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Guaranteed Wage Plans in the United States

A Report on the Extent and Nature of
Guarantee Plans and the Experience
of Selected Companies

Bulletin No. 925

UNITED STATES DEPARTMENT OF LABOR

BUREAU OF LABOR STATISTICS

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UNITED STATES DEPARTMENT OF LABOR

L. B. Schwellenbach, *Secretary*

BUREAU OF LABOR STATISTICS

Ewan Clague, *Commissioner*

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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, December 29, 1947.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on guaranteed wage and employment plans, which was prepared in the Bureau's Wage Analysis Branch with the cooperation of the Labor Economics Staff. The field investigations were conducted by the regional offices of the Wage Analysis Branch under the direction of Edith M. Olsen. The text was prepared by Philip Arnow and Edith M. Olsen. John L. Afros, formerly of the Bureau's Labor Economics Staff, participated in the planning of the study and prepared the appendix on clauses used in guarantee plans and union contracts. Theodore Allison, Ida Pepperman, and Herbert Abowitz assisted in the preparation of the final report.

EWAN CLAGUE, *Commissioner.*

HON. L. B. SCHWELLENBACH,
Secretary of Labor.

Preface

In the summer of 1944 the Bureau of Labor Statistics began an inquiry into the subject of guaranteed wage and employment plans, anticipating a general demand for information on the nature of such plans and of the Nation's experience with them. At the time the Bureau began its inquiry, union demand for a guaranteed annual wage was at issue in a dispute case before the National War Labor Board, involving the basic steel industry and the United Steel Workers of America. In rendering its decision in November 1944, the Board refused to grant the union's demand under conditions prevailing at the time. However, in view of the lack of adequate information relating to guaranteed annual wage plans, it was recommended that a thorough study of the subject be made by a special commission to be appointed by the President.

On March 20, 1945, the President designated the Advisory Committee of the Office of War Mobilization and Reconversion to survey "the whole question of guaranteed wage plans and the possibility of their future development in American industries as an aid in the stabilization of employment and the regularization of production." Following this action, the Bureau's program was carried on in cooperation with the Guaranteed Wage Study Staff, designated by the Office of War Mobilization and Reconversion to investigate the problem. In December 1945, the Office of War Mobilization and Reconversion submitted to the Bureau of Labor Statistics a request for a survey of specific experiences with existing and discontinued guaranteed wage and employment plans.

Parts I and III of this report appeared as Appendix C of the Final Report of the Guaranteed Wage Study Staff to the Advisory Board of the Office of War Mobilization and Reconversion, and were reprinted as Bureau of Labor Statistics Bulletin No. 906.

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Guaranteed Wage Plans in the United States

I. What is a Guaranteed Wage Plan?

The Bureau of Labor Statistics has included in its study of guaranteed wage or employment plans arrangements, written or unwritten, by which an employer guaranteed or assured to some or all of his employees, in advance, a definite period of employment equal to at least 3 months a year, or an equivalent amount of wages.

This definition is broad, and covered plans framed in a variety of ways: plans which were designated as "guarantees" by the employers and unions which operated under them, and plans which did not carry the title of "guarantee" but which in fact operated as guarantees. In a relatively small number of cases, the plans provided for an "annual wage." In the majority of cases, employment was guaranteed for a stated number of weeks per year and hours per week, frequently less than 52 weeks per year and 40 hours per week. In practice, these guarantees of employment, as well as the few guarantees that were explicitly stated in terms of wages, did guarantee wages for the total number of hours a year over which employment was guaranteed. A distinction between "guaranteed wage" and "guaranteed employment" plans was unnecessary for the purpose of this study.

Despite the general inclusiveness of the definition employed, a number of problems arose respecting its application in borderline situations. The distinction between a guarantee plan and a private unemployment benefit plan, for example, was difficult to draw. The latter plans were included only where the period of time over which benefits were paid was 3 months or more and where there was a commitment to pay benefits regardless of the size of reserves set aside for this purpose.

It was difficult also, in many instances, to draw the line between a guarantee and an employer's oral pledge that work in his establishment would be "steady." A large degree of stability is in-

herent in many types of industry. Moreover, many employers have maintained fairly stable employment in their plants, frequently as a result of planned production and hence employment regularization, without instituting formal guarantees. The volume of employment regularization planning in this country is, in fact, far greater than that encompassed by the actions of the firms that have guaranteed wages or employment. The practice of employing white-collar personnel on an annual rate basis is widespread, especially in government, financial, and institutional establishments. Guarantees of minimum weekly hours or wages are found in many labor agreements, notably in the meat-packing and trucking industries; the practical effect of these arrangements is to afford a guarantee of almost full weekly earnings even when wage earners work only during some part of each week. In none of these situations, however, is there a formal pledge or assurance of continued employment, and the employee is not free from the possibility of lay-off or loss of his job. Oral arrangements (amounting to 36 percent of the currently operating plans included in the study) were included only where there was a formal guarantee or assurance of continued employment or wages.

Many of the plans contained the theoretical possibility of abrogation or modification during the life of the guarantee period under various circumstances. Provisions for modification or cancellation of an announced guarantee did not result in exclusion of the plan from the study.

The so-called wage advance plan was another type of guarantee which raised questions of inclusion. Such plans are sometimes regarded as loan arrangements, because their central feature is the advancement of wages by the employer during short-hour weeks, and the repayment by workers during weeks in which longer hours are worked.

They are different from loan plans in essential characteristics, however. Where there was no obligation to repay the advance unless the employer provided sufficient work to enable the advance to be repaid, the plan was considered to be a guarantee of wages or employment for the maximum period over which wages were advanced. These plans were included in the study.

On March 1, 1945, the Bureau of Labor Statistics mailed a brief questionnaire to about 90,000 employers for the purpose of determining the extent to which guarantee plans had been adopted in the United States. From the replies to this questionnaire, from a canvass of previous studies and available literature on the subject, and from a list of employers who had filed contracts with the Wage and Hour and Public Contracts Divisions under Section 7 (b) (2) of the Fair Labor Standards Act, the Bureau was able to compile a list of firms which appeared to have had a guaranteed wage or employment plan in effect at some time. The Bureau then conducted a field inquiry to de-

termine finally whether these arrangements actually met the requirements of the definition of guaranteed wage or employment plans used in this study, and whether these plans had actually operated. At the same time, information was collected on the basic features and provisions of those plans which met the definition that had been established. A total of 241 plans (196 still in operation and 45 that had been discontinued) were surveyed in this manner and are included in the tabulations in this report. To this group were later added 106 additional discontinued plans about which information was obtained subsequent to the field survey. This number included 96 cases which operated under the Wisconsin unemployment compensation law in 1934 and 1935.

In addition, the Bureau made more specific and detailed investigations of the operations of 62 of the plans and the situations into which they were introduced. The material gathered in the course of this subsequent investigation is presented in part IV of this report.

II. Historical Development of Plans ¹

A. Initiation of Plans

Until the passage of unemployment compensation legislation, the history of guarantee plans was part of the history of individual efforts, unaided by government, to mitigate the effects of unemployment in particular industries and plants. During this early period, the idea of guaranteeing wages was not differentiated from other unemployment compensation arrangements. In fact, the term "guaranteed wages" was not used in connection with early plans that have since come to be known as "guaranteed wage" or "guaranteed employment" plans. A good example of this situation was reflected in the language of the Procter & Gamble Co. plan, introduced in 1923, which provided a 48-weeks-a-year guarantee of employment by assuring that no worker would be unemployed for more than 4 weeks a year.

Trade-union sponsorship and individual employer initiation were both important in the early history of guarantees. During the nineteenth century, trade-union activity had in several instances encompassed the furnishing of out-of-work benefits to members, but such arrangements, of course, carried no obligations by employers to furnish work. The first plans in which employers assumed responsibility for providing work or wages were those of the decade of the 1890's, negotiated in the wallpaper industry, by brewery workers, by textile printers in a New Jersey dyeing and finishing establishment, and established by a small midwestern retailer of sporting goods.

Best-known among the early guarantee plans were those in the wallpaper industry. A guarantee of 11 months' employment was first introduced in 1894, as a result of negotiations between the National Association of Machine Printers and Color Mixers and the National Wall Paper Company, then a newly formed amalgamation controlling from 50 to 75 percent of the industry. In 1896 the guarantee was extended to 12 months a year; modifications were made in subsequent

years. The independent companies in the industry followed the bargaining pattern set by the largest firm, and the plan became industry-wide for members of the wallpaper association who bargained with the union. Similar arrangements were made by negotiation with the National Print Cutters' Association of America, which in 1923 joined with the National Association of Machine Printers and Color Mixers to form the United Wall Paper Crafts.

Among the other early arrangements, the case involving the National Union of the United Brewery Workmen of the United States is known to have arisen in at least two areas, Philadelphia and New York, and took the form of contract provisions restricting lay-off of regular employees to no more than specified numbers of days during the dull season of the year. The agreement between the Machine Printers Beneficial Association and a New Jersey textile finisher provided each journeyman printer full pay for any period of unemployment prior to July 15 of each year, and half pay for any period of unemployment during the remainder of the year. The plan of the midwestern sporting goods retailer provided an oral guarantee of 52 weeks' pay each year to all employees who had passed a probationary period of approximately 90 days.

Guarantee plans introduced during the early years of the twentieth century involved small establishments in which employers made oral commitments to all or some of their workers to provide them with year-round employment. A retail men's furnishing store, starting in 1905, guaranteed permanent employees 52 weeks of work at full weekly hours; a coffee-roasting establishment, in 1912, began to pay its production workers full weekly pay during slack season weeks; a poultry-cleaning establishment began, in the following

¹ The material in this section of the report is based upon data gathered by the Bureau of Labor Statistics and upon published accounts of guaranteed wage or employment plans.

year, to guarantee 52 weeks of full-time employment to permanent workers; a small department store began the same guarantee in 1914; and a small drug firm about 30 years ago instituted a year-round weekly wage payment plan covering 2 employees.

The next well-known plan, that of the Columbia Conserve Co., of Indianapolis, a producer of soups and other canned products, appeared in 1917. The guarantee was part of a broader social experiment which included profit-sharing and an employee council to give permanent workers a voice in the management of the enterprise. Phases of the experiment which attracted public attention included the steps taken by the company after introduction of the plan to level out its normally seasonal production pattern, and the eventual turning-over of ownership to the permanent workers covered by the guarantee.

Employer interest in the problem of employment security is reported to have increased substantially after the business depressions of 1914 and 1921, and also as a result of the increasing general interest in scientific management and improved personnel procedures. A number of unemployment benefit plans, many of which had characteristics that are currently attributed to guarantee plans, were adopted during the period between 1919 and the passage of Federal and State unemployment compensation legislation. These plans typically provided for the payment of out-of-work benefits rather than for a guarantee of continuous employment. Where the unemployment benefits covered an extended period of time, the line of demarcation between an unemployment benefit plan and a guarantee plan was difficult to distinguish. As has already been indicated, unemployment benefit plans that provided assurance of benefits for 3 months or more have been included in the data on guaranteed wage or employment plans presented later on in this report.

Several unemployment benefit plans are worthy of mention at this point because of their similarity to many of the early guaranteed wage or employment plans. None of them was included in the data contained in subsequent sections of this report, because they did not meet the 3-month guarantee test referred to above. In 1919 the Dutchess Bleachery, followed in 1920 by an affiliate, the Rockland Finishing Co., began setting aside part of its profits in order to provide its

workers half pay during periods of unemployment. The American Cast Iron Pipe Co. introduced an unemployment benefit plan in 1924; the Brown & Bailey Co. did likewise in 1927. During the same period of time, a number of unemployment benefit plans were introduced by joint agreement between management and labor, notably in the needle trades in New York and Chicago, and in the hat and lace industries.

Among the plans introduced during the 1920's that can be classed as guarantees, the most notable were the joint agreements of the Cleveland garment industry and the Int'l Ladies' Garment Workers' Union (1921), the plan of Crocker-McElwain Co. and its affiliate, the Chemical Paper Manufacturing Co. (1921), the Proctor & Gamble Co. plan (1923), and the joint agreement between the Seaboard Air Line Railway Co. and a federation covering its shop craft employees (1928). The plan in the Cleveland ladies' garment industry was the first of several unemployment compensation devices introduced in the apparel industry during the 1920's, and the only one that qualified as a guarantee under the definition used in this study. By agreement with the Int'l Ladies' Garment Workers' Union, Cleveland apparel manufacturers guaranteed 20 weeks of full employment in each 6-month period (later changed to 40 weeks a year), at two-thirds of minimum weekly wages (later changed to half of minimum wages). The Crocker-McElwain plan assured year-round employment at full pay to workers with at least 5 years' service; in subsequent years this plan was modified to provide, finally, less than 50 percent of full-time annual compensation. The Procter & Gamble plan assured 48 weeks' employment to all workers with at least 6 months' service. Since the time of its introduction, the plan has been somewhat modified, principally by limiting eligibility to workers with at least 2 years' service. The Seaboard plan as originally introduced was a guarantee of annual employment for an agreed-upon number of shop employees each year.

As was the case during the earlier two decades of the century, the occasional introduction of a less formal plan by small employers continued. A shoe retailer guaranteed and maintained year-round employment to 15 regular employees starting in 1923; a commercial machinery wholesaler guaranteed 52 full weeks' pay a year to 2 service

mechanics; beginning about 1924, a Michigan coal dealer guaranteed weekly wages throughout the year to 7 employees regardless of prevailing conditions; in the same year, a garment manufacturer introduced a guarantee of 52 weeks' full pay covering a group of key workers; from 1 to 4 plans of similar character were introduced during each of the remaining years of the 1920's.

Introduction of guarantees and unemployment benefit plans continued during the depression of the early 1930's. The General Electric Co. in 1930 adopted an unemployment pension plan, covering 12 of its electrical apparatus manufacturing plants, and in 1931 adopted a plan guaranteeing 50 weeks' work of not less than 30 hours each (modified in subsequent years) to employees with 2 years or more service in 12 lamp manufacturing plants. The Wm. Wrigley, Jr., Co. in 1934 adopted an employment assurance plan with unemployment benefits varying according to a sliding scale dependent on pay level and length of service. The plan of Geo. A. Hormel & Co., meat packers of Austin, Minn., was started on a small scale in 1931 and its scope gradually extended until in 1940 it covered all but a small percentage of the company's employees.

During and following the depression of the early 1930's, the character of the plans introduced shifted from guarantees of unemployment benefits to guarantees of continued employment. Compulsory unemployment insurance legislation was adopted in Wisconsin in 1932 and at later dates in other States, the latter chiefly under the provisions of the Federal Social Security Act. The legislation permitted modification of the contribution of tax features in the cases of employers who provided guarantees of employment or wages equivalent to legislatively established standards. The chief, and as far as can be ascertained the only, direct effect of the legislation upon the introduction of guarantee plans occurred in the case of the Wisconsin law, which completely exempted from the unemployment tax employers who guaranteed 42 weeks' pay (at 36 hours a week, changed in 1935 to 40 weeks at two-thirds of full-time) to their workers. A total of 96 employers operated guarantee plans under this law for a period of slightly more than a year, beginning in 1934 and ceasing at the end of 1935. At that time the statutory provisions in Wisconsin were changed to conform to the requirements of the Federal stat-

ute, applicable to all State unemployment compensation laws, under which employers who guaranteed employment or wages were given tax credits, but not complete exemption. Only six additional States—California, Florida, Idaho, Indiana, Minnesota, and Oregon—are reported to have made provision in their unemployment compensation laws for guarantee plans, but none of them implemented the clauses with the necessary administrative regulations. No guarantee plans were ever adopted under these laws.

Further legislative provision affecting guarantee plans was made in 1938, when the Fair Labor Standards Act was adopted. Under Section 7 (b) (2) of this act, exemption from penalty overtime provisions (up to 12 hours a day or 56 a week) was granted in cases where a worker was employed—

on an annual basis in pursuance of an agreement with his employer, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that the employee shall not be employed more than 2,080 hours during any period of 52 consecutive weeks.²

To date, very few employers have used this exemption. The most substantial plan operating under the provision is that of Geo. A. Hormel & Co., which had been in operation prior to the passage of the Act.

During the period following the depression of the early 1930's, greater numbers of plans were introduced yearly than in any year prior to the depression. During the years 1938-42 new plans were introduced at the rate of from 19 to 23 a year, compared with a maximum of 4 a year during the 1920's, and from 2 to 6 during the early 1930's. The latter half of the 1930's saw the introduction of a number of "basic crew" provisions in agreements in the wholesale and retail trades. Under these contracts, specified numbers of workers, ranging from less than half to well over three-quarters of the work force, were guaranteed full weekly wages throughout the year.

Another of the well-known plans, that of the Nunn-Bush Shoe Co., was established in 1935. This plan early in 1946 guaranteed a continuous

² Prior to October 1941, the maximum number of hours that an employee might work in a year for the 7 (b) (2) overtime exemption to apply was 2,000 hours. In October 1941, an amendment to the Act changed the limit from 2,000 hours to 2,080 hours (the equivalent of fifty-two 40-hour weeks.)

employment relation to workers with the greatest seniority, and provided that the total earnings of all workers with 2 years' service (including, but generally exceeding, the number of workers who had the employment relation guaranteed) should be a predetermined proportion, no less than 20 percent, of the wholesale value of the company's product. Workers shared in this amount in proportions determined by rates which reflected job differences.

By the beginning of 1946, according to the information which has been compiled by the Bureau, a total of 347 plans which met the definition used in this study had been introduced. A year-by-year tabulation of the time of their initiation is shown in table 1.

TABLE 1.—Number of guaranteed wage or employment plans covered in Bureau of Labor Statistics survey, by year of initiation

Year of initiation	Number of plans	Year of initiation	Number of plans
Total.....	347	1928.....	1
Prior to 1900.....	3	1929.....	4
1905.....	1	1930.....	2
1912.....	1	1931.....	5
1913.....	1	1932.....	6
1914.....	1	1933.....	6
1916.....	1	1934.....	1102
1917.....	1	1935.....	17
1918.....	1	1936.....	11
1919.....	1	1937.....	10
1920.....	4	1938.....	23
1921.....	3	1939.....	20
1922.....	1	1940.....	19
1923.....	4	1941.....	21
1924.....	3	1942.....	19
1925.....	2	1943.....	8
1926.....	2	1944.....	21
1927.....	2	1945.....	9
		(Data not available)...	11

¹ Includes 96 plans initiated in 1934 under the encouragement of the tax exemption provisions of the Wisconsin unemployment compensation law.

B. Discontinuance of Plans

Of the plans known to the Bureau of Labor Statistics that had been introduced up to the beginning of 1946, 196 were still in existence at that time. The remainder, a group including all of the 96 plans introduced in 1934 under the Wisconsin unemployment compensation law and 55 others, had been discontinued before the end of 1945.

In the case of the 96 Wisconsin plans and a small number of others, discontinuance resulted from the circumstances surrounding the introduction of compulsory unemployment insurance legislation. In the case of the Wisconsin plans, amendment of the State law to conform with the requirements of the Federal Social Security Act removed the

tax exemption which the companies had enjoyed under the former statute, and the employers thereafter individually elected not to come under the guaranteed account provisions of the legislation. In a few other cases, plans that had been instituted prior to the passage of compulsory unemployment compensation legislation were discontinued upon the passage of such laws because it was believed that the objective which the plans were designed to meet was met by those laws.

In the remainder of the cases, discontinuance was largely the result of special individual circumstance, but on the whole the result of problems facing the individual employer. In a number of cases the general state of business conditions at the time the plans were discontinued was a minor influence.

Two of the earliest plans abandoned were those of the American Cast Iron Pipe Co., discontinued in 1926, and the Consolidated Water Power & Paper Co., discontinued in 1929. Only incomplete information is available on the reasons for their discontinuance: The former was discontinued on the eve of a major technological change in the industry, the latter during a period of relatively full employment. The wallpaper plan—one of the earliest begun—was discontinued in 1930, after a considerable amount of dispute over the plan's administration, and in a period when depression conditions and the rise of substitute materials were seriously affecting the industry.

The plan of the United Diamond Works, under which benefits had been paid for almost a full year during the 1921–22 depression, ended in 1931, following a period of uncertainty in the industry to which international tariff problems contributed. In the same year the unemployment benefit plans of the Brown & Bailey Co. and the Cleveland garment manufacturers were discontinued; in the latter case the reason is reported to have been the long-range decline of the local market and the shift in the character of the industry. The plans of the Leeds & Northrup Co. and the Dennison Manufacturing Co. were discontinued in 1932 when their unemployment benefit reserves were exhausted. The depression years also saw the disappearance of many of the unemployment benefit plans not included in this study (those that could not meet the test of a 3-month guarantee), resulting chiefly from depletion of their individual unemployment compensation reserves.

Of the plans discontinued after the depression of the early 1930's, 15 were studied in detail by the Bureau, and information is available concerning the circumstances of their discontinuance. The effects of the depression seem to have been an important contributory cause of abandonment in only one case, where the guarantee was substantially modified to provide less than 50 percent of the earnings originally guaranteed, and the plan was finally abandoned in 1937. Four of the plans were abandoned during World War II, largely as a result of wartime business uncertainties. Four were abandoned after management had come to the conclusion that the plans were not needed, because the employer was able to provide substantially more work than the guarantee assured. All but one of these plans had been in existence for 3 years or less, and all were abandoned between the years 1939 and 1942. Three plans—two of which were introduced to avoid overtime compensation and one of which was introduced as an alternative to a wage increase—were abandoned as a result of employee dissatisfaction with the plans and union opposition. One of the remaining three plans was abandoned following the passage of unemployment compensation legislation; another was ended during World War II when management became worried about possible conflict between its obligations under the plan and its obligations to returning veterans, and when a newly organized union showed indifference to the plan's continued existence. Finally, the plan of the Columbia Conserve Co., which had operated successfully over a period of 25 years and through three periods of business depression, was abandoned as the aftermath of a labor dispute. Wages and union organization had arisen as issues among the employee-owners, resulting in a National War Labor Board dispute case and a court suit. The employee-ownership feature of the plan was ended by court order as a result of the suit, and the management of the company simultaneously ended the guarantee. In this case, as in a number of other cases where plans were discontinued, management and union representatives expressed great interest in possible future attempts at guaranteeing employment or wages.

As can be seen from table 2, guarantee plans were discontinued from time to time during the entire span of years over which plans have been in existence. With the exception of the year 1935,

TABLE 2.—Number of discontinued guaranteed wage or employment plans covered in Bureau of Labor Statistics survey, by year of discontinuation and number of years of existence at time of discontinuation

Year of discontinuation	Total number discontinued	Number of discontinued plans by number of years in existence					
		1 year	2-4 years	5-9 years	10-14 years	15-24 years	25 years and over
Total	1 151	1 107	22	13	4	3	2
Total, excluding 96 plans adopted in 1934 under the Wisconsin unemployment compensation law and discontinued in 1935	55	11	22	13	4	3	2
1926	1		1				
1929	1	1					
1930	1						1
1931	3		1		2		
1932	2			1	1		
1933	1				1		
1935	1 97	1 96		1			
1937	2			1		1	
1938	3	2		1			
1939	3	2	1				
1940	6	2	2	1		1	
1941	5		4	1		1	
1942	6	1	3	1			1
1943	8	2	3	3			
1944	5		4	1			
1945	7	1	3	3			

¹ Includes 96 plans initiated in 1934 under the encouragement of the tax exemption provisions of the Wisconsin unemployment compensation law, and discontinued in 1935 when the tax exemption was eliminated.

when the 96 Wisconsin plans were discontinued, there is no significant concentration. It is noticeable, too, that the discontinued group includes plans which had been in existence for varying lengths of time. Some, like the wallpaper plan and the plan of the Columbia Conserve Co., were

TABLE 3.—Total number of guaranteed wage or employment plans covered in Bureau of Labor Statistics survey that were in operation each year, 1893-1945

Year	Number of plans in operation at the end of each year	Year	Number of plans in operation at the end of each year
1893	1	1929	35
1894-95	2	1930	36
1896-1904	3	1931	38
1905-11	4	1932	41
1912	5	1933	46
1913	6	1934	1 148
1914-15	7	1935	68
1916	8	1936	79
1917	9	1937	87
1918	10	1938	107
1919	11	1939	125
1920	15	1940	138
1921	18	1941	154
1922	19	1942	166
1923	23	1943	167
1924	26	1944	183
1925	28	1945	185
1926	29	(Data not available—	
1927	31	11 plans)	196
1928	32		

¹ Includes 96 plans initiated under the encouragement of the tax exemption provisions of the Wisconsin unemployment compensation law in 1934 and discontinued in 1935 when the tax exemption was eliminated.

among the oldest plans on record, while others had been in operation for only a few years when they were dropped.

As has already been shown, the net result of the continued inauguration of new plans and the discontinuance of others was a total of 196 during January, 1946. With the exception of the year 1935, when the 96 plans adopted under the Wisconsin unemployment compensation law were discontinued, the picture, as shown in table 3, has been one of constant growth of the number of plans in existence, at an accelerated rate during the period since 1934.

The plans that were in existence in January 1946, as shown in table 4, had been in operation over varying periods of years. Approximately

one-third had been in operation for 10 years or longer, and 11 plans had been in operation for 25 years or more.

TABLE 4.—*Number of currently operating guaranteed wage or employment plans in Bureau of Labor Statistics survey, by number of years in existence (as of January 1946)*

Number of years in existence	Number of plans still in operation	Number of years in existence	Number of plans still in operation
Total.....	196	10 years.....	9
Less than 1 year.....	7	11 years.....	7
1 year.....	2	12 years.....	6
2 years.....	19	13 years.....	6
3 years.....	7	14 years.....	5
4 years.....	17	15 to 19 years.....	8
5 years.....	13	20 to 24 years.....	8
6 years.....	17	25 to 29 years.....	4
7 years.....	14	30 to 34 years.....	4
8 years.....	11	35 years and over.....	3
9 years.....	8	Not available.....	11

III. Extent and Nature of Guaranteed Wage or Employment Plans in the United States

A. Currently Operating Plans

1. Prevalence

In January 1946, the 196 guaranteed wage or employment plans known by the Bureau of Labor Statistics to be in operation in the United States covered a total of approximately 61,000 workers. Some of the plans were master contract arrangements, involving a number of employers and unions in the same industry and community, and others were plans which covered several plants of the same company. As a consequence, the number of establishments was, of course, considerably greater than the number of plans. There were, in all probability, additional bona fide plans that were not included in the study. Compared with the total number of establishments or wage earners in the United States, the coverage of all guaranteed wage or employment plans is small. It is estimated to be well below 1 percent of the total number of wage earners employed in nonagricultural, nongovernmental establishments. The significance of the plans lies, however, in their provisions and accomplishments, rather than in their prevalence.

The 196 plans were found in a great many industries. Almost 40 percent of them, involving 38 percent of total employment covered, were in manufacturing industries. Within the manufacturing group, the plans were most frequently found in industries which have substantial seasonal variations, and those which produce for consumer demand. The greatest numbers of plans occurred in establishments manufacturing food products—brewing, meat packing, grain, and flour; in textile mills—primarily in dyeing and finishing establishments; and in apparel companies. Relatively few plans were found in heavy or basic manufacturing industries, which are subject to much wider cyclical fluctuations, but often to less marked seasonal variation (table 5).

Outside manufacturing industries, the greatest number of plans was in the retail trade group.

As in the case of the manufacturing industries which produced consumer products, the establishments in retail trade were in many instances in lines of activity that were subject to significant seasonal variation: mail order houses, clothing stores, department stores. The same was true of establishments in wholesale trade, which contained the next most numerous group.

TABLE 5.—Number of currently operating guaranteed wage or employment plans covered in Bureau of Labor Statistics survey, by industry group

Industry group	Number of currently operating plans
Total plans.....	196
Manufacturing, total.....	75
Food and kindred products.....	21
Textile-mill products.....	15
Apparel and other finished products made from fabrics and similar materials.....	12
Lumber and timber basic products.....	1
Paper and allied products.....	3
Printing, publishing, and allied industries.....	8
Chemical and allied products.....	5
Leather and leather products.....	1
Stone, clay, and glass products.....	1
Iron and steel and their products.....	2
Nonferrous metals and their products.....	1
Machinery (except electrical).....	2
Electrical machinery.....	1
Transportation equipment (except automobiles).....	1
Miscellaneous manufacturing industries.....	1
Nonmanufacturing, total.....	121
Nonmetallic mining and quarrying.....	1
Construction—general contractors.....	3
Wholesale trade.....	23
Retail trade.....	56
Real estate.....	2
Railroads.....	1
Water transportation.....	10
Warehousing and storage.....	1
Services incidental to transportation.....	1
Communication.....	1
Heat, light, and power.....	2
Services.....	19
Nonprofit membership organizations.....	1

The majority of the establishments that guaranteed employment or wages were located in the industrial regions of the country. More than 70 percent of the 196 were in the Middle Atlantic and Great Lakes regions, and almost 45 percent were in the cities of New York, Chicago, Cleveland, and Philadelphia. Very few were found

in the Southeast, Southwest, or West. The following cities had the largest numbers of plans:

Chicago, Ill.....	10
Cleveland, Ohio.....	10
Detroit, Mich.....	6
Milwaukee, Wis.....	5
New York, N. Y.....	61
Philadelphia, Pa.....	5

Plans were found in establishments of all sizes, although most of them were in small establishments. Table 6 contains a distribution of the total number of wage earners in establishments covered by the plans in 172 cases for which such information was available. While in several cases the employment data for individual plans group together the employment of a number of establishments, as in the cases of master contracts and companies with more than one establishment under the same plan, the table gives a fairly good picture of the size of the establishments involved. About 55 percent of the plans were in employing units of less than 50 persons; an additional 10 percent of the plans were in employing units of 50 to 100 persons. Ten percent of the plans were in employing units of 1,000 persons or more.

TABLE 6.—Number of currently operating guaranteed wage or employment plans covered in Bureau of Labor Statistics survey, by total number of wage earners

Total number of wage earners in establishment or establishments covered by plan	Number of currently operating plans
Total.....	1 196
Less than 25.....	64
25 to 49.....	29
50 to 74.....	13
75 to 99.....	5
100 to 249.....	23
250 to 499.....	² 14
500 to 749.....	3
750 to 999.....	3
1,000 to 2,499.....	² 6
2,500 to 4,999.....	² 6
5,000 to 7,499.....	2
7,500 to 9,999.....	1
10,000 and over.....	3
Total employment not available.....	³ 24

¹ A guaranteed wage or employment plan embodied in a master contract between a trade association and a union is counted as a single plan, and is classified according to the total number of wage earners in all of the covered establishments. There are 10 such cases.

² Includes 1 master contract plan.

³ Includes 7 master contract plans.

In 130 of the 196 plans, unions represented the employees covered by the guarantees in general collective bargaining relations (table 7). Where one union was involved, the unions were AFL affiliates in 36 cases, CIO affiliates in 64 cases, and were unaffiliated in 13 cases. In 17 cases there were 2 or more unions of different affiliation rep-

resenting the workers. Where unions represented the workers, the provisions of the guarantee were generally incorporated in a collective bargaining agreement. In a number of cases, however, the plans were introduced prior to unionization and have not since been included within the scope of collective bargaining.

TABLE 7.—Number of currently operating guaranteed wage or employment plans in Bureau of Labor Statistics survey, by representation of covered workers

Representation of covered workers	Number of currently operating plans
Total.....	196
Nonunion.....	66
Union.....	130
AFL affiliate.....	36
CIO affiliate.....	64
Unaffiliated union.....	13
2 or more unions with different affiliations.....	17

2. Characteristics

The basic features of the guarantee plans may be characterized best in terms of the kinds of workers eligible for coverage and the requirements which workers must meet before they are eligible for benefits, the proportions of workers actually covered, and the amounts of wages or employment guaranteed.

In 101 of the 196 plans, as indicated in table 8, coverage under the plan was open to all or nearly all workers (in some cases to all production workers, and in others to some or all other wage earners as well, including office workers, supervisory force, salesmen, etc.). In 63 of these cases, employees automatically became eligible upon hiring or within 30 days thereafter. Service requirements, ranging from 3 months to more than 5 years, were applicable in all but 4 cases; in these the duration of the requirement was indefinite, depending upon the employer's judgment concerning the necessary probationary period. In a large number of cases, especially where there were union contracts, the eligibility period coincided with the probationary period provided in the contract for the attainment of permanent status or a place upon the seniority rolls.

Coverage was open only to employees in "regular" jobs in 35 of the 196 plans. The limits of this kind of coverage were in some cases established by "basic crew" contract provisions that specified the number of workers who were to be

TABLE 8.—*Eligibility requirements in currently operating guaranteed wage or employment plans in Bureau of Labor Statistics survey, by representation of covered workers*

Eligibility requirement	Number of currently operating plans		
	Total	Union	Non-union
Total.....	196	130	66
Coverage open to all employees.....	101	54	47
Upon hiring or after service of 30 days or less.....	63	37	26
Upon service of 3 months.....	4	2	2
Upon service of 6 months.....	9	4	5
Upon service of 1 year.....	9	5	4
Upon service of 1½ to 5 years.....	7	4	3
Upon service of 5 years or more.....	5	2	3
Upon selection by employer.....	4		4
Coverage includes only employees in "regular" jobs.....	35	29	6
Coverage open only to employees in specific departments or occupations.....	51	45	6
Upon hiring or after service of 30 days or less.....	36	32	4
Upon service of 3 months or more.....	9	7	2
Upon selection by employer.....	2	2	
Employees in "regular" jobs only.....	3	3	
Unknown.....	1		
Coverage confined to key employees.....	9	2	7

covered, and in other cases were established by specific elimination of "temporary," "extra," or other similar groups of workers. Limitation of the guarantee to regular workers occurred chiefly in retail and wholesale establishments, and additional length-of-service requirements were either non-existent or brief.

In 51 cases, coverage was confined to employees in certain departments or occupations; for example, to machine printers in textile finishing and dyeing mills, and to pressmen in a newspaper plant. More than two-thirds of these cases had length-of-service requirements of 30 days or less.

Coverage in 9 cases was confined to key employees, usually selected upon an individual basis with an eye to the importance of the job and the service record of the individual. Plans of this variety included one which covered a small group of key production and nonproduction workers in a garment plant but excluded the bulk of the production workers, and another in an ice-cream factory which covered a small selected group of employees in a number of key skilled jobs during the dull season.

The proportions of workers covered were, of course, highest in the group of plans which permitted all employees to be eligible, and lowest in the plans restricting coverage to employees in specific departments or occupations and to key

TABLE 9.—*Proportion of wage earners covered in currently operating guaranteed wage or employment plans in Bureau of Labor Statistics survey, by eligibility provisions*

Percentage of total wage earners covered by guarantee	Number of currently operating plans	Number of currently operating plans with eligibility open to—			
		All employees	Employees in regular jobs	Employees in specific departments or occupations	Key employees
Total.....	196	101	35	51	9
Under 5 percent.....	12			12	
5 and under 10 percent.....	13			10	1
10 and under 20 percent.....	7			5	2
20 and under 30 percent.....	12	3	1	7	1
30 and under 40 percent.....	10	5		3	2
40 and under 50 percent.....	10	2	4	3	1
50 and under 60 percent.....	11	4	2	4	1
60 and under 70 percent.....	17	13	3	1	
70 and under 80 percent.....	15	11	4		
80 and under 90 percent.....	14	12	2		
90 and under 100 percent.....	9	8	1		
100 percent.....	38	38			
Data not available.....	28	5	18	4	1

employees (table 9). Among the 101 plans where all the employees were eligible for coverage, there were 38 where every employee in the establishment was actually covered by the guarantee; in the remainder of these plans, the minor exclusions of small groups of workers and the length-of-service provisions reduced the proportion of workers actually covered, but only in a small number of cases to less than 60 percent. Among the 60 plans restricting coverage to specific departments or occupations or to key employees, generally less than 30 percent of the total number of workers in the establishment were actually covered by the guarantee. A tabulation of proportions of workers covered, showing union and nonunion establish-

TABLE 10.—*Proportion of wage earners covered in currently operating guaranteed wage or employment plans in Bureau of Labor Statistics survey, by representation of covered workers*

Percentage of total wage earners covered by guarantee	Number of currently operating plans		
	Total	Union	Non-union
Total.....	196	130	66
Under 5 percent.....	12	11	1
5 and under 10 percent.....	13	12	1
10 and under 20 percent.....	7	5	2
20 and under 30 percent.....	12	10	2
30 and under 40 percent.....	10	5	5
40 and under 50 percent.....	10	7	3
50 and under 60 percent.....	11	7	4
60 and under 70 percent.....	17	14	3
70 and under 80 percent.....	15	10	5
80 and under 90 percent.....	14	9	5
90 and under 100 percent.....	9	5	4
100 percent.....	38	17	21
Data not available.....	28	18	10

ments separately, indicates a great range in both groups, but with more restricted coverage in the case of the plans in unionized establishments (table 10). This reflects to some extent the influence of the "basic crew" contracts, and the fact that the plans were limited to those parts of the establishments over which the unions had jurisdiction.

The proportion of coverage was highest in plans in small employing units, as shown in table 11. Thus, 34 of the 38 plans in which 100-percent coverage was reported were in establishments employing fewer than 50 workers. There were, however, a small number of plans covering 70 percent or more of the total work force in establishments

TABLE 11.—Proportion of wage earners covered in currently operating guaranteed wage or employment plans included in Bureau of Labor Statistics survey, by total number of wage earners

Percentage of total wage earners covered by guarantee	Number of currently operating plans by total number of wage earners										
	Total	Less than 25	25-49	50-74	75-99	100-249	250-499	500-749	750-999	1,000 and over	Total employment not available
Total.....	196	64	29	13	5	23	14	3	3	18	24
Under 5 percent.....	12		1			4	6	1			
5 and under 10 percent.....	13	1			2	3	1	1	1		4
10 and under 20 percent.....	7	1	1	1		2					2
20 and under 30 percent.....	12	5	2	3			1				1
30 and under 40 percent.....	10	1	2	1		5					1
40 and under 50 percent.....	10	5				1	1				3
50 and under 60 percent.....	11	4	1	3		1	1		1		
60 and under 70 percent.....	17	7	3	2	1		2		1		2
70 and under 80 percent.....	15	9	1			2					3
80 and under 90 percent.....	14	4	4	1	1	2	1				1
90 and under 100 percent.....	9	2	4	1		1					1
100 percent.....	38	25	9	1	1	1					1
Data not available.....	28		1			1	1	1			24

or employing units with several hundred or more than one thousand workers. In absolute figures respecting numbers of covered wage earners, 149 of the 188 plans for which information was available covered less than 100 wage earners, 18 covered from 100 to 500 wage earners, 7 covered from 500 to 1,000, and 14, or 7 percent of the total number, covered 1,000 or more workers (table 12).

