SUPPLEMENTAL
UNEMPLOYMENT BENEFITS**

1. Factual and General Material


Single most comprehensive compilation to date. Contains a review of the development of annual wage guarantees, existing guarantee plans and experience under them, the unions' position on the guaranteed annual wage, and the employers' position on the annual wage.


Ruling of Attorney General of the State of Connecticut holding that supplemental unemployment benefits do not deny workers benefits under the Connecticut Unemployment Compensation Law. This is an example of the type of administrative ruling which will have to be given in most states to allow supplementary unemployment compensation tie-in with the state unemployment compensation system.


Text of an agreement in the steel area. It most patently differs from Ford plan in that a worker is eligible for a maximum of 52 weeks (rather than 26) of benefits, and in that it requires three years of service before eligibility. The agreement with the American Can Company is very similar.


Indicates the role of the Public Advisory Committee of "10 distinguished United States and Canadian economists and authorities on administration of social security programs" as to the formulation of

* Supplements Selected References No. 1, January, 1945 and No. 52, July, 1955.
** Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
the UAW-GW plan, and the attitude of some of the members in regard to the plan.


Full text of Ford-UAW contract. Very much like the contract concluded with General Motors Corporation.

Harris, Seymour E. "Economics of the guaranteed wage (G.W.)." *Proceedings of the 7th annual meeting*. Madison 6, Wis. Industrial Relations Research Association (Sterling Hall, University of Wisconsin). 1955. pp. 164-185. Discussion by Emerson P. Schmidt, pp. 192-198. $3.00.

A general theoretical summary examining the guaranteed wage in relation to workers' needs, unemployment compensation, business cycle, ultimate locus of cost of guaranteed wage, and effect on employment. Concludes that the guaranteed wage should be tied in with plans for full employment, should have built-in limitations to protect employers, and should be integrated with unemployment compensation. It is followed by a discussion and critique by Emerson P. Schmidt who feels that the financing and cost of the "super-U.C." (state unemployment compensation plus private wage guarantee plans) as posed by Professor Harris leaves many problems. He also feels there will be problems as to the separate administration of the two plans and the actual limiting of liability to the employer. He suggests that labor leaders should consider the adoption by unions themselves of their own G.W. plan.


Suggests that state unemployment compensation agencies press for amendments in their unemployment compensation laws to allow eligible employers (those with a reserve ratio of 8%) to have their workers paid larger and longer unemployment compensation benefits. Employers could reimburse the states' unemployment compensation funds over a period of several years. This should effectively integrate guaranteed annual wage plans with unemployment compensation.


Slichter thinks that supplementary unemployment benefits do not introduce a new principle of employer obligation for the welfare of the worker. "... the agreements simply attempt to make up for the inadequacy of benefits under the state laws..." He also finds that supplementary unemployment benefits plans would not force out small employers, would add moderate stability to the economy during recessions, would not keep the worker idle, would not be a "major"
influence in determining price level in the United States, and would strengthen the dynamic influences in the American economy. However, the supplementary unemployment benefit plans do not cover enough people and are no substitute for an adequate government unemployment compensation system.


"Consists of an exploration of the actual treatment of employer payments for guaranteed wage pay, call-in-pay, standby pay, and shape-up pay by the various State agencies; either as a result of specific statutory provisions, or as a result of administrative determinations and court decisions." It was found in 1953 that with one exception all state agencies concerned with the question construed "payments received under guaranteed wage and similar payments for time not worked as wages." Therefore the worker was not "totally unemployed" and could at best receive only benefits for partial unemployment.


Wage-Hour Administrator Newell Brown rules that the Ford Motor Company's 5 cents per hour contribution for supplementary unemployment compensation is not part of the "regular rate" under the Fair Labor Standards Act for computation of overtime, nor part of the "basic rate" under the Walsh-Healey Act. This removes one of the stumbling blocks of the Ford plan since activation of the agreement is contingent on this ruling.

**2. Management and Labor Views of Supplemental Unemployment Benefits**


Designed to explore the issues of the guaranteed annual wage as it was conceived in 1953, and to help find practical solutions. It is felt that stabilizing employment should be effected through other means than the guaranteed annual wage. (See also the Chamber of Commerce publication, "Jobs? or jobless pay?", 1954. 90 pp.)


Ford explains its pioneering supplemental unemployment benefit plan to the public. It is founded on the principles of limited liability and
predictable maximum costs, and is "compatible with and complementary to the free and competitive economy of the United States."

The plan offered by Ford was accepted, practically unchanged by the union.


Explicates the essentials of the Ford plan, especially in regard to management's freedom to manage, limited liability to the employer, and employee incentive to work. Supplementation to unemployment compensation and the safeguarding and financing of the trust fund are also discussed.


Outlines program for employers faced with union drive for supplementary unemployment benefits. The arguments given against the SUB plan are that it is inequitable as between individual employees, that it undermines the state unemployment compensation system, that it increases union monopoly power, that it withholds labor from the market, that it hinders economic growth and the creation of more jobs, and that it threatens the viability of our free economic system.


The addresses present management's as well as labor's position on the guaranteed annual wage. The background of the guaranteed annual wage, the relationship between unemployment compensation and guaranteed annual wage, the social and economic implications, and the issues at the bargaining table are stated from both points of view.


Explanation by means of 61 questions and answers of the provisions and benefits of the guaranteed employment plan as outlined by the UAW-CIO study committee.


Mr. Weinberg points out that labor will attempt to develop supplementary unemployment benefit plans to conform to the original objectives of the UAW. Immediate goals are "determination of the workers' rights to benefit under plans independently of certain determinations made under the state unemployment compensation laws" and "protection against short workweeks."