

EMERGENCY UNEMPLOYMENT COMPENSATION

SEPTEMBER 17, 1945.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 1274]

The Committee on Finance, to whom was referred the bill (S. 1274) to amend the War Mobilization and Reconversion Act of 1944 to provide for an orderly transition from a war to a peacetime economy through supplementation of unemployment compensation payable under State laws, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

GENERAL STATEMENT

This bill as reported by the committee provides three means for affording the protection to workers which is essential to an orderly transition from our wartime economy to a peacetime economy. For the period ending June 30, 1947, it provides for—

1. Supplementing the unemployment compensation payable under State laws so as to extend the duration of the period for which such compensation is payable.
2. Paying unemployment-compensation benefits to Federal employees and maritime workers.
3. Transportation allowances to assist persons who have been engaged in war work away from their homes to return to their homes or to go to places where new employment is available.

These are emergency measures to meet the problems of temporary unemployment and shifting employment during the reconversion period.

The cost of the benefits provided by the bill will be borne entirely by the Federal Government. This is entirely appropriate, as the problems which the bill seeks to meet arise as a result of our national war effort, and the cost of the bill should be regarded as a part of the cost of the war. No one can foretell the exact extent of the unemployment which will occur during the reconversion period or the

extent to which it will be necessary to aid in redistributing the labor force to meet the needs of our postwar economy. However, it is clearly the obligation of the National Government to take all reasonable steps to protect individuals who have been engaged in war work by alleviating the hardships which they may incur by reason of the sudden termination of these activities.

PROVISIONS OF STATE UNEMPLOYMENT-COMPENSATION LAWS

In order to determine what should be done to protect workers who are thrown out of employment by reason of the termination of war contracts until they have an opportunity to find other employment, it is necessary to consider the provisions of the present State unemployment-compensation laws and the extent to which they are adequate to meet the problems of transitional unemployment. A brief description of the manner in which these laws operate is given below, and considerable additional information concerning them is contained in the tables which are included in the appendix to this report.

All of the 48 States, and Alaska, Hawaii, and the District of Columbia, have unemployment compensation systems. These systems have been developed as the result of cooperative action on the part of the States and the Federal Government. Most of these State systems have been established since the Congress enacted the Social Security Act in 1935. This act imposed a 3-percent pay-roll tax upon employers and provided that a credit against the tax, up to 90 percent of the amount thereof, would be allowed to employers in States which have approved State unemployment-compensation laws. There are, however, some classes of employers who are not subject to the Federal tax; and, in most instances, the States have exempted these same employers from paying contributions under the State unemployment-compensation laws. Since contributions are not required of these employers under the State laws with respect to the wages paid their employees, their employees are not eligible to receive unemployment compensation under the State laws. Most of the employees who are thus left outside the coverage of State unemployment-compensation laws are agricultural workers, domestic workers, governmental employees, seamen, or persons employed by employers who have fewer than eight employees. (See table D in appendix.) The contributions collected by the States under their laws are paid into a fund which, except for refunds of certain sums paid into such fund, can be used only for making payments of unemployment compensation. All of the States now have substantial reserves in these special funds. In the aggregate, these reserves for all States amount to about \$6,800,000,000. (See table A in appendix, showing these reserves by States). The solvency of these funds during the reconversion period was guaranteed by the Federal Government in the War Mobilization and Reconversion Act of 1944.

Records are kept by the States of the wages paid in each calendar quarter to each individual employee, if contributions with respect to such wages are required to be paid under the State law. On the basis of these wages, employees build up wage credits on the basis of which their rights to unemployment compensation in future periods of unemployment are determined. In order to be entitled to any

benefits, the individual must have earned an amount specified in the State law (referred to as the "qualifying amount") during the base period. In most States, this base period comprises four consecutive calendar quarters, and these calendar quarters may or may not correspond with the calendar year. The amount of compensation that an individual may receive under a State law is usually spoken of in terms of the amount to which he is entitled within a "benefit year"; that is, the amount that he may receive within a given 12-month period. The compensation that an individual may be entitled to in a benefit year depends upon his earnings in his base period, which in most cases would have ended some 3 to 6 months before the beginning of his benefit year. The weekly amount of compensation which an individual is entitled to receive is usually a specified fraction of the wages received by him during that calendar quarter of his base period in which he received the highest wages, subject to a maximum limit in terms of dollars varying from \$15 per week in some States to \$28 in others. The number of weeks for which an individual can draw this weekly amount is also related to past earnings, but in this case it is usually his earnings during the entire base period. (See tables F and G in appendix.) The maximum duration of benefits varies from 14 weeks in some States to 26 weeks in others. However, 14 States pay, to all workers who have qualified for any benefit, benefits for a fixed uniform number of weeks. These are referred to as having a uniform or flat duration of benefits.

It should be understood, of course, that under the State laws individuals are not entitled to compensation unless they are unemployed (or partially unemployed), have registered for work at a public employment office, and are able to work and available for suitable work. To further assure the payment of benefits only to workers who are genuinely unemployed, all State laws disqualify workers under certain circumstances. The most common are a voluntary quit or refusal of suitable work without good cause, or discharge for misconduct connected with the work. These disqualifications vary from postponing the payment of benefits for a fixed period to reduction or cancellation, in whole or in part, of potential benefit rights.

EXTENDING THE DURATION OF UNEMPLOYMENT COMPENSATION

There is a wide diversity in the provisions of the unemployment-compensation laws of the several States, which makes it difficult to state accurately and in general terms what all of these laws provide. However, the basic theory of all the State laws is substantially the same. As unemployment compensation has developed in the United States, it has been regarded as a form of insurance for normally employed workers against temporary periods of unemployment. This type of compensation has never been regarded as a means of preventing or curing major depressions, although, it does, of course, help to stabilize our economy by preserving the purchasing power of unemployed workers. It is also clear that the unemployment-compensation systems of the States were not designed to meet the unusual problems arising during the present reconversion period.

There have been many estimates as to the number of workers who will be thrown out of employment by the transition from war to peace and as to the length of time the transitional unemployment

will last. The length of time which will be required to convert from war production to peacetime production varies widely, of course, in different industries. In the textile industry, for example, reconversion is not a major problem, and little unemployment is expected to result from the cessation of hostilities. The automobile-manufacturing industry represents another category where the change-over requires a substantial shutting down of operations but where a large part of the wartime labor force can be reemployed in peacetime production after the change-over has been made. A third category is represented by the shipbuilding industry, where there can be no reasonable expectation of employing in our peacetime economy anything like the labor force that has been employed during the war. The people displaced in such industries as these must look for jobs elsewhere.

In addition to the war workers who are displaced by reason of the termination of hostilities, there are millions of veterans of the armed forces who will be returning to civilian life. They must be absorbed into our peacetime economy.

It is clearly apparent, therefore, that there will be major readjustments in the utilization of our labor force which will result in some unemployment for large numbers of people. Of course, not all of them will be unemployed at any one given time, as the impact of reconversion will strike at different times in different places. It has been variously estimated that the average number of unemployed workers in this country during the next 18 months might well run from 3 million to 8 million persons. Their periods of unemployment will range from a few days to at least several months.

This committee is convinced that in order to be reasonably sure of providing adequate protection for displaced war workers we must provide that unemployment compensation will be available to them generally for not less than 26 weeks. It is not safe to rely on the hope that reconversion will be faster than we expect and that there will be no major unemployment problem. While any period of protection must be chosen more or less arbitrarily and will be longer than is needed in the case of some individuals and not long enough in the case of other individuals, it is the opinion of the committee, on the basis of the information available to it, that 26 weeks is a reasonable goal to seek to achieve.

As has been indicated above, the maximum period for which benefits are payable under the State laws varies widely from State to State, ranging from 14 weeks in the States which have the lowest maximum to 26 weeks in the States which have the highest maximum. (See table B in appendix.) The only practicable method of providing substantially 26 weeks of protection of displaced war workers in the immediate future is by having the Federal Government supplement the duration for which benefits are payable under the State laws. These supplementary payments can best be administered by the unemployment compensation agencies of the various States. It seems to the committee that the best approach to the problem is for the Federal Government to offer to make agreements with the States under which the State agencies will, as agents of the United States, make payments of compensation to extend the duration of benefits, the cost to be borne by the Federal Government. The committee feels, however, that it should be left to the respective States to determine

whether or not this extended duration should be provided for workers within their borders and that the supplemental benefits should be paid to such workers only if the State wishes to enter into such an agreement.