TABLE 12.—Distribution of number of wage earners covered by currently operating guaranteed wage or employment plans in Bureau of Labor Statistics survey

Number of wage earners covered	Number of currently operating plans
Total.....	1 196
Less than 5.....	33
5 to 9.....	32
10 to 24.....	41
25 to 49.....	30
50 to 99.....	13
100 to 499.....	18
500 to 999.....	7
1,000 to 4,999.....	13
5,000 and over.....	1
Covered employment not available.....	18

¹ A guaranteed wage or employment plan embodied in a master contract between a trade association and a union is counted as a single plan, and is classified according to the total number of wage earners in all of the covered establishments. There are 10 such cases.

² Includes 2 master contract plans.

³ Includes 4 master contract plans.

For purposes of comparative analysis of the duration of the guarantees, the Bureau has classified the plans in accordance with the amount of wages or employment guaranteed or advanced, in terms of weeks of full-time or part-time hours or pay. In the few cases in which the duration of the guarantee was adjusted according to a sliding scale on the basis of such factors as wage rate or length of service, the maximum duration of the guarantee was used for the tabulation. The number of weeks of employment guaranteed was chosen as the means of expressing the common denominator because guarantees in terms of number of weeks of employment per year occurred most frequently. The actual wording of the guarantees reflected a wide range of plan and contract terminology. The variety of language used is illustrated by a listing (on p. 14) of extracts from the texts of plans which guarantee substantially the same employment—a full year, at full-time wages.

Almost two-thirds of the plans (128 out of 196) guaranteed employment for a full year at full-time hours or pay (table 13). Most of these arrangements were guarantees of 52 full weeks of employment, or pay in the absence of employment;

TABLE 13.—Duration of guarantee in currently operating guaranteed wage or employment plans covered by Bureau of Labor Statistics survey, by representation of covered workers

Duration of guarantee	Number of currently operating plans		
	Total	Union	Non-union
Total.....	196	130	66
Full year (52 weeks, 2,080 hours, etc.).....	140	80	60
At full-time hours or pay.....	128	69	59
At less than full-time hours or pay.....	12	11	1
50 weeks' full-time hours or pay.....	9	9	1
48 weeks' full-time hours or pay.....	7	5	2
47 weeks' full-time hours or pay.....	4	4	—
46 weeks' full-time hours or pay.....	8	8	—
40-45 weeks' full-time hours or pay.....	10	9	1
38-39 weeks' full-time hours or pay.....	11	10	1
13-37 weeks.....	7	5	2
At full-time hours or pay.....	3	2	1
At less than full-time hours or pay.....	4	3	1

TABLE 14.—Duration of guarantee in currently operating guaranteed wage or employment plans covered by Bureau of Labor Statistics survey, by number of workers covered by guarantee

Duration of guarantee	Total number of workers covered in currently operating plans
Total.....	1 61,229
Full year (52 weeks, 2,080 hours, etc.).....	2 51,250
At full-time hours or pay.....	2 41,529
At less than full-time hours or pay.....	9,721
50 weeks' full-time hours or pay.....	1,465
48 weeks' full-time hours or pay.....	3 4,176
47 weeks' full-time hours or pay.....	41
46 weeks' full-time hours or pay.....	20
40 to 45 weeks' full-time hours or pay.....	748
38 to 39 weeks' full-time hours or pay.....	4 138
13 to 37 weeks.....	3,394
At full-time hours or pay.....	1,206
At less than full-time hours or pay.....	2,188

1 Data not available for 8 plans.
 2 Data not available for 5 plans.
 3 Data not available for 2 plans.
 4 Data not available for 1 plan.

very few were expressed in terms of an annual wage. Eighty-five percent of the plans (166) guaranteed full-time pay for 40 weeks or more. The total of 61,000 workers covered by the 196 plans was distributed in approximately the same manner as the number of plans (table 14).

Most of the guarantees were expressed in terms of employment rather than in terms of wages. The detailed studies made by the Bureau in 62 cases indicated that this manner of expression arose largely from the employer's confidence that he could provide the stated amount of work, and where the worker failed to make himself available for work, no pay was generally given.

Thus far, it has appeared that a major proportion of the guarantees provided full-time pay for an entire year, and that a large group provided coverage for all employees upon hiring or after a relatively short period of time. A cross-tabulation of these two characteristics provides a method of determining the extent to which full-year guarantees and guarantees to all employees after a short period of time coincided. Table 15 shows the multiplicity of combinations of guarantee and eligibility provisions that were embodied in the

TABLE 15.—Duration of guarantee in currently operating guaranteed wage or employment plans covered by Bureau of Labor Statistics survey, by eligibility requirements

Duration of guarantee	Number of currently operating plans																
	Grand total	Coverage open to all employees							Coverage includes only employees in regular jobs	Coverage open only to employees in specific departments or occupations					Coverage confined to key employees		
		Total	Upon hiring or after 30 days or less	Upon service of 3 months	Upon service of 6 months	Upon service of 1 year	Upon service of 1½ to 5 years	Upon service of 5 years or more		Upon selection by employer	Total	Upon hiring or after 30 days or less	Upon service of 3 months or more	Upon selection by employer		Employees in regular jobs only	Unknown
Total.....	196	101	63	4	9	9	7	5	4	35	51	36	9	2	3	1	9
Full year (52 weeks, 2,080 hours, etc.).....	140	70	40	4	6	8	5	3	4	32	29	19	6	1	3	—	9
At full-time hours or pay.....	128	67	39	4	6	7	4	3	4	27	25	16	5	1	3	—	9
At less than full-time hours or pay.....	12	3	1	—	—	1	1	—	—	5	4	3	1	—	—	—	—
50 weeks' full-time hours or pay.....	9	4	3	—	—	1	—	—	—	2	3	—	—	—	—	—	—
48 weeks' full-time hours or pay.....	7	4	1	—	1	—	2	—	—	—	3	—	—	—	—	—	—
47 weeks' full-time hours or pay.....	4	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
46 weeks' full-time hours or pay.....	8	8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
40-45 weeks' full-time hours or pay.....	10	4	3	—	—	—	—	1	—	1	5	4	1	—	—	—	—
38-39 weeks' full-time hours or pay.....	11	4	4	—	—	—	—	—	—	—	7	7	—	—	—	—	—
13-37 weeks.....	7	3	4	—	2	—	—	1	—	—	4	2	1	1	—	—	—
At full-time hours or pay.....	3	2	—	—	1	—	—	1	—	—	1	1	—	—	—	—	—
At less than full-time hours or pay.....	4	1	—	—	1	—	—	—	—	—	3	1	1	—	—	—	—

TABLE 16.—Distribution of 56 currently operating plans guaranteeing full-time employment or wages for 52 weeks a year to all workers upon hiring or upon service of 1 year or less, by number of covered workers

Number of wage earners covered	Number of plans	
	Upon hiring or after 30 days or less	Upon service of 1 year or less
Total.....	39	56
Less than 5.....	5	5
5 to 9.....	9	12
10 to 24.....	9	10
25 to 49.....	10	15
50 to 99.....	1	3
100 to 499.....	3	5
500 to 999.....		
1,000 to 4,999.....	1	3
5,000 and over.....		1
Covered employment not available.....	1	2

plans. For example, of the group of 128 plans which guaranteed full-time employment for an entire year, 39 afforded coverage to all employees upon hiring or within 30 days thereafter. The remainder had additional length-of-service requirements, or restricted coverage to employees in "regular" jobs, to employees in specific departments or occupations, or to key employees.

LISTING OF GUARANTEED WAGE OR EMPLOYMENT PLAN CLAUSES, ILLUSTRATING THE VARIETY OF METHODS EMPLOYED TO EXPRESS GUARANTEES OF FULL-TIME ANNUAL EMPLOYMENT

1. The employer agrees to continuously employ ----- union persons * * *. These shall constitute the basic staff and shall not be subject to lay-offs at any time.
2. The tenure of employment of permanent employees shall be 52 weeks in each year without any lay-off whatsoever.
3. For each full year of service after the first year, 2 months of indemnity in case of complete lack-of-work lay-off, or 346½ hours of straight-time pay in case of partial lack-of-work lay-off, will be added to the indemnity or guarantee until, after 6 full years of service, a maximum of 1 year or 2,080 hours' indemnity or guarantee is provided.
4. All employees shall receive 12 months of uninterrupted employment.
5. All steady employees who come under the scope of this agreement shall be guaranteed steady employment throughout the life of this contract.
6. The basic gang employed by the employer hereunder shall consist of 3 mechanics, 2 helpers, and 1 car washer. Each of such men shall be employed by the employer for 2,000 hours during the period of 1 year covered by this agreement * * *.

7. All skilled employees covered by this agreement who have passed their probationary period as hereinbefore set forth, shall be paid on the basis of 52 weeks per year.
8. * * * each of the said members of the said association in the employ of the company * * * shall * * * work not more than 2,000 hours during 50 calendar weeks of the period covered by this contract. It is the intent of the parties hereto that the members of the association shall have 2 weeks' vacation with full pay.
9. Each employee * * * will be offered 2,000 hours of work during the calendar year. In addition to offering each employee 2,000 hours of work, each employee will be given paid time off at times to be designated by the employer to make this agreement conform to the 40-hour provision in the regular contract.
10. The employer guarantees to the 5 maintenance men named in the contract between the parties, dated November 1, 1941, not less than 48 hours of work, or the monetary equivalent thereof, in every week during the 52-week period which is the term of this contract.
11. It is further agreed that regular employees be employed 52 weeks per year.
12. Whenever the term "steady employee" or "steady employees" shall be used in this agreement, it shall refer to such employees of the employer who are guaranteed under this agreement 12 months' work in each year during the period of the contract.
13. A salesman may be discharged upon 2 weeks' written notice by the employer to the union * * * (slack season, however, shall not be deemed a cause or a reason for the discharge of a regular salesman).
14. Said employer agrees to employ said employee as ----- for a term of 1 year from the date hereof, at a weekly salary of -----.

TABLE 17.—Distribution of 56 currently operating plans guaranteeing full-time employment or wages for 52 weeks a year to all workers upon hiring or upon service of one year or less, by industry

Industry group	Number of plans	
	Upon hiring or after 30 days or less	Upon service of 1 year or less
Total.....	39	56
Manufacturing, total.....	7	14
Food and kindred products.....	3	7
Textile-mill products.....		1
Apparel and other finished products made from fabrics and similar materials.....		1
Printing, publishing, and allied industries.....	3	4
Chemicals and allied products.....	1	1
Nonmanufacturing, total.....	32	42
Construction—general contractors.....	2	2
Wholesale trade.....	9	13
Retail trade.....	14	18
Real estate.....	1	2
Communication.....	1	1
Heat, light, and power.....		1
Services.....	5	5

TABLE 18.—Discontinued guaranteed wage or employment plans covered in Bureau of Labor Statistics survey, by number of covered workers

Number of wage earners covered	Number of discontinued plans
Total.....	1 151
Total, excluding 96 plans which operated under Wisconsin unemployment compensation law, 1934-35.....	55
Less than 5.....	11
5 to 9.....	2
10 to 24.....	6
25 to 49.....	6
50 to 99.....	6
100 to 499.....	13
500 to 999.....	3
1,000 to 4,999.....	2
5,000 and over.....	2
Covered employment not available.....	1 100

¹ Includes 96 Wisconsin plans for which data are not available.

TABLE 19.—Discontinued guaranteed wage or employment plans covered in Bureau of Labor Statistics survey, by eligibility requirements

Eligibility requirements	Number of discontinued plans
Total.....	1 151
Total, excluding 96 plans that operated under the Wisconsin unemployment compensation law, 1934-35.....	55
Coverage open to all employees.....	36
Upon hiring or after service of 30 days or less.....	16
Upon service of 3 months.....	2
Upon service of 6 months.....	5
Upon service of 1 year.....	8
Upon service of 1½ to 5 years.....	3
Upon service of 5 years or more.....	2
Upon selection by employer.....	0
Coverage includes only employees in "regular" jobs.....	3
Coverage open only to employees in specific departments or occupations.....	12
Upon hiring or after service of 30 days or less.....	11
Upon service of 3 months or more.....	1
Coverage confined to key employees.....	4

¹ Includes the 96 Wisconsin plans, which are not shown in the body of the table.

Further examination of the group of cases which provided the most substantial guarantees to the broadest groups of workers shows that they were for the most part cases that involved small or medium-sized groups of workers (table 16) and that more than half of them occurred in wholesale and retail trade (table 17). The proportion of unionized establishments was substantially less in this group than in the entire group of 196 plans.

B. Discontinued Plans

A total of 151 plans are known to have operated in the United States and to have been discontinued prior to 1946, including the 96 which were in existence for slightly more than 1 year under the

TABLE 20.—Discontinued guaranteed wage or employment plans covered in Bureau of Labor Statistics survey, by duration of guarantee

Duration of guarantee	Number of discontinued plans
Total.....	1 151
Total, excluding 96 plans that operated under the Wisconsin unemployment compensation law, 1934-35.....	55
Full year (52 weeks, 2,080 hours, etc.).....	31
At full-time hours or pay.....	23
At less than full-time hours or pay.....	8
50 weeks' full-time hours or pay.....	2
48 weeks' full-time hours or pay.....	3
47 weeks' full-time hours or pay.....	0
46 weeks' full-time hours or pay.....	0
40 to 45 weeks.....	1 103
At full-time hours or pay.....	1 102
At less than full-time hours or pay.....	1
38 to 39 weeks' full-time hours or pay.....	3
13 to 37 weeks.....	9
At full-time hours or pay.....	2
At less than full-time hours or pay.....	7

¹ Includes 96 Wisconsin plans operating from 1934 to 1935 under State unemployment compensation law which set a minimum standard of 42 weeks' guarantee (at 36 hours per week in 1934 and ¾ of full-time hours in 1935).

TABLE 21.—Discontinued guaranteed wage or employment plans covered in Bureau of Labor Statistics survey, by industry group

Industry group	Number of discontinued plans
Total.....	1 151
Total, excluding 96 plans that operated under Wisconsin State unemployment compensation law, 1934-35.....	55
Manufacturing, total.....	44
Food and kindred products.....	12
Textile-mill products.....	3
Apparel and other finished products made from fabrics and similar materials.....	4
Furniture and finished lumber products.....	1
Paper and allied products.....	6
Chemical and allied products.....	3
Rubber products.....	1
Stone, clay, and glass products.....	2
Iron and steel and their products.....	1
Nonferrous metals and their products.....	2
Machinery (except electrical).....	2
Electrical machinery.....	3
Automobiles and automobile equipment.....	1
Miscellaneous manufacturing industries.....	3
Nonmanufacturing, total.....	11
Bituminous and other soft coal mining.....	1
Nonmetallic mining and quarrying.....	1
Construction—special trade contractors (subcontractors).....	1
Wholesale trade.....	1
Retail trade.....	4
Highway freight transportation.....	1
Water transportation.....	1
Heat, light, and power.....	1

¹ Total includes 96 plans in Wisconsin for which industry data are available only on the basis of broad industry groupings, and by establishments, rather than plans, as follows:

Industry group	Number of establishments
Total.....	176
Manufacturing.....	21
Transportation, communication, and public utilities.....	37
Wholesale and retail trade.....	57
Finance, insurance, and real estate.....	25
Miscellaneous services.....	23
Educational, religious, medical, etc., services.....	12
Municipal.....	1

provisions of the Wisconsin unemployment compensation law during 1934 and 1935. The discontinued plans involved total employment of nearly 180,000, of which approximately 3 percent involved the 96 Wisconsin plans and more than 85 percent the plan of 1 large manufacturing concern. The reasons for their discontinuance have already been discussed in an earlier section.

The plans that have been discontinued exhibit no characteristics essentially different from those of the plans which are still operating. Information concerning the number of wage earners covered under the plans (table 18), the coverage

provisions and eligibility requirements of the plans (table 19), and the duration of the guarantees provided (table 20), show the same general picture that has already been presented with respect to the plans that are still in operation. As far as industry distribution is concerned, the discontinued plans show a substantial scattering among virtually all of the same industries in which guaranteed wage or employment plans continue to exist (table 21). Aside from the 96 Wisconsin plans, it appears that plans in retail and wholesale trade were discontinued to a lesser extent than in other industries.

IV. Experience With Guarantee Plans in 62 Selected Cases

The guaranteed wage and employment plans that have been introduced in the United States do not reflect a uniform pattern of motivation, operating problems, or results. They reflect the experience of a group of employers and unions which has attempted to increase the security of the worker in a variety of situations. In order to present information on the actual experience of labor and management operating under guaranteed wage or employment plans, the Bureau of Labor Statistics studied in considerable detail the operations of 62 individual plans—approximately one-fifth of the group of 347 discussed in part III of this report.

The 62 plans selected for special study were chosen to represent as nearly as possible the variety of individual situations found in the entire group of cases. Such factors as type of plan, size of establishment, unionization, industry, and geographical location were taken into account in the selection of the cases. Because of the small number of plans studied in detail, choice of representative cases rather than a balanced sample was the goal. Where there was a choice of alternative plans the better-known plan was generally selected. The group is also believed to include the establishments in which the greatest degree of employment regularization was undertaken. The 62 cases included 47 plans still in operation and 15 that had been discontinued; 42 in which the employees were represented by unions at the time the plans were introduced and 20 in which they were not. Included were guarantees providing a full year's work, guarantees limited to less than a full year's work, and four wage advance plans. The group included contractual guarantees as well as some plans which were in actuality little more than written or oral statements of the employer's intention to guarantee a certain amount of employment.

The 62 cases were studied in detail through plant visits made by field representatives of the

Bureau. Management officials, union officials, and individual employees were interviewed personally on the basis of detailed schedules developed specifically for this purpose.

Generally, throughout part IV of this report the cases are discussed as a group without regard to union status, kind of guarantee, or active status of the plan, where these characteristics do not affect the topic under discussion. The cases have been examined, however, to determine where these characteristics and others do affect the analysis, and specific discussion of these facts has been introduced at relevant points.

A. Circumstances of Introduction

Appraisal of the achievements of the plans cannot be made without a brief background picture of the variety of situations into which plans have been introduced; the great range of motives—many unrelated to the issues raised in current discussions about a “guaranteed annual wage”; the kinds of specific labor relations and business problems which the plans were designed to solve; the immediate occasions for introducing the plans; and the effects of their introduction upon existing wages and working conditions.

1. Pre-Plan Employment Situations

It has already been indicated in part III of this report that guaranteed wage or employment plans were introduced in a variety of industries, both manufacturing and nonmanufacturing, and by large as well as small employers. Whether companies that have guaranteed employment or wages had unusual conditions of stable employment which made it possible for them to introduce guarantees is an important question to explore at the outset.

Stability of employment is, of course, difficult to define. It can be measured by the absolute degree of fluctuations in employment or man-hours; by the regularity of employment variations;

by the numbers and the kinds of workers affected by employment fluctuations; by a comparison of employment fluctuations in one company with fluctuations in others in the same business; and by comparison of present fluctuations in employment or man-hours with past experience, present prospects, or long-run possibilities. It has not been possible within the scope of this study to measure the situation in the 62 cases from all of these points of view. Information was generally available chiefly with regard to the degree and character of present and past employment fluctuations.

Some fluctuation in both employment and man-hours was anticipated—either from month to month or from year to year—in each of the 62 cases prior to the initiation of a wage or employment guarantee. No combined measure of these fluctuations can be satisfactorily compiled, because of the wide range of different individual situations. The most important conclusion to be drawn from the employment and man-hours data collected by the Bureau of Labor Statistics is that there is a great variety in the kinds and degree of fluctuation among firms that have had guaranteed wage or employment plans—probably as great a variety as exists in all American industry.

It was impossible to determine with precision whether employment fluctuations in the firms under study were normally smaller or greater than in other firms engaged in similar work. In general, comparisons with broad industry averages of employment variation were not used because it was believed that they would yield limited results; and it was difficult to make specific comparisons with exactly comparable groups of individual firms. Nothing in the general business situations of the firms under study or in their technical methods of operation was reported, however, which set them off as a group from other firms doing similar work. Company and union officials stated almost uniformly that there was little or no difference between the situations of firms under study and those in similar business activity. Information obtained on employment and business regularization activities which the companies had undertaken did not point to the existence of special situations or exclusive processes that might have led to greater employment stability or served to give competitive advantage. An overwhelming majority of the guarantees, in

fact, were introduced by firms which faced employment stabilization problems of substantially the same kind that are faced by employers generally.

A more specific idea of the kinds of employment fluctuations involved in the cases studied can be best obtained by a review of individual situations, cited in the following paragraphs.

Monthly Employment Variations. Month-to-month fluctuation in employment and man-hours of work within the year varied substantially from firm to firm. Among the companies with the smallest variations were three electric light and power concerns. Their month-to-month employment varied hardly at all, except as affected by normal turn-over. Despite substantial fluctuations in power production, these companies reported the continuing necessity for crews of uniform size to operate productive equipment. Occasional variations in the monthly employment level, although not on a recurrent seasonal basis, were caused by changes in the size of the utilities' construction programs. In contrast, an ice-cream company studied produced about 80 percent of its volume for summertime road sales, and, prior to the introduction of the plan, its operations, which called for peak employment of about 85 workers during the summer months, required less than 15 workers in the months from November to March. A Great Lakes carrier shut down completely when freezing weather set in and seagoing personnel had no opportunity for winter work on company operations ashore.

Between these extremes, the firms ran the gamut of month-to-month fluctuations in employment, as the following examples illustrate:

In the Crocker-McElwain Co. and the Chemical Paper Manufacturing Co., affiliated New England paper manufacturers, employment on direct production operations was remarkably stable from month-to-month between 1921 and 1940, because of the necessity for a crew of constant size to operate productive equipment, regardless of volume produced. Temporary instability of employment was caused by annual water failures or freezes that resulted in shut-downs. Employment in the auxiliary rag and finishing departments was much less stable than employment in direct productive operations.

Employment in the Barlow & Seelig Manufacturing Co., a midwestern washing machine firm, prior to the introduction of a plan varied annually from a spring peak which rose to 17 percent above the annual average to a year-end slump 6 percent below.

Month-to-month employment variations in the small plant of an eastern manufacturer of men's and boys' clothing showed a substantial year-to-year difference in the amount of seasonal fluctuations: in 1940, from a low of 47 percent of the annual average to a high of 125 percent of the annual average; in 1937, from a low of 20 percent to a high of 210 percent.

Employment in an eastern chain of ready-to-wear apparel stores showed the seasonal fluctuation typical of this industry: Easter and Christmas peaks 6 and 18 percent, respectively, above the annual average and slumps to about 85 percent of the annual average during the months of February and August.

The employment pattern in two midwestern cereal and feed companies followed month-to-month fluctuations in shipments of cereals to brokers and wholesalers, declining during spring and summer months and rising to a peak in the fall of each year.

Prior to employment stabilization efforts and the introduction of a guarantee, employment in the Proctor & Gamble Co. was highly unstable. Activity ranged from three-shift, round-the-clock operation to almost complete standstill.

Erratic receipts of livestock affected production at Geo. A. Hormel & Co. and caused wide month-to-month man-hour fluctuations, which sometimes ranged from 24 percent above the annual average to 19 percent below average in the years immediately prior to introduction of the plan.

Examination of the specific month-to-month employment stabilization situations faced by the firms at the time guarantee plans were introduced reveals a wide variety of business management problems.

Seasonal weather factors were involved in a number of the month-to-month employment variations: a sand and gravel operation, a road construction firm, and a Great Lakes transportation company ceased or virtually ceased operations when freezing weather set in.

The operations of a number of companies depended in whole or in part on seasonal farm activity: a canning company relied heavily on the annual tomato crop for its production of soups and catsups; and a chemical company's main product—fertilizer—was bought largely during spring and fall planting seasons. Agrarian operations also affected a meat packer whose production activity was dependent on farm shipments of cattle and hogs, as well as a spice manufacturer whose products sold best during the home canning and pickling season.

The indirect effects of seasonal weather changes were the most frequently reported causes of employment instability. Increased spring and summer demand for tires, ice cream, insecticides, beer, baby carriages, car seats and swings, and construction and maintenance materials were reported to stand in the way of stabilized employment in firms manufacturing these products. Activity expanded during spring and summer months in a fur storage and repair firm. Another large group of firms experienced their greatest activity during the fall and winter months: a battery manufacturer, oats and cereal companies whose hot cereals sold largely in winter and were subject to deterioration in summer, and a southern railroad whose heaviest traffic resulted from winter tourist trade and fruit and fertilizer freight. Style changes reflecting seasonal weather changes affected the operations of two women's apparel manufacturers who produced their specialties in advance of seasonal sales.

Holiday season peaks in consumer purchasing also affected employment fluctuations: a retail apparel chain's employment increased sharply at the Easter and Christmas seasons; a wholesale jewelry firm's employment followed the same pattern, and frequent style changes made it impracticable for the firm to package extensively for stock during slack months of the year; mail order firms, a variety store, a men's clothing store, retail shoe chains, and a department store were similarly affected. Increased consumer purchasing during holiday seasons was also the chief cause of employment instability in a hosiery, a liquor,

and two silverware manufacturing firms, as well as in a daily newspaper whose advertising volume fluctuated in direct relation to retail sales activity in the community.

Purchasing policies of wholesale and distribution firms caused varying amounts of employment fluctuation. The most noted situation of this kind was the case of the Procter & Gamble Co., whose officials came to the conclusion, after lengthy investigation, that ultimate consumer demand for the company's product was relatively stable from month to month, and that fluctuations in demand for the product at the factory resulted from fluctuations in wholesale prices and from the purchasing policies of distributors. In a number of other companies, including a wholesale grocery concern and the two midwestern cereal and feed companies, reduction of annual inventories was also a factor causing slack periods. In the latter two companies, in addition, wholesalers' policy of keeping inventories at an absolute minimum during summer months, when cereals were subject to greatest spoilage, caused the plants' major annual slack periods. In two New England paper companies, a general drop in wholesalers' activity during the summer months led to a slight drop in production, although not to any major fluctuation in employment, because of the necessity for maintaining crews of constant size to produce at any volume.

Employment variations in manufacturing or wholesaling establishments in several cases paralleled the seasonal patterns of the firms to which their products were sold. A West Coast paper converter produced largely for the food products industry, and production operations followed the seasonal patterns of food manufacture. A button and buckle wholesaler's employment pattern took its course from production fluctuations in the women's cloak and suit industry. Textile dyeing and finishing operations followed textile and apparel style changes; production and employment in the manufacture of construction materials followed the seasonal pattern of construction activity; and battery manufacturing operations varied with model changes in the automobile industry.

Year-to-Year Employment Variations. It has already been noted in part III of this report³ that very few plans were found in the heavy or basic manufacturing industries that are subject to

wide cyclical fluctuations. Information directly relating to the effects of the 1930-34 and 1937-38 business depressions on employment and man-hours was available in the 8 cases in which the plans originated before 1931 and were in existence during the depression of the early 1930's, and in the 26 cases in which the plans operated during the recession of 1937-38. In these cases, the effects of business depression may have been mitigated by the existence of a guarantee. It is not possible, therefore, to trace the situation in each company back to a pre-plan period which also shows the effect of depression upon year-to-year operations. Both the statistical material available and the reports of union and management officials, however, attest to the positive effects of the depression of the early 1930's on business and employment in most instances. These effects can be appraised best by citation of specific situations:

In the Crocker-McElwain Co., a New England paper manufacturer, depression employment reached a low point during the year 1932—during the existence of the plan—when average annual employment dropped to 78 percent of the 1929 level, and operating days for the year dropped to 38 percent of the 1929 level.

In the Detroit & Cleveland Navigation Co., freight tonnage declined by 33 percent between 1929 and 1932, and the number of passengers carried dropped by 67 percent.

No adequate employment records over a series of years were available from a number of small retail and wholesale establishments which introduced guarantees covering basic crews, but volume of sales and employment was directly related to volume of consumer purchasing power available to buy their merchandise—furs, costume jewelry, and women's and men's apparel.

Sensitivity to the business recession of 1937-38 appears to have been substantially less prevalent than the effect of the earlier depression, as was true in the case of many firms which did not introduce guarantees. Most of the firms on which information is available reported no decline of consequence in business operations or employment during the years 1937 and 1938.

³ See page 9.

Relative constancy of year-to-year employment, or a sizable, and frequently steady, increase in employment characterized most of the firms during the 10-year period preceding 1946. In some cases increases in employment were the result of post-depression recovery; in several cases employment increases since 1940 were attributable to the effects of the war. Over and above these causes, however, a number of the companies demonstrated an expansion in activity and employment resulting from a long-range increase in demand or from aggressive business management. Only a small number of firms showed a downward trend in total employment, resulting in large part from the effects of the war.

2. Stable Employment for Part of the Work Force

Despite the existence of varying degrees of employment instability, as described above, almost all of the 62 firms were able to give a substantial degree of stable employment to certain groups of their employees. Like most employers, they found it necessary to retain a basic force at all times. This core of stable employment varied from an occupational group or a handful of key employees in some cases to virtually the entire work force in others. In a number of cases, the size of the stable core had been enlarged substantially by employment stabilization efforts undertaken during the years preceding the introduction of the guarantee.

The scope of this study did not permit the elaborate analysis of pay rolls that would have been necessary to determine the size of the core of stable employment in each establishment. The character of the situation is, however, readily apparent from several typical cases:

Employees of the three utility companies surveyed who were engaged in regular power production operations and in customer servicing had much greater stability of employment than those engaged in the construction of new power lines or in sales of electrical equipment.

Key employees in an East Coast garment plant—cutters, foremen, and sewing machine operators with long service records—had much more stable employment than did operators hired during seasonal peaks.

Labor and management, in several cases involving wholesale and retail distribution

establishments, reached agreement upon the number of employees whom they regarded as constituting basic crews, normally required by the firms to perform regular business operations. Basic-crew size in these cases varied from 35 percent to 90 percent of total employment.

Prior to the institution of a guarantee, few of the employees of the Columbia Conserve Co. had year-round employment. After the institution of the plan, the employee-owners of the company, numbering about 100 at the peak of the plan's coverage, had much more stable employment than the temporary workers who continued to represent up to 60 percent of total employment during canning seasons.

Temporary workers hired for peak season operations in a number of other companies—a road construction firm, a sand and gravel operation, and cereal and food companies—obviously had less stable employment than regular workers. In the case of a large cereal company, management reported that the existence of a sizable "cushion" of temporary help was one of the factors making a guarantee to the rest of its work force practicable.

In every case, of course, month-to-month employment stability was greatest for employees with high seniority status.

The majority of guaranteed wage or employment plans in the United States (as has already been pointed out in part III) limit coverage of employees or the proportion of annual wages guaranteed. It is important therefore, to compare the terms of the guarantees with the extent to which stable employment was reasonably to be expected by at least part of each company's work force without a guarantee. Such comparison can be made only roughly, of course, and must be based in part on employment data and in part on the judgments of company and union officials as to the intent and significance of the guarantees at the time of their introduction. Analysis of this type indicates that in some cases the guarantees can be said to have assured more, in some cases equivalent amounts, and in some cases less stable employment or income than the workers possessed without guaranteed wages or employment.

Greater employment or income stability than had existed in the past was expected in cases where the employer consciously decided to keep skilled workers during slack seasons, where the plans were designed as unemployment compensation devices and wage earners were paid for lay-off periods, and where, as in the case of the Hormel Co. and the Seaboard Air-Line Railway, and a master contract covering Cleveland fur repair workers, the plan inaugurated a new stage in employment stabilization efforts as well as a guarantee. In a small number of cases, the plans clearly guaranteed less employment than was already provided without a guarantee. A New England utility company, for example, guaranteed 2,000 hours of employment under Section 7 (b) (2) of the Fair Labor Standards Act, which was less than total annual working hours had been in the past. In other cases, guarantees covering individual groups of skilled workers were introduced, no consideration being given to the possibility of covering others—even those with the longest service records—whose employment opportunities were equally stable.

The majority of the guarantees were not framed to go beyond the degree of employment stability that management and labor already believed to exist in the establishment, or which had been achieved after a program of employment stabilization. Employers, in most of the cases, believed that they were taking little or no financial risk in instituting the plans. Their attitude in this respect may in some cases have been influenced by the fact that their plans were largely introduced during periods of rising business activity, when their sights were fixed upon an optimistic future rather than upon past periods when the same guarantees might have involved greater risks. Labor unions did not as a rule press employers into assuming heavy obligations, and were themselves, in many cases, seeking security for only small groups of workers. How far the guarantees could have gone beyond what was actually given in amount and coverage without going outside the bounds of existing stable employment was in most cases a matter of conjecture that could be treated only by extended individual case analysis.

3. Previous Efforts to Stabilize Employment

In approximately one-third of the cases the firms reported attempts to minimize or eliminate

employment fluctuations prior to the adoption of their guarantee plans. In the remainder of the cases, the employers had concluded that their employment problems were beyond their own control or had been solved as far as was feasible, or that they could work out only limited plans within the existing framework of employment fluctuations.

Even where a program of employment regularization or stabilization had been undertaken prior to the introduction of a guarantee, it was usually done with no specific intention of laying the ground work for a guarantee. Such was the case, for example, in one of the utilities, which had for years been studying its operations with a view to the elimination of fluctuations within the year. Much of its program centered around the regular replacement of equipment, an activity previously done almost entirely on an emergency basis and resulting in somewhat erratic fluctuations in man-hours and employment. A rubber company tried to lift low winter demand for tires by a program of consumer education. In these and other cases like them, employment stabilization programs had generally been part of company policy for years, undertaken as a matter of good business administration rather than for the specific purpose of laying a foundation for an employment or wage policy. This planning, nevertheless, had the effect of increasing the number of workers to whom stable employment was available and who would eventually be covered under the guarantee.

A small number of companies consciously undertook to stabilize employment with a fairly concrete idea in the minds of management officials that they were laying a foundation for some kind of guarantee plan. This group consisted largely of the companies most famous for their plans, which on the whole, guaranteed substantially more, either as to length of employment or number of workers covered, than most of the other and less well-known plans.

As was to be expected, employment regularization programs of some kind were reported in most of the medium-sized and larger companies studied, and were absent among most of the companies that employed less than 250 workers. Among the establishments having guarantee plans covering more than 500 workers, some degree of pre-plan stabilization or preparation was reported in all but two cases—the Seaboard Air Line Railway

Co. and the Wm. J. Wrigley, Jr., Co. In the case of the Seaboard Air Line Railway the inauguration of the guarantee ushered in an important employment regularization program, without which it would have been impossible to effectuate the guarantee; in the case of the Wrigley Co. production was considered to be stable, and the company's inauguration of an "income assurance" plan in 1934 was specifically designed as an unemployment compensation measure.

Since most of the stabilization measures undertaken were part of general company program, not specifically related to the introduction of a guarantee, they were outside the scope of collective bargaining activity. Unions or employees were not initially informed of regularization actions taken by management. In several instances, management preferred not to raise the question of a possible guarantee until the results of employment regularization were clear or until management had formulated the exact kind of guarantee it planned to introduce. In a few other instances, the most noted example of which was the Nunn-Bush Co., management officials followed a deliberate policy of discussing their employment stabilization problems and their hopes for the introduction of a guarantee with employees or union representatives. They did this as a matter of good labor relations policy, to draw out employee ideas, or to develop cooperative labor-management efforts directed at increasing and leveling out production. Even in such cases, however, virtually all of the actual employment stabilization planning was done by management.

The cases in which the guarantees were preceded by employment regularization were, with two exceptions, cases in which management later bore the responsibility for initiating the plan. Little pre-plan employment stabilization was reported in the cases in which union action initiated the idea of a guarantee. Most of the union-initiated plans were in small establishments, where the opportunity of an individual employer to regularize was extremely limited, and where the achievement of uniform working conditions, including a guarantee, under a master labor agreement was in itself a stabilization measure in the industry.

The specific stabilization measures taken, whether or not they were designed to lay the

foundation for a guarantee, cover a wide variety of business actions in the fields of production and distribution. Some, like production for stock, deferring of maintenance activity until slack periods, and control of distribution channels, are frequently cited in the literature on management regularization. All were to some degree hand-tailored to meet the needs of individual circumstances. A picture of these activities can be given best through a series of individual descriptions:

A Minnesota manufacturer of window and door frames had for years, prior to the introduction of a wage advance plan in 1939, spread production of windows and doors throughout the year, primarily by the use of long-term building industry forecasts and production of standard items for stock during the winter months when demand was low. Much of the production for stock involved the manufacture of unassembled parts, a procedure that minimized the amount of capital tied up in inventory. Improvements and maintenance repair work had regularly been timed to coincide with the winter production slump.

Industry forecasts were also used by Geo. A. Hormel & Co., meat packers of Austin, Minn., in stabilization studies which were conducted for 4 years prior to the inauguration of their guarantee plan. Week-to-week receipts of livestock, which determined the level of plant operations, were found to be unpredictable, and little actual regularization of employment resulted prior to institution of the guarantee. Officials found, however, that it was possible to forecast total annual receipts with a high degree of accuracy, by the use of long-range crop, weather, and market reports. It was, therefore, determined to base a worker's annual wages on his estimated output, such wages to be received in regular weekly payments while his working hours continued to fluctuate.

Employment practice prior to 1932 at McCormick & Co., Baltimore, Md., manufacturers of spices and food specialties, involved three annual seasonal lay-off periods.

Beginning in that year, and continuing until 1936 when its plan of assuring 48 weeks of work a year was inaugurated, the company undertook a program of employment regularization which is reported to have eliminated all three slack periods. The specific stabilization steps included (a) analysis of seasonal sales periods, and persuasion of customers, wherever possible, to level out purchasing peaks; (b) improvement of sales forecasts, and planning of production in accordance with these forecasts; (c) establishment of a floating crew of workers who could be readily shifted from one department to another, to supplement the work of regular departmental staffs during peak load periods; (d) flexible transfer of labor among departments resulting in special attention to training employees for a variety of jobs, and hiring on the basis of general skill level rather than for specific assignment; (e) improvement and decentralization of warehouse facilities, to accommodate production for stock; (f) market research designed to have on hand new products that could be put into production in the event of declines in demand for established lines; (g) advance agreement between company management and stockholders to forego profits during individual months or quarters, if necessary to keep employees on the job, rather than the discharge of employees to be sure that profit records would appear uniformly good.

