as the export trade was concerned. Devaluation in our country cannot

accomplish this purpose because our export trade is but a small percentage of our total industrial activity.

I strongly urge that the problem discussed in this letter be submitted to the State Advisory Council which you are about to appoint. It is probably politically inexpedient for you to take any position on this question that does not have the support of organized labor but any real friend of labor will do what he can to cause responsible labor leaders to see the dangers involved in the provision quoted above. The State Advisory Council, through investigation and public hearings, could do a great deal to educate labor and labor leaders.

In concluding I may say that industry has been just as short-sighted in advocating the stabilization of prices through the NRA.

Respectfully yours,

Engene T. McQuade

ETMOQ/ss

H. W. SCHAEFER COMPANY
INSURANCE MANAGERS
SURETY BONDS

TELEPHONE
DIGBY 4-2400

ONE WALL STREET
NEW YORK

A. Schaefer
4/68

May 3, 1935

ack
5/11/35

The Honorable Herbert Lehman
The Governor of New York
Albany, New York

Dear Governor Lehman:

It has never been my practice to inflict my opinions on public officials concerning legislation unless they ask for it.

I am making an exception in this case because I think the matter is vital and politically of such importance that we who have had business experience which gives us a better insight into the basic problem should express ourselves.

I refer to Unemployment Insurance. If you sign that bill, it will, in my opinion, produce the opposite effect from the one you expect. It will produce unemployment.

Such legislation, is as you know, constantly subject to amendment. From year to year, legislators will meet with demands for a broadening of the benefits until it becomes a dole. When Industry can no longer carry the burden and there are less jobs because of it, the State will have to make up the shortage. This, I believe, will end in disaster.

I favor helping employers to make jobs. I favor the State helping people to find them--through education and otherwise to become better-fitted for them--but I do not believe that men thrive by relieving them of their personal responsibilities, and teaching them that the Government owes them a living. It may owe them an opportunity to earn a living but this law, if you sign it will reduce such opportunities, not increase them.

Very truly yours,

H. W. Schaefer
H. W. SCHAEFER

HWS:MR