The formula which the committee recommends in this bill will provide a total period of protection, within a given benefit year, including both the compensation payable under the State law and the compensation payable under an agreement authorized by the bill, for 26 weeks of total unemployment, subject to the limitation, however, that the amount paid to an individual under the agreement with the Federal Government will not exceed 60 percent of his potential benefit rights under State law. This latter limitation is necessary because of the variations which exist in most States as to the amounts payable to different individuals under their State law. As the amount of compensation payable under such a law is related to the amount of earnings during the base period, individuals who have low earnings during the base period because they have worked for only a short time receive benefits for a shorter period than individuals who have been regularly employed and have greater earnings during the base period. (See table F and G in the appendix.) This benefit period is based on what the States have determined to be a proper relationship between the wages received during the base period and the duration of benefits under the State law. To extend to 26 weeks the benefit period of persons entitled only to the minimum duration (which in many States is as low as 7 weeks) would completely upset this relationship to wages in the base period, and would result in many cases in which the unemployment compensation paid would be substantially in excess of the earnings upon which the right to such compensation is based. The 60-percent limitation referred to above preserves this relationship without substantially affecting the group which this bill is principally designed to protect, that is, war workers. Most war workers have earned sufficient wage credits so that they are entitled to the maximum benefits provided under the State laws. An agreement made under the bill, as reported from the committee, would provide substantially 26 weeks of protection for all of the persons entitled to the maximum benefits under State laws in all States except two.

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES AND MARITIME WORKERS

The second of the principal features of the bill is the provision for unemployment compensation for Federal employees and maritime workers during the reconversion period. These groups comprise something over 3,000,000 individuals and represent a large segment of that part of our working population which is not now covered by unemployment compensation. (See table D in appendix.) The number of persons in Government employment and in maritime employment has been greatly expanded during the war period. Many of the persons who have been employed in these activities are now being thrown out of employment, and many others will soon be thrown out of employment, because of the cessation of hostilities. These groups are as clearly and certainly entitled to the protection of unemployment compensation as are any other war workers. It is

peculiarly the obligation of the Federal Government to provide this protection for them. Under the State unemployment compensation systems, the cost is paid by employers in the form of pay-roll taxes. The United States in its capacity as an employer should equally be required to pay the cost of providing similar protection for its employees. Whether or not unemployment compensation for Federal workers is to be provided in normal times, it is evident that there will be an acute need for such protection during the reconversion period. Many instances could be cited which clearly illustrate the inequity of failing to afford unemployment compensation for Federal workers. During the war, workers in privately operated war industries have been working for the Government to all intents and purposes. The Government has in fact paid the cost of their unemployment insurance. Certainly, it should treat its own employees equally as well.

In this connection seamen should be regarded in the same light as Federal employees. At any one time during the war period some 85 or 90 percent of them have been employees of the Federal Government. Since there has been a continuous shifting of individuals between the larger percentage employed by the Federal Government and the smaller percentage privately employed, an even larger number than 85 or 90 percent have performed some of their maritime service during the war period as employees of the Federal Government. This shifting back and forth between Government employment and private employment has been so great among seamen that it is impracticable to distinguish between the two types of employment in providing unemployment compensation for them.

The committee recommends in this bill that unemployment insurance be provided for Federal employees and maritime workers for the period ending June 30, 1947, at the expense of the Federal Government. For the most part, they would be treated just as if they were covered by State unemployment compensation laws and would be entitled to unemployment compensation in the same amounts, on the same terms, and subject to the same conditions as are provided by the laws of the States in which they perform their service in the case of persons in private employment to whom such laws are applicable. Exception is made in the case of service performed outside the United States or in maritime service upon the high seas, both of which would be covered as if performed in the District of Columbia and subject to the unemployment compensation law of the District of Columbia.

The Director of War Mobilization and Reconversion is authorized to enter into agreements with the States, or their unemployment compensation agencies, under which such agencies will pay unemployment compensation to Federal employees and maritime workers on the basis indicated above. In the case of any State where no such agreement is made, the Director is authorized to make payments of such unemployment compensation directly to the persons entitled thereto.

TRAVEL ALLOWANCES

The third and last principal feature of the bill is the provision for travel allowances for persons who have left their homes since December 7, 1941, to engage in activities essential to the war effort and who have engaged in such activities at places away from their former

homes. The Director of War Mobilization and Reconversion is authorized, subject to regulations and limitations prescribed by him, to pay a part or all of the cost of returning such individuals and their dependents to their former homes. He also is authorized, as an alternative to returning them to their former homes, to pay a part or all of the cost of their transportation to places where employment is available to them, but only if suitable employment is not available to them in the places where they apply for the transportation allowances. The bill provides that the amounts paid under the provisions of this section with respect to any one worker and his dependents cannot exceed \$200 and cannot be in excess of the amount allowed under the Standard Government Travel Regulations with respect to Government employees and their dependents. The bill also provides that no cost of transportation shall be paid under this section in the case where an arrangement has been made under which an employer, or former employer or prospective employer, will pay such cost of transportation for the individual concerned. No transportation allowance can be paid after June 30, 1947.

PROVISIONS OMITTED FROM THE BILL

There were a number of provisions contained in the bill as it was introduced which are not contained in it as it has been reported by the committee. These provisions have received careful consideration by the committee, and the committee feels that it should indicate the reasons which have led it to believe it advisable to eliminate these provisions from the bill.

THE \$25 WEEKLY MAXIMUM

Perhaps the most important of these was the provision relating to increasing the maximum weekly benefit amount for unemployment compensation to \$25. This proposal related to supplementing the unemployment compensation payable under State laws, where the maximum provided under the State law was less than \$25 a week, so that compensation would be payable on the same basis as if the maximum under the State law were increased to \$25 a week. This did not mean that everyone entitled to unemployment compensation under the State laws would get \$25 a week. It did mean that persons entitled to compensation under the State laws would get \$25 a week if their past earnings were high enough to justify the payment of \$25 a week on the basis of the formula used in the applicable State law. Generally speaking, it meant that individuals would be entitled to receive \$25 a week if they had substantial earnings during the base period and if their average weekly earnings during the high quarter of their base period exceeded an amount which in most States would be between \$37.50 and \$50. The bill as introduced provided for making agreements with the States under which these supplemental payments would be made by the State unemployment compensation agencies. In case the States failed to enter into such agreements, payments were to be made directly to the individuals by the Director of War Mobilization and Reconversion. This provision was referred to as a "mandatory provision" because it provided for supplementing the weekly benefit amounts whether or not the States entered into agreements to that effect.

There was also contained in the bill, as introduced, a provision giving the States an option to enter into agreements increasing the compensation payable to any individual entitled to less than the maximum amount provided by State law, so long as the increased amount did not exceed \$25, or two-thirds of the individual's previous weekly earnings. The increased amount in these cases would consist of supplemental payments financed by the Federal Government.

In support of these proposals to augment the weekly benefit amounts provided by State law, it was stated that because of the application of the present State maxima, a substantial number of war workers would receive benefits which are inadequate in relation to their previous wages. It was urged that an increase in the maximum weekly benefit amount would cushion the shock to our economy caused by the sudden cancellation of war contracts on a wide scale and would facilitate an orderly transition from war to peace. It was also urged that the amounts now provided by State law to all workers are inadequate and should be increased in order to protect displaced workers and to maintain purchasing power.

On the other hand, many witnesses advised the committee that in their opinion the weekly amounts provided in State laws should be left unchanged, as they had been determined by State legislatures on the basis of conditions prevailing in their own States and presumably were adequate to meet those conditions. It was pointed out that nearly all State legislatures were in session in 1945, and that during these sessions most of the State legislatures gave a great deal of consideration to their unemployment-compensation laws and substantially liberalized both the benefit amounts and the period for which benefits are payable. Between January 1 and August 15, 1945, 25 States increased the maximum weekly benefit amount payable under their unemployment compensation laws; 28 States increased the maximum-benefit duration; 21 States increased both the maximum weekly benefit and the maximum duration; and 32 States increased one or the other. (See table B.)

Many witnesses who appeared before the committee expressed the belief that an increase in the weekly benefit amounts would induce idleness and retard reconversion. They pointed out that an individual who is paid \$25 a week as unemployment compensation receives a net amount equivalent to what he would receive in most cases if he earned approximately \$30 a week in wages. The extent to which the right to unemployment compensation will discourage individuals from seeking new employment cannot be ascertained with any exactness. State laws provide that an individual shall not receive unemployment compensation unless he has registered at a public employment office and is available for work, and compensation will be denied him if he refuses suitable work when offered. In theory, at least, these provisions will keep the unemployment compensation laws from operating in such a manner as to discourage workers from accepting new employment. However, there was a mass of conflicting testimony presented to the committee as to how these provisions work in actual practice.

There was also presented to the committee considerable evidence as to the adequacy or inadequacy of the weekly amounts now provided by State laws. Information as to these amounts is contained in table B in the appendix of this report. This table indicates that a

maximum weekly benefit amount of \$20 or more applies in 28 States out of 51 (including Alaska, Hawaii, and the District of Columbia as States). Over 77 percent of the workers who are covered by State unemployment compensation systems are covered in these 28 States. Eleven States with an \$18 weekly maximum have over 13 percent of all covered workers. The remaining 13 States, which have a weekly maximum of less than \$18, have less than 10 percent of all covered workers.

During the course of the committee deliberations on the question of the establishment of a \$25 maximum weekly benefit, a legal question arose as to whether or not the State governments could voluntarily enter into an agreement with the Federal Government for this purpose.