Employment planning at the Namm Store, a popular-price department store in Brooklyn, N. Y., began during the depression of the early 1930's. Supported largely by workingmen's trade, the store's sales were hard hit by the depression, and management took a series of economy steps. Whereas unplanned staffing of departmental operations, coupled with erratic hirings and lay-offs of varied size had been the store's prior practice, the attention of planning officials was now concentrated upon job classification, rate evaluation, and personnel budgeting. Budgeting was worked out in detail, particular attention being given to allocation of staff on the basis of past records of departmental transactions and floor space utilized. As a result of this plan-

ning, employment of year-round personnel was substantially stabilized, and the management of the store became convinced that it could add a guarantee to its employment policies. In fact, management felt that its employment base was established soundly enough to enable the store to continue a guarantee through another depression, with normal labor turn-over serving as a cushion of safety.

The Nunn-Bush Shoe Co.'s stabilization program started with the regularization of distribution. As early as 1918, the company joined with others in the manufacturing industry to change existing sales policies. At that time, factory salesmen were writing orders sufficiently large to load retail customers with stocks that would last throughout entire seasons, partly to prevent the purchase of competing merchandise. Under the new sales policy, customers were sold small initial orders, with prompt service on re-orders. Warehousing facilities were developed and stocks were built up to ensure prompt deliveries. Shortly after World War I the Nunn-Bush Shoe Co. itself entered the retail business, and at the time of this study was selling about 30 percent of its production through about 100 retail outlets. Concurrently, the company developed a complex inventory control system, partially as an aid to successful planning of its production and inventory policies. Records of past sales, as well as information on consumer preferences supplied by the retail outlets, have helped it to adjust total and individual model inventory levels with the aim of leveling production. By 1935, when the guarantee was introduced, the company had substantially minimized seasonal variations in production.

Additional actions reported were the offering of special terms to out-of-season buyers in the case of companies manufacturing men's apparel, rubber products, and baby swings and carriages; block selling of a combination of women's coat and suit styles in advance of seasonal operations by a women's apparel manufacturer; development of cold cereal lines to be produced during spring and summer seasons, when production of hot cereals

was at a low point, by a midwestern cereal company. The descriptions given above are necessarily incomplete, because most firms probably did not report fully the employment stabilization activities which they regarded as a regular part of their business policies.

The measures taken prior to the inauguration of the plans—even those taken to effectuate the meeting of the guarantees after the plans were put into operation—never eliminated completely the variations in employment and man-hours that existed to a greater or less degree in all of the firms under study. As has already been pointed out, most of the plans were based on management and labor acceptance of substantial variations in employment and man-hours. Furthermore, in many instances there was admittedly no expectation that introduction of a guarantee plan would contribute to stabilization of income or would extend the area of stable employment opportunities.

4. Responsibility for Initiating Guarantee

Three-fifths of the 62 plans studied were introduced on management initiative; one-third were introduced as a result of union requests in collective bargaining, and unions and management shared responsibility for their introduction in three cases. The history of guaranteed wage and employment plans is to a considerable degree the history of the pioneering of individual men. In at least three-fifths of the cases in which management was the initiator, the plan resulted from personal action by one or two individuals in the company—the owner, president, vice-president, or other important management official—who regularly gave personal attention to employee welfare and labor relations. In most of these cases, the official bearing responsibility for introduction of the plan had a controlling ownership connection with the enterprise.

Predominant management responsibility for initiation of the plans resulted in part from the fact that in about one-third of the cases, there were no unions representing the employees at the time the plans were introduced. Where unions represented the employees at the plan's inception, union initiation of the idea of a plan occurred in slightly more cases than employer initiation: unions proposed 21, employers initiated 18, joint responsibility was involved in three. Union ini-

tiative seems to have been largely a matter of local bargaining. Policy or special attention of the international union was involved in only a limited number of cases.

Union-initiated plans occurred for the most part in the smaller establishments, or in departments of medium-sized establishments where the unions sought guarantees for small groups of workers. Exceptions to this observation were a system-wide plan covering about 2,300 AFL railway shop workers on the Seaboard Air Line Railway and a plan covering about 500 workers, embodied in a contract between the Int'l. Ladies' Garment Workers' Union and a women's apparel manufacturer in Milwaukee, Wis. Even where the establishments were small, or the coverage limited, however, the total significance of the union-initiated plans was greater than appears, because most of them were in firms that were party to master contracts covering substantial groups of similar concerns in the same metropolitan area. Such was the case with wholesale button and jewelry establishments, fur merchants, textile converters, shoe and apparel retailers, and breweries in New York City, and with fur repair establishments in Cleveland. Others were not master contracts, but were typical of similar agreements that had been achieved by the union, as in the case of contracts between maritime unions and the Detroit & Cleveland Navigation Co., which typified a group of similar plans on the Great Lakes, and contracts of the Machine Printers Beneficial Ass'n. with two textile printing firms, typical of a larger number covering small groups of printers in textile dyeing and finishing establishments.

5. Objectives of the Plans

The purpose most frequently reported for the introduction of the plans was a desire to add to employee security or sense of security by guaranteeing regularity of employment or income. A great variety of additional considerations were cited, in many cases as important as the desire to provide security. For example, the desire generally to improve labor relations; to stabilize employee income; to use a guarantee as a device for further stabilization of employment; to keep trained employees in order to reduce turn-over and training costs; to increase worker efficiency; to

prevent reduction of productivity on the eve of slack periods; to establish a fixed employment policy at top management level that would remove control over employment from the hands of plant or departmental supervision; maintenance of a certain number of positions not subject to lay-off; reward for length of service; spreading of work among union members with the greatest seniority; forestalling of unionization; and the introduction of a wage advance system to enable employees to avoid the red tape of the usual loan arrangements. Although the desire to avoid the overtime payment provisions of the Fair Labor Standards Act was reported to be a consideration in some cases, the total effect of inducements provided by legislation—unemployment compensation merit rating provisions and Section 7 (b) (2) of the Fair Labor Standards Act—was minor.

Within individual establishments, the motives cited above appeared in a great variety of combinations too numerous to list. It is significant, however, to note that the desire to stabilize employee income was reported as a major consideration in only about half of the cases studied. Included in this group were the wage advance plans, and a number of other plans in which the employers had consciously undertaken to pay skilled workers for time not worked during slack seasons in order to retain their services for periods of peak operations, and thus avoid much of the expense involved in hiring and training new workers.

In the case of the Detroit & Cleveland Navigation Co., for instance, agreements were made to carry marine personnel on the pay roll during the freeze-over season on the Great Lakes—dating as far back as 1919 in the case of licensed officers. The initial agreements of this type were proposed by the unions with the intent of stabilizing the income of their members, and management readily agreed that income stabilization would assist them in avoiding turn-over.

In the case of a small roadbuilding company in Washington, D. C., a group of regular employees were guaranteed earnings and

kept on the pay roll the year round in order to ensure presence on the job at the start of major projects in the spring.

In slightly fewer than one-quarter of the 62 cases studied, the plans' initiators intended at the time the plans were undertaken (in addition to the stabilization of income, of course) to embark upon or broaden employment stabilization efforts with a view to widening the area of stable employment opportunities and laying a solid foundation for the guarantee.

This was the case in the Hormel Co., for instance, whose plan was designed in large part to even out income during the year, but had as an equally important purpose the retention on the pay roll of departmental crews of balanced composition and size, to whom work would be provided by every employment regularization effort that management could employ.

In the case of the Seaboard Air Line Railway, both company and union intended, at the initiation of the plan, to eliminate the variations in employment that had been caused by relatively unplanned budgeting of maintenance and repair work.

In the case of the master agreement of the Cleveland Fur Workers' Union with fur repair shops, the union's intention in obtaining a 38-week guarantee was to force several employers to level out work peaks during the year.

Differences in Union and Management Objectives.

In three-quarters of the cases where the initiative for the plans had come from union representatives (or about one-quarter of all the cases), employers reported an initial indifference to the guarantee. This attitude arose chiefly from management's belief that the union-proposed plans did nothing more than write existing practices into contracts, and that they could be undertaken with little or no financial risk. This was the case, for example, in basic crew contracts negotiated in New York City covering wholesale and retail establishments, and in a case involving a large automobile sales and service company whose owners, in negotiations with the United Automobile Workers (CIO),

agreed to a guarantee covering automobile mechanics, although they had refused to grant the union's full wage request. Management's attitude was lukewarm at best in the case of a Cleveland fur repair shop, where inauguration of the plan meant that shop activities would have to be spread more evenly throughout the year. In two other cases, however, where effectuation of the plan required further leveling of activity during the year, management took up union proposals and translated them into further stabilization activities.

Where the initiative for the plan came from management in unionized establishments (which was the situation in about a third of all the cases), union and management were usually in agreement on basic objectives. These were, for the most part, cases in which the companies had well-established programs of employment regularization. In the Hormel, Nunn-Bush, Wisconsin Public Service, and National Oats cases, for example, management and labor were in complete agreement on the basic objective of furnishing security to the workers. In each of these cases, of course, management also hoped to gain from the plan some form of contribution to productivity that would improve the general business situation of the company.

In several cases, where plans were instituted through collective bargaining, management objectives were substantially different from union objectives. Union aims were generally continuity of income, employment, and security for the workers to be covered. Management sought to avoid requested wage increases, to take advantage of the overtime exemption afforded by Section 7 (b) (2) of the Fair Labor Standards Act, to increase productivity during slack periods, and to keep a supply of skilled workers on hand during slack periods or seasonal shut-downs.

In the case of a small manufacturer of custom furniture in New York City, the company gave a 3-day-a-week guarantee, which it believed could be done with no risk whatever, for the stated purpose of preventing a wage increase. The union's interest in the plan was security of income for its members.

The Barlow & Seelig Manufacturing Co., when it granted a minimum annual wage guarantee to employees represented by the United Steelworkers of America, was interested largely in the overtime exemption afforded by Section 7 (b) (2) of the Fair Labor Standards Act, while the union, which had initiated the idea for the plan, was interested in security of income.

A New England utility company, in instituting its guarantee by agreement with an independent union, was exclusively concerned about the possibility of continuing the regular salary payments it had theretofore been making, and the avoidance of penalty overtime payments under Section 7 (b) (2) of the Fair Labor Standards Act. Employees and union were interested in the possible security the plan might afford.

Where there was no collective bargaining agency at the time of initiation, desire to give security was the most frequently reported motive, and desire to provide conditions that would retain or attract skilled workers was the next most frequently reported, as in the following cases:

A Baltimore silver firm guaranteed employment to skilled silversmiths to induce them to come from New England, and paid their transportation expenses as well.

An ice-cream company guaranteed employment over the slack winter months to a selected group of key workers whose presence when production resumed the following spring would minimize the starting-up and training problems that the firm had faced in past seasons.

An automobile repair company instituted a guarantee during the war to keep its mechanics from going off to war plants.

Objectives of guarantee plans have occasionally been expressed to be the eventual recognition of labor cost as a fixed cost of operation, comparable to overhead cost and not varying directly with production volume. Many management officials who have guaranteed employment have

consciously refused to accept this approach. One official in a company which has carried on an extensive employment stabilization program, for example, has stated repeatedly that employers should try to do everything practicable to "assure" employment, but that they should not think in terms of "guarantees." A majority of the management representatives interviewed voiced no theoretical convictions on the question, regarding their own guarantees of employment or wages as practical business investments to obtain improved morale, lowered turn-over, a better work force, and greater production. Several officials were reluctant to classify their plans as "employment guarantees," or as "annual wage plans" at all; they looked upon them as good employment policies and sound business procedures or, in a few cases, merely as contract provisions prohibiting lay-off, to which they disliked to apply such designations.

Influence of Legislation. Although eight of the companies at some time during the existence of their plans took advantage of the provisions of Section 7 (b) (2) of the Fair Labor Standards Act, the overtime exemption afforded by section 7 (b) (2) was a motive influencing only five plans, and the primary motive in only one.

At least 8 of the 15 plans introduced prior to 1935 were designed in part to provide unemployment compensation benefits in the absence of governmental legislation. After the passage of State laws, the possibility of tax reductions under merit rating provisions served as an attraction in one case. A plan introduced in 1939 was intended in part to supplement the protection of the unemployment compensation laws. In one case, management's belief that the Government might eventually impose an obligation to guarantee employment was cited as a contributory reason for the introduction of a plan.

6. Extent of Planning at Time of Introduction

Analysis of employment fluctuations, sales, production policies, or distribution methods at the time of adopting a guarantee plan was in most instances closely related to pre-plan employment regularization experience. Normally such planning was done by established technical divisions of management, although there was substantial labor participation in the Hormel, Nunn-Bush, and Seaboard cases. Personnel offices supplied

records of employment fluctuations; sales offices supplied data on fluctuations resulting from variations in demand and on the development of new products and distribution channels; production officials developed specific programs connected with maintenance activities, storage of finished products, and the reservation of certain work assignments for slack periods. In only one case was the employment of outside engineering help reported to the Bureau. The planning and even the analysis of detail was handled personally by the owner or a top management official in several of the cases. The most extensive planning was done by those companies whose guarantees assured the most in terms of duration of employment or coverage of workers.

The planning referred to above does not include cases which involved only a calculation of probable cost made immediately prior to the introduction of a guarantee. These calculations were quick cost estimates made to ascertain the risk involved in meeting a guarantee or to set a limit to the company's financial obligation. Typically, they consisted of a review of pay roll for the last several years, to determine what the cost of a guarantee would be to certain individuals or to a certain class of employees if they were paid for time which they had not worked during the previous period. In most of the cases, management relied only upon the accumulated business and industrial relations experience of its officials.

A handful of the more recent plans were introduced after their originators' study of the better-known plans previously in existence. In a number of cases, management officials reported that they had studied the characteristics of the Hormel, or Nunn-Bush, or Procter & Gamble plans. No recognizable carry-over could be seen in any of the cases studied, however, leading to the conclusion that most of the guarantees were basically developed in independent fashion to reflect the particular objective or to take account of the particular stabilization problem confronting the individual firm. Similarities among plans seem to have been due chiefly to union extension of the principle of stabilized wages or employment to other firms under contract.

7. Effect on Wages and Working Conditions

An overwhelming majority of the plans were introduced into an atmosphere of good labor rela-

tions, and in most cases where collective bargaining had a history of many years. In 42 of the cases studied, employees were organized in unions at the time of the plan's introduction, and, in an additional 4, unions came to represent employees during the existence of the plan. In two-thirds of the cases where unions represented employees, the unions were affiliated with one of the two major federations; one-third were independents. In several cases, as has already been noted, desire to promote sound labor relations was advanced as an important specific reason for the introduction of a guarantee. In one such case, where past labor relations had been bad, the plan was regarded by both company and union as an indicator of future smooth labor relations, and as evidence of management's intention to maintain a labor force of designated size in the community.

Whether plans introduced in the absence of union bargaining rights were designed in part to head off or combat union activity is not ascertainable except in a very few cases. From the demonstrated interest of management in the problem of employment security, it appears that this could not have been an important motivation. It was reported to be a factor in four cases, three not involving an immediate organizational campaign and one involving a serious labor dispute.

The last case concerned the Crocker-McElwain Co., whose plan was introduced in 1921 during the Nation-wide "open shop" drive. Management officials were interested in providing employment security, but also believed that it was equally important to advance the principle of the open shop. Accordingly, they proposed both a year-round wage guarantee and a system of individual employee contracts. The union which represented the company's employees objected to the individual contracts as well as to certain features of the guarantee and went on strike. The company's plan went into effect after the union lost both the strike and its bargaining rights.

The introduction of guarantee plans did not generally result in changes in wage or working conditions beyond the achievement of greater employment security, or in failure to make changes that would have taken place had the guarantees not been introduced. Generally, the introduction of a guarantee plan meant the achievement of a new-employment condition over and above other

existing worker benefits. An examination of union contract provisions in plants which had guarantees does not reveal significant deviation from the kinds of contract provisions relating to union security, seniority, work transfers, and other conditions of work usually negotiated in the absence of guarantees, except in the case of the contract between the Nunn-Bush Shoe Co. and the Industrial Union of Master Craftsmen. This contract, in addition to defining a radically different method of wage payment, gave union officials the right to approve or reject the employment of new workers or the addition of new manufacturing operations, and provided that the cost of teaching an employee a new operation be deducted from his compensation.

Changes in existing conditions did take place in five cases at the time the guarantees were introduced; in three of them, the arrangement was made by agreement with the union representing the employees. In two cases, overtime pay was given up in return for the guarantee; in one of these, involving a textile finishing company, the union also relaxed its restrictions against third-shift employment; in the other, involving a daily newspaper, the union waived its usual contract requirement for employment of extra workers for overtime hours. The Int'l Ladies' Garment Workers' Union agreed to a wage reduction in the case of a New York apparel manufacturer, and also consented to reduce the number of workers theretofore required by custom in the shop, in return for a guarantee bolstered by company deposit of a bond and a commitment to restore the original wage level in the event the company ended the guarantee. The introduction of a guarantee in the Crocker-McElwain Co., previously cited, resulted in loss of bargaining status by Eagle Lodge No. 1 of the Int'l Bro. of Paper Makers. (AFL). In the case of Berkshire Knitting Mills, a group of skilled production employees in 1936 proposed to accept somewhat lower piece rates, at levels below established local hosiery industry standards, in return for a guarantee of longer hours and a resultant higher annual income than during the immediately preceding depression years. This plan was approved by the employees and their employees' association, but the union that was attempting to organize the plant at that time opposed it as a lowering of industry standards.

In five additional cases, guarantee plans were

introduced as complete or partial substitutes for requested wage increases that employers had refused to grant in collective bargaining negotiations. No loss in wage levels or changes in other working conditions occurred in these cases.

In two cases, radical changes in method of wage payment were instituted at the time of the plan's introduction. In the case of the Nunn-Bush Shoe Co., the introduction of an employment guarantee was designed to shift the basis of compensation from a system of payment by the hour to a system of guaranteed employment with pay determined by the course of major production trends. Under the new system, hourly wage rates were abolished and a system of evaluated base rates established, not for the purpose of determining actual pay levels, but to establish sharing ratios for workers of different skills. The Columbia Conserve Co., when establishing its plan in 1917, placed employees to be covered by the guarantee on a weekly salary basis, with salaries determined by marital status and family size rather than by job, introduced a profit-sharing plan, and gave employees a voice in management of the business.

The firms involved in the 62 cases have, with very few exceptions, provided as liberal or more liberal employee benefits and maintained as high or higher wage levels than comparable firms in the same industry and area. As far as hourly wage level is concerned, there was general agreement on the part of company and union officials, supported in many instances by the statements of local United States Employment Service officials responsible for plant recruitment and by comparisons with wage data available in Bureau of Labor Statistics files, that wage rates were in line with prevailing levels; in a few cases, the firms occupied positions of wage leadership.

Vacation pay was almost universal in these companies, and several firms gave more than the typical industry practice of 1 week for 1 year and 2 weeks for 5 years of service. Pay for holidays not worked, usually covering 6 or more holidays during the calendar year, was granted in two-thirds of the cases. Company-financed sick leave and insurance plans, or time-off provisions for sick leave, were common. One-third of the firms had pension plans, and slightly more than one-fifth had profit-sharing schemes. The variety of plans and the multiplicity of combinations makes it difficult to state with exactness the re-

lationship of the companies under study to industry in general, but it is clear from the widespread existence of "fringe" or collateral practices that firms which have guaranteed employment or wages are also in the forefront of American management practice with respect to other conditions of employment.

B. Outstanding Features of the Guarantees

Under the plans the employers generally agreed to provide work equal to the extent of their guarantees, or equivalent pay when there was no work, but did not agree to pay without regard to attendance or work performance. The guarantees were based on the concept that a worker must be available to work when work is provided, and were usually inapplicable if the worker was absent or if he was incapacitated as a result of accident or sickness. In other respects, as in the case of rules governing transfers and discharges, the plans operated within the framework of established or negotiated plant policies that were not appreciably different from practices in companies which did not guarantee wages or employment.

1. Character of the Obligations Assumed

The basic features of the plans have already been described in part III, and are set forth in detail in the appendixes to this report. A variety of eligibility and benefit provisions, in a variety of combinations, were the plans' chief characteristics. The combined effect of these provisions, in most of the cases, was to provide something less than a full year's guarantee to substantially less than the entire work force.

The nature of the plan was in some cases dictated by the employment stabilization problem which the firm faced. In the Hormel case, for example, the payment of a guaranteed wage each week was based upon a finding that fluctuations in weekly working hours could not be reduced to manageable proportions, but that the annual volume of work was predictable; the same considerations gave rise to the continuation of a fluctuating workweek, with weekly overtime pay for the most part on a straight-time basis; the unlimited coverage feature of the plan was based upon careful advance personnel budgeting of the number of jobs estimated to be required for a reasonably predictable annual

work load. Use was similarly made of the partial overtime pay exemption afforded by Section 7 (b) (2) of the Fair Labor Standards Act by several other firms whose annual volume was more stable than their volume from week-to-week or from month-to-month.

For the most part, however, the variety of provisions relating to length of employment guaranteed and eligibility were reflections of management decisions concerning the extent of their commitments, of compromises made in collective bargaining, of the installation of guarantees into establishments with varying union security and seniority provisions, and of the individualistic drafting of the plans. Length-of-service eligibility provisions were also in many cases reflections of broader personnel policy which emphasized length of service, or of management's specific desire to provide a larger degree of security for those workers whom management regarded as the most essential.

The guarantee in most cases was based upon the employer's assumption of an obligation to provide full-time work throughout the year or, in the case of limited guarantees, work for a fraction of the year. There was no obligation to pay on a fixed annual monetary basis except in two cases, although the obligation to provide a certain amount of work at the employee's regular rate of pay was tantamount to a fixed wage guarantee if the employee worked throughout the guarantee period. In 40 percent of the cases, the plans contained no specific language obligating the employers to make up the full guarantee by paying for time not worked if sufficient work was not provided. The assumption usually appeared to be that sufficient work would be available, and in most of the cases, this has been true. It also appeared to be assumed or implied, although not stated explicitly, that the employer's obligation to provide work required that he pay at regular rates when he did not provide work. In almost all of the cases in which such employers were not able to provide work, payment was made. Employers occasionally referred to such occasions, however, as crises whose prolongation might have led to revision or abandonment of the plans, rather than as part of normal operation. In four of the cases, however, (two of which involved union agreements), the employer specifically reserved the right not to pay in the event that lack

of work forced the company to lay workers off. These four firms "assured" rather than guaranteed employment and committed themselves in writing to do what they could to provide it.

In slightly more than half the cases, including the Hormel, Wisconsin Public Service, and other important guarantees, the plans clearly provided that management had assumed an obligation to meet the full amount of the guarantee even though this required payment for time not worked. This group also included six cases in which the guarantee was expressed as a prohibition against lay-off rather than as a positive guarantee and several of those in which employers consciously subsidized skilled workers for time not worked during slack periods.

The four wage advance plans, uniformly introduced to provide greater stability of income rather than a specific guarantee against lay-off, obligated the employers to advance wages during times of slack work, while the employee was still on the pay roll, and provided that the wages thus advanced be repaid during weeks when hours of work increased. Each of the four cases provided a different rule to govern the extent to which wages could be advanced. In one case, employees could receive the difference between actual earnings and 60 percent of regular weekly earnings (computed on the basis of a 40-hour week); in another, the difference between actual earnings and 40 hours' pay a week; in the third, the difference between actual earnings and 30 hours' pay a week; and in the fourth the difference between actual earnings and varying amounts, depending upon length of service and number of dependents, ranging from 40 hours' pay over a half-month pay period to an unlimited amount. Minimum eligibility requirements were 6 months, 2 years, 3 years, and 5 years of service. Repayments of wage advances were made by deductions from future earnings: in one case by automatic deduction of one-half of earnings during weeks in which the worker was employed for more than 24 hours; in another by deduction when working hours were above 40 per week; in the third by repayment of half the employee's earnings for hours over 30 a week; in the fourth by repayment of all hours in excess of 60 hours' work in any semimonthly pay period.

The financial obligations involved in guaranteeing wages or employment were completely as-

sumed by the employers in every case. One company, which guaranteed 1,800 hours' pay to employees with 5 years of continuous service, reported having inquired about the possibility of insuring its obligation with Lloyd's of London, and of having received a cablegram in reply reading "proposition quite impracticable." Under another plan, the company's obligation to pay the guarantee ceased in the event of destruction of the plant; and an insurance contract provided that the insurer would thereafter assume the wage payments for a period up to 6 months. In two companies, specific monetary limitations were set on the company's financial obligation. Specific arrangements to set aside funds to cover the possible costs of a guarantee were reported in two cases. In two others, the employer's obligation was covered by a contract requiring the posting of a bond.

2. *Duration of the Guarantee*

With very few clear-cut exceptions, the plans were basically designed to provide security within the year, for the indefinite future or for as many years as was possible, rather than to provide security against cyclical fluctuations over a longer period of time. Almost two-thirds of the 62 plans ran for a term of 1 year. In a majority of these cases, they took their terms from the terms of union contracts; in some, the 1-year term had been set outside the provisions of a union agreement. It should be borne clearly in mind, in weighing the significance of the 1-year terms, however, that most of the 1-year union contracts provided for automatic renewal at the end of the year unless one of the parties to the contract gave notice of termination or intention to seek modification. It was clearly the general intent to keep their guarantee plans in existence as long as the parties found it feasible and desirable to do so. Formal extension of the duration of a guarantee was illustrated by the case of the Wisconsin Public Service Corp., and the Int'l Union of Operating Engineers (AFL), who expanded their guarantee from a 1-year term to 2 years when they entered into a 2-year contract after their first post VJ-day negotiations. In the meantime, the extended term did not freeze other wage and working conditions. The current contract provided a 1-year wage reopening clause.

In one-fifth of all the cases studied the plans ran for an indefinite period of time; in none of these was there a union agreement involved, and the plans in every case but one were at any time subject to cancellation on management's initiative. In only eight cases did the plan run for a definite term of more than 1 year: 5 years in one instance, 3 years in another, and 2 years by contract in six cases.

In one case the guarantee ran only for the duration of the slack season. Workers covered in slack months were guaranteed nothing during the remainder of the year, when they could reasonably expect full employment.

3. *Firmness of the Guarantee*

In one-third of the cases, no provision was made for modification or abrogation of the guarantee within the term of the plan. All but two of these involved specific contract language in union agreements. In an additional five cases, modification or termination was permitted only under "act of God" clauses, or in the event of catastrophe, riot, strike, insurrection, or similar situation.

Management had an absolute right to abrogate the guarantee at any time in another third of the cases, very few of which were embodied in union contracts. In an additional 15 cases, management could abrogate or modify the guarantee if certain conditions occurred: if sales fell below 80 percent of the previous year's level; if events occurred beyond management's control, explained in one case to mean the possibility of Government order or lack of materials; in the event of adverse business conditions (the fact of which was subject finally to arbitration); in the event of discontinuance of the firm (the legitimacy of which was in one case subject to arbitration); in the event of inability to obtain supplies and materials because of acts and restrictions of the Government; in the event of passage of an unemployment compensation statute (removed from the plan at a later date, when the plan was continued beyond the passage of the law). In two cases involving agreements with the Int'l Ladies Garment Workers' Union, the plans could be discontinued by management upon the granting of increases in wage rates.

All but eight of the plans were in written form. In 36 cases, the guarantees were reduced to writing in union contracts or were incorporated into

contracts by reference; 4 involved individual employee contracts; and 14 were in the form of written pamphlets or bulletin board statements.

4. *Computation of the Guarantee*

Virtually all of the plans embodied the concept that an employee must be willing to work when work is available in order to qualify for his full guarantee. Days of unexcused absence were almost uniformly deducted from workdays for which the employee was guaranteed pay; in the two cases in which the employee was guaranteed an annual salary and in a few others the rules governing this matter were not clear. In the case of the Columbia Conserve Co., where salary scales were based upon marital status and family size, the problem of absences was handled by individual disciplinary measures where necessary, rather than by automatic deduction from regular wage payment.

Most of the plans pursued further the concept that an employee must be willing to work, and required that he actually be available for work. Thus, in two-thirds of the cases, workers were ineligible for guarantee payments when incapacitated as a result of accident or sickness. In an additional one-fifth of the cases, the worker was eligible for the guarantee when he received workmen's compensation payments, but such payments were offset against the guarantee, generally to prevent pyramiding of total wages above regular earnings. In three of these cases, the employee turned his compensation check over to the employer and continued to receive the guarantee.

Less than 15 percent of the companies reported the offsetting of unemployment compensation payments against the employer's guarantee obligation. One company reported that employees were disqualified from guarantee benefits when they received unemployment benefits. The small percentage of firms reporting offsets, however, largely reflected the fact that no experience had developed in most of the cases, because the employees involved were given year-round employment and normally had no occasion to apply for unemployment benefits.

Vacation, holiday, and sick-leave payments generally were not permitted to pyramid above guarantee payments covering the same period of time, especially where the guarantee comprised a full year's work or wages. In cases where the

guarantee was for less than a year's duration, practice varied, vacation payments being added to the guarantee in some cases and counted toward the guarantee in others. In a few cases, employees guaranteed wages or employment during slack seasons were required to take their vacations during off-season periods. Ten percent of the plans provided for deduction of outside earnings from the guarantee, and in 2 cases receipt of outside earnings was cause for disqualification from guarantee benefits.

Under virtually all of the plans, the worker's guarantee was computed on the basis of his regular hourly or weekly rate, and the rate of pay was not affected by the existence of the plan. The employee's guarantee was computed on the basis of his hourly rate, excluding incentive bonus payments in the Hormel case. In two cases the guarantees were stated in terms of specific annual monetary payments. In the Nunn-Bush case, the employee's rate of compensation varied in relation to production trends, his base or job rate being designed as a sharing ratio rather than as a rate of pay.

Workers uniformly lost coverage upon discharge for cause.

5. *Transfers*

In four-fifths of the cases the employer had the right to transfer workers, where such transfers were practicable, to utilize their time on jobs other than the one to which they were regularly assigned, in the event of a slack period. This right was almost always, in the case of firms under contract with labor unions, subject to contract provisions governing transfers, including seniority rules. In the remainder of the cases, transfers out of classification were prohibited by union contract, or limited to individual situations where the union gave advance consent. Negotiated limitations on the employer's right to transfer were usually reported in the cases of specialized workers organized on a craft basis, where transfer would mean work outside the union's jurisdiction, perhaps involving the coverage of another labor organization. This was the case in plans involving textile printers, licensed marine personnel, mechanical trades workers on a newspaper, brewery workers, transit-mix drivers, and railroad shop workers. In one important case—that of the Nunn-Bush Shoe Co.—union consent to transfers

had to be obtained in advance although the union's jurisdiction included all plant workers. In the Hormel case, where transfers were initially an integral part of the plan, the system provided that the worker remain at his station and that work be brought to him. Shifts of assignment were confined to low-seniority employees who made up an "extra gang."

In virtually all of the cases where job shifts occurred, the worker was protected against rate reduction during temporary transfers, although definitions of "temporary" varied. Permanent transfers of assignment, when they occurred, usually meant changes in rate, even during the guarantee period.

6. Administration

The basic responsibility for administration following the establishment of the guarantee obligation—for planning work assignments to meet the guarantee, for keeping records of working hours and their relation to maximum hours provisions, for determining eligibility, deductions, and payments due—rested in management hands. Executives or company owners took personal responsibility for administration in the greatest number of cases, personnel or labor relations directors had responsibility in less than 20 percent of the plans, and administration was handled by minor office personnel in several. Where the guarantee reflected no greater employment opportunity than management and labor expected as a normal occurrence, administrative problems were reported to be nonexistent or to require little attention.

Direct labor participation in administration existed in only a few cases, including two in which, as a result of specific management policy, labor's role in all aspects of company administration had substantially greater scope than in most business enterprises. In the Columbia Conserve Co., the guarantee plan was described as one part of a broad experiment in economic democracy; workers were at first given a direct voice in management of company affairs through an employee council and were later given ownership rights. The Nunn-Bush Shoe Co. regarded its plan as a cooperative venture on the part of labor and management, and union functions included participation in employment stabilization planning, periodic review of production and sales for joint determination of the level of guarantee payments, equal participation

with management in determining transfers, and full participation in discipline proceedings prior to the taking of disciplinary action.

The chief form of union participation was through the grievance machinery, which in almost every case provided for arbitration as the terminal step in the settlement of disputes arising under the contract. In several cases labor-management committees met regularly to discuss operation of the guarantee; their responsibility was generally an advisory one. Unions usually exercised a watchful role in plan operations, to ensure that obligations would be met, and in a few cases, that they actually could be met. In a number of cases where there were contractual union shop provisions, determination of eligibility was a matter under complete union control. In several others, such matters as changes in the size of the work force or the establishment of piece rates were subject to joint decision of labor and management.

C. Experiences of Operation

The obligations of the plans have been met—generally under favorable, but in some cases under difficult, circumstances. The safeguard provisions and escape clauses have rarely had to be invoked. Most of the plans that went through depression periods weathered them successfully; abandonment of plans has been the result of special individual circumstances. The plans that operated under Section 7(b) (2) of the Fair Labor Standards Act experienced somewhat greater difficulty than those which did not take advantage of its provisions, largely because of the inflexible 2,080-hour limit on annual working hours.

1. Meeting of Guarantee Obligations

The employers' obligations to pay guaranteed wages were met in every case studied, although in three cases the wage rates guaranteed were reduced under depression conditions. In almost half of the cases, this meant that the employers actually had to pay out or advance money for time not worked. In the remainder of the cases, the employers were able to provide work for all covered employees to the extent of the guarantee during all of the years in which the plans had been in existence. In no case did the employer fail to live up to the guarantee.

In providing sufficient employment to meet their

commitments, of course, some employers who made no payments for time not worked did pay for time worked on maintenance, odd jobs, or other work at the rate of the employee's regular classification. The extent to which employers provided special work to keep their employees on the pay roll is not adequately known, but the total amount of such work is believed to have been very small except in a few cases and was confined largely to the companies who also paid for time not worked. The most extensive programs of this type were reported in the Hormel and Procter & Gamble cases. During 1932 and 1933 the Procter & Gamble Co. at its Cincinnati plant placed workers not needed in their regular jobs in a labor pool. Employees in the pool did general maintenance work on buildings, equipment, and grounds and dug holes for proposed construction. At the Hormel packing house in Austin, Minn., a livestock shortage occurred in the drought year of 1935. Employees for whom no work was available in the plant were selected on a seniority basis and put to work building houses, 34 of which the firm erected on a contract basis before the shortage abated.

In most of the cases in which payment was made for time not worked, it was expected by the employer that he would have to make such payments under the normal operation of his plan. In a few cases payment for time not worked was made only in situations that approached crisis proportions. In two such cases—Crocker-McElwain, and Seaboard Air Line Railway—payment for time not worked during the depression of the early 1930's resulted in modification of the plan after the guarantee period had passed.

None of the plans had to be modified during the guarantee period to enable the employers to meet the obligations which they had assumed. In the case of the Procter & Gamble Co., modifications were prepared by the board of directors for possible use during the depression of the early 1930's but never had to be used.

Somewhat less than half the plans were modified in some fashion during their existence at the time plans were renewed; the remainder continued as they had first been adopted. Several of the changes were very minor, having to do with adjustments to a new workweek or vacation allowance, provision for temporary exclusion of wartime recruits to preserve jobs for veterans, and removal

of a contract requirement for collateral. Other modifications dealt with the "safeguard" or "escape" provisions of the plans: in one case inauguration of a union contract eliminated a company's right to abrogate the guarantee at will, in another a 5-year guarantee with an escape clause was changed by negotiation to a 1-year guarantee with no escape provision, and in a third a company eliminated its own previously announced right to abandon its plan if an unemployment compensation law were passed.

Duration of the guarantee or coverage of workers was expanded in a few cases following favorable experience with limited plans, notably in the case of the Hormel Co., where the plan had started initially in a department of 19 workers and was gradually expanded to cover more than 4,000. In a few instances, coverage was contracted; the most important case of this group was the Procter & Gamble Co., which changed the eligibility requirement from 6 months to 2 years between 1933 and 1936, because of rapid expansion of the company and the hiring of many new employees.

Regularly planned revision of the guarantee was a feature of four cases—Hormel, Nunn-Bush, Seaboard, and Columbia Conserve. In the Hormel case, forecast of the demand for meat products, along with departmental review of the number of positions required to turn out a given volume of work, was made annually, and resulted in changes in departmental crew size and guaranteed hours of work. In the Nunn-Bush case, whose basic feature was the adjustment of payments to long-term fluctuations in production rather than a fixed guarantee, sharing ratios of covered workers were modified periodically, to reflect long-range changes in production volume; and over the years of the plan's operation employees were classified into several groups with respect to the degree of their sharing. In the Columbia Conserve case, periodic revisions in guaranteed salaries were made, usually in the light of long-range market trends. In the Seaboard case, the minimum-crew provision of the contract was reviewed each year by management and labor to redetermine the size of the minimum crew.

2. *Effects of Business Depression*

Eight of the plans went through the depression of the early 1930's; six of them are still in existence,

although one has been substantially modified. Of the remaining two, one was discontinued as a consequence of the depression, and one was discontinued in 1942 following a labor dispute. The experiences of each of the eight cases are presented in summary fashion:

A small roadbuilding company has had an informal, unwritten guarantee in effect since 1926, providing a weekly salary for 52 weeks a year as long as the employee is available for work. The guarantee covers 8 employees, and the work force is increased by 5 to 15 persons during the peak summer season. The plan was designed to keep trained employees from leaving the company during the winter months, and represented a conscious subsidy for time not worked. During the depression, the company's business boomed, its work in 1931 being almost twice the 1929 volume.

An indefinite guarantee of regular earnings in each 4-week pay period, to all employees with 5 years' service, introduced in the early 1920's by the Crocker-McElwain Co., of Holyoke, Mass., and its subsidiary, the Chemical Paper Manufacturing Co., resulted in substantial payment for time not worked in 1930, when company business declined and non-working time amounted to 30 percent of available annual working time. At the end of the year the guarantee was reduced, and after a further decline in working time in 1931, the guarantee was again reduced in 1932, finally standing at less than 50 percent of the full yearly income originally granted. The guarantee was never revised upward after the depression, and the plan was abandoned in 1937.

An unwritten guarantee covering workers in a Michigan wholesale grocery company was maintained throughout the depression of the early 1930's. Employees were given other duties around the warehouse or were allowed to go home when there was no work. The company absorbed the cost of the payments required (as to the size of which there are no available records) and the plan continued thereafter with no changes.