To shed light on this question, the chairman, at the request of the committee, telegraphed the governors of the 48 States to secure statements from them on this legal issue. Twenty States through their governors or attorneys general stated that such agreements could not be entered into without affirmative action by their respective State legislatures. Seven States expressed great doubt as to whether, under existing State laws, State officials had authority to enter into such voluntary agreements. Seventeen States indicated that they did have the legal right to enter into such voluntary agreements, whereby they could accept supplementary payments from the Federal Government to increase weekly benefits to a maximum of \$25.

The bill as introduced also provided that, in the absence of the voluntary agreements with the States, the Director of War Mobilization and Reconversion should make payments directly to the individual workers in the several States on the same basis as the Federal payments provided for in the case of voluntary agreements. On this question, 35 of the 48 States asserted that any such payments made directly by the Federal Government would disqualify the workers for benefits under the State laws. Only seven States indicated that such direct payments by the Federal Government would not disqualify workers within their States from the benefits under the State law. The remaining States did not answer the question.

In the light of the replies from the governors and attorneys general, it was the view of the committee that great confusion would result from any effort to establish a \$25 maximum weekly benefit payment either by voluntary agreement or by direct payment by the Federal Government. The committee took the position that State laws, in the last analysis, must be interpreted by State officials and by State courts.

Copies of the replies received from the governors of the States relating to the questions discussed above are contained in the published hearings on this bill.

After carefully considering all of the factors involved in providing for a weekly maximum benefit amount of \$25, the committee voted not to include this proposal in the bill.

COVERAGE OF NEW GROUPS

In addition to providing unemployment compensation for Federal employees and maritime workers, the bill as introduced would have authorized the payment of unemployment compensation during the

reconversion period to other groups not now entitled to such compensation. Compensation would have been payable, at the expense of the Federal Government, under agreements made with the States, to any of such groups of employees whom the States might elect to include. The largest groups of employees who might have thus been covered are agricultural workers, domestic workers, State and local government employees, and persons working for employers who had fewer than 8 employees. (See table D in appendix.)

The committee does not regard this bill as an appropriate method of extending unemployment compensation coverage to these groups. This bill is an emergency measure which should be enacted promptly and should be limited to those things which the emergency requires. It is not to be anticipated that there will be extensive unemployment among the groups above-mentioned during the reconversion period. Moreover, unlike the case of Federal employees and maritime workers, the Federal Government has no peculiar obligation to provide protection for these groups at Federal expense, when the vast majority of our working population is covered under an unemployment-insurance system which operates upon an entirely different theory. It would certainly be anomalous to permit the States to elect to have the Federal Government pay the cost of unemployment compensation for the States' own employees.

It seems to the committee that, to the extent that these groups are to be provided with unemployment compensation, they should be brought into the system on the same basis as other employees generally. This would require amendment of revenue legislation, which cannot originate in the Senate, and, in the case of most of these new groups, will involve problems of such complexity that they cannot be given adequate consideration in connection with this legislation. In the case of the employees who would already be covered under the existing system except for the fact that they work for employers who have fewer than eight employees, this committee is already on record as favoring the amendment of the Federal Unemployment Compensation Tax Act so as to include these employers within its provisions. Almost all of the States already have provisions in their laws which cover employers of fewer than eight persons or have provisions in their laws which will automatically extend coverage to this group when and if the Federal Government amends the Federal Tax Act so as to include them. An amendment to this Federal Act is the orderly method for providing unemployment-compensation coverage for this group, and such an amendment cannot originate in the Senate.

VETERANS' UNEMPLOYMENT ALLOWANCES

The bill as introduced included several amendments to the Servicemen's Readjustment Act of 1944, relating to the allowances provided under that act with respect to the unemployment of veterans of the armed forces. The proposed amendments would have raised the weekly benefit amount from the \$20 provided by present law to \$25 plus an additional \$5 for one or more dependents, and would also have continued the benefits for each serviceman until he had received 52 times his weekly benefit amount instead of the present variable duration which ranges from 24 weeks to 52 weeks depending on length of military service. The amendment of this veterans' legislation involves

special problems which, in the opinion of the committee, make it inappropriate to consider such amendments as a part of this bill. The committee now has pending before it veterans' legislation relating to these matters which it expects to consider in the immediate future. Consequently, the committee deems it wise to omit the provisions relating to veterans from this bill and to consider them in connection with veterans' legislation.

ANALYSIS BY SECTIONS

The first section of the bill adds a new title VII to the War Mobilization and Reconversion Act of 1944, relating to temporary unemployment benefits during the reconversion period. The following explanation relates to the sections of this new title.

DEFINITIONS

Section 701 contains definitions.

EXTENSION OF DURATION OF BENEFITS

Section 702 provides for extending the period during which unemployment compensation benefits are payable for a benefit year under the State laws, but only with respect to unemployment occurring in the period beginning with the fifth Sunday after the enactment of the new title and ending June 30, 1947. The section provides that under agreements between the States and the Federal Government compensation may be paid by the State unemployment compensation agencies to individuals who have exhausted their benefit rights under State laws, until they have received unemployment compensation for a total of 26 weeks in a benefit year or until the period provided by State law has been extended by 60 percent, whichever is the lesser. The cost of the extended duration will be borne entirely by the Federal Government. No agreement will be made in the case of any State unless it has been requested by the Governor of the State or, in the case of the District of Columbia, by the Commissioners of the District.

When an agreement has been entered into, an individual who has been paid the total amount of compensation that he is entitled to receive under the State law, but who continues to meet all of the other conditions necessary for the receipt of compensation under such law, will continue to be paid compensation on the same basis as if the State law had originally provided benefits for a longer period. While the purpose and effect of the section is to extend the period during which benefits are paid, it is written in terms of supplementing the aggregate amounts of compensation payable under State law for a benefit year. This is in conformity with the provisions of the State laws which, speaking technically, state the duration of benefits in terms of so many times the amount to which an individual is entitled for a week of total unemployment. An individual whom we usually speak of as being entitled to 26 weeks of compensation under a State law is actually entitled to 20 times the amount payable to him for a week of total unemployment. If he is partially employed during a week, his amount of compensation would be reduced according to the amount of wages he received during the week. If by reason

of such a reduction the compensation he received for a week were only one-half of his full weekly benefit amount, only one-half of 1 of his 20 weeks would be charged against him. Thus the total period for which he might receive compensation under the State law would be spread over more than 20 weeks. The supplemental compensation which would be payable under the agreement authorized under this section would be determined on the same basis, and (subject to any reduction or cancellation of potential benefit rights provided for in the State law) an individual could continue to draw benefits until he had been paid a total amount equal to 26 times his benefit amount for a week of total unemployment under the State law or 160 percent of the amount of compensation which is provided for him under the State law, whichever is the smaller.

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES AND MARITIME WORKERS

Section 703 provides for paying unemployment compensation to Federal employees and maritime workers with respect to unemployment occurring in the period ending June 30, 1947. Generally speaking, this compensation will be payable just as if the Federal employees and maritime workers had been working in private employment which was covered by the State unemployment compensation laws, and these individuals will receive compensation determined in accordance with the laws of the State where their work has been performed. The principal exception to this rule under the bill will be that all service performed by Federal employees outside of the United States, and all service performed by Federal employees and maritime workers as officers or members of the crew of oceangoing vessels engaged in coastwise trade or foreign trade, will be treated as if the service had been performed within the District of Columbia. The benefits based on such service will be determined by the District of Columbia unemployment compensation agency in accordance with the District of Columbia law. Another exception to the general rule relates to the cases where it is not possible, either under the State laws or under agreements among the States, to treat all of the service of an individual as if it were performed within a single State and benefits were payable under the law of that State. These cases might arise where an individual had performed his service in a number of different States and there was no provision under the State laws, or under interstate agreements, for localizing all of his service within a single State or combining all of his wage credits within a single State. In order to make sure that individuals in such cases as these will be equitably treated, the bill provides that the Director of War Mobilization and Reconversion may arrange for all of their service to be treated as if it had been performed in any State where a substantial part of it was actually performed during the base period provided under the State laws. For example, in the case of seamen on the Great Lakes who, under the bill, would be covered on the basis of State law, service would be performed in a number of different States and some of it might be performed outside of the United States. Because of the nature of this service, some of it might not be covered under any State law and different parts of the service of the same individual might be covered under different State laws. In such a case the Director could provide

for treating all of this service as if it had been performed in one of the Great Lakes States, if one of the ports of call for the vessel on which the service was performed was located in that State.

Another provision of this section, relating to Federal employees, provides for making deductions from the compensation to which they would be entitled under this bill on account of the retirement pay, if any, which they are entitled to receive from the Federal Government.

The Director of War Mobilization and Reconversion is authorized to enter into agreements with the States, or their unemployment compensation agencies, providing that such unemployment compensation agencies, acting as agents of the United States, will make payments of unemployment compensation to Federal employees and maritime workers on the basis described above. The States would be paid in advance or reimbursed by the Federal Government for all amounts paid out by them under such an agreement. The section also provides that States which enter into an agreement will cooperate with the Director and other State agencies.