The first depression experience of the Columbia Conserve plan occurred in 1921. According to an account furnished by com-

pany officials, the company entered the year with a heavy inventory made up primarily of tomato products, a result of the previous year's large contracted acreage. With a falling market for their products apparent, new commitments were avoided until inventory was depleted. Prices fell and goods had to be sold at a loss. All workers not covered by the guarantee were laid off, and production was confined to filling orders that had actually been received. During the remaining years of the 1920's the plan operated successfully, with a gradual expansion in the number of workers covered. The company was not seriously affected by the depression of the early 1930's until the latter part of 1932, after other failures had already occurred in the canning industry. Again, the company had built up a heavy inventory, and had volunteered to carry 23 wage workers on its rolls after the tomato season, in addition to an unusually large number of covered workers—the number having risen during the preceding years of prosperity—in order to help alleviate the unemployment situation. During 1933 all of the workers were continued on the rolls, despite the company's policy of cutting production. In 1933 the council, consisting of covered workers who determined the policy of the enterprise, voted to cut base salaries by 50 percent, the remainder to be paid back in more prosperous years. (Repayments were made in 1935 and 1937.) Toward the end of 1933, however, more drastic measures were necessary and the workers again cut their salaries by 50 percent, this time agreeing not to require reimbursement. The second 50 percent cut was restored in 1934, and thereafter wages were gradually raised until they reached 80 percent of the 1932 level in 1942, the year of the plan's abandonment.

Licensed marine personnel on a number of Great Lakes vessels have been under guarantee contracts at various times. The Masters, Mates and Pilots of America have had a contract with the Detroit & Cleveland Navigation Co. since 1919, providing for continuing payment during the season when ice closes the Lakes to navigation. The guarantee was retained throughout the depression despite a

two-thirds drop in the number of passengers carried and a one-third drop in freight tonnage between 1929 and 1932. Employees are reported to have taken a voluntary cut in wages, of unknown amount, at the time, which did not show up in contract provisions regarding the guarantee.

Informal guaranteed employment plans for skilled dry cleaning workers in a Middle Atlantic area go back at least to 1903. A more formal arrangement, set out in a union contract, began in 1918 in the firm studied. At the time of the study, the plan, which guaranteed 52 weeks of employment at 40 hours a week, covered about one-third of the employees and was reported to have experienced no difficulties whatever during the entire period of its existence.

The Seaboard Air Line Railway and System Federation No. 39, affiliated with the Railway Employee's Department (AFL), inaugurated a minimum work force guarantee in 1928. The plan was proposed by union officials when their request for a wage increase was refused by the company and was designed to spread shop maintenance work and employment more evenly throughout the year. The agreement at first specified the number of employees to be maintained at each terminal point, but was changed in 1930 to specify a system-wide number, with transfers of positions permitted from shop to shop and from city to city. Following a fall in operating revenues during 1930, management, in negotiations for a 1931 agreement, refused to conclude a minimum-force contract unless modification by either party was permitted during the year. Agreement was finally reached and provided for a specified minimum force as of January in each year. The contract provided further that if "any situation arises during the life of this agreement which would seriously affect either party, a conference will be held between the management and the general committee for the purpose of reaching an agreement. In event of failure to do so, it is understood and agreed that either party may terminate this agreement by serving 10 days' notice in writing upon the other of intention to

do so." Both sides recognized that the effect of this modification was to change the guarantee to a plan that spelled out intent and provided 10 days' dismissal notice. The union pointed out, however, that the requirement for action by top management and the union's general committee still curbed what had been the chief source of employment instability, eliminated through the employment stabilization program that started with the plan—the work planning, hiring, and firing done by shop supervision as a result of irregular work budget appropriations. Under the new agreement, the size of the guaranteed work force fell during the depression years as follows:

	<i>Guaranteed work force</i>		<i>Guaranteed work force</i>
1928.....	2, 170	1934.....	1, 725
1929.....	2, 235	1935.....	1, 725
1930.....	2, 222	1938.....	1, 777
1931.....	1, 967	1945.....	2, 300
1932.....	1, 800	1946.....	2, 300
1933.....	1, 735		

The Procter & Gamble plan was inaugurated in 1923 after more than 2 years of work by management on the problem of employment stabilization. The plan originally provided, in brief, for a 48-weeks-a-year guarantee at standard weekly hours to all employees with six months of service. The general business slump of the early 1930's is reported by management not to have affected the company until the fall of 1931. By that time, it is reported, demand had fallen to a considerably greater degree than was anticipated, warehouse stocks rose, and production was curtailed. In order to provide the employment which it had guaranteed, the company set up a labor pool, to which workers not needed on their regular assignments were sent. From the pool, workers were assigned to a variety of maintenance and construction jobs. At times the percentage of workers in the pool ran as high as 10 percent of total employment, and most of the employees are said to have been involved in pool operations at some time during 1932 or 1933. Despite a sizable increase in maintenance and construction activity, company officials in 1932 grew increasingly doubtful of the ability of their company to meet its commitments toward its employees,

and the framework of the plan was modified to permit the company a greater degree of flexibility. In August 1932, the guarantee was revised to reserve to the company the right to limit hours of work to 75 percent of the established workweek whenever in the opinion of the board of directors such action seemed to be justified. Under this provision, the board of directors, in January 1933, authorized such reduction in five of the company's plants. Only two of these plants were actually notified of the board's action, however, and even in these the guarantee was met without the necessity of taking advantage of the relaxation. In January 1933, the eligibility requirement was increased from 6 to 12 months of continuous service. The plan was also amended at that time to reserve the company's right to withdraw the guarantee at any plant or to terminate it or modify it at any time.

All 26 of the 62 plans that went through the business recession of 1937-38 weathered its effects successfully. All but three of the 26 are still in existence; discontinuance of these three was in each case unrelated to the effects of the recession. In 22 of the 26 cases, the company was able to meet its obligation under the guarantee without the necessity of taking special action. The other four cases involved the McCormick, National Oats, Seaboard, and Nunn-Bush plans. In the case of the McCormick Co., whose sales fell off during 1938, the company produced to the extent of its storage capacity, and increased the volume of its maintenance and remodeling work. Employees voted to reduce the hours in the workweek if necessary in order to work throughout the year; but this was not necessary.

In the National Oats case, sales fell off during 1937, and the expected fall peak failed to materialize. Only workers covered by the guarantee were kept on during the summer slack period and up to the early fall. They performed maintenance work, blew down dust, scraped off machinery, dug a ditch for a new water line, and cleaned up the plant in general. The guarantee was met with very little payment for time not actually worked, and no workers suffered rate reductions during their temporary transfers to other jobs.

Under the Seaboard plan, the size of the minimum work force was reduced by agreement during 1938 from 1,850 to 1,725, because of a decline in business.

The Nunn-Bush plan was probably the most seriously affected by the events of 1937-38. Demand fell off and prices slumped in the late summer of 1937, causing management and labor to agree upon the cancellation of a recently given advance in base sharing rates, and a return to a lower base-rate multiplier (37, instead of the existing 40) that had been used in 1935. Production was continued for stock; temporary workers, who then constituted about 11 percent of the total working force, were kept on by agreement. The group fund began to run a deficit, but production was continued, dropping only as normal turn-over reduced the labor force, and wage payments were maintained. The large inventory of shoes accumulated during the depression is reported to have given the company some competitive advantage when production resumed in the industry after the depression, and the group fund deficit was liquidated in 1941.

3. *Discontinued Plans*

Of the 46 discontinued plans about which the Bureau had information, detailed studies were made in 15. The discontinued plans demonstrated no characteristics essentially different from those that were still in operation at the time of the survey, in terms of basic employment stability of the enterprise, duration or coverage of the guarantee, or experience under the plan. Discontinuance appears to have been almost wholly the result of individual circumstances.

All of the discontinued plans studied in detail went out of existence after the depression of the early 1930's.⁴ Business conditions or the ability of the employer to meet the guarantee seems to have been an important contributory cause of abandonment only in the case of the Crocker-McElwain Co. and the Chemical Paper Manufacturing Co., previously cited. In 1937, when the plan was abandoned, the guarantee stood at less than 50 percent of full weekly wages. Man-

⁴ See *Unemployment Benefits in the United States*, by Bryce M. Stewart (New York, J. J. Little & Ives Co., 1930), pp. 363-371, 374-386, and 463 ff.; and *Operation of Unemployment-Benefit Plans in the United States Up to 1934*, in *Monthly Labor Review*, June 1934 (pp. 1288-1324), for discussion of plans discontinued during and prior to the depression of the early 1930's.

agement had come to regard the plan as ineffective, and discontinued it upon the passage of unemployment compensation legislation.

In dealing with the question of discontinuance resulting from business depression, the case of the Seaboard Air Line Railway should, of course, be noted. Technically, what was formerly a guarantee is now a statement of intent to employ a minimum force coupled with a 10-day dismissal clause. The union regards the minimum force agreement as of continuing value, however, and emphasizes the fact that the contract expresses the firm intent of the company and can be abrogated only by top management. In its present form, the plan has approximately the same degree of firmness that exists in a number of other plans, such as those which can be withdrawn at any time, and such as the McCormick plan, under which the company has announced its intention of doing everything it can to provide a stipulated amount of work, but without a formal "guarantee" of a definite number of hours per week or per year.

Four plans were discontinued during World War II, largely as a result of wartime conditions. At the time they ceased, they had been in operation 2, 4, 5, and 6 years, respectively. In one case, the plan had operated by agreement between the company and an independent union under the 2,000-hour ceiling provided by Section 7 (b) (2) of the Fair Labor Standards Act. Manpower shortage and wartime manpower regulations made the continued operation of the annual hours ceiling impracticable. In addition, employees desired to work overtime at premium rates to increase their total earnings. The plan was abandoned by agreement and has not been revived. Management looks with favor upon its revival sometime during the postwar period, but employees are reluctant to give up overtime pay during a period in which the company's products—construction materials—are in heavy demand.

The second case of wartime abandonment also involved a 7 (b) (2) plan, negotiated between the Barlow & Seelig Co., a washing machine manufacturer, and the Steel Workers' Organizing Committee. It was abandoned in 1942 because of the company's uncertain business future during the war period. Union officials expressed interest in revival of a guarantee but were cool toward the possibility of its taking the form of a 7 (b) (2) plan again. Management was favorably inclined

toward the possible revival of some kind of guarantee.

The plan of a midwestern baby carriage manufacturer was entirely the product of the owners' industrial relations philosophy and the desire to assure employees an annual income. The guarantee, embodied in a bulletin board statement, provided for 1,760 hours' work a year, plus vacation, to all employees with 1 year's service. The uncertainty of production under war conditions made management reluctant to continue its formal guarantee. The bulletin board statement was removed and new employees were no longer told that the company guaranteed employment. Old employees who remained with the company were not told that the formal plan was abandoned and actually received more work than the guarantee had called for. The owners stated that they intended to restore a formal guarantee plan at an early date.

A Baltimore silverware manufacturer guaranteed its journeymen and apprentice silversmiths 52 weeks of 48 hours (including 8 hours pay at time and a half) per year. In 1942, wartime conditions made it difficult for the firm to secure raw materials and it was forced to discontinue manufacture of silverware and to cancel the guarantee. As soon as normal operations are resumed, management reported, it intends to revive the plans.

Four plans, including two wage advance plans, were abandoned after management had come to the conclusion that the plans were not needed, because the employer was able to provide substantially more work than the guarantee provided. All but one of these plans had been in existence for 3 years or less. All were abandoned between the years 1939 and 1942.

Three plans were abandoned as a result of employee and union dissatisfaction. Two of these were cases in which the plans had been introduced to avoid overtime payments under the Fair Labor Standards Act, in one case by a 7 (b) (2) contract with an independent union and in the other case by a scheme for advancing credit hours at the beginning of the year and offsetting overtime hours on a straight-time basis. In the first case, employee opposition to the plan arose over a provision for compensatory time off rather than overtime pay for hours over 40 a week, and over the practice of laying employees off—in some cases as early as November—when they reached their 2,000-hour limit. The employees switched union

affiliation, and negotiations with the new union resulted in elimination of the plan. In the second case, employees covered under the plan became dissatisfied with the fact that they received only straight-time credit for overtime hours, while employees not covered received premium overtime rates. This plan, too, was abandoned as a result of union action. In the third case, a guarantee of 3 days' work a week for 52 weeks a year had been granted by agreement in a small furniture manufacturing shop as a condition of the union's withdrawal of its demand for a wage increase. The guarantee proved to yield less employment than the employees could normally count upon, and other firms in the industry granted the wage increase which the union had given up for the guarantee. At the end of 1 year of operation, the guarantee was abandoned and employees received the industry-wide wage adjustment.

The three remaining cases of discontinuance involved a manufacturer of electrical apparatus, the Columbia Conserve, and the Namm Store plans. Passage of unemployment compensation legislation was reported as the reason for discontinuance of the 1,500-hours-a-year guarantee in the first of these three cases. The guarantee in this case had lasted from 1931 to 1938, covering in 1933 approximately 7,000 plant workers in a number of plants—a larger number than was covered by any other guarantee studied except the General Motors wage advance plan. The Columbia Conserve plan was abandoned as the aftermath of a labor dispute. Wages and union organization had arisen as issues among the employee-owners, resulting in a War Labor Board dispute case and a court suit. The employee-ownership feature of the plan was ended by court order as a result of the suit, and the management of the company simultaneously ended the guarantee. Mr. William P. Hapgood, president of the company and founder of its experiment in industrial democracy, stated to a Bureau representative at the time of the study that a guarantee might some day be attempted again. The Namm Store plan operated between 1939 and 1943 and guaranteed from 40 to 52 weeks of work a year, depending on length of service, to all wage earners with at least 1 year's employment status. Management officials had regarded the plan as a significant addition to working conditions, but during the early years of World War II they became worried about possible conflict between

their obligations under the plan and their obligations to returning veterans. Because of wartime turn-over the proportion of new employees was considerably greater than previously. To these new employees, union organization appeared more important during this period of high employment than the guarantee plan. When the employees organized, no request was made for continuance of the plan in the initial contract negotiations, and management dropped the guarantee.

Guarantee plans covering certain groups of employees were dropped in two additional cases, although similar or identical plans covering other employees in the same establishment were continued. One of these involved the composing-room employees of a midwestern newspaper, who were guaranteed 52 weeks of work during the calendar year under a 7 (b) (2) contract. The agreement provided further, in contrast to standard contract language in printing trades agreements, that regular employees would work on the sixth day, at straight-time rates, where necessary. This agreement had been entered into because of the difficulty of obtaining printing help for the sixth day of work, and because of the parties' desire to avoid declines in productivity that usually preceded seasonal slack periods. The plan was discontinued at the end of 1941 because of the refusal of the international union to sanction its renewal. The international objected to the elimination of time-and-a-half pay for overtime work and to the reduction of employment opportunities for transient printers. The second case involved longshore employees of a Great Lakes transportation company, whose guarantee was discontinued when the company subcontracted its longshore work.

4. Operation Under Section 7 (b) (2)

The plans which operated under Section 7 (b) (2) of the Fair Labor Standards Act merit special consideration as a group, since their experience constitutes the only experience to date of the operation of plans under a Federal statutory provision designed in part to encourage guaranteed wage or employment plans. Twenty companies reported the operation of guaranteed wage or employment plans (8 of which are still in operation, the remainder having been discontinued, largely during the war years) under Section

7 (b) (2) of the Fair Labor Standards Act.⁵ The number of plans that have fully met the requirements of the law is unknown; none has been the subject of final court determination. In some of the 20 cases, however, there was some question whether the full requirements of the law or regulations had actually been met, (a) because of apparent failure to meet the requirement that the union representing the employees be certified as bona fide by the National Labor Relations Board, (b) because of contract provisions that may not have met the full requirements of the law (a matter which could not be finally determined because the plans had not been officially commented upon by the Wage and Hour and Public Contracts Divisions or ruled upon by the courts), or (c) because of failure (in 5 cases) to file contracts as required by regulation.

Eight of the companies which took advantage of the provisions of Section 7 (b) (2) were studied in detail by the Bureau. In one case the inducement of the overtime exemption was reported to have been responsible for initiation of the plan, sponsored by management. In two, the overtime exemption was reported to have been important in determining management's acceptance of union proposals for guarantee plans. In another, management's desire for overtime exemption and labor's desire for security were reported as equally important motives. In the remaining four cases, guarantee plans were already in operation or about to be put into operation in October 1938, the effective date of the Fair Labor Standards Act, and were modified to conform to its provisions.

Of the eight guarantees studied, five are still in operation (in only four cases under 7 (b) (2), however). One of the former 7 (b) (2) plans was abandoned because of employee dissatisfaction following a drop in annual earnings during the 2 years after the plan's inauguration. The earnings decline had resulted from operation of the annual-hours ceiling, some employees having to be

⁵ Employers who had filed contracts with the Wage and Hour and Public Contracts Divisions under the provisions of Section 7 (b) (2) were included in the Bureau's canvass; the Administrator's regulations under the Fair Labor Standards Act require that contracts under Section 7 (b) (2) be filed with the Wage and Hour and Public Contracts Divisions.

Twenty of the 347 companies studied reported operation under Section 7 (b) (2). Five of these firms, however, were not included in the list of companies that had filed with the Wage and Hour and Public Contracts Divisions.

laid off as early as the first week in November. The second was abandoned because of the difficulty of adhering to the annual-hours limit under wartime conditions. The third was abandoned because of the general uncertainty of operating any guarantee under wartime conditions. In the latter two cases, some sentiment was reported for eventual reinstatement of a guarantee, although in both cases union representatives were lukewarm about the possibility of the plans again taking the shape of 7 (b) (2) arrangements because of the elimination of premium overtime pay and the absolute ceiling on annual hours of work. In an additional case, where a guarantee is still in operation, 7 (b) (2) provisions were eliminated in 1942 because of longer wartime working hours.

The best-known of the guarantee plans which operated under Section 7 (b) (2), and the one which covered more wage-earners than any other 7 (b) (2) plan, has been that of Geo. A. Hormel & Co., whose plan antedated the Fair Labor Standards Act. At the Congressional hearings on that act, representatives of the firm urged the inclusion of a provision which would enable it to preserve its established guarantee; Section 7 (b) (2) was framed to encourage and to allow the continuation of arrangements of this kind. Consequently, passage of the act caused only slight technical changes in the Hormel plan as it then existed. The plan provided that covered workers were to receive, weekly, 52 equal parts of estimated annual wages—based on estimated annual production—with additional pay on an incentive basis. Weekly hours were not fixed, the only restriction on them being that a worker's annual hours must not exceed 2,080; on a weekly basis, hours were not limited, but overtime payment was stipulated after 53 hours a week. The firm continued to operate under 7 (b) (2) without difficulty until 1944, when volume of work and the wartime manpower shortage made it impossible to observe the stipulated 2,080-hour limitation on employment for 374 of the workers. Their earnings were recomputed on a weekly basis without the advantage of the overtime exemption. The plan continued to operate under 7 (b) (2) for the remaining workers in the plant.

Six of the 8 firms which operated under Section 7 (b) (2) reported some difficulty during their experience with the plan in balancing man-hours so that the annual limitation stipulated in the law

would not be exceeded. In two of the cases it was necessary to lay off workers before the end of the year.

One-third of the 54 employers (of the entire group of 62 studied) did not invoke the provisions of 7 (b) (2) in connection with their guarantees because they were unable to meet requirements of the section (the guarantee provided either more or less employment than the stipulated 2,080 hours, or no bargaining unit existed in the plant) or because by the nature of its business the firm was not subject to the Fair Labor Standards Act. Other reasons for failure to take advantage of the provisions of 7 (b) (2) reported less frequently were union opposition to elimination of premium overtime payments and the impossibility of controlling employees' annual hours to conform to the 2,080-hour limitation. Management officials at Procter & Gamble and Nunn-Bush stated that they had no desire to receive exemption from paying overtime premiums. A large proportion of employers who did not invoke Section 7 (b) (2) were not acquainted with its provisions.⁶

Chiefly because of unfamiliarity with its provisions, very few of the employer or union officials interviewed had suggestions to make for improvement in the provisions or administrative interpretation of Section 7 (b) (2). Three employers suggested the removal of the 2,080-hour ceiling on hours, and the substitution of an annual overtime penalty provision for hours beyond this point. Four suggested that the provisions of 7 (b) (2) be made applicable to nonunion as well as to union employees. It was also suggested that the securing of interpretations or rulings on the legality of guaranteed wage proposals from the Wage and Hour and Public Contracts Divisions be facilitated and that such action be taken before contracts were signed or went into effect. Two employers and one union official suggested that, in addition to an annual guarantee, the section provide for a guarantee of minimum hours per week. In general, union officials were reluctant to consider giving up premium overtime rates for a guaranteed wage.

⁶ No special reasons for not utilizing 7 (b) (2) were reported by the employers who had filed contracts with the Wage and Hour and Public Contracts Divisions but had not, in fact, operated under guaranteed wage or employment plans.

5. Costs

A full accounting of the costs of the guarantee plans that have operated in the United States was unavailable. To a very large extent this resulted from the difficulty of isolating the effects of the guarantees from the effects of other business and employment conditions. To an equal extent, it resulted from the absence of adequate cost accounting systems for tracing the specific effects of the plans. The inadequacy of records resulted in large part from the fact that the employers who introduced the plans believed themselves able to evaluate their own experiences without special record keeping.

The kinds of expenditures actually experienced, both direct and indirect, were as follows:

Direct Expenditures

- Payment for time not worked.
- Payment at the worker's regular rate of pay for fill-in jobs which normally carry a lower rate.
- Payment for make-work.
- Losses on wage advances.

Indirect Expenditures

- Time of personnel, labor relations, and sales offices devoted to planning and laying the foundation for the plan.
- Outside engineering service.
- Provision of extra storage space for production in excess of pre-plan storage capacity.
- Cost of maintaining wage reserve.
- Tie-up of capital in inventory caused by production for stock.

In the plants studied, records were generally kept only on the direct expenditure items of payment for time not worked and losses on wage advances. It was therefore necessary to rely almost wholly on management statements concerning their total cost experience.

One-half of the firms reported no expenditures whatever. Three-quarters of the remainder (about 35 percent of all the firms) had paid for time not worked, and the remaining companies had incurred payment for some of the other items listed above, but not for unworked time.

Reports on savings traceable to the operations of the plans were even more difficult to obtain than reports on expenditures. Savings of various types were reported to have been experienced, although records were not ordinarily kept on most of these items:

Direct Savings

Reduction of unemployment compensation taxes under merit-rating plans.

Elimination of overtime payments required after 40 hours a week by the Fair Labor Standards Act.

Lower wage rates than those of competitors.

Indirect Savings

Reduction in cost of training new workers.

Reduction in turn-over costs.

Increased productivity.

Savings in overhead costs through constant use of equipment.

Recruitment of more efficient employees.

Competitive advantage resulting from presence of accumulated stocks.

The only savings that were reported to the Bureau in specific terms were those affecting unemployment compensation taxes and the elimination of overtime payments at time and a half required by the Fair Labor Standards Act.

It seems clear that there was no net expense at all to the companies involved in half the cases. In the remaining half, there was not an adequate record of expenditures and offsetting savings to warrant conclusions concerning net costs of plan operation. Employers who incurred some expenditures reported almost uniformly that their outlays had been offset by compensating savings, or benefits such as increased morale and productivity which resulted in compensating savings. Although the employers' own observations in these cases could not generally be substantiated by data, the expenditures in most of the cases were so small that they were reasonably certain to have been offset.

D. Management and Labor Evaluation of Results

The results of the plans can be assessed on the basis of two types of information: (1) Data on business operations, employment, and earnings of employees; and (2) the observations and conclusions of management and union officials who have had constant contact with the plans' operations. The latter has turned out to be a much more fruitful source, because comprehensive and valid statistics on the effects of the plans are extremely difficult to obtain. Record systems have not been set up to trace the specific effects of the guarantees, and it is generally difficult, if not impossible, to isolate the effects of the guarantee plan from the effects of other aspects of

business operation and factors beyond the control of management or labor in an individual concern.

The accomplishments of the plans have to be viewed in the light of their objectives. As has already been pointed out, in half of the cases introduction of the plans was not expected to contribute toward enlargement of the area of stable employment opportunities or to stabilization of income. The guarantees in these cases reflected the degree of stable employment that management and labor believed was already in existence, or, in a number of other cases, the degree of employment regularity that was achieved after efforts to stabilize had laid the ground work for an expanded area of stable employment. In the great majority of the cases, the achievements realized were substantially the results that had been expected at the time the plans were introduced.

1. Accomplishments of the Plans in the Field of Employment Security

The basic accomplishment of the plans was a greater sense of security for the wage earners covered. Management, labor, and employees interviewed emphasized the beneficial effect of the plans upon employee morale and the individual's sense of security, even in those cases in which management's guarantee represented little or no more than the employees could normally expect as a regular condition of employment without a guarantee:

In the case of a public utility which guaranteed employment to employees with 5 years of service only, and in which the plan was introduced after several years of employment stabilization efforts, both management and labor agreed that the guarantee represented substantially what company policy had been prior to the plan. The employees and their union nevertheless considered the benefits of the plan sufficiently great, from the point of view of the security it granted, to warrant their having given up overtime pay at time and a half for a period prior to World War II. Union representatives asserted that they would seriously consider strike action, despite a long no-strike record, if management attempted to abandon the plan. Labor and management have now turned their atten-

tion to the problem of lengthening the plan's term, and have, under their current contract, extended the guarantee to provide 2 years, or 104 weeks, of work.

A union representative who had negotiated a large number of basic crew contracts covering employees whose services would normally be required throughout the year reported that a guarantee clause was a basic feature of all contracts negotiated by his union. While the issue has never arisen, he reported, it would clearly be union policy to insist upon a guarantee at the cost of other improvements in wages or working conditions, if the choice had to be made.

In a number of cases, management officials who were interviewed reported that the plans had no special effects on employee morale or attitude, largely because the plans were extensions of what management was already doing. In contrast, a positive advantage pointed out by several labor representatives was the fact that spelling out the plan, even though it represented nothing more than past company policy, improved labor relations and employee attitudes by demonstrating firm company intention to continue that policy. The establishment of a guarantee under circumstances of stable employment has involved the same considerations that have led management and labor in thousands of contracts to reduce to writing, working conditions and rules that are accepted and completely taken for granted by both parties.

In about 40 percent of the cases, added security or a sense of security was reported to have been the most significant achievement of the guarantee. Experience under these plans was generally inconclusive, however; almost three-quarters of them could be said to have undergone no real test, because they had operated in fairly prosperous years and available work had equaled or exceeded management's obligations. The guarantee level in most of these instances might be of much more immediate significance to covered employees during periods of business depression. In several, however, coverage was so limited that a sense of security would undoubtedly be their sole contribution at any time.

Where payments were made for time not worked, the plans also contributed to income

stabilization. As has already been pointed out, such payments were made in 40 percent of the 62 cases studied, in amounts ranging from a few dollars a year for all of the covered workers as a group to several months' pay for each worker involved. In addition, income regularization resulted from the spreading of work even in situations where no payment was made for time not worked. In all, some degree of income stabilization can be said to have resulted from the operation of the plans in 33 of the 62 cases. In 9 of these, stabilized income resulted from payments to skilled or key workers during slack periods, largely for the purpose of retaining their services; in 21, from payments to larger groups of workers, generally in small amounts; in 3 cases, from wage advances.

The widest effects of the plans occurred in 12 cases where, according to labor and management reports, the area of stabilized employment opportunities appears to have been widened as a result of employment regularization activities undertaken concurrently with the plan.⁷ These activities enabled the employers to guarantee employment to workers who had not previously had stable employment or a reasonable probability of it. They did not result in general extensions of the guarantees to other workers, beyond the extent of the obligations that the employers had already assumed, however. Where such broad extensions did occur, as in the case of the Hormel plan, they resulted from the same impetus to regularize employment and provide security that had established the plan on a limited basis in the first instance. The character of the accomplishments achieved in this group of 12 cases can be obtained best by a summary of the individual situations:

(1) In the case of the Berkshire Knitting Mills, of Reading, Pa., a guarantee of 50 weeks' work was granted in 1936 to skilled hosiery knitters, in the form of individual contracts providing minimum weekly payment at levels below prevailing industry code minimums, and transfer to other types of knitting in the event that there was insufficient work on their own machines. From the workers' point of view, the plan was intended to grant security to knitters who worked

⁷ Some additional effects of this type may have resulted, though not reported by either management or labor representatives. In very few cases, the plans may also have had some effect beyond the establishments in which the guarantees operated. Inquiry along this line was outside the scope of this study.

on hosiery that was not selling well; the intention of the company was to reduce labor costs on 51-gauge hosiery and thereby enable the company to promote the sale of this product. This program was successful, and over the 10-year period following the plan's inception, hosiery sales increased, wage rates were raised to a point which more than compensated for the decrease initially taken by the employees, and the plan was extended to knitters of non-run hosiery. At the peak of its coverage, however, the plan included only about 15 percent of the company's employees.

(2) Employment stabilization measures in the Columbia Conserve Co. were part of the broad general experiment of which the guarantee plan was a part. These measures included the employment of workers during the slack season upon the company's 420-acre farm; production of nonseasonal soups and other products, such as chili con carne, chicken a la king, and bean sprouts; utilization of some of the workers as salesmen; and production for stock to a limited extent. The company's business methods and the prosperity of the 1920's resulted in a gradual increase in the number of covered workers, but substantial groups of employees recruited for the fall canning season always remained outside the coverage of the plan. In 1937, for instance, covered workers numbered 76 in June, and total employment in the plant was 102. During the September peak of that year, employment rose to 254, of whom only 74 were covered by the plan.

(3) The Cleveland Fur Workers' Union, Local No. 86 (CIO), has had contracts embodying employment guarantees with 19 local furriers since 1940. Prior to the introduction of the 38-weeks-a-year guarantees, most of these companies tried in some manner to spread fur coat repair and restyling operations over the entire 8 or 9 month storage period; but a few firms, including one of the largest and best known in the community, had taken no voluntary measures to stabilize employment and was able to provide only 3 or 4 months' work a year. This company had engaged in extensive advertising campaigns to get furs into storage during April and May, a practice which resulted in intensive work during the months following, but in little work thereafter. The union determined to seek an employment guarantee in its contracts, in order to force the companies to provide steadier employment, and

for the sake of greater security the guarantee was also sought in contracts with the firms that were already providing stable employment. Under the contracts, the responsibility for spreading production to stabilize employment was left entirely to management, the union believing that contract provisions would provide sufficient incentive to regularize. Management and union officials reported that employment had in fact been stabilized under the plan.

(4) A Wisconsin firm engaged in feed and flour milling inaugurated a guarantee of 52 weeks of employment in 1940. Management efforts were thereafter directed toward leveling out a seasonal slump in summer and early fall. Maintenance work was postponed until slack periods, and vacations granted at this time. New product lines were developed, such as turkey feed, peak demand for which occurs during the summer. At times during slack periods special sales measures were adopted to insure a steady flow of business: goods were shipped on consignment, prices were lowered, advertising was increased, and promotional programs developed. In fact, management reported that the chief benefit received from the guarantee had been the incentive to seek and accept new business during slack periods.

(5) The basic features of the employment guarantee at Geo. A. Hormel & Co. were developed prior to its inauguration. However, measures to extend employment stability were devised as union and management became more familiar with the plan's operation. Production quotas, of course, were subject to annual revision, reflecting changing conditions. It was found, for instance, that crews required to handle the peak work load in some departments could not be furnished sufficient work to keep them busy 2,080 hours a year. Consequently, their annual hours were established at lower levels in the interest of providing steady employment. Careful determination of the crew sizes still did not entirely eliminate slack periods when there was insufficient work. Transfers were made to departments where peak work loads existed, but production in these departments did not increase in proportion to the number of men added. To avoid this practice, the firm made slight changes in equipment so that work could be transferred into slack departments. This proved to be a more efficient arrangement. A related measure was the establishment of an extra

gang as a reservoir of workers from which departments in need of extra help could draw. This extra gang constituted approximately 7 percent of total employment.

Among other changes to improve productivity made during the operation of the guarantee was the establishment of a single rate in a department where the skills required for the various jobs were almost equal, but where a series of rates had previously existed. Under the former rate schedule, employees with greater seniority were able to claim higher-paying positions for which other workers were better fitted. Since the leveling of rates, the union has waived job selection rights based on seniority in this department and productivity has improved.

The aggressive, enterprising actions of management, reflected particularly in the introduction of many new products and the steady expansion of the company during the operation of the guarantee, should not be overlooked as a factor contributing to the creation of more opportunities for stable employment.

The guarantee of 52 equal pay checks per year stabilized not only workers' income but also contributed to stabilizing the number of employees on the pay roll. Prior to installation of the guarantee, employment at the firm was marked by a high rate of labor turn-over, as workers drifted to other jobs during slack periods. The promise of steady income under the plan checked this practice; in 1939, 98 percent of all workers on the pay roll were continuously employed throughout the year.

(6) The assured employment plan of the McCormick Co. has been in continuous operation since 1936. The company program to stabilize employment started in 1932 and has already been described. Following these measures, management in 1936 announced that 48 weeks of work would henceforth always be available to its employees. All competent and efficient employees with more than 6 months' service were protected. No assurance was given those with less than 6 months' service, and incompetence and inefficiency could still bring dismissal of any employee after a series of warnings. Neither wages nor hours of work were to be guaranteed. The company simply described its plan as one of intent to provide 52 weeks of work if at all possible, and if necessary to reduce the number of hours

worked weekly in preference to reducing the employee's weeks of work below 48 in the year. In actual practice, to fulfill the stated policy of the company, the management has produced for stock to the maximum capacity of storage facilities, has transferred workers (at regular rates of pay) to maintenance and repair jobs, and has laid off temporary workers with less than 6 months' service. At the same time management has been on the alert for new production possibilities and has conducted further market research.

(7) The basic regularization program of the National Battery Co. had already been developed in 1939 and 1940 when the company, at union request, introduced a program of stabilization of employment for workers with the greatest seniority status in its main and branch plants. The stabilization program was based chiefly upon the forecasting of demand and the maintenance of large inventory stocks of replacement batteries. The advent of the plan accelerated this program and effectively stabilized employment during the winter months, when demand for batteries was normally low. To an increasing degree, under the plan, production of batteries was consciously undertaken during the slack season with the objective of placing the company at all times in the position of being able to supply demand. This policy is reported to have resulted in substantial improvement in the company's competitive and profit positions, as well as in the stabilization of employment.

(8) The National Oats Co., one of the smaller of the Nation's oatmeal processors, introduced a guarantee of 1,664 hours a year plus vacation to 3-year employees in 1936, together with a wage advance plan. Prior to inauguration of the plan no special efforts had been made to regularize production, and company officials felt that no particular risks were involved in guaranteeing the amounts of annual employment that they proposed. Under the plan seasonal declines during the summer and at the end of the year continued, but the company had to pay for time not worked only in 2 years—in 1937 during the business recession, and in 1940. In neither year was the cost of such payment substantial. One step that the company did take under the plan's operation to regularize production further was to start fall operation earlier than it had begun in the past, in an effort to level out the usual October peak. Another

was an effort to alleviate the secondary slack period in December, caused by wholesalers' inventory reduction, by producing at this time orders which had to be shipped long distances, such as 2 to 3 weeks in the case of products shipped to California. During year-end periods the plant has sometimes been run exclusively on export business.

(9) When the Nunn-Bush plan was introduced the company had already stabilized month-to-month employment variations to a substantial degree. The plan was expected to contribute to the stabilization of income rather than to the regularization of employment. During the recession of 1938, however, sales were not sufficient to warrant continuing the existing level of payments, and under the plan's flexible arrangement wage or "sharing" payments should have been reduced. Desiring to maintain employee income, however, management and labor agreed to produce for stock and to continue the existing level of payments. A sizable deficit was accumulated during this period, which was wiped out during the immediately succeeding years.

(10) In the Procter & Gamble Co., the major employment stabilization program undertaken also occurred prior to the initiation of the plan, in 1923. The chief instance of further employment regularization under the guarantee occurred during the depression of the 1930's. The company was able to continue its guarantee by production for stock, and by the transfer of workers to a labor pool from which they were assigned to a variety of maintenance and construction jobs. The company reports that it would be impossible to determine the costs of this program which could be specifically attributed to the guarantee, because much of the work would have been necessary in subsequent years, and the company would probably have undertaken some of the program as part of its general feeling of responsibility towards its employees in time of depression without the existence of a formal guarantee.

(11) The minimum force agreement on the Seaboard Air Line Railway inaugurated a new program for spreading shop work throughout the year and for eliminating seasonal and irregular fluctuations in employment. This program successfully eliminated much of the variation in operations. Whenever insufficient work threatened the full-time employment of workers in minimum maintenance force positions, workers

not occupying minimum force positions were laid off, or the workweek was reduced. In cases involving temporary or permanent close-downs of shop or terminal points, the total number of minimum force positions for the year was maintained by transferring employees from one shop or point to another shop or point, at company expense if the transfer involved moving the worker and his family to another city. Work planning and budgeting under the plan eliminated completely sporadic shut-downs of individual shops that had previously characterized the company's operations.

(12) The guarantee of a small building materials manufacturing company, which operated under the provisions of Section 7 (b) (2) of the Fair Labor Standards Act from 1938 to 1943, stabilized employment opportunities for approximately 30 workers to a limited degree by giving them year-round jobs when they had in previous years been employed intermittently during slack winter months. Since the employees worked longer hours during the peak summer season under the plan to make up for time paid for but not worked during winter months, the principal effect of the plan was to average hours on an annual basis and to stabilize employee income throughout the year.

The chief effects of the plans appear to have been adverse in three special situations: Where the employer introduced a guarantee to avoid overtime premium payments, and the result was a cut in employees' annual earnings; where the employer bargained away a wage increase with an offer of a guarantee of 24 hours' work, and the employees found (a) that it gave them no increase in income and (b) that competing employers uniformly gave wage increases; and where the employer introduced a plan to avoid overtime payments, and employees who were paid at straight-time rates for overtime hours came to resent the scheme in contrast to payment of premium overtime rates to employees not covered by the guarantee. All three of these plans were discontinued.

The plans were reported to have had little direct effect on volume of employment. Expansion in business activity as a consequence of the incentive provided by a guarantee was reported in a few cases. These situations involved cases in which management generally followed an aggressive policy, and the information obtained was inadequate to determine whether the plan or management initiative was the causal factor.