Subsection (c) of section 703 provides that if in the case of any State such an agreement is not made or the unemployment compensation agency of the State fails to make payments in accordance with such an agreement, the Director shall make payments of compensation to Federal employees and maritime workers on the basis prescribed in the bill.

Subsection (f) of section 703 deals with a problem which arises by reason of the difficulty of getting promptly from the wage records of Federal employees or maritime workers the kind of information that is ordinarily required for determining the amount of compensation payable under State laws. In order to compute this compensation on the basis of the formula used in most State laws, it is necessary to determine the wages paid the claimant during each quarter of the base period. While the State agencies have this information in their possession as to people covered by State laws, they, of course, do not have the information as to Federal employees and maritime workers. In many instances the agencies of the Federal Government are not in a position to furnish this type of information promptly. It is necessary therefore to authorize some other basis, which will be accepted as a substitute for the actual wages which may have been earned, for determining the compensation which will be payable to these classes of employees. It appears that it will be possible in practically all cases to obtain promptly from the Federal agencies a statement as to the length of time a particular individual was employed by the Federal Government and as to the average weekly wages paid him for the last pay period of such employment. The bill provides that the Director of War Mobilization and Reconversion, in cases where he finds it to be necessary, may authorize the use of this type of information to establish a hypothetical wage record on the basis of which compensation will be paid to these classes of employees. This hypothetical wage record is established by assuming that the employee earned during each week of his Federal service or maritime service an amount equal to the average weekly wage received by him during the last pay period of his employment. It is possible that in some cases even this type of information cannot be obtained promptly enough for the purposes of the bill. In these cases, the

Director may authorize determinations to be made on the basis of statements furnished under oath by the claimants, supplemented by whatever information is obtainable from the employing agencies. These statements would not be accepted as a complete substitute for the actual wages, or for the hypothetical wages referred to above, but they would serve as a basis for paying compensation until the necessary information was available from the employers. The accuracy of the information furnished by the claimants in such cases would be determined by a later check against the records of the employing agencies, so that there will be an opportunity to determine in any case whether false or fraudulent information has been furnished by the claimant. The bill provides for criminal penalties where false or fraudulent information is furnished in such cases.

NO REDUCTION OF BENEFITS UNDER STATE LAWS

Section 704 provides that no agreement made with a State or its unemployment compensation agency under the bill will be valid if the State law is amended so as to reduce the amount of unemployment compensation payable to any individual below the amount which would have been payable to him under such law as it existed on September 1, 1945.

ADMINISTRATION

Section 705 contains provisions relating to the administration of unemployment compensation under the bill. Subsection (a) relates to the review of determinations made by a State unemployment compensation agency with respect to compensation payable under an agreement made under the bill. Subsection (b) provides for the payment by the United States to the States of the administrative expenses incurred by them in carrying out such agreements. Subsection (c) provides that the State unemployment compensation agencies shall furnish to the Social Security Board, for the use of the Director, such information as the Director finds necessary in carrying out the provisions of the bill. The failure of a State agency to furnish the information so required would provide grounds for discontinuing the grants payable to the State under title III of the Social Security Act for the administration of its State unemployment compensation law.

PAYMENTS TO STATES

Section 706 (a) provides that each State shall be entitled to be paid by the United States an amount equal to the total of all payments of compensation made by the State's unemployment compensation agency under and in accordance with an agreement under the bill. Section 706 (b) and (c) relate to the manner in which these payments are to be made. Section 706 (d) provides that all money paid to a State under the bill shall be used solely for the purposes for which it is paid and that any money so paid which is not used for such purposes shall be returned to the United States upon termination of the agreement or termination of the reconversion period, whichever first occurs. Section 706 also contains provisions relating to surety bonds for persons participating in carrying out an agreement and to the liabilities of certifying officers and disbursing officers.

PENALTIES

Section 707 contains provisions for criminal penalties for persons who make false or fraudulent claims or statements with respect to benefits provided by the title, or who accept such benefits without being entitled thereto, or who willfully fail or refuse to furnish information required of them by the Director under the authority of section 703 (e).

TRANSPORTATION ALLOWANCES

Section 708 provides for travel allowances for persons who have left their homes since December 7, 1941, to engage in activities essential to the war effort and who have engaged in such activities at places away from their former homes. The Director of War Mobilization and Reconversion is authorized, subject to regulations and limitations prescribed by him, to pay a part or all of the cost of returning such individuals and their dependents to their former homes. He also is authorized, as an alternative to returning them to their former homes, to pay a part or all of the cost of their transportation to places where employment is available to them, but only if suitable employment is not available to them in the places where they apply for the transportation allowances. Amounts paid under the provisions of this section with respect to any one worker and his dependents cannot exceed \$200 and cannot be in excess of the amount allowed under the standard Government travel regulations with respect to Government employees and their dependents. The bill also provides that no transportation cost shall be paid under this section in any case where under an arrangement with an employer, or former employer or prospective employer, such cost will be paid for the individual concerned. No transportation can be provided under the section after June 30, 1947.

TERMINATION DATE

Section 2 of the bill relates to the time that the other provisions of the bill shall continue to be in effect. The substantive provisions of this bill consist of a new title VII which is added to the War Mobilization and Reconversion Act of 1944. Section 603 of that act now provides that all of the provisions of the act shall terminate on June 30, 1947. The operative provisions of the new title VII contained in this bill are limited by their own terms, so that no unemployment compensation will be paid with respect to unemployment occurring after June 30, 1947, and no transportation will be provided under the transportation allowance provisions after June 30, 1947. However, it is necessary to continue various administrative provisions of the new title in effect beyond June 30, 1947, in order to provide for the determination and settlement of outstanding liabilities and obligations. Consequently, this section of the bill exempts the new title VII from the termination provision of section 603 of the War Mobilization and Reconversion Act.

APPENDIX

TABLE A.—Funds available in State unemployment compensation trust funds, as of July 31, 1945

Total all States..	\$6,843,443,000	Missouri.....	\$160,839,000
Alabama.....	66,658,000	Montana.....	18,219,000
Alaska.....	7,791,000	Nebraska.....	25,605,000
Arizona.....	19,213,000	Nevada.....	9,978,000
Arkansas.....	29,115,000	New Hampshire.....	21,687,000
California.....	722,833,000	New Jersey.....	442,023,000
Colorado.....	33,833,000	New Mexico.....	9,840,000
Connecticut.....	177,651,000	New York.....	964,396,000
Delaware.....	14,528,000	North Carolina.....	103,741,000
District of Columbia.....	42,870,000	North Dakota.....	5,052,000
Florida.....	55,626,000	Ohio.....	470,956,000
Georgia.....	78,340,000	Oklahoma.....	46,829,000
Hawaii.....	17,559,000	Oregon.....	72,028,000
Idaho.....	14,255,000	Pennsylvania.....	599,980,000
Illinois.....	508,863,000	Rhode Island.....	71,328,000
Indiana.....	182,590,000	South Carolina.....	37,631,000
Iowa.....	59,502,000	South Dakota.....	6,309,000
Kansas.....	54,677,000	Tennessee.....	83,640,000
Kentucky.....	84,633,000	Texas.....	151,089,000
Louisiana.....	79,306,000	Utah.....	25,746,000
Maine.....	36,143,000	Vermont.....	12,368,000
Maryland.....	126,683,000	Virginia.....	63,179,000
Massachusetts.....	214,865,000	Washington.....	151,213,000
Michigan.....	293,933,000	West Virginia.....	68,689,000
Minnesota.....	85,829,000	Wisconsin.....	180,387,000
Mississippi.....	25,543,000	Wyoming.....	7,850,000

TABLE B.—Unemployment-compensation laws in the States, District of Columbia, and Territories, as of June 30, 1945

States	Changes made in maximum benefits and duration of benefits since Jan. 1, 1945	Maximum weekly benefits on June 30, 1945	Maximum duration of benefits on June 30, 1945
			<i>Weeks</i>
Alabama.....	Weekly benefits raised from \$15 to \$20.....	\$20	20
Alaska.....	None.....	16	16
Arizona.....	do.....	15	14
Arkansas.....	do.....	15	16
California.....	do.....	20	23
Colorado.....	do.....	15	16
Connecticut.....	Maximum benefit \$22 up to \$28 for dependents' allowance; duration of benefits raised from 18 to 20 weeks.	22-28	20
Delaware.....	Raised duration of benefits from 20 to 22 weeks..	18	22
District of Columbia.....	None.....	20	20
Florida.....	do.....	15	16
Georgia.....	do.....	18	16
Hawaii.....	do.....	25	20
Idaho.....	do.....	18	17
Illinois.....	Raised duration of benefits from 20 to 26 weeks..	20	25
Indiana.....	Weekly benefits increased from \$18 to \$20; duration of benefits raised from 18 to 20 weeks.	20	29
Kansas.....	Weekly benefits increased from \$15 to \$16; duration of benefits raised from 16 to 20 weeks.	16	20

TABLE B.—Unemployment-compensation laws in the States, District of Columbia, and Territories, as of June 30, 1945—Continued