In a few cases, the plans were reported to have had the effect of curtailing temporary employment during peak seasons, giving the work instead to regular employees:

This was the intention, for example, of a guarantee which operated from 1938 to 1943 in the plant of a small building materials manufacturing company. Regular workers worked longer hours during peak summer months at straight-time pay in return for steady employment during the slack winter season.

The two brewery plans studied guaranteed employment to "regular card" employees of the company, while other employees bore the brunt of slack periods. Since this arrangement had been a matter of union contract for over 40 years, the extent of its effect on the volume of temporary help previously employed cannot be estimated.

Since many plans, especially those applying only to key workers, were reflections of past practice, temporary workers continued to be laid off. In a number of cases, expanding employment opportunities during the last decade have resulted in the absorption of former temporary workers and their coverage under the guarantees.

In most of the cases, annual earnings of individual employees increased while the plans were in operation. In several of these cases, management or union officials attributed increased earnings of workers with low seniority status, previously subject to periodic or intermittent lay-off, to the operation of the plans. The fact that payments of varying magnitude were made for time not worked in almost 40 percent of the cases supports these conclusions. It has been generally impracticable, however, to isolate the effects of the plans from the effects of improved business conditions, general wage increases, promotions, merit raises, and other factors, to obtain a more exact picture of the plans' effects on earnings.

2. Other Accomplishments

The conclusions of management and labor officials who had operated with guarantee plans, including some of those whose plans had been discontinued, were decidedly favorable. The major advantage reported—achievement of a sense of security—has already been cited. This meant, in terms of additional advantages cited by both

management and union officials, better labor relations, increased productivity in varying degrees, and improved union security. From management's point of view, the aid of the plans in retaining key employees or attracting the services of skilled workers constituted an important advantage in several cases. Related benefits were the frequently reported but difficult-to-demonstrate reduction in training costs, a reduction in turn-over, and the use of the guarantee as an attraction in the recruitment of employees. The achievements of several of the major plans have been cited in glowing terms by management officials involved:

When questioned by a Bureau representative concerning the benefits of the plan in operation at the Nunn-Bush Shoe Co.'s Milwaukee plant, Henry L. Nunn replied: "Any plan that will accomplish stabilized production means a saving in equipment and in overhead costs; and any plan that makes for better jobs and better-satisfied workers reduces the training costs. Our unemployment tax has been very small since under our system we do not have any unemployment. No worker has been laid off due to slack work since the plan started in 1935. Our labor turn-over in comparison with like industries in this vicinity has been exceedingly low. The type of employee in our factory is high class—above the average. The fact that the worker in this plant immediately profits through improved equipment and processes makes such improvements very acceptable. There is a consciousness of mutual profit in efficient production that makes for good morale. The employee not under the plan also enjoys the regularity of employment that the plan has given the business."

Richard R. Dupree, president of the Procter & Gamble Co., when describing his firm's employment guarantee in a speech at the Conference on General Management of the American Management Association in October 1945, stated: "* * * in our business great strides have been made in ability to produce more units per man in the past 20 years. In fact, there has been a tremendous development along these lines that has been responsible for keeping costs down. We

found that once the plan was in effect, we had no trouble getting our people to experiment and cooperate with us in working out important procedures of production—such as having, say four people on a line doing what five used to do—because each man knew that he was not going to lose his job if the experiment were successful.” He went on to stress another benefit accruing from operation of the plan: “I would say that the steady employment plan is probably the greatest thing in our company, the greatest single factor—even greater than profit-sharing—in producing good relationships.”

The effects of a guarantee upon hiring practices were mentioned by Fayette Sherman, employment manager at Geo. A. Hormell & Co. He said: “There is the advantage of having a skilled crew on the job at all times. Customarily, when a gang is reduced the good men find other jobs and do not return, but the less desirable are back waiting to be hired. The guarantee eliminates the time, effort, and confusion, first, in deciding whether it is the proper time to reduce the gang, and, second, the confusion resulting from reducing the gang. Employment needs for the future can be estimated ahead of time and the personnel department given an opportunity to select new employees rather than ‘hire at the gate’ when the production in some departments is to be increased.”

Few employers reported disadvantages resulting from the plans. Costs were not regarded as disadvantages, but as necessary features of the guarantee, offset by compensating benefits. In the few cases where employers pointed out specific disadvantages, such as the heavy cost of warehousing incurred by the McCormick Co. and reluctance to accept new business which might prove to be temporary in the case of the Nunn-Bush Co., they nevertheless considered the net value of the plan to be positive.

In one-fourth of all the cases, the plans had been introduced at union behest, employers taking very little interest in them. In two-thirds of these cases, however, management reported that their experiences under the plans had been favorable, and that the plans had had a good effect on morale, turn-over, or efficiency.

In a number of the cases where management reported favorably upon experience under a guaranteed wage plan, the guarantee features of the plans had been very limited, either as to amount of the guarantee or as to the proportions of plant workers covered. Management’s favorable reaction in these cases was a reaction to the limited kinds of guarantee with which they had experience, and which they in many cases refused to characterize as “guarantees” at all. In several cases, their reaction to what they considered to be a “guaranteed wage plan”—formal guarantee of a full year’s employment or wages to all or virtually all of their employees—was negative, hostile or skeptical.

Union representatives and employees were, on the whole, greatly impressed with the security benefits which the plans had conferred, although many of them stated that the plans would prove to be more valuable during periods of depression than they had been thus far. About 40 percent of the union representatives interviewed indicated an intention or desire to press for amendment of the plan to give more security—lowering of eligibility requirements, extension of coverage to other employees, increase in the amount of wages guaranteed, or an increase in the number of years’ employment covered by the guarantee. Their approach to the problem of improvement was a gradual one, but virtually all of them felt that the plans could be improved or extended without substantial risk.

Management officials in several cases believed that the measures they had taken were capable of adoption by industry in general. A typical example of such opinion follows:

William Cooper Procter, who introduced the guarantee of the Procter & Gamble Co., said in a statement shortly after the inauguration of the plan: “I do not think there is anything peculiar to the soap business that makes such a plan more adaptable to it than to any other industries. I believe that in the very great majority of industries the average annual consumption is approximately the same, without much fluctuation from year to year, and that the problem of providing for the distribution and warehousing is not a difficult one to work out if study is centered upon the special industry.”

APPENDIX

Basic data on 62 plans studied

[The data in this table relate to the status of the plans early in 1946

Name of company and location	Business activity	Union representation at any time during life of guarantee ¹	Year of origin and discontinuation	Basic provisions of guarantee	Coverage and eligibility requirements
Adelphi Paint & Color Works, Ozone Park, N. Y.	Manufacturing paints and varnishes.	United Gas, Coke & Chemical Workers of America, Local 121 (CIO).	1939.....	48 hours per week, 48 weeks per year.	Production, shipping, and maintenance department workers with 6 months' service.
(?).....	Paper converters.....	Paper Printing Specialties and Paper Converters (independent.) (Not party to plan.)	1937.....	40 hours per week, 50 weeks per year.	All plant employees with 1 year of service.
(?).....	Selling buttons and buckles (wholesale).	United Retail, Wholesale & Department Store Employees of America (CIO).	1942.....	40 hours' employment per week, 52 weeks per year.	Basic crew size determined by negotiation; coverage of individuals by seniority.
(?).....	Manufacturing window and door frames.	None.....	First plan, 1931-32. Second plan, 1939.	Wage advance obtained on request. Advance to equal difference between hours earned and hours assigned to class of workers as follows: Class I—40 hours; Class II—50 hours; Class III—60 hours. No limit to wage advance for employees with 5 years of service.	All employees. Employees must have 2 years, 3 months of service in order to qualify. Class I—Employee with no dependents; Class II—Employee with 1 dependent; Class III—Employee with more than 1 dependent.
(?).....	Converters of textile fabrics.	United Retail, Wholesale and Department Store Employees of America (CIO).	1940.....	52 weeks' employment per year, based on 8-hour day and 40-hour week, at not less than negotiated weekly minimum wage.	Basic crew consisting of average number of nonexecutive employees preceding union organization or renegotiation of agreement.
Barlow & Seelig Manufacturing Co., Ripon, Wis.	Manufacturing washing machines.	United Steelworkers of America, Local 1327 (CIO).	1940-42.....	\$1,260 guaranteed for not more than 2,000 hours' work. Operated under Section 7 (b) (2).	Hourly paid employees. Service requirement: First contract, 1 year; Second contract, 5 years.
(?).....	Finishing cotton textiles.	Machine Printers' Beneficial Assn. (Independent).	1939.....	Full pay for any period in year prior to July 15 and half pay for any period after July 15, during which time worker is not employed. Operated under Section 7 (b) (2).	Journeymen, printers, and apprentices.
Berkshire Knitting Mills, Reading, Pa.	Manufacturing hosiery.	None.....	1936.....	36 hours per week, 48 weeks per year.	Knitters on 51-gauge hose; toppers on 51-gauge hose; knitters (leggers) on 45-gauge nonrun hose. No length-of-service requirement.
(?).....	Surfacing roads and driveways on a contract basis.	do.....	1926.....	Full pay, 52 weeks per year.	Regular employees selected by company.
(?).....	Manufacturing distilled liquor.	Locals of 8 AFL unions.	1939-45.....	Weekly average of 40 hours' employment per year. Hours not worked in short weeks debited against overtime.	Warehouse and powerhouse employees; service requirement 6 months.
Cincinnati Gas & Electric Co., Cincinnati, Ohio.	Producing and transmitting electric power and gas.	Int'l. Bro. of Electrical Workers of America, Local B-1347 (AFL); Independent Utilities Union, Cincinnati, Ohio, United Mine Workers, District 50, Local 12049.	1941.....	40 hours' employment per week, 52 weeks per year.	All regular full-time employees; service requirement, 6 months.
Clark Sand & Gravel Co., Baltimore, Md.	Operating gravel-pit and ready-mixed-concrete trucks.	None.....	First plan, 1938-43. Second plan, 1945—	First plan—minimum weekly pay varying according to length of service for 52 weeks per year. Second plan—Minimum of 40 hours' pay per week for 52 weeks per year. Hours paid for but not worked debited against overtime hours in excess of 45 hours and less than 50 hours per week.	Transit-mix drivers, bulldozer and crane operators, maintenance mechanics, office and supervisory staff. No length of service requirement.
Columbia Conserve Co., Inc., Indianapolis, Ind.	Canning food products.	do.....	1917-42.....	Annual salary paid weekly with base rates adjusted according to marital status and number of children.	All departments covered. Employees, to be eligible, must (1) have a year of service, (2) have an expectancy of 10 years of service, (3) be approved by vote of the employees' council.

See footnotes at end of table, p. 60.

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by the Bureau of Labor Statistics

Changes which may have occurred since that time have not been incorporated]

Safeguards and escape clauses	Approximate number of workers covered	Approximate percent of total workers covered	Basic reasons for introduction	Initiated by—	Has company paid for time not worked?
Employer's obligation ceases if sales drop below 80 percent of previous year.	40.....	90 percent.....	To obtain security after experience of depression. To offer more than unemployment compensation.	Joint initiation by union and management.	No.
Termination at discretion of management. Firm specifically reserves right to lay off for lack of work.	35.....	85 percent.....	To provide security and thereby avoid slow-downs before seasonal lay-offs.	Management.....	No.
Size of basic crew may be reduced by negotiation with union upon permanent curtailment of the business.	30.....	70 percent.....	To obtain security for basic crew.	Union.....	No.
Termination at discretion of management.	350.....	90 percent.....	To assure employees greater stability of income.	Management.....	Wages advanced under original plan.
Reduction in size of basic crew subject to union negotiation upon presentation of evidence showing need for crew of lesser size. If no agreement, may go to arbitration.	650 in 1945; 1,300 in 1941.	Not available.....	To obtain security for basic crew.	Union.....	No.
Plan may be suspended by strikes, disasters, act of God.	247.....	85 percent.....	To assure stability of employment and earnings. To obtain exemption from overtime payments under Section 7 (b) (2) of Fair Labor Standards Act.	Joint initiation by union and management.	No.
None.....	11.....	3 percent.....	Desire to increase job security.	Union.....	Yes.
Plan may be suspended by causes beyond company control, Government order, or lack of raw materials.	Number of workers in covered occupations has grown steadily from 85 to 420 during life of guarantee.	Currently, 15 percent..	To obtain security; to reduce cost of 51-gage hose; to reduce turn-over of knitters.	Employee proposal..	No.
Termination at discretion of management.	8.....	100 percent in slack season; about 30 percent in peak season.	To hold trained employees.	Management.....	Yes.
None.....	300.....	35 percent.....	To save overtime pay and to give additional security.	do.....	Yes.
Company guarantee subject to its right to lay off for "lack of work or for other proper and legitimate reason."	2,500.....	100 percent.....	Stabilization program of company had been successful and plan was offered to promote security and industrial relations.	do.....	No.
Plan is terminated upon discontinuation of business.	44.....	100 percent in slack, 60 percent in peak.	To hold trained personnel.	do.....	Yes.
Plan may be modified by employees' council action.	Coverage varied from year to year—76 in June 1937, 49 in June 1942.	Proportion varied seasonally—75 percent in June 1937, 30 percent in September 1937.	Guarantee integral part of plan for cooperatively managed establishment.	do.....	Yes.

Basic data on 62 plans studied

[The data in this table relate to the status of the plans early in 1946

Name of company and location	Business activity	Union representation at any time during life of guarantee ¹	Year of origin and discontinuation	Basic provisions of guarantee	Coverage and eligibility requirements
Crocker-McElwain Co. and affiliated Chemical Paper Manufacturing Co., Holyoke, Mass.	Manufacturing paper.	Int'l Bro. of Paper Makers, Eagle Lodge 1 (AFL).	1921-36.....	1931, 52 full weeks' pay per year, originally; in 1931, reduced to 80 percent of full pay for 44 weeks per year; in 1932, further reduced to 50 percent of full pay for 44 weeks.	Production, shipping and maintenance employees. 5 years' service requirement. Must be recommended by 2 covered employees and by supervisors and accepted by company.
Cromwell Silver Manufacturing Co., Long Island City, N. Y.	Manufacturing silverware.	United Electrical, Radio & Machine Workers of America, Local 1225 (CIO).	January 1939-December 1939.	40 hours for 45 weeks, and 3 days per week for 6 weeks.	61 listed employees in production department.
(?).....	Manufacturing chemicals and fertilizers.	Int'l Chemical Workers Union (AFL). (Not party to plan.)	1939-40.....	Wage advance when weekly wage fell below 30 hours per week, equal to the difference between earnings and 30 hours' pay, up to a maximum of 175 hours' pay.	All hourly rated employees. Service requirement, 3 years.
Decatur Newspapers, Inc., Decatur, Ill.	Publishing newspapers.	Int'l Typographical Union, Decatur Typographical Union No. 15 (AFL), Int'l. Printing Pressmen & Assistants' Union of North America, and Decatur Printing Pressmen and Assistants' Union No. 161 (AFL).	Printers, 1939-41. Pressmen, 1938-.	The printers' plan operated under section 7 (b) (2) from 1939-41. Printers received 40 hours' pay per week with overtime offset by short weeks. Pressmen's plan has operated under Section 7 (b) (2) since 1946. Pressmen received 40 hours' work per week.	Printers, pressmen, and stereotypers. No length-of-service requirement. Must be union members.
Detroit & Cleveland Navigation Co., Detroit, Mich.	Operating Great Lakes passenger and freight steamers.	Masters, Mates & Pilots of America, Locals 47 and 5 (AFL), Nat'l Marine Engineers' Beneficial Ass'n Local 3 (CIO); Int'l Longshoremen's Ass'n, Locals 1324, 1654, and 1326 (AFL).	Masters and mates, 1919-; pursers, 1941-; stewards, 1941-; engineers, 1937-; checkers, Detroit, 1941-46; checkers, Buffalo, 1938-46; dock foremen and clerks, Buffalo 1941-46.	Masters, 12 calendar months ³ , mates, 10 calendar months ³ ; purser, from 3 to 8 months ³ varying according to ship or home port; engineers, 10 calendar months; 3 checkers, 9 months' continuous work, 8 hours per day, 6 days per week; foremen and clerks in Buffalo, fixed monthly salary 12 months per year; seasonal workers in Buffalo, fixed monthly salary during "season of navigation."	Masters, mates, pursers, stewards, engineers, checkers, and other specified occupations.
(?).....	Milling feed and flour.	Cereal Workers' Union (AFL).	1940.....	48 hours' employment per week, 52 weeks per year.	The 75 percent of hourly employees who have the greatest seniority are covered.
I. J. Fox, Inc., Cleveland, Ohio	Storing and repairing furs	Cleveland Fur Workers Union, Local 86 (CIO).	.....do.....	35 hours per week, 38 weeks per year.	Fur machine operators, cutters, fur nailers, and hand sewers.
Fur Merchants Employers Council, New York, N. Y.	Fur dealers.....	Int'l Fur & Leather Workers' Union, Local 64 (CIO).	1938.....	40 hours' pay per week. No covered worker may be laid off.	All employees other than scrapers, temporary workers, and those employees earning over \$51.50 per week. Service requirement, 6 months.
The Furniture Specialties Corp., New York, N. Y.	Manufacturing upholstered furniture.	Upholsterers Int'l Union of North America, Local 44 (AFL).	1938-40.....	Minimum of 24 hours of work per week, 52 weeks per year.	Upholsterers.....
Gates Rubber Co., Denver, Colo.	Manufacturing mechanical rubber goods.	United Rubber Workers of America, Local 54 (CIO). (Not party to plan.)	1938-39.....	After 1 year of service, 1,600 hours per year; after 2 years of service, 1,700 hours; after 3 years of service, 1,800 hours.	All production and service occupations. Service requirement, 1 year.
(?).....	Manufacturing electrical apparatus.	None.....	1931-38.....	1,500 hours per year.....	Production, shipping, and maintenance employees. Service requirement, 1 year.

See footnotes at end of table, p. 60.

by the Bureau of Labor Statistics—Continued

Changes which may have occurred since that time have not been incorporated]

Safeguards and escape clauses	Approximate number of workers covered	Approximate percent of total workers covered	Basic reasons for introduction	Initiated by—	Has company paid for time not worked?
Company reserves right to terminate agreement under conditions which in opinion of company make it powerless to continue it, upon giving 4 weeks' notice.	1921—80; 1931—120; 1932—125; 1937—165.	1921—50 percent; 1931—65 percent; 1932—75 percent; 1937—85 percent.	To provide stability of earnings; to help maintain an open shop.	Management.....	Yes.
None.....	60.....	61 percent.....	Served as a compromise in lieu of wage increase during contract negotiations.	Joint initiation by union and management.	No.
Plan may be modified at discretion of management.	400.....	88 percent.....	Suggested by union as means of providing increased stability of employee income.	Union.....	Wages advanced.
Plan may be discontinued if publication is suspended by act of God, strike, riot, civil commotion, acts of civil or military authorities, or other causes beyond the control of union or publisher.	Total number of printers and pressmen—46, in 1941; 13, in 1946.	26 percent, in 1941; 7 percent, in 1946.	To keep qualified workers for peak requirements; to increase productivity.	Management.....	Yes.
Company may discontinue services of masters, mates, stewards, and engineers in the event of a major marine disaster, condemnation of a ship, or commandeering by governmental authority.	Total covered employees fluctuate throughout year, owing to varying lengths of different guarantees. Average figure is about 100.	Percentage covered varies from about 40 percent in slack period to 7 percent in peak.	To obtain income stability; on company's part, to retain licensed and trained employees.	Union.....	Yes.
None.....	Not available.....	75 percent.....	To improve labor relations and employee morale.	Management.....	Yes.
do.....	13.....	20 percent.....	To increase stability of employment.	Union.....	Yes.
Status of regular employee may be changed in the event of the merger or liquidation of business, subject, however, to decision of arbitrator. In case of seriously adverse business conditions requiring reduction in personnel, union agrees it would not unreasonably withhold consent to reduction. Employee may be replaced by another on July 1 of each year.	165.....	50 percent.....	To improve morale and labor relations.	do.....	No.
None.....	12.....	80 percent.....	Compromise offer during contract negotiations.	Management.....	No.
Company reserves right of lay-off in event of curtailed operation caused by war, act of God, casualty, labor troubles, expropriation of plant or part thereof, lack of materials, delay in transportation, or any other like cause beyond company's control.	1,375.....	75 percent.....	To improve employer-employee relations; to provide greater security.	do.....	No.
Company reserved right to modify, revise, or extend plan.	7,000.....	65 percent.....	To provide stability of earnings. Stabilized operations made plan feasible.	do.....	Yes.

Basic data on 62 plans studied

[The data in this table relate to the status of the plans early in 1946.]

Name of company and location	Business activity	Union representation at any time during life of guarantee ¹	Year of origin and discontinuation	Basic provisions of guarantee	Coverage and eligibility requirements
General Motors Corp., Detroit, Mich.	Manufacturing automobiles.	United Automobile Workers of America (CIO). (Not party to plan.)	1939-41.....	Income security plan—Wage advance to employee earning less than 60 percent of standard weekly earnings, equal to the difference between his earnings and 60 percent of the standard week, up to a limit of 360 hours' pay. Lay-off benefit plan—Wage advance to employee earning less than 40 percent of standard weekly earnings, equal to the difference between earnings and 40 percent of the standard week, up to a maximum of 72 hours' pay.	Income security plan—Hourly rated employees under 64 years who had completed 5 years of service and had worked for the company during a given month designated by the president. Lay-off benefit plan—Hourly employees under 64 years not eligible under income security plan with 2 years' service and who had worked during designated month. Employees failing to work because of sickness are eligible.
(?).....	Manufacturing men's and boys' apparel.	Amalgamated Clothing Workers of America (CIO). (Not party to plan.)	1937.....	52 weeks' salary, number of hours varying according to job classification.	Specified job classification and selected key employees.
Good Humor Ice Cream Co., Baltimore, Md.	Manufacturing ice cream.	None.....	1939.....	48 hours per week from October to March (siack period).	Key employees of all departments, including sales and office, selected in October of each year.
Grand Rapids Wholesale Grocery Co., Grand Rapids, Mich.	Selling groceries (wholesale).	Int'l Bro. of Teamsters, Chauffeurs, Warehousemen & Helpers of America, Local 406 (AFL). (Not party to plan.)	1919.....	47 hours' employment per week, 52 weeks per year.	Warehousemen, dockmen, and drivers.
Greenville Finishing Co., Greenville, R. I.	Dyeing, printing, and finishing textiles.	Machine printers' Beneficial Ass'n. (Independent).	1940.—Lapsed 8 months in 1942, 13 months 1943-44, during which periods guarantee of half pay for any 13 weeks during the year in which workers were idle was in effect.	Annual wage, payable in 52 weekly installments; fluctuating work week. Under Section 7 (b) (2).	Journeyman printers, upon hiring.
Geo. A. Hormel & Co., Austin, Minn.	Meat packing.....	United Packinghouse Workers of America, Local 9 (CIO).	1931.....	52 weeks' employment per year. Average workweek varies from 34 to 40 hours. Under Section 7 (b) (2).	All employees exclusive of part-timers, extras, or employees hired for a specific temporary period are covered as soon as hired.
(?).....	Automobile sales and service.	United Automobile Workers of America (CIO).	1940.....	52 full weeks' work per year. Workweek for mechanics is 40 hours; for porters, 44.	Mechanics and porters listed by name.
The George A. Lewis Co., Danbury, Conn.	do.....	None.....	1942.....	52 weeks' minimum wage per year.	Mechanics and body repairmen covered upon being hired.
(?).....	Selling costume jewelry (wholesale).	United Retail, Wholesale & Department Store Employees of America (CIO).	1940.....	No lay-off for 52 weeks. Workweek is 40 hours.	Basic crew covered. Vacancies in crew filled on basis of seniority.
(?).....	Manufacturing soap.	United Soap Workers, Local 366 (CIO).	1942.....	52 full weeks' employment per year.	Firemen and watchmen after 30 days' service.
McCormick & Co., Inc., Baltimore, Md.	Manufacturing food specialties.	None.....	1936.....	Assurance of 48 weeks' employment per year with intent but no guarantee to provide 40 hours' work per week.	All efficient and competent plant and office workers after 6 months' service.
(?).....	Generating and transmitting electric power.	Brotherhood of Utility Workers of New England (Independent).	1940-41.....	2,000 hours' employment per year. Under Section 7 (b) (2).	All employees except office workers, upon hiring.
The Namm Store, Brooklyn, N. Y.	Department store.....	None.....	1939-43.....	52 weeks' employment for those with more than 5 years' service; 48 weeks, 3 to less than 5 years; 44 weeks, 1½ to less than 3 years; 40 weeks, 1 to less than 1½ years. Employees may be transferred to part time (28 hours per week) on seniority basis.	All regular nonexecutive workers on pay roll after 1 year's service.

See footnotes at end of table, p. 60:

by the Bureau of Labor Statistics—Continued

Changes which may have occurred since that time have not been incorporated]

Safeguards and escape clauses	Approximate number of workers covered	Approximate percent of total workers covered	Basic reasons for introduction	Initiated by—	Has company paid for time not worked?
Corporation may modify or suspend plans in event of fire, floods, wars, riots, or labor disputes in any plant of corporation or suppliers, or for circumstances beyond control of management, or in case of change through legislation or otherwise in standard workweek.	158,000.....	60 percent.....	To assist employees during periods of short employment or no employment, and to avoid difficulties involved in cash loans.	Management.....	Wages advanced.
Plan may be canceled, revised, or extended at will of employer.	10.....	50 percent.....	To hold trained employees.	.....do.....	No.
Company may terminate plan at time it desires.	40.....	100 percent in slack period, 35 percent in peak.	To hold key employees.	.....do.....	Yes.
Company may revise or terminate at any time.	32.....	67 percent.....	To attract steady, reliable workers.	.....do.....	Yes.
None.....	9.....	3 percent.....	Union desired security; management accepted plan to receive benefits of Section 7 (b) (2).	Union.....	Yes.
.....do.....	3,900.....	80 percent.....	Management wished to stabilize workers' income and reduce turn-over.	Management.....	Yes.
.....do.....	13.....	60 percent.....	Union demand substituted in lieu of a denied wage increase.	Union.....	No.
Management may modify, revise, or cancel plan at any time.	11.....	39 percent.....	To retain trained workers.	Management.....	No.
Employees may be laid off 1 week if business drops 10 percent below stipulated level.	55.....	73 percent.....	To assure security for basic crew.	Union.....	No.
None.....	12.....	3 percent.....	Demonstration of union strength.	.....do.....	No.
Senior board of directors may modify, revise, or cancel plan at any time.	575.....	100 percent.....	To increase stability of income and employment.	Management.....	No.
None.....	125.....	91 percent.....	To secure overtime exemptions of Section 7 (b) (2).	.....do.....	No.
.....do.....	920.....	67 percent.....	To provide additional employment security.	.....do.....	No.

Basic data on 62 plans studied

[The data in this table relate to the status of the plans early in 1946.]

Name of company and location	Business activity	Union representation at any time during life of guarantee ¹	Year of origin and discontinuation	Basic provisions of guarantee	Coverage and eligibility requirements
National Battery Co., St. Paul, Minn.	Manufacturing batteries.	Employees in firm's plants covered by various locals of Int'l Bro. of Electrical Workers (AFL); Int'l Bro. of Teamsters (AFL); Int'l Ass'n of Machinists (AFL); and United Automobile, Aircraft & Agricultural Implement Workers of America (CIO); Federal Labor Union 23619 (AFL).	1940.....	40 hours' work each week except those during which inventory is taken or an unworked holiday occurs, at which times the workweek is 32 hours.	All plant workers. Length-of-service requirement varies in the different plants from 49 to 90 days' service.
National Oats Co., Cedar Rapids, Iowa.	Manufacturing cereals.	American Federation of Grain Processors Council (AFL).	1936.....	1,664 hours of employment per year, plus paid vacation.	All plant employees with 3 years' service.
(?).....	Limited price variety store chain.	United Retail, Wholesale & Department Store Employees of America (CIO) covers 30 Detroit stores. Int'l Protective Ass'n (AFL) covers 1 Racine, Wis., store. Remainder of chain is nonunion.	1938.....	42 full-time weeks (not to exceed 48 hours per week) and 10 36-hour weeks of employment per year.	Sales and office employees with 1 year's service.
Nunn-Bush Shoe Co., Milwaukee, Wis.	Manufacturing men's shoes.	Industrial Union of Master Craftsmen; Nunn-Bush Office Employees Union; Nunn-Bush Shipping Department Union.	1935.....	Management sets aside an agreed percentage of the value of production as labor's share. There is established for each covered employee a drawing account based on his estimated annual income, 1/2 of which is to be withdrawn weekly from the fund representing labor's share of the production. Adjustment with actual earnings is made periodically. The 595 workers in the production departments with greatest seniority and the 70 percent of office and shipping department workers with greatest seniority are not subject to lay-off.	Wages of all workers not subject to lay-off and all other employees with 2 years' service are determined on the basis of their participation in the Share-the-Production Fund.
(?).....	Brewing and distributing beer.	Int'l Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America.	About 1890.....	Employees are not to be laid-off more than 20 days per year.	All nonexecutive employees, except office workers and drivers, who have received "regular card" from union.
Parker Manufacturing Co., Worcester 1, Mass.	Manufacturing hand tools.	None.....	1938.....	1,800 hours' pay annually...	All plant and office employees with 5 years' service.
(?).....	Brewing and distributing beer.	Int'l Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America.	About 1890.....	5 days of 8 hours' work per week during busy season (Apr. 15-Oct. 15) and 4 days of 8 hours work per week during the other 6 months' (dull season).	All workers except office and maintenance employees who have been designated as "bookmen" by union.
Procter & Gamble Co., Cincinnati, Ohio.	Manufacturing soap.	Ivorydale and St. Bernard Employees' Representation Ass'n (independent) in the Cincinnati area. Various unions are involved at the other plants. (Not party to plan.)	1923.....	Employment for 48 full weeks (or time equivalent) per year.	All hourly employees with 2 years' service.

See footnotes at end of table, p. 60.

by the Bureau of Labor Statistics—Continued

Changes which may have occurred since that time have not been incorporated]

Safeguards and escape clauses	Approximate number of workers covered	Approximate percent of total workers covered	Basic reasons for introduction	Initiated by—	Has company paid for time not worked?
Management may lay off employees according to seniority at any time, upon giving 5 days' notice.	1,450 (on seniority list).	75 percent	To provide employment security.	Union	No.
Time lost because of shut-down of mill caused by fires, strikes, riots, tornadoes, cyclones, explosions, floods, military or civil commotion, or other causes beyond control is deducted from guarantee period.	50	35 percent	do	Management	Yes.
None	2,385	44 percent	To attract employees and improve labor relations.	do	No.
do	615	66 percent	To provide income security.	do	During 1937-38 recession, the firm produced in excess of demand in order to maintain the level of employee earnings, thus, in effect, advancing employment rather than wages.
Covered workers' employment may be terminated, other than for cause, only if plant shuts down or output is affected by act of God, fire, explosion, or other cause beyond firm's control.	100	59 percent	To provide security for top seniority workers.	Union	Yes.
Management may modify, revise, or cancel plan at any time.	75	33 percent	Granted primarily as a reward for long service.	Management	No.
In severe slack period, management may reduce workweek to 3 days per week by agreement with union. If business ceases, plan is terminated.	210	57 percent	To provide security for top seniority workers.	Union	Yes.
Workweek may be reduced to 75 percent of normal at management option, or firm may withdraw guarantee at any time.	3,800	49 percent	To provide security.	Management	No.

Basic data on 62 plans studied

[The data in this table relate to the status of the plans early in 1946.]

Name of company and location	Business activity	Union representation at any time during life of guarantee ¹	Year of origin and discontinuation	Basic provisions of guarantee	Coverage and eligibility requirements
(2)-----	Manufacturing cereals.	Food, Tobacco, Agricultural & Allied Workers Union of America (CIO).	1934-----	140 hours of employment per month while on pay roll. If laid off, employees receive 70 hours' pay per month for periods varying according to length of service: 6 months to less than 1 year's service—2 months per year; 1 year to less than 2 years' service—3 months per year; 2 years to less than 3 years' service—4 months per year; 3 years and over—6 months per year.	All plant employees with 6 months' service.
(2)-----	Women's apparel retail store (chain).	United Retail, Wholesale & Department Store Employees of America (CIO).	1936-----	11 months' employment per year for "steady employees." 35 weeks' employment per year for "steady extra employees."	All members of the union upon hiring. The union covers only sales clerks.
Retail and Wholesale Shoe Stores, New York, N. Y.	Retail and wholesale shoe stores.	United Retail, Wholesale & Department Store Employees of America, Locals 1268 and 287 (CIO).	1936-----	Full-time workers guaranteed 52 44-hour weeks' employment per year, part-time workers guaranteed employment for 3 full days or 3 nights and Saturday each week, 52 weeks per year.	All nonexecutive store employees after 2 weeks' probationary period.
(2)-----	Manufacturing women's and misses' dresses.	International Ladies' Garment Workers' Union (AFL).	1937-----	1,800 hours of employment, exclusive of overtime, per year.	All members of the base crew, in which vacancies are filled by election of union and management from plant work force.
Richmond Piece Dye Works, Inc., Richmond Va.	Dyeing and finishing textiles.	Textile Workers Union of America, Local 27 (CIO).	1940-----	Minimum of \$18 per week guaranteed to males and minimum of \$15 per week guaranteed to females, for duration of union contract.	All union employees with at least 1 year's service
(2)-----	Manufacturing silverware.	None-----	1936-42-----	Full week's pay guaranteed for 52 48-hour weeks per year.	Journeyman and apprentice silversmiths, upon hiring.
Seaboard Air Line Railway Co., Norfolk, Va.	Railroad-----	Railway Employees' Department, System Federation No. 39 (AFL).	1928-----	Employment for 52 48-hour weeks per year.	Maintenance workers included on basis of seniority in "minimum force," size of which is negotiated each year by company and union.
(2)-----	Mail order retail store.	None-----	1936-----	Wage advance—employees receive 40 hours' pay 52 weeks per year.	All mail order employees with 24 weeks' service who have worked 480 hours.
(2)-----	Manufacturing women's coats.	Int'l Ladies' Garment Workers' Union (AFL).	1939-----	35 hours' employment guaranteed for 50 weeks per year.	All cutters, sewing machine operators, finishers, and pressers after 1-week probationary period.
Spiegel, Inc., Chicago, Ill.	Mail order retail store.	None-----	1939-----	Males guaranteed 40 hours' employment 52 weeks per year; females, 36 hours' employment 52 weeks per year.	All employees except upholsterers, finishers, and cabinet makers, after 1½ years' service and 3,000 hours' actual work.
The Tremco Manufacturing Co., Cleveland, Ohio.	Manufacturing paints, varnishes, and lacquers.	Tremco Employees' Association (Independent).	1938-43-----	40 hours' pay for 52 weeks per year. Operates under Section 7 (b) (2).	All production employees, upon hiring.
Uneda Cleaning & Dyeing Co., Inc., Hillside, N. J.	Cleaning and dyeing apparel.		1918-----	40 hours' pay for 52 weeks per year.	Spotters, washers, dry cleaners, examiners, solicitors, drivers, cleaners, steamers, skilled tumbler men, upon hiring.
(2)-----	Manufacturing baby carriages.	None-----	1938-42-----	1,760 hours' employment per year, plus paid vacation.	All employees (except salesmen) with 1 year's service.

See footnotes at end of table, p. 60.

by the Bureau of Labor Statistics—Continued

Changes which may have occurred since that time have not been incorporated]

Safeguards and escape clauses	Approximate number of workers covered	Approximate percent of total workers covered	Basic reasons for introduction	Initiated by—	Has company paid for time not worked?
None	945	78 percent	To insure income during lay-offs.	Management	Yes.
Liquidation of firm or department cancels obligation to affected workers.	22	34 percent	To provide security for basic crew.	Union	No.
None	2,500	Not available	To provide security.	do	Yes.
Management may withdraw guarantee upon granting 5 percent general increase. Time lost during shut-down due to fire, tornado, explosion, or other cause beyond control deducted from guarantee. Plan is terminated if business is discontinued.	500	51 percent	Proposed by union when wage demand was only partially met.	do	No.
None	180	84 percent	To grant income stability and reduce turn-over.	Management and union.	Yes.
Management may modify, revise, or cancel plan at any time.	22	100 percent	To attract skilled workers.	Management	Yes.
Each party has right to initiate review of number in minimum work force any time after Jan. 31. If situation arises which would seriously affect either party, a conference must be held between management and union committee. If agreement is not reached, either party may cancel contract by giving 10 days' written notice.	2,300	11 percent	To increase security; to eliminate extreme fluctuations in employment.	Union	No.
Management may modify, revise, or cancel plan at any time or may terminate any individual's employment at any time.	15,000	38 percent	To provide stable income.	Management	Wages advanced.
None	45	63 percent	To stabilize employment; to secure wage reduction.	do	No.
Management may withdraw the guarantee in the event of a garnishment, wage assignment, or other legal process. Plan may be terminated by decision of the board of directors.	3,400	65 percent	To improve employee relations; to stabilize employment.	do	Yes.
None	30	25 percent	To provide security.	do	No.
do	32	32 percent	do	Union	No.
Management may cancel guarantee if act of God or other condition beyond firm's control makes it necessary.	150	62 percent	To reduce absenteeism and large volume of wage garnishments.	Management	No.

Basic data on 62 plans studied

[The data in this table relate to the status of the plans early in 1946.]

Name of company and location	Business activity	Union representation at any time during life of guarantee ¹	Year of origin and discontinuation	Basic provisions of guarantee	Coverage and eligibility requirements
Western States Envelope Co., Milwaukee 4, Wis. (²)	Manufacturing envelopes.	Employees' Representative Committee (Independent).	1937	35 hours' employment for 52 weeks per year.	All employees with 5 years' service.
	Men's retail clothing store.	None	1938	40 hours' employment, 52 weeks per year.	All employees (except part-time workers) with 6 months' service.
Wisconsin Public Service Corp., Milwaukee, Wis.	Producing and transmitting electric power and gas; operating motor and bus carriers.	Int'l Union of Operating Engineers, Local 310 (AFL).	1937	40 hours' employment, 52 weeks per year, for a 2-year period.	All employees with 5 years' service prior to Dec. 15 of the year preceding date contract takes effect.
Wm. Wrigley, Jr., Co., Chicago, Ill.	Manufacturing chewing gum.	None	1934	Unemployment benefits paid during lay-offs for periods varying, according to length of service, from 1 to 7 months per year for monthly employees and from 4 to 30 weeks per year for hourly employees. Payments are made on the following basis: Monthly employees receiving \$100 or less per month—80 percent of base rate; receiving more than \$100 and not more than \$200—\$80 plus 60 percent of difference between base rate and \$100; receiving more than \$200 and not more than \$300—\$140 plus 40 percent of difference between base rate and \$200; receiving more than \$300 and not more than \$400—\$180 plus 20 percent of difference between base rate and \$300; receiving more than \$400 and not more than \$500—\$200 plus 10 percent of difference between base rate and \$400. Hourly employees receiving 58 cents or less per hour—80 percent of base pay; receiving more than 58 cents and not more than \$1.16 per hour—\$18.56 plus 60 percent of difference between base rate and \$1.16; receiving more than \$1.16 per hour—\$32.48 plus 40 percent of difference between \$1.16 and base rate.	All employees with 6 months' service.

¹ In cases where representation of the workers changed during the life of the guarantee, only the most recent situation is reported. In the following cases, representation changed during the life of the plan: Employees of the Cincinnati Gas & Electric Co. were represented only by the independent utilities union at the time the plan was inaugurated; the AFL and CIO locals were organized later. The union representing Crocker-McElwain employees at the time a guarantee was proposed lost its bargaining rights shortly thereafter.

The union at Gates Rubber Co. was organized after the establishment of the guarantee, which is not a part of the union agreement. Workers of Grand Rapids Wholesale Grocery were organized after the guarantee was begun. At the time the Hormel plan was started, workers were represented by an independent union which later affiliated with the United Packinghouse Workers of America (CIO).

² Identification withheld at request of company or union.

³ Calendar month—30 workdays per month, 8 hours per day.

⁴ Seaboard Air Line Railroad Co. since Aug. 1, 1946.

by the Bureau of Labor Statistics—Continued

Changes which may have occurred since that time have not been incorporated]

Safeguards and escape clauses	Approximate number of workers covered	Approximate percent of total workers covered	Basic reasons for introduction	Initiated by—	Has company paid for time not worked?
Management may withdraw guarantee if raw materials are unavailable.	40.....	60 percent.....	To provide security.	Management.....	No.
May be canceled at management's option.	25.....	77 percent.....	To improve relations.	do.....	No.
Workers may be transferred from departments where operations have been curtailed or discontinued, to other departments at a reduced wage to work out balance of 2-year period. Employee is paid difference between his new wage and his previously established wage for a period of 6 months.	700.....	do.....	To provide security.	do.....	No.
In the event conditions of business or acts beyond management's control do not permit restoration of laid-off employees to work, management may terminate the guarantee for such employees.	2,000.....	100 percent.....	To provide income security.	do.....	Yes.

Appendix B.—Clauses Used in Guarantee Plans and Contracts

Sample Guarantee Provisions

The following compilation of guarantee clauses found in union agreements or written descriptions of guarantee plans is intended for the guidance of management and union officials who may wish to draw upon the experience of others in framing the language of a guaranteed wage or employment plan, or incorporating a guarantee provision in a collective bargaining contract. The clauses cover a wide variety of examples and are classified in categories which are descriptive of the basic features of the plans analyzed in the Bureau of Labor Statistics survey. A cross-reference index, of the plan clauses, by industry, will be found at the end of this appendix (p. 89).

Included in these classifications are clauses illustrative of guarantees for periods ranging from 3 months to a full year and varying in coverage from a specified number of workers or occupations to all (nonexecutive) employees.

The clauses have also been selected to exemplify variations in employee eligibility requirements (where they exist) and the range of conditions (if any) which permit modification or suspension of the guarantee.

CATEGORIES INTO WHICH GUARANTEE PROVISIONS HAVE BEEN CLASSIFIED

- I. A full year's guarantee to all (nonexecutive) employees.
 - A. Plans with employee eligibility requirement:
 1. With provision for modification or abrogation of plan.
 2. Without provision for modification or abrogation of plan.
 - B. Plans without employee eligibility requirement:
 1. With provision for modification or abrogation of plan.
 2. Without provision for modification or abrogation of plan.
- II. Less than a year's guarantee to all (nonexecutive) employees.
 - A. Plans with employee eligibility requirement.
 1. With provision for modification or abrogation of plan.
 2. Without provision for modification or abrogation of plan.
 - B. Plans without employee eligibility requirement:
 1. With provision for modification or abrogation of plan.
 2. Without provision for modification or abrogation of plan.
- III. A full year's guarantee to part of the working force.
 - A. Plans with employee eligibility requirement.
 1. With provision for modification or abrogation of plan.
 2. Without provision for modification or abrogation of plan.
 - B. Plans without employee eligibility requirement.
 1. With provision for modification or abrogation of plan.
 2. Without provision for modification or abrogation of plan.
- IV. Less than a year's guarantee to part of the working force.
 - A. Plans with employee eligibility requirement.
 1. With provision for modification or abrogation of plan.
 2. Without provision for modification or abrogation of plan.
 - B. Plans without employee eligibility requirement.
 1. With provision for modification or abrogation of plan.
 2. Without provision for modification or abrogation of plan.
- V. Wage advance plans.
- VI. Declaration of intention to inaugurate a guarantee.

IDENTIFICATION

Each clause, paragraph, or series of paragraphs from a separate contract or written description of plan is designated by a serial number. The industry, labor organization involved (if quoted from an agreement), and affiliation of the labor organization are indicated immediately following the serial number in order to give the reader an idea of the industry into which the plan has been introduced and the representation of the workers. The labor organizations are indicated by initials only. The following is a list of the full names of the organizations and the initials used:

<i>Initials</i>	<i>Labor organization</i>
ACW (CIO)-----	Amalgamated Clothing Workers of America.
AFM (AFL)-----	American Federation of Musicians.
BCJ (AFL)-----	United Bro. of Carpenters & Joiners of America.
BFC (CIO)-----	Intl. Union of United Brewery, Flour, Cereal & Soft Drink Workers of America.
BPM (AFL)-----	Intl. Bro. of Paper Makers.
CTU (AFL)-----	Commercial Telegraphers Union of North America.
CW (AFL)-----	Cereal Worker's Union (Federal Labor Union).
EA (Ind.)-----	Employees' Association.
ERMW (CIO)-----	United Electrical, Radio & Machine Workers of America.
FSC (AFL)-----	Federated Shop Crafts (Railway Employees' Department).
FSES (Ind.)-----	Friendly Society of Engravers & Sketchmakers, Inc.
FTA (CIO)-----	Food, Tobacco, Agricultural & Allied Workers Union of America.
FW (CIO)-----	Intl. Fur & Leather Workers' Union.
GP (AFL)-----	American Federation of Grain Processors Council.
HLU (Ind.)-----	Harlem Labor Unions.
HR (AFL)-----	Hotel & Restaurant Employees' Intl. Alliance & Bartenders' Intl. League of America.
ILA (AFL)-----	Intl. Longshoremen's Assn.
ILG (AFL)-----	International Ladies' Garment Workers' Union.
ME (CIO)-----	Natl. Marine Engineers' Beneficial Assn.
MMP (AFL)-----	Masters, Mates, & Pilots of America.
MP (Ind.)-----	Machine Printers Beneficial Assn.
NEUA (Ind.)-----	New England Utilities Alliance.
OE (AFL)-----	Intl. Union of Operating Engineers.
OPW (CIO)-----	United Office & Professional Workers of America.
PDP (AFL)-----	Bro. of Painters, Decorators & Paperhangers of America.
PPA (AFL)-----	Intl. Printing Pressmen's & Assistants' Union of North America.
RC (AFL)-----	Retail Clerks Intl. Protective Ass'n.
RWD (CIO)-----	Retail, Wholesale & Department Store Union.
SW (CIO)-----	United Soap Workers (Local Industrial Union).
TC (AFL)-----	Intl. Bro. of Teamsters, Chauffeurs, Warehousemen & Helpers of America.

<i>Initials</i>	<i>Labor organization</i>
TWU (CIO)-----	Textile Workers' Union of America.
UAW (CIO)-----	United Automobile, Aircraft & Agricultural Implement Workers of America.
UIU (AFL)-----	Upholsterers' Intl. Union of North America.
UMW (AFL)-----	United Mine Workers of America
UPW (CIO)-----	United Packinghouse Workers of America.
USW (CIO)-----	United Steelworkers of America.

I. A Full Year's Guarantee to all Employees

A guarantee may consist of an assurance of either income or employment. A full year's guarantee is generally expressed in terms of (1) a specified amount of wages per week (at stipulated hourly rates) for 52 weeks, (2) a total sum of wages for the year, (3) employment for 52 weeks per year (at a specified number of hours per week and rate per hour), or (4) employment or wages for 2,080 hours (regardless of weekly fluctuations). A guarantee to *all* employees generally applies to all nonexecutive employees and excludes all above the level of working foremen. "All employees" may include only factory workers; the office force may be excluded. Casual, temporary, or extra-shift workers may also be excluded from coverage, either by explicit statement or without formal provision.

In some cases the guarantee appears as a prohibition against lay-offs for the duration of the agreement (usually 1 year), rather than as a positive guarantee.

A. PLANS WITH EMPLOYEE ELIGIBILITY REQUIREMENT

Coverage in some plans is restricted to employees who have been in the company's employ for a specified period, ranging anywhere from a 1- or 2-weeks' probationary period to a 5-years' service record. Where eligibility applies to those who have qualified as "permanent," "regular," "qualified," or "eligible" employees, these terms are generally defined in another section of the agreement or written description of the plan as requiring a probationary period of service.

1. PLANS WITH ELIGIBILITY REQUIREMENT AND WITH PROVISION FOR MODIFICATION OR ABOGATION OF PLAN

Some guarantees include a provision placing certain limitations on the employer's financial responsibility, either (1) specifying the amount to be expended for the purpose of the guarantee, (2) permitting the employer to modify the plan in the event of a serious decline in business, or (3) reserving to him the right to suspend or terminate the guarantee in case of strike, flood, fire, war, or other contingencies beyond his control.

1. Flour mill—GP (AFL)

Guaranteed Workweek: (A) During the term of this agreement the "company" agrees to guarantee to all

regular employees (all employees are considered regular employees except those as defined in paragraph (c) of this section) at least forty (40) working hours each week; provided, however, due to variation in weekly operations the employee may not work his full forty (40) hours or he may work over the guaranteed forty (40) hours per week, therefore, the company at the end of each thirteen (13) week period from the effective date of — will total the hours worked by each employee for said period and pay him at his regular rate per hour any deficiency in hours worked for said thirteen (13) week period up to (520) hours.

(B) If due to conditions beyond the company's control or by an act of God, which would cause the company to cease operations for more than one (1) week the above guaranteed workweek shall not apply during such period of emergencies. In case of such emergencies as described the company and the union shall meet to work out an equitable agreement during such period.

(C) The above guarantee does not apply to third trick employees if business conditions necessitate adding third (3d) trick. Providing, however, (3d) trick does not continue more than ninety (90) days, in any quarterly 13-week period, but if more than ninety (90) days, all third (3d) trick employees will be covered by guaranteed workweek, it being the practice to lay the youngest employees off first when reduction becomes necessary.

2. Flour mill—GP (AFL)

SECTION XVI. Eight hours shall constitute a day's work. Forty hours shall constitute a week's work. Time and one-half shall be paid for all work in excess of eight hours per day or forty hours per week. The company guarantees all regular employees forty hours work each week, except that millers, machine tenders, and one millwright are guaranteed forty-eight hours' work each week during the life of this agreement, unless a prolonged shut-down is caused by an act of God, lightning, fire, or explosion.

3. Textile dyeing and finishing—TWU (CIO)

Guarantee Wage Plan: (d) All male employees, who have a service record of 1 year or more shall as of the first of January — and during their continuance on the pay roll receive a minimum pay on a weekly basis of not less than \$18.00 per week throughout the period of this agreement, and also all female employees, who have a service record of 1 year or more shall as of the first of January — and during their continuance on the pay roll receive a minimum pay on a weekly basis of not less than \$15.00 per week throughout the period of this agreement; provided however, that in the application of the annual minimum, the cost to the employer shall not exceed \$8,000.00 per year. This \$8,000.00 shall be applied during the period when the workers ordinarily earn less than \$18.00 and \$15.00 per week, respectively. On such occasions, the employer shall add to the worker's actual weekly earnings, the difference between the amount earned and the weekly minimum as hereinabove set forth. The above method shall be continued until the entire \$8,000.00

has been exhausted. Be it further understood that any employees who fail to report for work when notified to do so, shall have deducted from their weekly minimum, an amount equivalent to the amount earned by the workers in their department. Such deductions shall be applied only during slack periods when application for the weekly minimum is made.

4. Textile dyeing and finishing—TWU (CIO)

SECTION IV. 3. Guarantee of Wages and Severance Pay: (a) All skilled employees covered by this agreement who have passed their probationary period as hereinbefore set forth, shall be paid on the basis of fifty-two (52) weeks per year. This provision shall not apply, however, if the employee's relations with the company are severed voluntarily or involuntarily.

(b) Any new employee hired to replace an employee whose relations with the company are severed voluntarily or involuntarily shall be paid on the fifty-two (52) weeks per year basis.

(c) In the event that an employee's relations are severed because of the elimination of a job or department such employee shall receive as severance pay an amount equivalent to two percent (2%) of his total earnings during his period of service with the employer up to a maximum of 5 years' earnings.

(d) All assistant foremen and assistant colorists heretofore paid on a fifty-two (52) weeks per year basis shall continue to be paid on that basis.

(e) All assistant foremen and assistant colorists not heretofore paid on the fifty-two (52) weeks per year basis shall be subject to the following provision: In the event any plant or department closes because of lack of work for a period of longer than six (6) weeks, such employees shall receive one-half of their weekly rate of pay for each week during which the plant or department remains closed up to and including fourteen (14) weeks. Wages shall continue to be paid on each regular pay day.

(f) Any discharged employee shall receive a severance payment of not less than two (2) weeks' wages upon receiving notice of his discharge.

5. Soap manufacturing—No union

Guarantee of Regular Employment to Employees: 3. To the employees located at such factories as above stated whose pay is computed on an hourly rate, and who have had at least twenty-four (24) consecutive months of employment immediately preceding the application of this plan to their employment, the undersigned company hereby guarantees regular employment for not less than forty-eight (48) weeks (or its time equivalent) in each calendar year less only time lost by reason of holiday closings, vacation with pay, disability due to sickness or injury, voluntary absence, or due to fires, floods, strikes, or other emergency whether like the foregoing or not, and subject to the following provisions:

a. Regular employment shall be understood to mean employment for not less than the hour week established from time to time by the company as the standard hour week at each of its factories.

b. When an employee first comes under this guarantee after January 1 of any calendar year, the company guarantees to him under the terms and provisions outlined herein that he shall not be unemployed in excess of four (4) weeks (or its time equivalent), plus time lost for reasons herein stated, during the remainder of the calendar year.

c. The company reserves the right under the guarantee to transfer any employee to work other than that at which he is regularly employed, and to compensate him for the same in accordance with the wage rate which prevails for the work to which he has been transferred.

d. Upon authorization from the board of directors and without changing the established hour week, the hours of work for employees coming within the terms of this guarantee may be limited to 75 percent of the established hour week less time lost for reasons stated above, whenever in the opinion of the board of directors such action seems justified.

e. Any individual hired to replace an employee leaving for military service or training, or for other services made necessary by a national emergency, shall be considered a temporary employee and he shall be so informed at the time of his employment. The company will not consider such an employee within this guarantee. If at a later date subsequent to his employment, conditions should warrant it, within the sole discretion of the company, he may be informed that he is then eligible for this guarantee in accordance with the terms of this plan.

f. The right to discharge any employee at any time is reserved to the company employing such employee.

4. This guarantee of employment has been established because the company believes it to be sound business practice and a desirable protection for its employees. It is the intent of the company to maintain it, but the company must and does reserve the unqualified right, to be exercised at its sole discretion, to withdraw this guarantee at any of its factories, or to terminate or to modify this guarantee at any time.

6. Tool and casting manufacturing—USW (CIO)

a. The corporation guarantees to every employee who has completed five years continuous service in the employ of the corporation at — a minimum employment of 2,080 hours for each yearly period beginning — and continuing each year thereafter during the life of this contract. All hours worked by said employee, both straight time and overtime, shall be credited against the 2,080 hours. If the corporation does not provide work for any part of the 2,080 hours the employee shall be paid for the unworked hours at his straight time hourly rate.

b. An employee failing to accept other work assigned by the corporation when his own job is not working, or discontinued because of production requirements, shall not be entitled to the guarantee herein provided. An employee who voluntarily leaves the employ of the corporation, or who is discharged for cause, shall not be entitled to the guarantee. In the event of an employee's failure to take advantage of available work-hours such hours shall be deducted from the guarantee of 2,080 hours. In the

event of a strike the corporation shall be relieved of its guarantee for the current one year period as to the employees striking.

7. Washing machine production—USW (CIO)

It is the intent and purpose of the parties hereto that this agreement will promote and improve industrial and economic relationships between the employees and the company and to set forth herein the basic agreement governing rates of pay, hours of work, and conditions of employment to be observed between the parties hereto.

The term employee as used in this agreement shall include only factory employees but shall not include foremen, assistant foremen, and supervisors in charge of any classes of labor.

SECTION 2. *Wages*: I. Rates and conditions of pay under this contract shall be as follows:

A. Effective [date] exclusive of those 60 years of age and over, all employees with five (5) or more years of accumulated seniority as of [date] will receive a guaranteed annual wage of \$1,260 for not more than 2,000 hours of any work which at prevailing rates of pay may be available provided that this guarantee will be automatically canceled upon termination of employment either by quitting or by lawful dismissal and also provided that all absent time for any cause when work is available shall be deducted from the annual guarantee and credit given when allowed to be made up.

B. Effective [date] those employees on the seniority list who are 60 to 64 years of age, inclusive, will receive a guaranteed annual wage of \$1,100 for not more than 2,000 hours of any work at the prevailing rates of pay, under the same circumstances as outlined in paragraph A of this section. Except as otherwise provided in paragraphs C and D, employees who become 65 years of age within six (6) months from the date of execution of this contract shall continue within the guarantee during the life of this contract.

8. Wholesale hardware—USW (CIO)

SECTION 12. *Guaranteed Weekly Wage*: The company guarantees to each employee, whose employment has been continuous for six (6) months, and whose services are available to the company, a minimum weekly wage during the period of his employment within the life of this contract, this to be computed by multiplying the employee's hourly rate of pay by forty, providing nothing herein shall impair the right of the employer to terminate employment of any employee because of change of business conditions or for cause.

9. Wholesale furs—FW (CIO)

TWELFTH. *Tenure and Exchange*: The tenure of employment of permanent employees shall be fifty-two (52) weeks in each year without any lay-offs whatsoever. The employer may desire to exchange the services of not more than three (3) of its permanent employees for another or other employees in the same number to be furnished by the union. In such case, should the union not consent

thereto, the question as to whether such employee or employees shall be exchanged, shall be submitted to the impartial arbitrator hereinafter named. If replaced, such employee or employees shall receive a minimum of two (2) weeks' severance pay, plus any additional award that the arbitrator may make. Such request for exchange shall not be made before the expiration of nine (9) months from the commencement date of this agreement and shall not be used to penalize the employee's union activities. In the event of such substitution, the new employee or employees shall receive the same wages as the former employee or employees.

10. Retail confectionery—HLU (Ind.)

4. New employees shall be considered employed on trial for a period of two weeks. Thereafter the new employee automatically shall become and remain a permanent and regular employee of the employer, in which event such employee may not be discharged excepting pursuant to the terms of this agreement. The employer shall only be required to pay the employee during such trial period for such time as said employee has been actually employed and such employee may be discharged at any time during the said trial period. The employer during such trial period, shall have the right to determine the qualifications of the employee.

7. Subject to the provisions herein, all present employees of the employer who are or who shall become members of the union as herein provided, shall be continued in their employment during the life of this agreement.

9. The employer may not discharge any employee except for cause upon one week's prior notice given to the union in writing of his intention to discharge. The union during said period of one week may dispute the cause of discharge or the validity of the intention to discharge, and in the event the parties affected are unable to agree with respect to the same, then, and in that event, the justification for the discharge shall be submitted to arbitration as hereinafter provided.

10. The employer shall give to each permanent employee fifty-two (52) consecutive weeks of employment during each year of this agreement.

11. The union shall be the sole judge of the good standing of its members and upon notice by the union to the employer in writing that any employee is not a member in good standing in the union, such employee shall forthwith be discharged.

11. Department store—No union

Annual Employment Guarantee: This guarantee is given to all members, except those covered by other contracts, according to length of service on an annual basis, dating from February 1st of each year to February 1st of the following year. It is subject to renewal each year, and an announcement regarding same is made during the latter part of the year preceding the period covered. It is based on the following service record:

Members with over 6 years of continuous service are guaranteed 52 weeks.

Members with 3 to 5 years of continuous service are guaranteed 48 weeks.

Members with 1½ to 3 years of continuous service are guaranteed 44 weeks.

Members with 1 to 1¼ years of continuous service are guaranteed 40 weeks.

This guarantee applies only to members on our regular pay roll on a full-time or daily part-time basis and not to contingents or per diem members. Under this guarantee, the right is reserved to transfer from full time to part time where necessary in order to maintain proper relations between business and expenses. This would be done on a fair seniority basis with proper notice.

12. Mail order house—No union

How the Annual Wage Plan Works: We know that if we could guarantee a full week's pay every week in the year, it would mean not only greater security for our employees but a sounder foundation for the future growth of our business.

All male employees are guaranteed 40 hours' pay per week. All female employees are guaranteed 36 hours' pay per week. This differential was based on the fact that women, under the Illinois laws, are not permitted to work as long hours as men. The same principle was followed in establishing guaranteed hours.

When the company is not successful in providing a whole week's work for any employee, the company gives that employee a cash advance, making up the difference between what he actually worked and his guaranteed pay. This advance bears no interest and is canceled in the event of an employee's death or in the event that the employee leaves the company's service. The advance can only be repaid in work. At the end of any year, all outstanding advances are canceled.

No Pay is Held Back: No pay is held back against possible future advances. The employee is always paid the guaranteed wage in full after past advances have been canceled.

Who is Eligible: After an employee has held a job [with company] for a year and a half, and worked 3,000 hours during that period, the employee is classified as a "permanent" employee. All permanent employees are eligible for the annual wage plan.

The Plan in Operation: As an example of how the plan works, suppose a man works 37 hours during the week. He receives a check for 40 hours' pay with a notice that he has been given a cash advance of 3 hours. The next week he works 43 hours and receives a check for 41½ hours' pay, the 3 hours over 40 being paid for at the rate of time and one-half for overtime or the equivalent of 4½ hours' pay which cancels the previous 3 hours' advance. Overtime after 40 hours a week is paid for and is used to cancel cash advances at the rate of time and one-half.

In the event of fires, floods, wars, riots, revolutions, general strikes, and other situations beyond the control of [company], the management reserves the right to rescind the annual wage plan.

The management reserves the right to discharge permanent employees, regardless of their permanent rating, for causes of inefficiency, insubordination, thievery, misdemeanor, or incapacity because of health.

13. Public utility—EA (Ind.)

ARTICLE XII: Section 1. It is agreed that the present establishment of forty (40) hours per week of the company will remain in effect, except in those divisions where longer or shorter hours are now being worked, and the company guarantees employment of not less than forty (40) hours per week for 52 weeks of each year to all employees represented by the union as bargaining agent, who are available and ready and able to work, and who are regular full-time employees of the company, except those on a less than forty (40) hour basis now. No such employees shall be required to work more than forty (40) hours in any one week, consisting of seven (7) days, nor more than eight (8) hours in any one day except as hereinafter provided.

The union and the company agree to abide by any changes made in the Wagner Labor Act and Wage and Hour Law.

Nothing in this section will affect in any manner the right of the company to make temporary or permanent reduction in forces when considered necessary by the company.

14. Social service agency—OPW (CIO)

N. *Guarantee*: The — guarantees an annual wage to certain classifications of housekeepers for the year from — to —, inclusive, according to the following schedule:

(1) Housekeepers who have completed one and a half years of service —, and who are available for full-time employment as of that date, shall be guaranteed for the period from — through —, an amount equal to the wages of the housekeeper's regular rate for 52 weeks.

(2) Housekeepers with less than one and one-half years of service as of —, and those who remained on a part-time basis, have no annual guarantee but are given work as available.

(3) No additions to the guarantee list shall be made during the period from —, through —.

All monies paid by the association, including wages paid during vacation and sick leave, part time, full time, 24-hour service, overtime, or any combination of these shall be credited toward fulfillment of the guarantee. Each job shall be paid for at the time it is performed and in accordance with the rates listed in clause I. Any balance due on the annual guarantee shall be paid in a lump sum on or before —.

In the event of dismissal or resignation, the housekeeper forfeits all claims for payment of a guaranteed wage, except that in the event of dismissal for retrenchment or reorganization, the housekeeper shall be entitled to the payment of the proportionate part of the guaranteed wage from — to date of dismissal, in addition to her separation allowance. In the event of absences other than for sick leave allowed with pay, the guarantee shall be reduced by

the exact amount of the time of the absence, unless it is less than one-half day in any one day or an aggregate of two days in any one year.

2. PLANS WITH ELIGIBILITY REQUIREMENT BUT WITHOUT PROVISION FOR MODIFICATION OR ABRIGATION OF PLAN

15. Distillery—BCJ (AFL)

It is agreed, and it shall be understood that for regular employees an average of 40 hours shall constitute a week's work. Fifty-two weeks of an average of 40 hours per week shall constitute a year's work, for which work the employee will receive 40 times the hourly rate per week for 52 weeks. If at the end of a year, or any period after which the employee leaves the company or is discharged or furloughed, the total number of hours of work exceeds the number of weeks employed times 40, such excess hours shall be paid for at the rate of one and one-half times the scale.

16. Paper manufacturing—EA (Ind.)

This agreement between the employees of the — company and the management is effective during the period of — and —, inclusive, and covers conditions and terms to obtain during said period. These terms as agreed upon resulted from meetings of the employees beginning —.

1. For all Class "A" employees we will arrange 1,820 hours of employment for ensuing period which is equivalent to 35 hours of work per week for 52 weeks on the average.

A. Class "A" employee working less than 35 hours in any one week when work is not available, will be paid for a full 35 hours of work that week, but the difference between the actual number of hours worked and the number of hours paid for will be charged against that employee. Then that number of hours will be credited or "worked off" the first time that employee works more than 35 hours in one week and will continue until the number of hours due the company has been balanced after which the employee will then receive pay for the regular number of hours worked.

B. Class "B" employees do not enjoy this benefit.

Classification of Employees: 1. A Class "A" employee is one that has been in the continuous employ of the company for a period of five years; said employee to be notified upon attaining this seniority by the management.

2. A Class "B" employee is one that has been in the continuous employ of the company for a period of more than one year and less than five years, said employee upon attaining Class "B" seniority to be notified by the management.

17. Paint and varnish manufacturing—EA (Ind.)

The company guarantees all regularly employed workers, who have been employed a full period of twelve consecu-

tive months, 52 weeks' pay a year at rates which will be determined by mutual agreement, such weekly pay checks being estimated at $\frac{1}{2}$ of the annual pay. Actual working time will be limited to a total of 2,080 hours in any one year, in accordance with the provisions of the Fair Labor Standards Act of 1938.

It is our intention to employ in the — factory regularly only the number of workers required to operate on the basis of a 40-hour week during the period of normal business volume, i. e., April, May, October, and November. During the four months (17 weeks) of peak production, i. e., June, July, August, and September, and at such other times as may be deemed necessary, the regular workweek may be increased to 56 hours. During this period, however, each worker would receive his regular rate of pay for 40 hours, the pay for the extra hours being placed to his individual credit in the Employees Pay Reserve Fund.

18. Steel mill—USW (CIO)

ARTICLE XIV. *Annual Wage:* Section 1. Each regular employee shall be guaranteed no less than forty (40) hours' pay each week at his or her regular rate for each week during the life of this agreement.

19. Retail and wholesale food—RWD (CIO)

FOURTH. All members of the union now or hereafter employed by the employer are to be continued in such employ during the life of this agreement and subject to its conditions, and no member of the union employed by the employer continuously for a period of one week or longer shall be discharged except with the written consent of the executive board of the union. Unless, in a particular case, the union shall agree in writing to the contrary, upon the termination of employment, for any reason whatever, of any employee who is a member of the union, the employer shall replace such employee forthwith with a new employee supplied by the union, in accordance with this agreement, at no less a wage than that received by the employee he replaces.

20. Retail dry goods—RWD (CIO)

2. The employer does hereby agree to employ all permanent employees who shall be declared by the union to be its members in good standing, and who are now in their employ, as permanent employees for the duration, and subject to the terms of this agreement.

21. Retail men's clothing—ACW (CIO)

FOURTH: (a) All steady employees who come under the scope of this agreement shall be guaranteed steady employment throughout the life of this contract.

22. Retail shoes—RWD (CIO)

ARTICLE VI. *Classification and Tenure of Employment:*
 (a) Regular "certified" full-time workers shall be guaranteed a regular week's work for fifty-two consecutive weeks per year. This provision shall not be subject to arbitration.
 (b) Regular "certified" part-time workers shall be

guaranteed employment for at least three full days weekly or for at least three nights and a Saturday weekly for fifty-two consecutive weeks per year. This provision shall not be subject to arbitration.

(c) The employer may employ extra workers for Saturdays only or for a period in advance of holidays only or for an emergency only. Such workers shall not be deemed to be permanent or regular workers but merely extras, and, at the termination of the particular period for which they may be employed, they need not be reemployed.

23. Cemetery—FTA (CIO)

7. *Hours and Working Conditions:* (c) No regular [5(a) Regular employees are those workers employed all year round irrespective of weather or other conditions.] employee shall be laid off during the continuance of this agreement. It is understood, of course, that the employer shall not be obligated to compensate the employees during their absence from the cemetery, excepting on the designated holidays and during the vacation period of such employees as hereinafter provided.

24. Public utility—NEUA (Ind.)

III. *Hours of Labor:* It is hereby agreed that 40 hours shall constitute one normal workweek of 8 hours per workday for 5 days per week for the period of 50 weeks during each calendar year, and no permanent employees shall be employed more than 2,000 hours during said calendar year. The company will make 2,000 hours' work during said calendar year available to each competent, permanent employee. In the event that overtime work is necessary as a result of an emergency or other cause, the company may work employees overtime; provided that such employees receive compensation for employment in excess of 12 hours in any workday or for employment in excess of 56 hours in any workweek, as the case may be, at the rate of $1\frac{1}{2}$ times the regular rate at which they are employed; and provided that such employees shall not be compensated for overtime work not specified above, namely, employment in excess of 12 hours in any workday, or employment in excess of 56 hours in any workweek, but that such employees shall be given time off, with compensation at regular rates, equal to the number of hours such employees engage in overtime work for which they receive no compensation. Such time off shall be granted to such employees, so far as practicable, and at the request of such employees, at a time or times most convenient to such employees.

It is further agreed that any employee who is called upon for overtime work between his regular hours and after he has left the company's premises, shall receive a minimum time credit of four hours for such overtime work, even though such employee may not have worked four hours.

It is further agreed that, in the event any permanent employee shall be absent from work through bona fide sickness or injury for which no compensation is received under sections (a), (b), and (c) below, or through emergency causes, or with the company's permission, such employee shall be entitled to have any overtime credits

earned by him as aforesaid credited to such time as he may have been absent; and that such employee may, in the absence of earned overtime credits, at the discretion of the company, make up such absent time by overtime work.

It is further agreed that such permanent employee who has been in the employ of the company for one year or more shall receive two weeks' vacation each year with full pay at regular rates, the vacation period to be set by the company.

B. PLANS WITHOUT EMPLOYEE ELIGIBILITY REQUIREMENT

Some plans covering all of the working force have no service or other requirement for eligibility.

1. PLANS WITHOUT ELIGIBILITY REQUIREMENT BUT WITH PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

25. Flour mill—TC (AFL)

ARTICLE VI. During the term of this agreement, all employees shall receive a minimum of seventy cents (70¢) per hour and any employee receiving more than sixty-two and one-half cents (62½¢) per hour at the time of the signing of this agreement shall receive seven and one-half cents (7½¢) per hour increase. All employees shall be paid at the rate of time and one-half of the regular rate of pay for all time worked in excess of forty (40) hours per week.

The employer agrees to guarantee all employees now in its employ and covered by this agreement a minimum weekly wage of twenty-eight dollars (\$28.00) per week, and to all employees now in its employ and receiving pay at a rate of more than seventy cents (70¢) per hour under the terms of the agreement a minimum weekly wage equivalent to forty (40) times the hourly rate of pay received by such employee under the terms of this agreement. Such guarantee of weekly wages shall be effective for 52 consecutive weeks beginning —. The above mentioned guarantee shall be null and void if and when the — company is sold out to another and entirely different company or is liquidated by the stock holders.

Should it become necessary to lay off more than the youngest two employees on the seniority list in order to maintain the 52-week guarantee to the senior employees, the matter shall be discussed between the employer and the union shop committee; failure of these two parties to agree, the dispute shall then be discussed by the employer and the union executive board; failure of these two parties to agree, the dispute shall then be submitted to arbitration as provided for in article 10 of this agreement.

All employees who have been in the employ of the employer for one year or more shall receive one week's vacation with full pay.

26. Jewelry manufacturing—RWD (CIO)

WITNESSETH: 4. The employer shall not discharge any employee except for just cause. Any dispute relating to any discharge shall be handled as provided in article XII, subdivision B, of this agreement. In the event the em-

ployee is found by the arbitrator to have been unjustly discharged, he shall immediately be reinstated to his former employment and shall receive back pay from the date of discharge, or otherwise at the discretion of the arbitrator.

27. Wholesale groceries—TC (AFL)

ARTICLE IV. *Seniority; Security:* Section 7. The employer shall not discharge any employee without just cause and shall give at least one written warning notice of the complaint against such employee, a copy of which shall be sent to the union; except that no warning notice need be given to any employee before he is discharged if the cause of such discharge is dishonesty, drunkenness on the job, recklessness, or gross negligence. Appeal from discharge must be taken within five (5) days by written notice to the employer and a decision reached within ten days from the date of discharge.

28. Wholesale furs—FW (CIO)

FIRST. Any employee or employees presently employed shall be retained by the employer.

TENTH. *Discharge.* There shall be no discharge of employees belonging to the union, except for the following reasons: (1) Dishonesty, (2) Repeated negligence, (3) Willful insubordination, (4) Leaving job without permission during working hours, and (5) Intoxication during business hours.

In the event the employer wishes to discharge any employee for any other reason than heretofore set forth, the employer shall notify the union through the council by registered mail of the name of the employee whom he wishes to discharge, and the reason for such discharge.

29. Retail men's clothing—RWD (CIO)

THIRD. *Notice.* The employer agrees that each employee in his or its employ shall have fifty-two consecutive weeks of employment during each year.

(a) An employee may be discharged upon two weeks' written notice by the employer to the union, sent by registered mail, and with the written consent of the union. Such notice by the employer to the union, requesting such discharge, shall set forth the details impelling the request for the discharge. (Slack season, however, shall not be deemed a cause or a reason for the discharge of a regular employee). Upon the consent, in writing, by registered mail, given by the union, such employee affected by the notice shall be discharged at the end of such two weeks' period of notice. Upon the refusal, failure or neglect of the union to consent to such discharge, such employee, nevertheless, shall be continued in the employ of the employer until the matter shall have been determined by arbitration as hereinafter provided.

30. Retail clothing, drugs, radio, and lumber (form agreement)—RWD (CIO)

Discharge and Lay-Offs: Fourth. No employee shall be discharged, laid off, or suffer a reduction in working hours except for good and just cause. No proposed discharge, lay-off or reduction in working hours shall be-

come effective until the union has been notified thereof in writing, with the reasons therefore, and the union, after an investigation, shall have given its consent thereto in writing. Should the union deny the firm's request, the firm may either accept the union's decision or in the alternative proceed to arbitration. No employee shall be discharged, suspended, suffer reduction in working hours, or be laid off until after a decision in the firm's favor, except that an employee charged with criminal negligence or dishonesty may be summarily discharged. Should the union deem itself aggrieved in the case of a summary discharge as aforementioned, the union shall, without delay, submit the matter to arbitration. Should the arbitrator decide in favor of the employee, he shall be reinstated to his former position and be compensated for loss of time.

No lay-off shall be granted by the arbitrator except in the case of a substantial, permanent decline in the business which shall necessitate the relief requested. Seasonal declines shall not be deemed cause for lay-off.

31. Cleaning and dyeing—ACW (CIO)

28. No employee shall be discharged without just cause. Any and all complaints, grievances or disputes that may arise between the parties hereto shall be taken up for adjustment between the representatives of the parties in the first instance. In the event they are unable to adjust the same promptly it shall be referred for arbitration and final determination to an impartial chairman and arbitrator to be mutually agreed upon by both parties. Any and all decisions, directions or orders of the impartial chairman shall be final and binding upon all parties and shall be fully enforceable in an appropriate court of law or equity. The impartial chairman, however, shall have no authority to enlarge, alter, or modify this agreement. The fees of the impartial chairman and the expense of arbitration shall be shared equally between the parties to this agreement.

2. PLANS WITHOUT ELIGIBILITY REQUIREMENT AND WITHOUT PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

32. Dairy farm—FTA (CIO)

ARTICLE III. The company further agrees to maintain such weekly hours as will best serve its regular personnel maximum and continuous employment; such hours to average fifty (50) per week over a one-year period beginning with—.

The company agrees to pay time and one-half for all hours over forty (40) hours worked in any one week.

33. Painting and decorating—PDP (AFL)

1. The employer during the existence of this contract, agrees to hire and maintain for its painting, decorating, and paperhanging, plaster patching, cleaning, washing, any and all work preparatory to painting in its buildings, qualified and competent men, *who are members of the union in good standing.*

2. The employer agrees to provide for its maintenance men, within the description thereof herein contained, not

less than 42 weeks' work each working year; a working week to consist of a maximum of — in every week.

2a. An annual wage of — shall be paid for a maximum of 52 weeks. All overtime work shall be paid for as provided in paragraph 5. — days' annual sick leave and — days' vacation with full pay for all employees.

34. Meat packing—UPW (CIO)

Straight-Time Arrangement: Each employee regularly assigned to a straight-time department will receive the weekly rate of pay provided for him in the latest approval of the straight-time plan for his department. This rate of pay will be subject to any increases or decreases affecting the plant as a whole. Each employee will receive his regular pay check every week except when absent beyond regularly provided sick leave or vacation. * * *

The straight-time arrangement with respect to any department may be canceled at any time that department fails to abide by all working agreements, or at any time the discontinuance of the straight-time arrangement in some other department directly affecting it requires the cancellation.