States	Changes made in maximum benefits and duration of benefits since Jan. 1, 1945	Maximum weekly benefits on June 30, 1945	Maximum duration of benefits on June 30, 1945
Kentucky.....	None.....	\$16	20
Louisiana.....	do.....	18	20
Maine.....	Weekly benefits increased from \$18 to \$20; duration of benefits raised from 16 to 20 weeks.	20	20
Maryland.....	Duration of benefits raised from 23 to 26 weeks; weekly benefits will increase up to \$25 if the GI benefits are increased.	20	26
Massachusetts.....	Weekly benefits increased from \$18 to \$21; duration of benefits raised from 20 to 23 weeks.	21	23
Michigan.....	Allowances for dependents increased so that they can total (with maximum weekly benefit) \$28 a week.	20-28	20
Minnesota.....	Duration of weekly benefits raised from 16 to 20 weeks.	20	20
Mississippi.....	None.....	15	14
Missouri.....	do.....	18	16
Montana.....	do.....	15	16
Nebraska.....	Weekly benefits increased from \$15 to \$18; duration of benefits increased from 16 to 18 weeks.	18	18
Nevada.....	Weekly benefits increased from \$15 to \$18; duration of benefits increased from 18 to 20 weeks; allowance for dependents increased so that it can go up to \$24 a week.	18-24	20
New Hampshire.....	Weekly benefits increased from \$18 to \$20; duration of benefits increased from 18 to 20 weeks.	20	20
New Jersey.....	Weekly benefits increased from \$18 to \$22; duration of benefits increased from 18 to 26 weeks.	22	26
New Mexico.....	None.....	15	16
New York.....	Weekly benefits increased from \$18 to \$21; duration of benefits raised from 20 to 26 weeks.	21	26
North Carolina.....	Weekly benefits increased from \$15 to \$20.....	20	16
North Dakota.....	Weekly benefits increased from \$15 to \$20; duration of benefits raised from 16 to 20 weeks.	20	20
Ohio.....	Weekly benefits increased from \$16 to \$21; duration of benefits raised from 18 to 22 weeks.	21	23
Oklahoma.....	Weekly benefits increased from \$16 to \$18; duration of benefits increased from 16 to 20 weeks.	18	20
Oregon.....	Weekly benefits increased from \$15 to \$18; duration of benefits raised from 16 to 20 weeks.	18	20
Pennsylvania.....	Weekly benefits increased from \$18 to \$20; duration of benefits raised from 16 to 20 weeks.	20	20
Rhode Island.....	None.....	18	20
South Carolina.....	Weekly benefits raised from \$15 to \$20.....	20	16
South Dakota.....	Duration of weekly benefits raised from 16 to 20 weeks.	15	20
Tennessee.....	None.....	15	16
Texas.....	Weekly benefits increased from \$15 to \$18; duration of benefits increased from 16 to 18 weeks.	18	18
Utah.....	Changes in the cost of living will effect the amount of weekly benefits and the duration, but total benefits remain unchanged; duration of benefits raised from 20 to 23 weeks.	17-25	23
Vermont.....	Weekly benefits increased from \$15 to \$20; duration of benefits increased from 18 to 20 weeks.	20	20
Virginia.....	None.....	15	16
Washington.....	Weekly benefits increased from \$15 to \$25; duration of benefits increased from 16 to 26 weeks.	25	26
West Virginia.....	Weekly benefits increased from \$18 to \$20; duration of benefits increased from 16 to 21 weeks.	20	21
Wisconsin (recessed till September 5).....	Duration of benefits increased from 20 to 23 weeks.	20	23
Wyoming.....	Duration of benefits increased from 16 to 20 weeks.	20	20

TABLE C.—Maximum weekly benefit rates under State unemployment compensation laws

State	Covered workers ¹		Per- cent of war con- tracts ²	State	Covered workers ¹		Per- cent of war con- tracts ²
	Num- ber	Per- cent			Num- ber	Per- cent	
MAXIMUM BENEFIT RATE \$15				MAXIMUM BENEFIT RATE \$20—continued			
1. Arizona.....	94	.....	.....	7. Maine ⁴	180	.....	.....
2. Arkansas.....	190	.....	.....	8. Maryland.....	540	.....	.....
3. Colorado.....	160	.....	.....	9. Minnesota.....	400	.....	.....
4. Florida.....	360	.....	.....	10. New Hampshire ⁴	110	.....	.....
5. Mississippi ³	160	.....	.....	11. North Carolina ⁴	560	.....	.....
6. Montana.....	70	.....	.....	12. North Dakota ⁴	30	.....	.....
7. New Mexico.....	56	.....	.....	13. Pennsylvania ⁴	2,600	.....	.....
8. South Dakota.....	38	.....	.....	14. South Carolina ⁴	270	.....	.....
9. Tennessee.....	470	.....	.....	15. Vermont ⁴	59	.....	.....
10.—Virginia ³	420	.....	.....	16. West Virginia ⁴	330	.....	.....
Subtotal (10 laws).....	2,018	6.8	2.5	17. Wisconsin.....	640	.....	.....
MAXIMUM BENEFIT RATE \$16				18. Wyoming.....	40	.....	.....
1. Alaska.....	7	.....	.....	Subtotal (18 laws).....	11,699	39.0	35.4
2. Kansas ⁴	270	.....	.....	MAXIMUM BENEFIT RATE \$21			
3. Kentucky ³	310	.....	.....	1. Massachusetts ⁴	1,300	.....	.....
Subtotal (3 laws).....	580	1.9	2.2	2. New York ⁴	3,900	.....	.....
MAXIMUM BENEFIT RATE \$18				3. Ohio ⁴	2,100	.....	.....
1. Delaware.....	84	.....	.....	Subtotal (3 laws).....	7,300	24.4	21.0
2. Georgia.....	500	.....	.....	MAXIMUM BENEFIT RATE \$22			
3. Idaho.....	70	.....	.....	1. New Jersey ⁴	1,300	4.3	2.5
4. Iowa ⁴	300	.....	.....	MAXIMUM BENEFIT RATE \$24			
5. Louisiana ³	400	.....	.....	1. Nevada ⁴	35	.1	.....
6. Missouri ⁴	720	.....	.....	MAXIMUM BENEFIT RATE \$25			
7. Nebraska ⁴	140	.....	.....	1. Utah ⁴	120	.....	.....
8. Oklahoma ⁴	260	.....	.....	2. Washington ⁴	590	.....	.....
9. Oregon ⁴	320	.....	.....	Subtotal (2 laws).....	710	2.4	2.4
10. Rhode Island.....	250	.....	.....	MAXIMUM BENEFIT RATE \$28			
11. Texas ⁴	1,000	.....	.....	1. Michigan ⁴	1,600	.....	.....
Subtotal (11 laws).....	4,044	13.5	17.1	2. Connecticut ⁴	650	.....	.....
Total \$18 or less (24 laws).....	6,642	22.2	21.8	Subtotal (2 laws).....	2,250	7.6	16.9
MAXIMUM BENEFIT RATE \$20				Total, \$20 or more (27 laws).....	23,294	77.8	78.2
1. Alabama ⁴	430	.....	.....		
2. California.....	2,200	.....	.....		
3. District of Columbia.....	180	.....	.....		
4. Hawaii.....	7	.....	.....		
5. Illinois.....	2,200	.....	.....		
6. Indiana ⁴	870	.....	.....		

¹ Covered workers in thousands, as estimated by Mr. Bigge in his May 1944 testimony before the Senate Postwar Committee.

² Estimated dollar value of war contracts, Apr. 1, based on article in May 25 issue of United States News.

³ No regular legislative session in 1945.

⁴ Enacted in 1945.

⁵ Missouri Legislature still in session, with amendments pending.

⁶ Maximum includes dependents' allowances.

⁷ Maximum rate varies with cost of living.

TABLE D.—Distribution of labor force, by coverage status (in an average week of 1944)

Total labor force (average week in 1944).....	64.2
Less unemployed.....	.8
Employed labor force.....	63.4
In the armed forces.....	11.2
Employed civilian labor force.....	52.2

TABLE D.—Distribution of labor force, by coverage status (in an average week of 1944)—Continued

A. Groups presently covered by unemployment compensation:		
(1) Covered by State unemployment-compensation laws.....	29.0	
(2) Covered by railroad unemployment insurance.....	1.4	
Total covered.....		30.4
B. Groups presently not covered by unemployment compensation:		
(1) Federal and maritime employees.....	3.3	
(2) Employees of small employers (excluded by size-of-firm restrictions).....	2.0	
(3) Agricultural workers:		
(a) Agricultural processing workers.....	.3	
(b) Others.....	2.2	
(4) Employees of State and local governments.....	2.9	
(5) Domestic workers in private homes, employees of nonprofit institutions, and miscellaneous.....	1.6	
(6) Self-employed:		
(a) Farmers.....	5.0	
(b) Others.....	4.5	
Total not covered.....		21.8

TABLE E.—Percent distribution of weeks of total unemployment compensated and average weekly payment, June 1945, and maximum weekly benefit amount, June 30, 1945, by State