If other hour limitations become established by law, this plan will be changed to conform to such law, or if the company considers the straight-time plan unworkable because of the passage of any such law, the whole straight-time arrangement, or any part of it, may be canceled as of the effective date of any such law.

Any time any department becomes dissatisfied with the straight-time arrangement and wishes to cancel it, such cancellation may be effected in the usual manner of handling grievances.

Otherwise straight-time arrangement may be discontinued only by thirty days' advance notice of desire to make such discontinuance at the end of the company's fiscal year. * * *

If there is any increase or decrease in the amount of work required to produce the budgeted volume, a corresponding adjustment will be made in the department volume budget or in the number of people in the department. The choice as to which adjustment shall be made will be left to a decision by a majority in the department in case the change is an increase.

In case the required amount of work is reduced sufficiently to permit the removal of one or more employees, such employees will be transferred from the department on a seniority basis. When the manufacture of some item is discontinued, or when, because of a change in method of operation, certain job or jobs are discontinued, it is understood that it will be necessary to reduce the straight-time gang correspondingly. Such reductions will be made on the basis of seniority.

Except as provided in the 2 preceding paragraphs * * * there will be no reduction in the number of employees in any straight-time department within a period of one year from the latest approval of the straight-time arrangement for that department. Any employee who is laid off from a straight-time department may find employment else-

where on the basis of his regular seniority rights, or, on application, may be transferred, at his regular rate of pay, to the "extra gang" which will be maintained to handle extra work, temporary replacements, and other business requirements which cannot be handled by the regular straight-time departments. During the period of any one fiscal year, this extra gang will not be reduced below the number who have been transferred to it from regular straight-time employment, thus maintaining employment with full pay for at least one year for the number of individuals originally assigned to the straight-time schedule for any year.

Any employee laid off from the extra gang may find other employment on the basis of his seniority rights.

For each department for which it is possible to establish some measure of the work to be done, the budgeted annual volume will be stated. (See Schedule B attached.)

In any year in which the department produces less than the budgeted annual volume, the members of the department, individually and collectively, become indebted to the company for producing that much work at the first opportunity.

At the end of any year in which the cumulated production of the department is in excess of the cumulated budgeted annual volume, bonuses will be paid the members of the department. These bonuses will be calculated on the basis of what the cost of the extra production would be by adding more employees to the department, and the specific method of calculating it with respect to the department will be found in Schedule B attached.

At the end of any year in which the cumulated production of the department is in excess of the cumulated budgeted annual volume, and during which regular members of the department have been absent without pay and without being replaced, the cost of such replacements will be put in a "kitty" to be distributed among the members of the department in whatever manner the majority of the department may agree.

For each department there will be maintained what will be known as a "kitty." Schedule B attached will show the department work budget, if any. Unless otherwise provided in schedule B for those departments having work budgets, employees docked for absence, and employees absent on vacations granted on the basis of 5, 15, or 20 years' service, will be replaced.

Replacements will be made in either men or money. That is to say, if the department does not require a replacement man, the money for the replacement will go to the department kitty.

The management will have the right to insist on replacements if the tonnage produced falls below the daily or weekly volume which the company's business requires, or if the average actual hours worked is or threatens to be in excess of 40 hours per week.

The department committee will direct whether replacement money will be paid to individuals in the gang or whether it will remain in the department "kitty." The money in the department "kitty" will be distributed among the members of the department at the end of each fiscal year, and in whatever manner the majority of the department may agree.

35. Meat packing—UPW (CIO)

SECTION 4. *Hours of Work and Overtime:* Each * * * employee of the company, unless specifically excepted by notice in writing by the company to the union, will be employed on an annual basis and shall receive the regular weekly rate of pay provided for him in a work schedule established for his department as it may be amended from time to time in pursuance to the procedures established in this agreement. In no case shall any such employee be employed more than two thousand eighty (2,080) hours within the applicable fifty-two (52) week period, and each regular employee shall receive compensation for employment in excess of ten (10) hours in any workday, or fifty-three (53) hours in any work week, as the case may be at the rate of one and one-half (1½) times the regular hourly scale rate of the job at which he is employed.

36. Textile dyeing and finishing—MP (Ind.)

SECTION 1. *Salary and Hours:* The company agrees to continue to employ the members of the association now presently in the employ of the company during the period covered by this agreement, and guarantees to pay for said period to each journeyman printer an annual wage of not less than thirty-nine hundred dollars (\$3,900.00), payable weekly at the rate of seventy-five dollars (\$75.00) per week. * * *

The company agrees that each of the said members of the said association in the employ of the company throughout the period covered by this contract shall, subject to and in accordance with the provisions of this contract, work not more than two thousand (2,000) hours during fifty (50) calendar weeks of the period covered by this contract. It is the intent of the parties hereto that the members of the association shall have two (2) weeks' vacation with full pay.

37. Wholesale hardware—USW (CIO)

SECTION II. *Weekly Guaranteed Rate:* Each employee of the company is guaranteed a minimum weekly wage for each week during the life of this contract. The guaranteed minimum weekly wage shall be computed in the following manner:

The individual employee's straight-time average hourly rate of earnings for the year preceding the effective date of this contract, or such portion thereof during which the employees may have been employed by the company, plus the general wage adjustments included in this agreement, shall be multiplied by 40 hours.

The guaranteed minimum weekly wage for any employee who may be employed after the effective date of this agreement will be determined by multiplying his straight-time average hourly rate of earnings for the first three months of employment by 40 hours.

For each week during the life of this agreement that the employee who is continuously employed and whose services are available to the company does not receive a sum

equal to the minimum as outlined above, the company shall make up the difference.

38. Retail confectionery—RWD (CIO)

FIRST. Employment of Union Workers: (f) Employees who are members of the union now in the employ of the employer shall be continued in their employment during the life of this agreement, subject to all terms and provisions thereof.

39. Retail dry goods—RWD (CIO)

THIRD. All employees shall receive twelve (12) months of uninterrupted employment.

40. Retail men's clothing—ACW (CIO)

It is further agreed that regular employees [all workers other than "extras"], be employed fifty-two (52) weeks per year.

41. Retail furs—FW (CIO)

We further agree that these wages shall become effective as of March 15th, and shall remain in effect for a period of one year, and that during this time the workers shall be fully employed with the exception of one week to be taken as vacation with pay.

42. Cemetery—UMW (AFL)

ARTICLE V. All men in our employ February 1st shall be guaranteed work in accordance with Article II, Section A, during the year in which this agreement is in force.

II. Less Than a Year's Guarantee to all Employees

Guarantees of wages or employment to all nonexecutive employees for less than a year apply to periods ranging from 3 months to 50 weeks. Such plans generally specify either (1) total amount of earnings per year at established rates of pay or (2) employment for designated number of hours per week and weeks per year, or hours per year (regardless of fluctuation of hours).

A. PLANS WITH EMPLOYEE ELIGIBILITY REQUIREMENT

1. PLANS WITH ELIGIBILITY REQUIREMENT AND WITH PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

43. Sausage casing manufacturing—No union

Covenant: The company hereby agrees (subject to the limitations and conditions herein contained) that each eligible employee shall in case of a complete lack-of-work lay-off be indemnified for the difference between his weekly wages or salary (if any) earned elsewhere and his straight-time weekly wages or salary from this company for a period of not less than two months, or an aggregate of not less than 346½ hours of make-up straight-time pay in the case of partial lack-of-work lay-off, or such combina-

tions of the two as conditions may create. For each full year of service after the first year, two months of indemnity in case of complete lack-of-work lay-off, or 346½ hours of straight-time pay in case of partial lack-of-work lay-off, will be added to the indemnity or guarantee until, after six full years of service, a maximum of one year or 2,080 hours' indemnity or guarantee is provided. All subject to the following:

1. *Definitions:* All present full-time employees of the company are regarded as permanent employees hereunder.

All former employees now in the armed forces who return to this company within the period prescribed by law or within the period prescribed by our regulations (whichever is longer) shall thereafter immediately be regarded as permanent employees.

For persons engaged hereafter, a permanent employee shall be one who was notified in writing at the time of his employment that he was engaged as a permanent employee. All others hereafter engaged, except as hereinafter provided, will be temporary employees.

A full-time temporary employee becomes a permanent employee after one or more years of service unless, prior to each anniversary date of his employment, he has been notified in writing that his status will continue to be that of a temporary employee.

A voluntary part-time employee remains a temporary employee as long as he is on part time and thereafter until he has had one or more years of full-time employment.

One year of service is one year of continuous service in accordance with the company's service regulations.

2. *Eligibility:* Only permanent employees in — area (which for the purpose of this plan includes all places within 50 miles of the — City Hall) with one or more years of service, who are wholly or partially laid off when there is a lack of work are eligible to receive the guaranteed pay. The company will require a receipt signed in person by the wholly or partially laid off employee for each payment made and until such receipt, properly filled out, has been received, interim payments will be forfeited. Each receipt so signed by the employee must state, among other things (a) whether or not he has worked for pay for any other employer, (b) whether or not he has been in business for himself, (c) whether or not he has applied for or received unemployment compensation in any form from any source whatever, (d) whether or not he is in a position to report for and resume work upon reasonable notice, and (e) his present address, all since signing the last previous receipt.

In case (a) he has worked for any other employer for pay, he shall state the amount of his then salary, or pay, on the receipt, which amount will be deducted from each subsequent payment as long as the laid off employee is receiving such salary, or pay from other sources. In case (b) he goes into business for himself, his benefits under this plan will cease. Should he discontinue his business, guaranteed payments will be resumed for the remaining portion of the time during which he was originally eligible. In case (c) he applies for or receives unemployment compensation from any source during his eligibility period hereunder, his benefits hereunder shall cease, future payments shall be forfeited, and he shall thereafter be classi-

fied as an employee who has quit. In case (d) he is not in a position to report for and resume work upon reasonable notice, his benefits under this plan shall cease. Should he later notify the company that he is then in a position to report for and resume work upon reasonable notice, guaranteed payments will be resumed for the remaining portion of the time during which he was originally eligible.

The company shall have the right, under this plan, to refer each wholly laid off employee to other suitable, available employment elsewhere within 15 miles of his home, and should the employee refuse such employment, he shall no longer be eligible under this plan. A wholly laid off employee notified by the company to return to work, which he is capable of doing, at any of the company's plants or offices within 50 miles of his last employment with the company, shall do so within three days of the date specified in the notice, whereupon payments under this plan shall be discontinued. An employee who fails without good cause, to report within the three days referred to will forfeit all rights under this plan. In the case of any fraudulent statement made on any receipt, all subsequent payments will cease and the company reserves the right to sue for the recovery of amounts paid since the fraud began. The following persons are among those who are not eligible, nor shall they have any claim hereunder:

- (a) Employees who quit.
- (b) Temporary employees.
- (c) Employees discharged for gross incompetence or other cause.
- (d) Employees who are unable to continue or to resume work.

An employee discharged for gross incompetence or for cause who does not admit the incompetence or cause, shall have his present right unabridged to present his case in person to the executives of the company, and he may, if he desires, enlist the aid of the head of the personnel department in so presenting his case.

44. Cereal preparations—BFC (CIO)

1. *Qualified Employees:* (A) All present employees, men and women, working on an hourly or piecework basis who have service credit of not less than six months accumulated within a continuous twelve months' period shall be entitled to the benefits of the plan.

(B) New employees shall become entitled to the benefits of the plan after completion of six months' service in a continuous twelve months' period upon approval of the plant management.

NOTE: Employees having less than six months of service who are laid off, absent account of sickness or by permission will receive credit for only the time actually worked, this to be cumulative and 70 hours of work done in a calendar month for which wages are paid shall be considered as one month of service credit.

2. *Hours Guaranteed While on Pay Roll:* The company guarantees qualified employees while they are on the pay roll 140 hours of work in each month, for which they will be paid their full hourly or base rate.

3. *Hours Guaranteed While on Lay-Off:* In case qualified employees are laid off, that is removed from the pay roll, they will be paid for one-half the guaranteed time or 70 hours per month at their full hourly or base rate for such total period of lay-off within any continuous twelve months' period as specified below:

<i>Length of cumulative service</i>	<i>Period of lay-off in any continuous 12 months' period</i>
6 months' service and less than 1 year.....	2 months
1 year's service and less than 2 years.....	3 months
2 years' service and less than 3 years.....	4 months
3 years' service and over.....	6 months

7. *Discontinuance of Payments:* No further payments will be made to any employee under this plan if he is not recalled for work within 6 months from the date of his lay-off or if upon demand he fails to reenter the employ of the company or if he obtains full-time employment elsewhere.

13. *Modification or Termination of the Guaranteed Work Plan:* The company reserves the right in its sole judgment to modify or terminate this plan at any time. It is hoped that this plan will be permanent but changed laws, conditions, or relationships may require modification or termination of the plan. If for any reason the present base week of 40 hours is changed, an adjustment of the plan will be necessary.

45. Cereal preparations—GP (AFL)

ARTICLE IV. Guaranteed Hours Bonus: Sec. 1. All employees who obtain a seniority of three (3) years or more, and provided such employees have reported and worked whenever work was available, shall be guaranteed a minimum of 1,704 working hours including vacation time at the regular existing rates of pay in any calendar year, subject to a deduction for time lost through sickness or accident (actual time that the classification was in operation) or shut-down of the mill caused directly or indirectly by fires, strikes, riots, tornadoes, cyclones, explosions, floods, military or civil commotion, and other causes beyond our control.

Sec. 2. Any employee, who has attained a seniority of three (3) years' or more employment, and shall, in any week earn wages for less than thirty (30) hours due to work not having been made available, shall be paid for the actual hours worked, and at the employee's request to the auditor, a sum sufficient to make up a total payment for thirty (30) hours, with the understanding that the excess payment will be collected without interest or other charges in the next following week or weeks in which the employee receives in excess of thirty (30) hours' work. When employment is terminated, for any reason, all excess payments become immediately due and payable in full.

Sec. 3. The company agrees not to reduce rates of pay during the life of this agreement and further declares its intention as follows:

After paying the existing rate of wages to mill employees, and a fair return to its stockholders, which shall be \$2.00 per share, the company will then divide twenty percent (20%) of the remaining net profits as a bonus among its mill employees and office employees, strictly on the basis

of seniority. The distribution of the bonus is to be made early in the month of December after the result of the first eleven (11) months' operation is known.

46. Chewing gum manufacturing—No union

Your company will pay you a large percentage of your base pay for from four to thirty weeks, according to your length of service, if it has to lay you off for any reason.

(c) You are employed by us and agree to give us services which are faithful, efficient, and satisfactory to us, during the period of this agreement, in such capacity as we may reasonably require; but we shall have the right to suspend your employment, if conditions of our business or acts beyond our control require that we lay you off. During such periods of suspension of your employment, to be known as "lay-off periods," we will pay you unemployment compensation for such portion of any lay-off period and in such amounts and upon such conditions as are prescribed in the schedule of unemployment benefits on the reverse side hereof. During any lay-off period, if the company so requests, you shall hold yourself ready to return to work.

47. Brewery—BFC (CIO)

SECTION 7. Lay-Offs and Rehiring: As to regular card employees, the employer shall have the right of laying off one or more employees in any department for a period of not less than one day nor more than one week at a time, provided, however, that all employees in a department be treated equally and impartially and that no employee shall be laid off for more than twenty (20) days during the year. The lay-off period shall be between November 1 and April 1. Lay-offs shall not apply to engineers, firemen, firemen's helpers, oilers, and maintenance men.

The employer shall have the right to lay off any or all of its employees in any department where the plant closes down or its output is affected by an act of God, fire, explosion, or other calamity beyond the employer's control.

48. Casket manufacturing—UIU (AFL)

ARTICLE 18. (a) The company agrees to guarantee 1,800 hours of work and wages per year, including vacation with pay, to employees covered by this agreement who have been in the employ of the company for five (5) years or more, and who still maintain production standards.

(b) The guarantee described in the foregoing paragraph shall not be applicable to any employee who quits or is discharged for any cause during the contract year. Whenever employees absent themselves for any reason, their period of absence shall be deducted from the guaranteed workweek herein described.

This article shall apply only in the event that the company is able to secure materials to enable it to maintain this number of hours, without operating at a loss, and further exceptions as stated in Article 6 of this agreement.

49. Women's clothing manufacturing—ILG (AFL)

10. (b) The temporary workers, whose efficiency averages 87½ percent of the base rate for three previous pay

periods, shall automatically be added to the permanent list when there is an opening.

27. *Guarantee:* The employer agrees to a guarantee of the equivalent of forty-five (45) weeks or eighteen hundred (1,800) hours of employment, exclusive of overtime, for each of the permanent employees, the number of which has been hereinbefore established at 500, for the period of — to —, and similarly for each succeeding contract year. It is understood that the forty (40) hour vacation becomes a part of the eighteen hundred (1,800) hours.

28. In the event wages, base rates, and hour rates are increased by the employer to the amount of five percent (5%) above present wages, base rates, and hour rates, the employer shall have the right and option at any time thereafter to cancel the guarantee of forty-five (45) weeks or eighteen hundred (1,800) hours. Provided, however, that in the event at the time of such cancellation by the employer any permanent employee or employees have not been employed the proportionate number of hours based upon the pro rata of eighteen hundred (1,800) hours, as hereinbefore set forth, the employer shall pay to such permanent employee or employees five per cent (5%) of their earnings from — or — of any succeeding contract year, or in the alternative, shall pay to such employee or employees the minimum wage for piece workers or the hourly wage for time workers, as the case may be, for such hour deficit * * *

50. Paper manufacturing—BPM (AFL)

At our recent conferences I believe the necessity for modifying our present five-year plan and service differential was made clear to you. After studying the matter from every angle the following plan has been selected.

All people working under the present five-year plan will be guaranteed employment sufficient to amount to eighty percent of their normal full-time earnings each period for eleven periods or forty-four weeks in each working year. No guarantee is made for periods 8 and 9, normally eight weeks which come in the middle of the summer. Every fifth or sixth year the eighth period is a five-week period instead of a four-week period. Holidays on which the mills do not operate are not covered by this plan.

51. Tool and wire manufacturing—No union

Our guaranteed annual wage policy: Our employees have a right to be proud of their company's guaranteed annual wage policy which was adopted by the directors to offer our workers the most progressive type of security any company can give to its employees. Recognizing that the loyalty, cooperation, and ability of our employees are part and parcel of our past and future success as a company, for the past five years, — Company has put into effect an annual wage policy guaranteeing a minimum of 1,800 hours pay annually to each employee with a record of five years' continuous employment based upon the seniority policy of the company.

In accordance with the above policy, any qualified employee [five years of service] who fails to receive at least 1,800 hours of work in any calendar year, will be paid by the company, at the end of each such year, an amount equal to cover the balance of the hours not worked up to

1,800 hours, less any amounts received in unemployment insurance benefits, workmen's compensation benefits, sickness, accident, and health benefits, and wages received from other regular employment. Payment on the guaranteed annual wage policy will be computed on the regular base rate of the employee.

The following rules will govern the guaranteed annual wage policy of your company:

1. The term "continuous employment" shall include any period during which an employee is serving with the armed services, provided that such employee returns to the employment of the company within 90 days of the date of honorable discharge from the armed service.

2. The minimum of 1,800 hours of guaranteed work shall include all vacation allowances.

3. This guarantee applies only to wage earners and shall immediately cease should the employee resign, is discharged for cause, or should he attain the age of 65, or for any reason whatsoever should he fail to work at least 320 hours in any calendar year.

4. Because of recent unusual turn-over among our employees, the benefits of this guarantee are limited to those who were employees of the company on ——. This limitation will be temporary and will be removed as soon as conditions permit a return to normal times.

5. The judgment of the company shall be final on all questions arising under or by reason of the guarantee and the company may at any time modify or alter the rules or may at any time terminate the guarantee, although the company fully expects to continue it permanently.

6. This guarantee must necessarily be made subject to the restrictions and limitations of any Federal or State laws, either present or future, which of course are beyond this company's control.

52. Knitting machinery production—USW (CIO)

ARTICLE II. (d) The company guarantees to every employee, who has completed five years continuous service in the employ of the company at the time of the execution of this agreement a minimum employment of 1,200 hours for the year covered by this contract. All hours worked by said employee, both straight time and overtime, shall be credited against the 1,200 hours. If the company does not provide work for any part of the 1,200 hours the employee shall be paid for the unworked hours at his straight-time hourly rate.

An employee who voluntarily leaves the employ of the company or who is discharged for cause shall not be entitled to the guarantee. In the event of an employee's failure to take advantage of available work-hours such hours shall be deducted from the guarantee of 1,200 hours. In the event of a strike the company shall be relieved of its guarantee as to the employees striking.

2. PLANS WITH ELIGIBILITY REQUIREMENT BUT WITHOUT PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

53. Food canning and preserving—No union

Minimum Workweek Plan: 1. This plan makes available to all qualified employees forty-eight forty-hour weeks of work in each calendar year. In other words, a qualified

employee will not be given more than four weeks per year of less than forty hours.

4. To be qualified, an employee must have been on our pay roll continuously for twelve months. It is not necessary that he have received pay during every week of that twelve months, but he must not have been laid off or discharged, and he must not have quit during that period.

54. Rubber goods manufacturing—No union

(b) To maintain as near as deemed practicable by the company a workweek of forty (40) hours, and guarantees the undersigned opportunity to work at least sixteen hundred [1,600] hours for the first twelve months this contract remains in force.

(c) To pay the undersigned, for such operation on the basis of the rates established by the base rates schedule in effect from time to time.

55. Shipyard—USW (CIO)

ARTICLE VII. *Vacations and Guaranteed Annual Employment* Section A—An employee who establishes one year's continuous employment as hereinafter defined, shall be entitled to one week's vacation with forty (40) hours' pay in advance.

Section B—An employee who establishes two (2) years' continuous employment as hereinafter defined, shall be entitled to two (2) weeks' vacation with eighty (80) hours' pay in advance.

Section C—An employee who establishes three (3) years' or more continuous employment as hereinafter defined, shall be entitled to two (2) weeks' vacation with eighty (80) hours' pay in advance; and, in addition thereto, the employer shall warrant not less than forty-eight (48) weeks' employment, including the aforementioned two (2) weeks' vacation with pay, during each year following the date of this agreement, so long as this agreement remains in full force and effect and this provision remains without modification.

56. Limited price variety store—RWD (CIO)

ARTICLE I: Section 2. All union members with twelve (12) months' seniority are hereby guaranteed an opportunity to work for the company for forty-two (42) weeks at full time during the calendar year, and as many other regular girls who are union members are entitled to the same guarantee as business conditions warrant, store by store. Regular salesgirls who are guaranteed under this section an opportunity for forty-two (42) weeks' full-time work during the calendar year shall be assured an opportunity to work at least thirty-six (36) hours per week during the remaining weeks of the year.

57. Retail women's clothing—RWD (CIO)

FIRST. (b) Whenever the term "steady sales clerk," or "steady sales clerks," shall be used in this agreement, it shall refer to such sales employees of the employers who are guaranteed under this agreement a minimum of ten and one-half (10½) months or ten (10) months work in each year, as hereinafter provided.

(c) Whenever the term, "steady-extra sales clerk" or

"steady-extra sales clerks," shall be used in this agreement, it shall refer to such sales employees of the employers who are guaranteed under this agreement a minimum of thirty-one (31) weeks or twenty-nine (29) weeks of employment in each year, as hereinafter provided.

THIRD. (a) "Steady employees" shall be employed for a minimum period of ten and one-half (10½) months in each year by the employer.

(b) "Steady-extra employees" shall be employed in each year for a minimum period of twenty-one (21) consecutive weeks in the fall season, to commence October 1st, and fourteen (14) consecutive weeks in the spring season, to commence on March 15th.

B. PLANS WITHOUT EMPLOYEE ELIGIBILITY REQUIREMENT

1. PLANS WITHOUT ELIGIBILITY REQUIREMENT BUT WITH PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

58. Retail furs—FW (CIO)

NINTH. The employer guarantees full employment for a period of ten (10) months in each year of this agreement, except as herein specifically provided. During the months of July and August in each year, the work shall be divided equally among all of the union employees * * *. During the guaranteed period of employment, if and when a member of the association finds himself overmanned with employees, it is agreed that he may and shall submit his situation and difficulties for arbitration in the manner hereinafter provided.

The employer is to supply all necessary records required by the arbitrators. If the arbitrators shall reduce the guaranteed period of employment, the additional lay-off period shall be on the basis of equal division of work among all union employees.

In the event that at any time during the period of this agreement there shall be declared a general strike or a general lock-out among the wholesale fur manufacturers in New York City, the union and the association will immediately submit to arbitration as provided hereunder the question of whether there shall be instituted a division of work among all of the union employees hereunder, and the decision of the arbitrators shall be final and binding on all parties hereto.

59. Retail furs—FW (CIO)

Supplementary Agreement. A. The employer guarantees to all permanent [after a trial period of 2 weeks] employees one thousand seven hundred and fifty (1,750) hours of work during each year of the contract.

The aforesaid provision shall not apply in only the following two instances:

1. An unforeseen catastrophe which makes it physically impossible for the employer to furnish one thousand seven hundred and fifty (1,750) hours of work.

2. Where the employer actually does not have 1,750 hours of work for the particular year except that an employer who violates this agreement by sending work to

outside contractors shall be deemed to guarantee 1,750 hours of work in any event.

2. PLANS WITHOUT ELIGIBILITY REQUIREMENT AND WITHOUT PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

60. Retail men's clothing—ACW (CIO)

B. The association and each association member agree to supply to the employees employed by the association member a minimum period of employment of ten months in each year, and to agree to pay all such employees for at least ten months in such year. Said ten months' employment shall be distributed as follows: September, October, November, December—full time; January, February—part time; March, April, May, June—full time; July, August—part time.

61. Retail furs—FW (CIO)

4. The firm agrees to guarantee a minimum of thirty-eight (38) full workweeks per year to all workers as of —.

15. There shall be no dismissal from employment without just cause during the entire life of this agreement.

15A. During the height of the season the firm has a right to hire additional workers on a temporary basis, providing that such worker is guaranteed at least 20 weeks of employment or otherwise agreed upon at the time of hiring.

62. Fur designing and patternmaking—FW (CIO)

ARTICLE TWELVE. The firm agrees that each employee shall be guaranteed a minimum of the following number of full weeks of work: (a) Fitters—47 weeks each year, (b) Balance of shop—46 weeks each year.

III. A Full Year's Guarantee to Part of the Working Force

Plans that are limited to a part of the working force may restrict coverage to selected occupations or departments, classes of employees, designated individuals, basic work force, key employees, or basic crew.

A. PLANS WITH EMPLOYEE ELIGIBILITY REQUIREMENT

1. PLANS WITH ELIGIBILITY REQUIREMENT AND WITH PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

63. Textile mill—RWD (CIO)

FIFTH. (a) All persons employed for a period exceeding six weeks shall be considered permanent employees and shall be entitled to seniority rights. All rehiring and lay-offs shall be done in accordance with seniority, that is, the last person hired shall be the first person laid off and vice versa. Each employer agrees to employ a basic crew which shall not be subject to lay-off at any time except as hereinafter provided. Each employer agrees to continue on his basic crew for the period of this agreement, except

as hereinafter provided, the number of employees that he has at the present time on the basic crew. Where an employer has not previously had an agreement with the union, then the number of the basic crew of such employer shall be the number of employees in the category comprehended by this agreement which the employer has continuously employed all year round for the twelve months previous to the signing of this agreement.

(b) It is clearly understood and agreed that if at any time during the period of this agreement conditions should arise which the employer believes make it necessary for him to obtain a reduction in his staff, the employer may request from the union permission to reduce his basic crew. The employer agrees to show the necessary records with respect to the amount of business done by him, etc., to the proper union authorities to enable them to determine whether the request for a reduction in the basic crew is proper. The union shall make a decision within one week after request is made for a reduction in the basic crew as to whether or not the said request will be granted. If the employer is not satisfied with the decision of the union in this connection, then the matter shall immediately be submitted to arbitration as provided for herein.

64. Wholesale textiles—RWD (CIO)

4. *Permanent Employees and Lay-Offs:* A. All persons employed for a period exceeding four weeks shall be considered permanent employees. Permanent employees shall be entitled to seniority rights.

B. The employer shall have the right to lay off permanent employees and all lay-offs and all rehiring shall at all times be done in accordance with seniority, that is, the last person hired shall be the first person laid off and the last person laid off shall be the first person rehired. During the period of lay-offs there shall be no overtime.

C. Each employer agrees to employ continuously a basic crew of union employees in his employ. This basic crew shall not be subject to lay-offs during the terms of this agreement. Each employer shall establish a basic crew in his respective establishment by agreement with the union and the number of such minimum basic crew shall be inserted in each individual agreement with the respective employer. The number in the basic crew shall not be reduced unless there has been an appreciable reduction in business for other than seasonal reasons, or a permanent withdrawal of capital or some unavoidable cause which will make it impossible for the employer to continue employing all the workers of the basic crew. The employer shall make such request from the union in writing. Should the union fail to agree to said reduction within 72 hours after such request the matter may be submitted to arbitration pursuant to the terms of this agreement.

65. Wholesale dry goods—RWD (CIO)

5. All persons employed for a period exceeding two (2) weeks, shall be considered permanent employees. Permanent employees shall be entitled to seniority rights. All rehiring and lay-offs shall be done in accordance with seniority, that is, the last person hired shall be the first person laid off, and the last person laid off shall be the first

to be rehired. The employer agrees to continuously employ [number] union persons in his employ. These shall constitute the basic staff, and shall not be subject to lay-offs at any time.

66. Wholesale dry goods—RWD (CIO)

EIGHTH. A. All persons employed for a period of four weeks (which shall be extended to six weeks upon written notification by any member of the association to the union with respect to any particular employee) shall be considered permanent employees, and shall be entitled to seniority rights, by department, wherever practicable. Wherever it is practicable an old employee (in point of service) may be transferred from one department to another. The oldest man shall have the job wherever he can do the work. All rehiring and lay-offs shall be conducted in accordance with seniority rights, that is, the last person hired shall be the first person laid off and vice-versa. Each employer agrees to continue on his basic crew for the period of this agreement, except as hereafter provided, the number of employees who are at present time on the basic crew. The members of the basic crew shall not be subject to lay-offs at any time except as herein provided. Should the aforementioned basic crew work a hardship on any member of the association at the inception of this agreement, the union agrees to submit the question of a fair basic crew to arbitration, unless the matter shall be adjusted satisfactorily between the member and/or the association and the union. In those establishments where prior to this agreement there was no basic crew established, the number of employees to be included in the basic crew shall be adjusted in accordance with the procedure for adjustment of disputes and/or arbitration as hereinafter provided.

B. It is clearly understood and agreed that during the period of this agreement, should conditions arise which necessitate a reduction in staff of any member of the association, such member may request from the union permission to reduce his basic crew to the extent deemed necessary. Should the union question the need for, or amount of, such reduction, the matter shall then be submitted to arbitration in accordance with the provisions of paragraph Sixteen of this agreement. The union shall be required to answer the request for reduction of basic crew within one week.

67. Public utility—OE (AFL)

Guaranteed Annual Income: Employees who during the past year were included in Schedule A will be retained on schedule A, attached hereto and made a part hereof. Employees on this schedule who are paid on a monthly basis will be guaranteed that there will be no deductions from their regular monthly wage during the period of this contract because of lack of work or inability on the part of the company to supply work. Employees on the A Schedule who are paid on an hourly basis will be given the opportunity to work 2,080 hours during the year, less vacations and holidays.

If in any location the company is required to go to a workweek exceeding 40 hours, the men released as a result of the Government edict will be considered to have their guarantee terminated.

2. PLANS WITH ELIGIBILITY REQUIREMENT BUT WITHOUT PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

68. Newspaper publishing—PPA (AFL)

SECTION 11. 1. In compliance with Section 7 (b) (2) of the Fair Labor Standards Act no individual shall work more than 2,000 hours in any calendar year.

2. Each regular employee of the company will be scheduled for five shifts a week for each of the 52 weeks in the calendar year in accordance with section 9. New employees may be included as regular employees by written notice from the company to the union.

69. Shoe manufacturing—EA (Ind.)

A. Definition, Gross Amount, Determination Thereof: The parties hereto agree that the capital, management and labor interests in the business of the — Company shall constitute a true partnership. The parties hereto agree that the drawing accounts as referred to herein * * * shall not be less than * * * per week unless prescribed by law and/or the labor market warrants a higher or lower rate. Individual drawing account adjustments may be made by agreement between the management and the executive committee of the union.

The parties agree that — percent of the wholesale value of the shoes packed during the term of this agreement shall be a fair reward for the labor interest as hereinafter limited, proper adjustment being made for reduced value for shoes classed as "damaged" and exceptions as noted herein under title "Payment of Government Contracts."

Management agrees that the salary of individuals named on Schedule "A" hereto attached shall not be included in this percentage fund. At the end of each fiscal year of the company, adjustments on the number of shoes packed are to be made, using the same formula in order that the Net Shoes Packed figure of the entire business will be the same as the Net Number of Shoes Packed figure shown on the report of — or any other competent auditors' report for the same fiscal year, with exceptions noted herein, under title "Payment of Government Contracts".

Management agrees to give free access to the necessary books and records of the company and full cooperation once during each calendar year to an auditor or auditors selected by the union to check the records which pertain to the percentage fund. Management agrees to publish on the several bulletin boards within the shipping department periodically at least once each month an estimate of the earnings, drawing account, and reserve account paid. Management will, on due notice and at time convenient to it during regular business hours, permit any qualified agent of the union to audit such complete accounts as related to the calculation and computation of the percentage fund and reserve accounts.

B. Payment of Government Contracts: Both parties to this contract agree that the sale of shoes made and packed under the United States Government contracts and any shoes packed or sales of such shoes of a similar and unusual nature shall be treated separately at an agreed rate of percentage different from the rate herein set forth as appli-

cable to other sales and shoes packed and management agrees that it shall pay to the "labor interest" its pro rata share of any increase in the price of shoes derived from governmental contracts; provided, however, such increase in the price of shoes derived from governmental contracts shall not include any increase in the price of shoes where governmental specifications warrant such increase by reason of increase in the price of materials.

C. Drawing Accounts and Classification of Membership: In order to effect an orderly distribution of the union members' share of the receipts of the company, the parties agree that a drawing account system, as hereinafter more fully set forth, shall be employed. — percent of the wholesale value of the shoes packed during the term of this agreement shall be credited to the aforementioned drawing account by management.

That furthermore, all drawing accounts had, except as provided in the section of this contract designated "Overtime", shall be charged to the aforementioned drawing account, which said payments have been classified under the heading of "Shipping Department Labor" on the books of the company. Different groups of employees shall, as hereinafter more fully set forth, constitute the "labor interest" hereinabove referred to. Each worker in the jurisdiction of the union shall be given a weekly basis which shall be at a rate considered by the management and the union equal to the worker's worth to the organization. The union agrees, for the purpose of calculating the weekly drawing account of each member of the union during the term of this agreement, the rate effective on the date this contract is executed shall be taken, especially that due credit or allowance shall be granted for any change made by virtue of provisions herein set forth.

All account drawings shall be based on a differential rate as herein agreed upon.

It is agreed that during the period of this contract, changes may be made in the drawing account rates or wages but shall not become effective or paid except upon mutual agreement by and between management and the president of the union. Such drawing account rates and wages and changes in the drawing account rates and wages shall be held in strict confidence between said management and the president of the union except, however, wherever said parties shall deem it necessary to obtain the necessary information for an equitable and just change in the drawing account rates and wages.

The drawing account rates of the president of the union and of the executive committee shall not be reduced during the time of office because of time spent in the discharge of union business.

Management further agrees that the drawing account rates of the union members named in Schedule "A" shall be based upon the same earnings hereinbefore set forth and shall follow proportionately the drawing account rates of other members of the union, but such drawing accounts shall not be charged against the percentage fund.

Whenever matters pertaining to the drawing account shall not appear to be covered by this agreement, then such matters shall be settled and compromised by agreement between management and the union, by their respective representatives.

If during the term of this agreement, the total drawing accounts paid shall exceed — percent of the wholesale value of shoes packed during the term of this agreement, with exceptions as noted for Government contracts, and the management is convinced that such excess will not be balanced automatically back to the agreed basis during the remaining period of the contract, then the weekly drawing account shall be revised downward to a base which, it is expected, will equal — percent of the wholesale value of the shoes packed during the term of this agreement (adjustment being made for the reduced value of shoes classed as "damaged" and shoes produced under governmental contracts).

The said "labor interest" as hereinbefore referred to, shall consist of the following classifications of membership and the rights, interests, and benefits of each of such classifications:

"The Class A membership shall consist of — percent of the total number of shipping department workers, not including the direct agents of management as enumerated in Schedule B attached hereto as of March 4, 1946, and with the exception of those workers who, because of disqualifications as hereinafter more fully set forth, were unable to attain the said Class A membership. The Class A worker shall constitute a permanent labor force and shall not be subject to lay-offs. However, no employee shall become a Class A member until he or she has had at least two years of service in the shipping department of the — Company or at least two years of service in the office or factory of the Milwaukee plant of the — Company.

"As heretofore set forth, the total membership of Class A workers is limited to — percent of the total number of shipping department workers, and includes those Class A members and workers who attain a Class A membership while on leave of absence; it being understood and agreed that care must be taken that the rights of all workers who are on leave of absence are preserved when promotions to Class A membership are made.

"The Class B membership shall consist of all those workers, except those hereinafter or hereinbefore classified as otherwise, who have been employed at the — Company (shipping department) for a period of at least two years. These said Class B members shall immediately begin to participate in the Share Production Plan at the commencement of the first four-week period after the second anniversary of their employment, and they shall be entitled to all the rights, interests, and benefits of the Class A membership, except that they may be subject to lay-off in accordance with the terms of this contract.

"The Class C membership shall consist of all workers who had not reached the age of forty-five years at the time of their commencement of employment at the — Company, Milwaukee plant, such members, of course, being members in good standing in the Union of — Shipping Department Employees, but who have served less than two years.

"The Class D membership shall consist of those workers who are forty-five years of age or more at the commencement of their employment with the company and who have not previously earned a higher classification as hereinbefore set forth.

"The Class DB membership shall consist of those Class D members who have completed two years of employment with the company and who are eligible to the Share Production Plan. The same is hereinbefore explained in reference to Class B members. However, such Class DB members shall at no time be eligible for promotion to Class A membership.