	Average weekly payment, total unemployment, June 1945	Maximum weekly benefit amount, June 30, 1945	Percent distribution of weeks of total unemployment compensated, June 1945		Average weekly payment, total unemployment, June 1945	Maximum weekly benefit amount, June 30, 1945	Percent distribution of weeks of total unemployment compensated, June 1945
Total.....	\$17.74		100.0	Missouri.....	\$15.01	\$18	0.8
Alabama.....	12.16	\$20	1.1	Montana.....	11.39	15	.1
Alaska.....	15.62	16	(²)	Nebraska.....	11.87	18	.1
Arizona.....	14.43	15	.1	Nevada.....	14.62	24	(²)
Arkansas.....	11.33	15	.2	New Hampshire.....	12.30	20	.7
California.....	19.04	20	16.4	New Jersey.....	16.92	22	3.9
Colorado.....	12.72	15	.2	New Mexico.....	11.08	15	(²)
Connecticut.....	19.59	28	1.7	New York.....	18.64	21	15.6
Delaware.....	17.05	18	.2	North Carolina.....	9.00	20	.8
Dist of Columbia.....	17.57	20	.2	North Dakota.....	10.50	20	(²)
Florida.....	13.05	15	2.1	Ohio.....	14.88	21	1.1
Georgia.....	12.27	18	.6	Oklahoma.....	15.96	18	.3
Hawaii.....	13.67	25	(²)	Oregon.....	14.39	18	.4
Idaho.....	10.85	18	.1	Pennsylvania.....	16.89	20	2.0
Illinois.....	18.66	20	10.5	Rhode Island.....	16.93	18	1.6
Indiana.....	16.84	20	2.7	South Carolina.....	10.13	20	.4
Iowa.....	12.97	18	.4	South Dakota.....	10.45	15	(²)
Kansas.....	13.85	16	.3	Tennessee.....	11.55	15	1.0
Kentucky.....	10.15	16	1.0	Texas.....	12.76	18	1.0
Louisiana.....	14.98	18	.9	Utah.....	19.06	25	.1
Maine.....	15.65	20	1.2	Vermont.....	15.40	20	.1
Maryland.....	17.98	20	1.0	Virginia.....	10.05	15	.6
Massachusetts.....	16.78	21	2.6	Washington.....	14.71	25	.6
Michigan.....	19.61	28	24.4	West Virginia.....	15.39	20	.4
Minnesota.....	13.60	20	.3	Wisconsin.....	16.11	20	.4
Mississippi.....	11.15	15	.3	Wyoming.....	15.47	20	(²)

¹ 4 States provide for dependents' allowances: Connecticut maximum basic benefit is \$22; weekly benefits may be increased \$2 for each dependent up to 3. District of Columbia, weekly benefits may be increased \$1 for each dependent of specified types up to 3; same maximum (\$20) with or without dependents. Michigan, basic benefit plus \$2 per child dependent up to the lesser of \$25 or average weekly wage in high quarter; maximum basic benefit is \$20. Nevada, dependents' allowances of \$3 for 1 or 2 dependents, \$6 for 3 or more; maximum basic benefit is \$18.

² Less than 1/10 of 1 percent.

³ Effective July 1, 1945, Utah law provides for adjustment according to BLS cost-of-living index. Basic maximum is \$20; under upward adjustment currently effective, maximum is \$25.

TABLE F.—Maximum weekly and annual unemployment benefits, maximum duration of benefits, and qualifying wages for maximum benefits, by State, June 30, 1945¹

State	Maximum weekly benefit	Maximum weeks of benefits for total unemployment	Maximum annual benefits	Qualifying wages for maximum benefits ²			
				High quarter		Base period	
				Amount	Fraction	Amount	Fraction
Alabama.....	\$20	20	\$400.00	\$507.01	$\frac{1}{2}$ ³	\$1,200.00	$\frac{1}{2}$
Alaska†.....	16	16	256.00	300.01	$\frac{1}{2}$ ³	768.00	$\frac{1}{2}$
Arizona†.....	15	14	210.00	210.00	$\frac{1}{2}$ ³	1,200.00	$\frac{1}{2}$
Arkansas†.....	15	16	240.00	377.01	$\frac{1}{2}$ ³	4,754.02	$\frac{1}{2}$
California†.....	20	23.4	468.00	380-500.00	$\frac{1}{2}$ ³	2,000.00	(⁴)
Colorado†.....	15	18	240.00	371.88	$\frac{1}{2}$ ³	720.00	$\frac{1}{2}$
Connecticut.....	22-28	20	440-560.00	559.00	$\frac{1}{2}$ ³	1,720.00	$\frac{1}{2}$
Delaware.....	18	22	396.00	437.51	$\frac{1}{2}$ ³	1,584.00	$\frac{1}{2}$
District of Columbia†.....	20	20	400.00	437.01	$\frac{1}{2}$ ³	800.00	$\frac{1}{2}$
Florida†.....	15	16	240.00	300.01	$\frac{1}{2}$ ³	960.00	$\frac{1}{2}$
Georgia†.....	18	16	288.00	455.01	$\frac{1}{2}$ ³	720.00	Uniform
Hawaii.....	25	20	500.00	600.01	$\frac{1}{2}$ ³	750.00	Uniform
Idaho†.....	18	17	306.00	585.01	$\frac{1}{2}$ ³	1,224.00	$\frac{1}{2}$
Illinois.....	20	26	520.00	390.01	$\frac{1}{2}$ ³	1,575.00	(⁴)
Indiana.....	20	20	400.00	475.01	$\frac{1}{2}$ ³	1,600.00	$\frac{1}{2}$
Iowa.....	18	18	324.00	414.00	$\frac{1}{2}$ ³	972.00	$\frac{1}{2}$
Kansas.....	16	20	320.00	375.01	$\frac{1}{2}$ ³	900.00	$\frac{1}{2}$
Kentucky†.....	16	20	320.00	398.75	(¹⁰)	1,695.00	Uniform
Louisiana†.....	18	20	360.00	425.01	$\frac{1}{2}$ ³	1,440.00	$\frac{1}{2}$
Maine.....	20	20	400.00	500.00	(¹⁰)	2,000.00	Uniform
Maryland ¹¹	20	26	620.00	380.01-520.00	$\frac{1}{2}$ ³	2,080.00	$\frac{1}{2}$
Massachusetts ¹²	21	23	483.00	400.00	$\frac{1}{2}$ ³	1,610.00	$\frac{1}{2}$
Michigan.....	20-28	20	400-560.00	390.01-560.00	$\frac{1}{2}$ ³	2,240.00	$\frac{1}{2}$
Minnesota.....	20	20	400.00	437.50	(¹⁰)	1,750.00	(⁴)
Mississippi†.....	15	14	210.00	364.01	$\frac{1}{2}$ ³	450.00	Uniform
Missouri†.....	18	16	288.00	437.51	$\frac{1}{2}$ ³	1,440.00	$\frac{1}{2}$
Montana†.....	15	16	240.00	350.01	$\frac{1}{2}$ ³	450.00	Uniform
Nebraska.....	18	18	324.00	425.01	$\frac{1}{2}$ ³	972.00	$\frac{1}{2}$
Nevada.....	18-24	14 20-15	360.00	340.01	$\frac{1}{2}$ ³	1,080.00	$\frac{1}{2}$
New Hampshire.....	20	20	400.00	500.00	(¹⁰)	2,000.00	Uniform
New Jersey.....	22	26	572.00	492.01	$\frac{1}{2}$ ³	1,716.00	$\frac{1}{2}$
New Mexico†.....	15	16	240.00	377.01	$\frac{1}{2}$ ³	720.00	$\frac{1}{2}$
New York.....	21	26	546.00	471.00	$\frac{1}{2}$ ³	630.00	Uniform

¹ Legislature still in session. Wisconsin recessed until September.

† No change in 1945.

‡ No session in 1945.

¹ All 1945 amendments effective except: Alabama, effective July 9, 1945; Connecticut, dependents' allowances effective Oct. 1, 1945, new benefit schedule effective Jan. 1, 1945; Nebraska, effective Aug. 9, 1945; Ohio, effective Oct. 12, 1945; Texas, effective Sept. 1, 1945; Wisconsin, effective Jan. 1, 1946.

² The amount of high-quarter wages required for the maximum benefit amount varies with the rounding provision as well as with the fraction of high-quarter wages. Rounding is indicated by odd cents regardless of State practice in adding or dropping cents. When 2 amounts are given, the higher amount is required for maximum duration at maximum weekly benefits; the lower amount for maximum weekly benefits. In statement of maximum base-period qualifying wages, rounding of benefit duration to dollar amounts is ignored. Odd amounts given are from tables of duration. The fraction of high-quarter wages applies between the minimum and maximum amounts. Where the State law utilizes a weighted table for the benefit formula, the fractions are approximate. Where dependents' allowances are provided, the fraction applies to the basic benefit.

³ 8-quarter base period, extended through the next to last completed calendar quarter prior to any week of benefits in Arizona.

⁴ For maximum duration, requires in each quarter of the base period wages equal to $\frac{1}{2}$ wages in the high quarter.

⁵ Contains provision for reduction if solvency of fund is imperiled.

⁶ Maximum potential benefits according to table of base-period earnings.

⁷ \$22 maximum basic benefit plus \$2 per dependent up to 3.

⁸ Same maximum with or without dependents; below maximum, weekly benefits equal $\frac{1}{2}$ of high-quarter wages plus \$1 for each of not more than 3 dependents and annual benefits may be increased accordingly.

⁹ The potential duration is uniform for all eligible claimants, and the only requirement for base-period wages is a multiple of the weekly benefit amount specified in the eligibility provision, as 30 in Georgia. See table 7 for formula for qualifying wage.

¹⁰ Utilizes annual rather than high-quarter formula; amount shown is $\frac{1}{4}$ of the annual wage required.

¹¹ Law provides for increase of maximum weekly benefit amount to \$25, based on \$480.01 high-quarter and at least \$750 base-period wages, in event of similar increase in veterans' readjustment allowances.

¹² \$20 maximum basic benefit plus \$2 per dependent up to the lesser of \$28 and average weekly wage in high quarter.

¹³ But \$200 or 30 percent of base period wages, whichever is the lesser, if base-period wages are \$250-900.

¹⁴ Dependents' allowances of \$3 for first 1 or 2 dependents and \$6 for 3 or more will not increase maximum annual benefits and hence will decrease weeks of benefits for claimants with dependents.

¹⁵ Converted from days of unemployment in New York and 2-week periods in Texas.

TABLE F.—Maximum weekly and annual unemployment benefits, maximum duration of benefits, and qualifying wages for maximum benefits, by State, June 30, 1945¹—Continued

State	Maximum weekly benefit	Maximum weeks of benefits for total unemployment	Maximum annual benefits	Qualifying wages for maximum benefits ²			
				High quarter		Base period	
				Amount	Fraction	Amount	Fraction
North Carolina.....	\$20	¹⁰ 18	\$320.00	¹⁰ \$520.00	(¹⁰)	\$2,080.00	Uniform
North Dakota.....	20	20	400.00	437.01	$\frac{1}{25}$	\$ 560.00	Uniform
Ohio ³	³ 21	³ 22	³ 462.00	581.00	$\frac{1}{22}$ — $\frac{1}{25}$	¹⁷ 1,117.31	(¹⁰)
Oklahoma.....	18	20	360.00	340.01	$\frac{1}{20}$	1,080.00	$\frac{1}{4}$
Oregon.....	³ 18	20	³ 360.00	¹⁰ 360.00	(¹⁰)	1,440.00	(⁰)
Pennsylvania.....	³ 20	³ 20	³ 400.00	488.00	$\frac{1}{25}$	1,368.00	(⁰)
Rhode Island ⁴	³ 18	³ 20.25	³ 364.50	315.00—450.00	$\frac{1}{6}$ — $\frac{1}{10}$	1,800.00	(⁰)
South Carolina.....	³ 20	³ 16	³ 320.00	494.01	$\frac{1}{25}$	\$ 800.00	Uniform
South Dakota.....	15	20	300.00	325.00	$\frac{1}{41}$ — $\frac{1}{45}$	1,300.00	(⁰)
Tennessee ⁵	15	18	240.00	364.01	$\frac{1}{26}$	\$ 450.00	Uniform
Texas.....	¹⁰ 18	¹⁰ 18	324.00	455.01	$\frac{1}{20}$	1,620.00	$\frac{1}{2}$
Utah.....	¹⁰ 17—25	¹⁰ 27.0—18.4	400.00	380.01	$\frac{1}{20}$	\$ 600.00	(¹⁰)
Vermont.....	20	20	400.00	500.00	$\frac{1}{10}$ — $\frac{1}{25}$	\$ 600.00	Uniform
Virginia ⁶	15	16	240.00	350.01	$\frac{1}{25}$	930.01	$\frac{1}{4}$
Washington.....	25	26	650.00	¹⁰ 550.00	(¹⁰)	2,200.00	(⁰)
West Virginia.....	20	21	420.00	¹⁰ 450.00	(¹⁰)	1,800.00	Uniform
Wisconsin ⁷	20	23	460.00	520.01	(²⁰)	1,840.01	$\frac{1}{2}$
Wyoming.....	20	20	400.00	390.01	$\frac{1}{20}$	²¹ 1,560.01	²¹ $\frac{1}{4}$

¹⁰ 20 weeks for veterans under "freezing provisions."

¹⁷ For 25 calendar weeks if high quarter was 13 calendar weeks of employment.

¹⁸ 18 weeks' duration for those employed 20 calendar weeks in base period; 19 weeks' duration for those employed 21—24; 22 weeks for those employed more than 24.

¹⁹ Weekly benefit amounts adjusted with cost-of-living index; statutory maximum \$20 reduced 20 percent when index is 98.5 or below, increased 20 percent when index is at or above 125; maximum annual benefits not affected; therefore if weekly amount is decreased or increased, weeks increased or decreased from normal uniform duration of 23 weeks.

²⁰ Requirements are in terms of average wages with the employer whose account is being charged. Figures given are based on an "average wage" of \$40.01 or more and all earnings specified from 1 employer, and duration in terms of 1 week of benefits for 2 of employment with the employer, maximum 23.

²¹ Fraction of base-period wages rounded to nearest $\frac{1}{20}$.

Source: Reticker, Ruth, State Unemployment Compensation Laws of 1945, Social Security Bulletin, July 1945, p. 9.

TABLE G.—Minimum weekly benefits and qualifying wages therefor, and potential annual benefits and duration of benefits for claimants who meet minimum qualifying requirements, by State, June 30, 1945¹

State	Minimum weekly benefit	Minimum weeks of benefits for total unemployment	Potential annual benefits	Qualifying wages for minimum benefits ²		
				High quarter	Base period	Formula
Alabama.....	\$4	10	\$40.00	\$75.01	\$120.00	30X
Alaska†.....	5	8+	42.00	31.25	125.00	25X
Arizona†.....	5	2+	12.00	³ 23.33	⁷ 70.00	³ 14X
Arkansas†.....	3	4	⁴ 12.00	16.50	66.00	22X
California.....	⁵ 10	16	⁵ 160.00	75.00	300.00	Flat
Colorado†.....	5	10	50.00	37.50	150.00	30X
Connecticut.....	8-12	7 8+	⁶ 70.00	60.00	240.00	Flat
Delaware.....	7	11	77.00	52.50	⁸ 210.00	⁸ 30X
District of Columbia.....	⁹ 6-9	⁷ 12+	75.00	37.50	150.00	¹⁰ 25X
Florida.....	5	7+	37.50	37.50	150.00	30X
Georgia†.....	4	¹¹ 16	64.00	48.00	100.00	25-40X
Hawaii†.....	5	¹¹ 20	100.00	37.50	150.00	30X
Idaho†.....	5	7	35.00	78.00	140.00	28-52X
Illinois.....	10	⁷ 12+	125.00	56.25	225.00	Flat
Indiana†.....	5	⁷ 12+	¹² 62.00	¹³ 75.00	250.00	Flat
Iowa.....	5	6	30.00	22.50	90.00	18X
Kansas†.....	5	6+	34.00	50.00	¹⁴ 100.00	¹⁴ Flat
Kentucky†.....	5	¹¹ 20	100.00	50.00	200.00	Flat
Louisiana†.....	3	7+	23.00	22.50	90.00	30X
Maine.....	⁴ 5	¹¹ 20	⁴ 100.00	50.00	200.00	Flat
Maryland†.....	7	7+	53.00	52.50	210.00	30X
Massachusetts*†.....	³ 6	⁷ 7+	⁴ 45.00	37.50	150.00	Flat
Michigan.....	¹⁵ 4.81	¹⁴ 15+	¹⁴ 75.00	62.50	¹⁶ 250.00	¹⁶ Flat
Minnesota.....	7	12	84.00	50.00	200.00	Flat
Mississippi.....	3	¹¹ 14	42.00	22.50	90.00	30X
Missouri*†.....	¹⁷ 3	1+	4.00	¹⁷ 5.00	¹⁷ 20.00	40X
Montana.....	5	¹¹ 16	80.00	37.50	150.00	30X
Nebraska†.....	5	⁷ 13+	67.00	50.00	200.00	Flat
Nevada.....	⁸ 8-14	⁷ 7+	⁸ 59.00	¹⁰ 43.75	¹⁰ 175.00	¹⁰ 25-30X
New Hampshire.....	6	⁸ 11 20	⁸ 120.00	50.00	200.00	Flat
New Jersey.....	9	10	90.00	37.50	150.00	Flat
New Mexico.....	5	10	50.00	78.00	150.00	30X
New York.....	¹⁹ 10	¹¹ 26	260.00	100.00	300.00	30X
North Carolina.....	4	¹¹ 16	64.00	32.50	130.00	Flat
North Dakota.....	5	¹¹ 20	100.00	35.00	140.00	28X
Ohio*†.....	⁸ 5	⁸ 18	⁸ 90.00	40.00	²⁰ 160.00	Flat

*State legislature still in session. Wisconsin recessed to September.

†No change in 1945.

‡No session in 1945.