"The Class HA membership shall consist of those workers who were previously classified as Class A members but, who, because of their physical or mental impediments, were unable to perform the minimum work provided in the various shipping department schedules and consequently were taken out of the Share Production Plan. Such members are to be paid on an hourly basis. Otherwise, they shall have the same rights and benefits of the Class A membership with respect to lay-offs.

"The Class HB membership shall consist of those workers who were previously classified as Class B members but who possessed some physical or mental impediment and could not perform the minimum amount of work provided in the various shipping department schedules and consequently were taken out of the Share Production Plan. Such members shall be paid on an hourly basis."

Class B members shall be promoted to Class A membership according to seniority upon vacancy occurring in the Class A membership hereinbefore set forth and agreed upon as being limited to — percent — of the total number of shipping department workers (including those Class A members on leave of absence) due to death, resignation, discharge, or permanent termination of employment. Provided, however, if there are no members in the Class A membership, then the Class C members shall be promoted to Class A membership according to seniority upon vacancy occurring in the class A membership hereinabove set forth and agreed upon as being limited to — percent — of the total number of shipping department workers (including those Class A members on leave of absence) due to death, resignation, discharge, or permanent termination of employment; provided, further, however, that such Class C members shall have at least two years' service record at the Milwaukee plant of the — Company.

All Classes A, B, and DB members are to share in the percentage fund in accordance with their basic rate and the present existing agreement with management.

All Classes B and DB members may be laid off when production needs are not sufficient to maintain Class A members working at least forty hours per week. In the event of necessity of lay-off, there shall be no discrimination between Class C and Class D members, except on the basis of seniority rights. And, furthermore, in the event of a further lay-off, there shall be no discrimination between Class B members and Class DB members, also, except on the basis of seniority rights.

Classes HA, HB, C, and D members are wage earners and work for a stipulated amount per hour, the total of their wages being paid out of the gross share before any balance is allocated to the accounts of Classes A, B, and DB.

Earnings of Classes A, B, and DB members are to be allocated to the individual account of each of said members, that member being paid in cash any balance to his or her

credit after providing for a reserve fund of nineteen percent (19%) of his or her annual estimated income, which said reserve includes provision for sick leave as hereinafter more fully set forth. The adjustments on said individual account shall be made at the end of each four-week period, and when the reserve in each individual account exceeds nineteen percent (19%) of the annual estimated income, the excess shall be paid during the following four-week period, permission being granted to management to include said excess in the regular weekly drawing.

Management further agrees to pay interest on the balance in the individual reserve accounts of the said Classes A, B, and DB members at the same rate as is currently being paid by banks on savings deposit accounts (currently agreed at 1% per annum), except, however, such computations shall be made at the end of the four-week period in accordance with the adjustment made on the individual account of each member.

It is further agreed that jobs shall be made available to those members of the union who are on leave of absence because of their service in the armed forces of the United States or its auxiliaries; and provided that he or she is physically able to accept such employment, and provided further that such member of the armed forces of the United States or its auxiliaries gives the stipulated notice of his or her discharge from the said armed forces of the United States or its auxiliaries and his or her desire to return to employment in accordance with the Selective Training and Service Act of 1940 (Section 8), the Army Reserve and Retired Personnel Service Law of 1940 (Section 3), the Service Extension Act of 1941 (Section 7), The Servicemen's Readjustment Act of 1944 (Section 600-607), and the War Mobilization and Reconversion Act of 1944, and the amendments thereto. It being understood by the parties hereto that such members on leave of absence, upon reemployment, shall return to their respective positions or jobs which they had possessed at the time of their induction into the armed forces of the United States or its auxiliaries, taking into consideration the fact that their seniority record continues while in the armed forces of the United States or its auxiliaries. In other words, the veteran is entitled to reinstatement in his former position (1) if the position was not a temporary one; (2) if the veteran left the position subsequent to May 1, 1940, to enter active military or naval service in the land or naval forces of the United States; (3) if he is still qualified to perform the duties of such position; (4) if he makes application within ninety days after he is relieved from training and service or from hospitalization continuing after discharge for a period of not more than one year; (5) if the circumstances at the — Company are not so changed as to make it impossible or unreasonable to reinstate a veteran to his former position or to a position of like seniority status, pay, or drawing. Provided further, however, that nothing herein contained shall affect those workers who shall enlist in the service of the Merchant Marine after August 14, 1945, it being understood that service in the Merchant Marine is of a private nature and compensable accordingly.

Management agrees that those employees within the jurisdiction of the union, whose payments have not been

classified under the heading of "Shipping Department Labor" on the books of the company in the past such as the employees named in Schedule A, shall receive compensation in a method and at rates and adjustments parallel to the members working under the aforementioned drawing account system.

It is agreed that during the period of this contract, changes may be made in the differential base rate upon mutual agreement by and between management and the executive committee of the union.

It is further agreed, for the purpose of calculating the drawing account of each individual member of the union, the present differential rate shall be the basis of calculation. However, adjustments in individual differential rates may be changed during the period of this agreement, but such individual adjustments shall not be effective or paid until approved by the president of the union; provided, further, as hereinbefore set forth, the differential rates of the president of the union and the members of the executive committee shall not be reduced during the time of office because of time spent in the discharge of union business.

D. Stabilized Annual Income: For the purpose of stabilizing annual earnings of the workers of the company in the union's jurisdiction, it is agreed that each Class A, B, and DB member shall receive at least one drawing for each week that this agreement is effective, and that the amount of such drawing will be at least one fifty-second ($\frac{1}{52}$) of the member's estimated yearly income, except as that estimated yearly income may be changed in accordance with the provision permitting adjustments of the individual rates. However, for the purpose of establishing in the shipping department uniformity of drawings for absence, due to illness, the union agrees that each Class A, B, and DB member shall be entitled during the term of this contract, to five (5) days of absence, with drawings, for recognized cause.

E. Reserve and Overdraft: The parties agree that it is highly advisable to establish a reserve in the workers' fund of each individual Class A, B, and DB member, in such instances as hereinbefore set forth, in order to guard against the disruptance of drawing schedules due to adverse business conditions and both parties agree to promote the accumulation and maintenance of such reserve accordingly. Commencing — this reserve shall consist of nineteen percent (19%) of the annual estimated income, the same being computed by multiplying the present average hourly drawings by 2,080. The said nineteen percent individual reserve account shall include drawings for five (5) sick days. However, management shall continue to pay the regular weekly drawings including weeks with holidays, vacation, and five (5) days' sick leave, if by so doing the individual reserve is not reduced below five percent (5%) of the annual estimated income, but no monthly or adjusted compensation payments will be had if by so doing the said reserve is reduced to a sum less than nineteen percent (19%) of the annual estimated income.

When it is apparent that due to adverse business conditions, the said reserve account shall be depleted if no change is made, the drawing account rate shall be revised by agreement between the management and the executive

committee of the union to a point where the reserve account will at no time be less than five percent (5%) of the annual estimated income, except as hereinafter stated management shall pay a premium for vacation.

F. *Payment of Wages and Drawing Account:* The minimum drawing account rate to be paid during the life of this contract shall be set by mutual agreement between management and the executive committee of the union. Members recognized as substandard by the Fair Labor Standards Act authorities may be paid at a rate approved by said authorities.

In computing the fair rewards for labor and establishing a minimum payment of wages and/or drawing accounts, the present and existing Minimum Wage and Hour Law was taken as a basis and, therefore, provisions in this contract as therein stated shall be subject to change in the event the Government shall increase the minimum wage.

70. Cement manufacturing—USW (CIO)

X. (d) During the period — to —, the company will work eight (8) men forty (40) hours a week. It is understood that length of continuous service shall govern the selection of these eight (8) men.

71. Retail automobiles—UAW (CIO)

4. All men listed on Exhibit "A" are permanent employees under the 52-week work clause; all other employees hired shall be temporary employees and informed to that effect when they are hired.

72. Cleaning and dyeing—ACW (CIO)

The employer shall not at any time reduce the wages or earnings of any employee who earned or may hereafter earn more than the minimum scale provided for herein and all weekly employees shall receive their full pay each week in the year regardless of whether there has been sufficient work to keep them occupied full time during the week. This covers all inside cleaning and dyeing workers (about 500 in number) in shops under contract with — [union].

B. PLANS WITHOUT EMPLOYEE ELIGIBILITY REQUIREMENT

1. PLANS WITHOUT ELIGIBILITY REQUIREMENT BUT WITH PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

73. Knitting mill—No union

It is hereby agreed (1) To operate under a guaranteed work plan for a period of 52 weeks beginning — and ending —, during which annual period the said employees shall be guaranteed work for fifty (50) weeks of forty (40) hours per week, or eight (8) hours per day, provided however, that the said [company] shall not be bound to the said fifty (50) weeks of forty (40) hours per week, or eight (8) hours per day for causes beyond its control.

(2) The parties hereto mutually agree that the rates of pay during the life of this agreement shall be in accordance with the wage schedules set forth in detail in Schedules A and B attached hereto and made a part hereof.

74. Wholesale dry goods—RWD (CIO)

The employer agrees that his basic staff shall consist of — union employees. Of these, the employer shall employ — persons as general help, — persons as office help, — persons as salesmen, buyers, or credit men.

The union shall not insist that the basic staff of the employer in each category be filled except that if, during the life of this contract, the union shall feel that one or more vacant positions on the said basic staff should be filled, that the request for same shall be made to the employer, and upon failure of the employer to agree to the union's request, then the matter shall be considered a grievance and be subject to arbitration as provided for in the contract. The failure of the union to demand replacements of vacant basic staff positions, shall not be deemed a waiver of the union's right to subsequently make such a demand. Upon the request of the union showing the necessity for filling one or more vacant staff positions, the employer shall be required to immediately fill same. The failure of the employer to fill a vacant basic staff position, when one has become or will become vacant, shall not be deemed a violation of the contract.

75. Retail men's clothing—RWD (CIO)

A salesman may be discharged upon two weeks' written notice by the employer to the union, sent by registered mail, and with the written consent of the union. Such notice by the employer to the union, requesting such discharge, shall set forth the details impelling this request for the discharge. (Slack season, however, shall not be deemed a cause or a reason for the discharge of a regular salesman.) Upon the consent in writing, by registered mail, given by the union, such salesman affected by the notice shall be discharged at the end of such two weeks' period of notice.

76. Railroad repair and maintenance—FSC (AFL)

Agreement With the Federated Shop Crafts Providing for Minimum Force: (a) It is agreed between the — Railway and the Federated Shop Crafts that during the entire month of January — a minimum force of 2,300 positions of mechanics, apprentices, helpers, and coach cleaners will be employed in the maintenance of equipment department; this number of positions to be distributed over the system of crafts and at points as shown on the attached statement and as hereinafter provided and will work six days a week. It is further agreed that this minimum force of 2,300 positions will be continued from month to month during the entire year — on the six-day-week basis, unless changed in accordance with the provisions of section (e).

(e) It is further understood and agreed that in event any situation arises during the life of this agreement which would seriously affect either party, a conference will be held between the management and the general committee for the purpose of reaching an agreement. In event of failure to do so, it is understood and agreed that either party may terminate this agreement by serving ten (10) days' notice in writing upon the other of intention to do so.

77. Refrigerator car servicing—UPW (CIO)

ARTICLE I. Working Hours: The basic gang employed by the employer hereunder shall consist of three mechanics, two helpers, and one car washer. Each of such men shall be employed by the employer for two thousand hours during the period of one year covered by this agreement, and shall receive weekly payment on the basis of forty hours per week irrespective of the number of hours worked by him in any such week at the regular scale of wages hereinafter provided; except that if the hours worked by any such employee under the jurisdiction of this contract are in excess of eight hours in any workday, or in excess of forty-eight hours in any workweek, as the case may be, such excess hours shall be paid for at the rate of time and one-half regular scale rate for which he is employed, provided, however, that in the event of storms, floods, acts of God, death, discharge, incapacity of employees, or conditions beyond the control of the employer, such aggregate number of two thousand work hours cannot be completed in the period covered by this agreement for any employee, there shall be a reduction of such total number of hours corresponding to the number of hours which by reason of said conditions, it was impossible to complete.

In the event the employer ceases the operation of refrigerator cars in the service of — Company, this contract will be void on 30 days' written notice.

There will be no replacements of the basic gang by reason of temporary reduction caused by sickness or for vacations.

This agreement shall relate only to employees of the employer at — and does not apply to superintendents, foremen, and clerks.

78. Public utility—OE (AFL)

ARTICLE IX. Guaranteed Work: Section 1. Two Year Guarantee. (a) Class A employees as defined in Article VIII, Classification of Employees, Section 1, are included in the Guaranteed Work Plan as hereinafter provided for. Class B and Class C employees are not included in the Guaranteed Work Plan.

(b) The company agrees to provide work at wage rates agreed upon by the company and the union, for a period of two (2) years from the effective date of this agreement, to all Class A employees as provided for in Article VIII, Classification of Employees, of this agreement. It is further agreed that should a decrease in work, due to changing conditions in any plant or department, require a reduction in personnel, employees not under the Guaranteed Work Plan will be laid off first. Should further reductions be necessary, it is agreed that employees with the least seniority under the Guaranteed Work Plan may be transferred to other departments or plants where their services are required at existing rates for the job to which they are transferred. It is further agreed that should such transfers become necessary, such employees will be paid a relocation wage differential equivalent to the difference between their former rate and their new rate for a period of six (6) months following their transfer. In no case shall the wage differential payment exceed thirty percent (30%) of the em-

ployee's average monthly wage during the last twelve (12) months in his regular employment.

(c) Those employees who are guaranteed work under this article will be given an opportunity to work 2,080 hours during each of the guaranteed work years, less vacation and holidays.

(d) A schedule shall be submitted to the union listing the names of employees who are guaranteed work.

(e) The right by the company to suspend or discharge an employee for cause as provided for in this agreement shall in no way be infringed upon through the application or interpretation of this article.

2. PLANS WITHOUT ELIGIBILITY REQUIREMENT AND WITHOUT PROVISION FOR MODIFICATION OR ABROGATION OF PLAN**79. Flour mill—CW (AFL)**

It is agreed upon by the union and the employer that the base crew of sixty-two (62) men in the mill, feed plant, elevator, mill engine room, and other miscellaneous activities will be guaranteed a minimum workweek of forty-eight (48) hours for the whole 12 months, the last 8 hours to be on time and one-half, and if there is not sufficient work to complete the 48 hours during any week with exceptions of those weeks that include holidays designated by the union contract, then [company] will pay each and every employee his wages for any hours not worked up to 48 hours.

80. Textile dyeing and finishing—MP (Ind.)

SECTION I. Salary and Hours: The company agrees to continue to employ the members of the association now presently in the employ of the company throughout the period beginning with the — and ending with the —, and guarantees to pay to each journeyman printer operating from seven to eight color machines total wages for said period of not less than thirty-eight hundred fifty-eight dollars and forty cents (\$3,858.40), and further guarantees to pay each journeyman printer operating from nine to twelve color machines total wages for said period of not less than four thousand forty-five dollars and sixty cents (\$4,045.60), payable weekly at the respective rates per week of seventy-four dollars and twenty cents (\$74.20) and seventy-seven dollars and eighty cents (\$77.80).

The company agrees that each of the said members of the association in the employ of the company throughout the period covered by this contract shall, subject to and in accordance with the provisions of this contract, work not more than two thousand (2,000) hours during the period of fifty-two (52) calendar weeks of the period covered by this contract.

81. Soap manufacturing—SW (CIO)

ARTICLE III. Section 2. All departments except watchmen and firemen will operate on the five (5) days basis Monday through Friday. Watchmen and firemen who must be in attendance at all times, will work on all days, Monday through Sunday, at regular time. Watchmen and firemen will be guaranteed fifty-two (52) weeks of work per year during the time this contract is in effect.

82. Electroplating—ERMW (CIO)

XVIII. The employer guarantees to the five maintenance men named in the contract between the parties, dated —, not less than forty-eight (48) hours of work, or the monetary equivalent thereof, in every week during the fifty-two (52) week period which is the term of this contract. The employer also agrees to pay the above-mentioned maintenance men for the holidays named in this contract, even though these maintenance men shall not be required to work on these holidays, and to continue to grant to the maintenance men all the benefits and privileges which they have heretofore enjoyed.

83. Wholesale sirup distribution—RWD (CIO)

Every permanent routeman and cook working for the members of the association are hereby guaranteed fifty-two weeks of steady employment in each year at the scale of wages herein mentioned throughout the life of this agreement. Permanent helpers shall during the slack period share the work.

84. Retail men's clothing—ACW (CIO)

SIXTEENTH. Annexed hereto and made part hereof is a schedule of the names of the salesmen, stock clerks, and other employees and their salaries, employed by the employer who are protected under the terms of this agreement which shall be the minimum amount of salesmen, stock clerks, and other employees that the employer agrees to employ throughout the life of this agreement.

NINETEENTH. It is further agreed that in the event that a member or members of the union leave his or their employment with the employer, that the employer shall immediately fill such vacancy with another member or members of the union.

85. Retail men's clothing—ACW (CIO)

2. The bushelman working for the members of the — Society are guaranteed 40 hours of work per week, 52 weeks per year.

86. Retail shoes—RWD (CIO)

6. During the period covered by this agreement, the employer agrees to give continuous employment to a minimum force of employees as hereinafter stated: 1 manager, 1 selling assistant manager, 2 salesmen, 1 cashier, and 1 porter.

87. Retail furs—FW (CIO)

That the following employees [names of seven employees] are to be considered permanent employees and will be guaranteed fifty-two (52) weeks from — to — exclusive of overtime.

88. Retail liquor—RC (AFL)

3. (B) The employer agrees that each sales clerk in his or its employ shall have fifty-two consecutive weeks of employment during each year.

89. Retail ice and coal—OE (AFL)

Wages, Hours, and Working Conditions: On and after — the following schedule of wages and hours shall be in effect:

The engineer-in-charge shall receive two thousand seven hundred (\$2,700.00) dollars per year.

Operating engineers shall receive two thousand (\$2,000.00) dollars per year.

Time in excess of fifty-six (56) hours per week, or over twelve (12) hours in any one day, shall be considered overtime and shall be paid for at the rate of time and one-half time. No employee working under this agreement may work over two thousand (2,000) hours per year. Employees working under this agreement work according to Section 7 (b) (2) of the Fair Labor Standards Act.

90. Retail dental supplies—No union

WITNESSETH: Said employer agrees to employ said employee as — for a term of one (1) year from the date hereof, at a weekly salary of —.

In consideration of the foregoing on the part of said employer, said employee hereby accepts such employment at said salary and agrees that he will diligently and faithfully apply himself to and perform the work of said employer as he may be directed to do by its fully accredited representative; that he will not absent himself from the employment of said employer (except in case of illness), without the consent of said employer; that he will not during said term of employment, nor for one year thereafter, engage either directly or indirectly in any branch of business carried on by said employer, either as a party in interest or as the employee of another concern conducting a similar business anywhere in the cities of Providence, Rhode Island; or Bridgeport, Hartford, or New Haven, in the State of Connecticut; or Boston or Springfield in the State of Massachusetts.

91. Water transportation—ILA (AFL)

FOURTH. The company further agrees that the following positions shall be guaranteed twelve (12) months pay at rates of pay as shown and with not less than two (2) weeks vacation.

General foreman.....	\$296. 12 monthly
Assistant foremen.....	236. 72 monthly
Chief clerk.....	236. 72 monthly
Rate clerk.....	203. 72 monthly
Stenographer.....	170. 72 monthly
General cashier.....	170. 72 monthly
Baggage man.....	165. 22 monthly
City passenger agent.....	253. 22 monthly
City freight agent.....	253. 22 monthly
Ticket agent.....	236. 72 monthly

The company further agrees that seasonable workers shall be employed from the opening of navigation to the closing of navigation; the following positions classed as seasonable with monthly rates of pay as enumerated below.

Ticket sellers.....	\$159. 72 monthly
Assistant cashiers.....	148. 72 monthly
Night clerks.....	143. 22 monthly
Telephone operator.....	132. 22 monthly
Comptometer operator....	132. 22 monthly
Assistant settlement clerk..	132. 22 monthly
Typists.....	132. 22 monthly
Billing clerks.....	132. 22 monthly

Scale of wages shall be not less than as shown above. Also all employees shall have one (1) day per week off and in the event any employee may be requested to work the seventh (7th) day such duties will be performed at overtime rate.

In the event of a dispute arising between the company and the union or in the event of the employees or employer having a grievance they shall continue to work and all such questions in dispute controversies and grievances shall be settled if possible by the representatives of the company and the representatives of the union.

92. Cleaning and dyeing—No union

Employment Contract: 1. The employee shall enter into service and commence his work hereunder on the — and the employment shall continue for the period of one year, and for such further period as is provided for herein.

93. News syndicate—CTU (AFL)

SIXTH. (a) The employer guarantees to pay at least one-half pay of the full weekly wage to a total of forty-three (43) Morse operators in every week throughout the year. Seniority shall govern as usual in all cases, it being agreed that the senior men shall fill all jobs as available. Men on leave of absence among the 43 employees of highest seniority will have their places filled in the listed 43 by substitution of the employees highest in the list of seniority under the top 43 employees during the time covered by the leave of absence only.

IV. Less Than a Year's Guarantee to Part of the Working Force

Plans in this group provide a guarantee of employment or income for some definite period (3 months to 50 weeks) to such employees or groups of employees as are specified.

A. PLANS WITH EMPLOYEE ELIGIBILITY REQUIREMENT

1. PLANS WITH ELIGIBILITY REQUIREMENT AND WITH PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

94. Water transportation—ILA (AFL)

RULE 21. It is agreed that eight (8) regular terminal employees who are paid on an hourly basis shall be guaranteed a minimum of fifteen dollars (\$15.00) per week each, from beginning of the navigation season on the Upper Mississippi River to the end; provided, that in the event operations are suspended due to river conditions, or for any other cause beyond the control of the company,

the guarantee shall not apply during the period of suspension.

95. Radio broadcasting—AFM (AFL)

Quota: 1. The station agrees to spend each year during the term of this agreement not less than the total sum of twenty-one thousand five hundred twenty-eight dollars (\$21,528.00) for compensation for its staff musicians.

Personnel: 2. The station agrees to employ not less than eleven (11) staff musicians, including a leader, for thirty-nine (39) weeks of each year, except during the months of June, July, and August, when it will employ at least one (1) staff musician who shall be a leader, and as many more staff musicians as it may require. A staff musician is one who is paid at a weekly rate and not at a single performance rate. The station shall have the right to use all of its staff musicians in any way or combination desired on each broadcast, it shall have full control of the instrumentation desired and of the program and selection of music, and may use staff musicians on commercial and sustaining programs.

The local will furnish the station as required by it, competent and qualified musicians in good standing in the local.

Term: 5. * * * If during the term of this contract the [union], or any local thereof takes any action resulting in the interruption of network service, or network musical programs, or the service of the local to the station, the station may suspend this contract as long as such interruption continues. It is further provided that should the station, during the term of this contract, lose its present network service, this contract shall terminate at the same time such network service terminates. It is further provided that this contract shall also be terminated should the operation of this station be discontinued because of the loss of proper license, war, act of God, or major catastrophe.

2. PLANS WITH ELIGIBILITY REQUIREMENT BUT WITHOUT PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

96. Limited price variety store—RWD (CIO)

Steady Employment: (a) For Regular Salesladies. A regular saleslady with 12 months' continuous experience, in charge of one or more departments, will be given an opportunity to work 42 weeks full time during the year and an opportunity to work at least 36 hours per week during the remaining 10 weeks.

It is understood that the vacation period is included in the 42 weeks full time. It is also understood that this is the minimum amount of work that will be given to any qualified saleslady, and that whenever possible these girls will be given more full-time work.

Regular girls with less than 12 months' experience will be given preference at all times in the allotment of the remaining work.

97. Retail women's clothing—RWD (CIO)

Minimum of Employment in Each Year: Third. (a) "Steady sales clerks" shall be employed for a minimum period of eleven (11) months in each year by the employers,

except those employers who maintain establishments on Division Street, in the Borough of Manhattan, City of New York. The "steady sales clerks" employed in the establishments located on Division Street shall be employed for a minimum period of ten and one-half (10½) months in each year.

(b) "Steady-extra sales clerks" shall be employed in each year for a minimum period of nineteen (19) consecutive weeks in the fall season, to commence October 1st, and twelve (12) consecutive weeks in the spring season, to commence on March 15th, except in the establishments of employers located ———. "Steady-extra sales clerks" employed in the establishments located ——— shall be employed in each year for a minimum period of eighteen (18) consecutive weeks, in the fall season, to commence on October 1st, and eleven (11) consecutive weeks in the spring season, to commence on March 15th.

98. Restaurant—HR (AFL)

ARTICLE V: Sec. 2. Steady bartenders shall receive a guarantee of employment at no less than minimum rate at least forty-eight (48) weeks out of the year; said year to commence on the date [when] this agreement shall go into effect.

99. Cemetery—FTA (CIO)

XI. (a) The regular employees, Class B, will be employed in the following manner: In each year between the first Monday in April and the first Monday in December the Cemetery shall provide each of said employees with a minimum period of thirty-three (33) weeks of employment during which period said employees shall work on all working (bell) days. Within such period the Cemetery shall have the right with respect to each employee to determine when his thirty-three (33) weeks' employment shall commence. The Cemetery may also employ men in this classification prior to the first Monday in April in each year for such period and on such days as it may determine, but such employment shall be in addition to and not included in the thirty-three (33) weeks' employment hereinbefore provided for. The employee may, however, at his discretion, refuse such additional employment.

(b) The Cemetery shall be under no obligation in maintaining the regular B basic crew figure (Article XII hereof), or in voluntarily replacing a man when the number of regular B's exceed such figure, to guarantee the employee involved work after the first Monday in December of a current contract year; the purpose and intent hereof being that if a regular B is taken on for any reason after April 20th, such regular B shall not be entitled to employment, during a current contract year, after the first Monday in December.

100. Water transportation—MMP (AFL)

RULE 4. (a) All regularly assigned masters and pilots shall be guaranteed ten (10) months employment during each calendar year. The list of regular employees shall be limited to the number required to operate the vessels regularly in service in each division. Other employees covered by this agreement who are called for relief or temporary duty shall be considered as extra employees

Only those employees who appear on the regularly assigned list at the beginning of the calendar year or at the beginning of the navigation season in the case of the Upper Mississippi Division, the Illinois Division, and the Missouri Division shall be considered as regular and included in the terms of this guarantee.

B. PLANS WITHOUT EMPLOYEE ELIGIBILITY REQUIREMENT

1. PLANS WITHOUT ELIGIBILITY REQUIREMENT BUT WITH PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

101. Textile dyeing and finishing—MP (Ind.)

SECTION 3. The company agrees to pay each journeyman printer and apprentice full pay for any period prior to July 15th during which the journeyman printer or apprentice is not employed.

The company further agrees to pay each journeyman printer or apprentice one-half pay for any period after July 15th to December 31, ——— during which the journeyman printer or apprentice is not employed.

It is further understood and agreed that any member of the association who reports for work or who works at any time during any three days of any calendar week, shall be paid wages for the full calendar week, regardless of whether or not said journeyman printer or apprentice works the full forty hours. Any journeyman printer or apprentice who works or reports for work on less than three days, shall be paid a full day's pay for the day he works or reports for work and half pay for the days that he does not work.

It is further understood and agreed that during the period beginning with the date of July 15th and ending December 31st, ———, the company will spread the work among the members of the association to the end that, insofar as practical, employment will be shared equally by the members of the association.

It is further understood and agreed that during the period covered by this agreement the company will alternate the men weekly between the day and the night shifts.

If hostilities should terminate prior to July 15, ———, or if orders or directives of the Government, issued prior thereto, confront the industry with a curtailment of business which reduces operations, the parties, on fifteen days' notice, by either to the other, shall negotiate with respect to the advisability of maintaining or modifying the full work guarantee contained in this Section 3.

102. Textile dyeing and finishing—TWU (CIO)

21. The firm does hereby guarantee 48 weeks of work in each year for truck drivers and helpers but this guarantee shall be nevertheless subject to the following conditions:

(a) In the event of an unusual slack period or in a period of emergency where production materially decreases the firm shall have the right to lay off drivers notwithstanding the guarantee above-mentioned.

Truck drivers and helpers can be employed for a period of 50 hours in any one given week. Any excess of 42½ hours in one week (Monday to Friday, inclusive) or 8½

hours in one day shall be paid for at the rate of time and one-half.

103. Water transportation—ME (CIO)

ARTICLE V: *Season of Employment.* The season of employment for officers, boiler-room engineers, junior engineers, and handymen shall be for ten (10) calendar months, 306 days.

The season of employment for all officers to start as directed by the management and to be continuous, and to be completed within the calendar year.

If officers, boiler-room engineers, junior engineers, or handymen who are qualified, serve in a temporary capacity higher than appointed for, they will be paid the higher rate during such service, and if they serve in a lower capacity, they will be paid the rate applicable to the capacity appointed for.

The company reserves the right to transfer any officer from one vessel to another with the understanding that the wage scale for the individual is protected.

In the event that additional passenger or freight steamers are purchased or chartered by the — Company, after the start of the navigation season, it is understood that the season of employment for officers on such vessels shall commence when the steamer or steamers are placed in service and continue until the vessel is laid up or returned to the owner. This provision shall not apply should charter provisions require that officers then aboard said vessel continue in the service of the ship for the balance of the year during which the charter or purchase is effected, other than they be members of the association. In the event this paragraph shall apply, then it is understood that the rates of pay will not be less than provided for in Article IV hereof.

If the service of one or more vessels is discontinued at any time during the life of this agreement for one or more of the following reasons:

1. Marine disaster, total or constructive total loss, or marine disaster less than total or constructive total loss which nevertheless requires the vessel or vessels to be laid up for a considerable period on account of failure to get repair materials due to war priorities, or failure to get the ship into a repair yard by reason of war conditions beyond control of the company;

2. Condemnation by Bureau of Marine Inspection and Navigation;

3. Sale of vessel, commandeering or taking over by Governmental authority;

The company may discontinue the service of any or all of the officers covered by this agreement after a period of seven (7) days after the discontinuation of such service, as specified, and for reasons as provided above.

2. PLANS WITHOUT ELIGIBILITY REQUIREMENT AND WITHOUT PROVISION FOR MODIFICATION OR ABROGATION OF PLAN

104. Textile dyeing and finishing—MP (Ind.)

18. (a) The company agrees to pay each journeyman printer and apprentice full pay (40 hours' straight-time pay) for any period prior to July 15th during which the journeyman printer or apprentice is not employed. The

company further agrees to pay each journeyman printer or apprentice one-half pay (20 hours' straight-time pay) for any period after July 15 to December 31, — during which the journeyman printer or apprentice is not employed.

105. Textile dyeing and finishing—MP (Ind.)

The company agrees that so long as it operates on a "staggered shift" so-called, it will pay each printer or apprentice one-half pay for any 23 weeks during which, at any time throughout the terms of this contract, each printer or apprentice is not employed. If the company is operating on a basis other than a "staggered shift" so-called, it will pay each printer or apprentice one-half pay for any 20 weeks during which at any time throughout the terms of the contract such printer or apprentice is not employed. The foregoing provision shall not apply, however, to a printer who is hired temporarily to replace a regular printer who is absent by reason of illness or who is on vacation.

106. Textile dyeing and finishing—FSES (Ind.)

During period of unemployment members of the society employed by employer shall be compensated at the rate of one-half their basic weekly wages for a period of 12 weeks during the term of this agreement.

107. Women's coat manufacturing—ILG (AFL)

FIRST. The employer hereby agrees, covenants, and guarantees that it will give to each of the persons now in its employ in the cutting, operating, finishing, and pressing departments and to each of the persons now in its employ as basters and buttonhole makers, fifty full weeks of employment during the term beginning — and terminating —. The names of the said employees are contained on the list annexed hereto, made a part hereof, and marked schedule A.

Each of the workers on the annexed schedule agrees to work for the employer for the term of this agreement and in accordance with the terms thereof.

108. Silverware manufacturing—ERMW (CIO)

EIGHTH. The employer guarantees that he shall employ the employees named in the schedule herewith attached and made part of this contract, for a period of forty-five (45) full weeks during the year of —, and that the remaining six (6) weeks he will employ them on a part-time basis (three (3) days a week), and that one week, namely, between Christmas and New Year's, he shall have the right to close the factory for the purpose of taking inventory. All weeks that have been worked prior to the signing of this agreement during this year shall be deducted from the guarantee of forty-five (45) weeks, and all part-time workweeks that have been worked this year shall be deducted from the six (6) part-time weeks. All other employees who are not listed in the attached schedule, or those in the wrapping and assembling departments who have or will join the union at the expiration of the old agreement, shall not be covered by said guarantee. Any employee who is listed on the attached schedule but who is discharged for cause, shall be automatically removed from

the operation of said guarantee. Any holiday listed in paragraph six which comes out during a working week, and in the event that the employees do not work on that day, that week shall nevertheless constitute a full working week for the purpose of defining a full week in the above mentioned guarantee.

109. Retail women's accessories—FW (CIO)

* * * the union agrees to accept the same understanding that prevailed during the — contract year—that is, a guarantee of forty-two (42) weeks of work for the four (4) finishers and two (2) operator-nailers who are employed at present in the fur department.

110. Water transportation—ILA (AFL)

FOURTH. (a) Wages of salaried checkers under this agreement shall be agreed upon between the company and said salaried checkers, but not less than two hundred and five dollars and twenty cents (\$205.20) per month. Six (6) salaried checkers shall be given one (1) day per week off and a guarantee of nine (9) months' pay.

111. Water transportation—ME (CIO)

RULE 2. (a) The season of employment for chief engineers will be nine (9) months; the season of employment for first assistant engineers will be nine (9) months; and the season of employment for second assistant engineers will be seven (7) months. The season of employment, to start as directed by the management, is to be continuous and is to be completed within the calendar year.

112. Water transportation—MMP (AFL)

ARTICLE V. The season of employment for pursers in the — Division shall be for six (6) calendar months. The season of employment for pursers in the — Division shall be for eight (8) calendar months. The season of employment for the purser of the — shall be for three (3) calendar months.

The season of employment for assistant pursers on the — Division shall be four (4) months. The season of employment for assistant pursers on the — Division shall be four (4) months.

113. Water transportation—MMP (AFL)

ARTICLE V. The season of employment for all masters shall be eight (8) calendar months.

The season of employment for all first, second, and third officers shall be eight (8) months.

V. Wage-Advance Plans

In wage-advance plans the employer usually obligates himself to provide advances to loans of wages during slack seasons, with repayment required of the worker only if the employer thereafter furnishes sufficient employment to enable the advance to be repaid. The plans provide specific methods for repayment or working off the amount of the indebtedness.

114. Window and door frame manufacturing—No union

In the event of slack periods, the company will advance to its employees certain sums to be repaid with work when production increases.

The plan is only effective in the case of short hours caused by reduced production.

For the purposes of the plan, employees are divided into three different classes, as follows:

- (1) Single men with no dependents.
- (2) Single men or married men with one dependent.
- (3) Single men or married men with more than one dependent.

If, during any pay period (one-half month), the income of those in class 1 is not equivalent to 40 hours at the employee's rate, he can draw the difference between 40 hours' income and his actual earnings from our company. Those in class 2 are entitled to 50 hours and those in class 3 to 60 hours.

Income is (a) wage drawn from our company, plus (b) pay for any other employment, plus (c) unemployment insurance benefits.

115. Chemical and fertilizer manufacturing—CW (AFL)

V. Whenever an eligible employee's weekly wage from the company falls below 30 hours' pay at his current classified rate, due to lack of work, the company will advance to the eligible employee, upon his written request on a form provided by the company, the difference between his actual gross earnings and the 30 hours' pay, less earnings from other employment and less any unemployment compensation which the employee has received or to which he may be entitled.

116. Automobile manufacturing—UAW (CIO)

Income Security Plan: 1. Description of Plan. A credit will be established for each eligible employee equivalent to three hundred and sixty (360) hours' pay at his latest earned hourly rate, less any advances paid to the employee under the 1939 and 1940 employee benefit plans, and not repaid or earned out. If, in any week while this plan is in operation, an eligible employee's earnings from the corporation and/or other regular employment are less than 60 percent of his standard weekly earnings, as hereinafter defined, the corporation will advance at the option of the employee, the difference between his actual earnings from the corporation and/or other regular employment and 60 percent of his standard weekly earnings, until he has exhausted the credit established in his behalf, less any unemployment compensation to which the employee may be entitled for that week.

Lay-off Benefit Plan: 2. Description of Plan. A credit will be established for each eligible employee equivalent to 72 hours' pay at his latest earned hourly rate less any advances paid to the employee under the 1939 and 1940 employee benefit plans, and not repaid or earned out. If, in any week while this plan is in operation, an eligible employee's weekly earnings from the corporation and/or other regular employment are less than 40 percent of his standard weekly earnings, the corporation will

advance to such employee, at the option of the employee, the difference between his actual earnings from the corporation and/or other regular employment and 40 percent of his standard weekly earnings, until he has exhausted the credit established in his behalf, less the amount of unemployment compensation to which the employee may be entitled for that week.

117. Mail order house and retail stores—No union

Constant Wage Income Plan: 11. If an employee works less than 40 hours in any workweek, the company will advance the difference between his income for the hours actually worked and 40 hours' pay. When an employee works more than 40 hours, excess is used to cover his deficit. Please refer to attached plan.

The above plan applied to both retail and mail order establishments. The plan in retail stores was terminated —.

The plan is still in effect in all [8 cities] mail order houses except — where none is needed.

VI. Declaration of Intention to Inaugurate a Guarantee

While not making a specific commitment to furnish work or income, if work is not available for any definite period,

some union-management agreements have recently incorporated one or more of the following provisions: (1) Recognizing the importance and desirability of stabilizing employment, (2) recognizing the value to be derived from a guarantee plan, (3) that it is the intention of the company to inaugurate a plan at some designated date, or (4) that the company or that both the company and the union agree to study the feasibility of its adoption.

118. Meat packing—UPW (CIO)

[Company] recognizes the importance and desirability of stabilizing employment on an annual basis, and to that end [the company] will * * * attempt to give employees 52 weeks' work per year.

119. Steel mill—USW (CIO)

The company and the union agree as to the mutual benefits to be derived from a practical annual wage plan and both parties mutually recognize the uncertainties which must be eliminated before a practical annual wage plan can be perfected and installed. Therefore, both parties agree to undertake studies concerned with the possible ultimate establishment of some form of guaranteed annual wage plan.

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