¹ All 1945 amendments effective except: Alabama, effective July 9, 1945; Connecticut, dependents' allowances effective Oct. 1, 1945, new benefit schedule effective Jan. 1, 1945; Illinois, effective Apr. 1, 1946; Texas, effective Sept. 1, 1945.

² Where high-quarter wages are not specified in the law, base-period wages are divided by the number of quarters in which they must be earned. Formula in terms of multiple of weekly benefit amount indicated. See table 1 for high-quarter formula.

³ Qualifying wages must have been earned in last 3 quarters of 8-quarter base period.

⁴ Duration is 4 weeks for each quarter of the 4-quarter base period in which the claimant's wages are equal to at least $\frac{1}{4}$ his high-quarter wages. Therefore, the potential annual benefits, if all or the largest part of the qualifying wage was earned in 1 quarter, are \$12. If $\frac{1}{4}$ high-quarter wages were earned in each other quarter, the total potential benefits would be $\frac{1}{4}$ of the qualifying amount of \$22.

⁵ Contains provision for reduction if solvency of fund is imperiled.

⁶ For claimants with primary benefit only, increased with dependents' benefits.

⁷ If the qualifying wages are concentrated largely or wholly in the high quarter, the weekly benefit may be higher than the minimum and the weeks of benefits for claimant with minimum qualifying wages may be reduced accordingly. In Illinois, not less than 10 weeks by statute.

⁸ \$200 if 75 percent of an individual's wages are in seasonal industry, i. e., in first processing of agricultural products; such individual's benefits are not payable during period November through April.

⁹ Weekly benefits may be increased \$1 for each dependent of specified types up to 3.

¹⁰ Twenty-five times up to weekly benefit of \$10; above that amount, flat \$250.

¹¹ Potential duration of benefits is uniform for all eligible claimants.

¹² Rounded to next lower dollar.

¹³ Including \$150 in last 2 quarters of base period.

¹⁴ Wages totaling \$100 in 2 quarters, or \$200 in base period.

¹⁵ Weekly benefit amount is average weekly wage in high quarter if less than \$10. With minimum high-quarter wages necessary to qualify, weekly benefit amount would be \$4.81. Minimum duration is 30 percent of base-period earnings but not less than 12 weeks. Amendments effective Apr. 1, 1945, add dependents' benefits up to the average weekly wage—hence would not affect the claimant at the minimum.

¹⁶ Including some wages in at least 2 quarters.

¹⁷ Minimum weekly benefit is 50 cents, but if less than \$3, total benefits are paid at rate of \$3 per week. Qualifying earnings are 40 times weekly benefit amount in 8-quarter base period, including some earnings in at least 3 quarters.

¹⁸ \$175 if computed weekly benefit is less than \$3. 25-30 times weekly benefit amount if computed weekly benefit amount is more than \$3. Including earnings of 5 times the weekly benefit in some quarter other than the high quarter.

¹⁹ Converted from days of unemployment in New York and 2-week periods in Texas.

²⁰ And employment in at least 20 weeks.

TABLE G.—Minimum weekly benefits and qualifying wages therefor, and potential annual benefits and duration of benefits for claimants who meet minimum qualifying requirements, by State, June 30, 1945¹—Continued

State	Minimum weekly benefit	Minimum weeks of benefits for total unemployment	Potential annual benefits	Qualifying wages for minimum benefits ²		
				High quarter	Base period	Formula
Oklahoma.....	\$6	6+	\$40.00	\$30.00	\$120.00	20X
Oregon.....	³ 10	³ 5	³ 50.00	50.00	200.00	Flat
Pennsylvania.....	⁴ 8	⁴ 9	⁴ 72.00	60.00	240.00	30X
Rhode Island.....	⁵ 6.75	⁵ 7.5+	⁵ 34.00	25.00	100.00	Flat
South Carolina.....	⁶ 4	⁶ 11 16	⁶ 84.00	30.00	120.00	30-40X
South Dakota.....	6	⁷ 10	60.00	60.00	125.00	Flat
Tennessee.....	5	⁸ 16	80.00	50.00	125.00	25-30X
Texas.....	⁹ 5	3+	18.00	22.50	90.00	⁹ 18X
Utah.....	¹⁰ 5-7	23-16+	115.00	37.50	150.00	30X
Vermont.....	6	¹¹ 20	120.00	50.00	180.00	30X
Virginia.....	4	6	24.00	25.00	100.00	25X
Washington.....	10	12	120.00	75.00	300.00	Flat
West Virginia.....	8	¹¹ 21	168.00	75.00	300.00	Flat
Wisconsin.....	¹² 8	⁷ 5+	42.00	(¹²)	105.14	(¹²)
Wyoming.....	7	5+	40.00	70.00	175.00	25X

¹ Provision effective July 1, 1945, raises weekly benefit amount 20 percent to next higher dollar when cost-of-living index reaches 125; since total annual benefits are not increased, duration would be correspondingly decreased.

² Minimum benefit amount is \$6, but benefits are paid at rate of \$8 per week. Fourteen weeks of employment with 1 employer are needed to qualify, and benefits are in the ratio of 1 week for 2 weeks of employment. Average weekly wages of \$7.51 to \$9 qualify for the \$6 benefit. Wisconsin has no concept of "benefit year."

Source: Reticker, Ruth, State Unemployment Compensation Laws of 1945, Social Security Bulletin, July 19, 1945, p. 9.

EMERGENCY UNEMPLOYMENT
COMPENSATION

MINORITY VIEWS OF
HON. JOSEPH F. GUFFEY
FROM THE
COMMITTEE ON FINANCE

ON

S. 1274

A BILL TO AMEND THE WAR MOBILIZATION AND
RECONVERSION ACT OF 1944 TO PROVIDE FOR
AN ORDERLY TRANSITION FROM A WAR TO
A PEACETIME ECONOMY THROUGH SUP-
PLEMENTATION OF UNEMPLOYMENT
COMPENSATION PAYABLE UNDER
STATE LAWS, AND FOR OTHER
PURPOSES



SEPTEMBER 20 (legislative day, SEPTEMBER 10), 1945.—Ordered
to be printed

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1945

CONTENTS

TECHNICAL SUPPLEMENT TO MINORITY VIEWS ON S. 1274

	Page
Minority views of Hon. Joseph F. Guffey.....	1
Minority recommendations.....	7
Exhibit I. Minority bill.....	8
Objectives of the legislation.....	12
Exhibit II. Comparison of various proposals on S. 1274.....	14
Representation of opposition witnesses.....	16
S. 1274 and previously proposed legislation.....	16
Exhibit III. Letter showing resolution of Advisory Committee of Office of War Mobilization and Reconversion on S. 1274.....	17
The unemployment crisis.....	18
State failure to liberalize laws.....	19
Adequacy of weekly benefit amount.....	20
1. Various proposals compared.....	20
Table 1. Illustrated benefits under minority bill, based on 50 percent of weekly wages.....	21
Table 2. Illustrated benefits under minority bill, based on 60 percent of weekly wages.....	21
2. Reason for the proposal of minority.....	21
(a) Present State weekly maximums too low for subsistence.....	21
Exhibit IV. Estimated percentage of covered workers in each State entitled to \$25 maximum.....	22
(b) Inequity of present State weekly maximums.....	23
(c) Rise in cost of living.....	23
Exhibit V. Cost of living.....	23
Exhibit VI. Selected provisions of State unemployment compensation laws, June 30, 1945.....	24
Exhibit VII. Selected provisions of State unemployment compensa- tion laws, 1944 and 1945.....	26
(d) Twenty-five dollars maximum not conducive to idleness.....	30
Exhibit VIII. Percentage of weeks of total unemployment compen- sated at State weekly maximums, 1944, by State.....	30
Table 3. Comparison of take-home pay and weekly benefits under minority proposal.....	32
(e) Effect of more than one wage earner per family.....	33
(f) Refutation of capricious legal questions raised by opposition witnesses.....	33
Exhibit IX. Advisory opinion of general counsel of Social Security Board.....	34
Table 4.—Summary of State replies to committee telegrams.....	36
Table 5.—Tabular analysis of State replies to committee tele- grams.....	37
Exhibit X. List of States testifying on or submitting reports on S. 1274.....	37
Exhibit XI. State disqualification provisions for receipt of Federal benefits.....	40
Adequacy of duration of benefits.....	44
(1) Various proposals compared.....	44
(2) Reasons for proposal of minority.....	45
(a) Workers savings during war.....	45
(b) State duration provisions.....	45
(c) State legislatures not prone to extend duration.....	46
(d) Reconversion and duration.....	46
(e) Justification for uniform duration and 160 percent provision.....	47
Exhibit XII. Hypothetical examples of duration under present State laws.....	49

	Page
Adequacy of coverage:	
(1) Various proposals for Federal and maritime employees compared.....	53
(2) Reasons for proposal of minority.....	54
Exhibit XIII. Memorandum on coverage of maritime employees under State laws.....	54
(3) Various proposals for coverage of industrial agricultural processing workers.....	56
(4) Various proposals for coverage of employees not now covered....	56
(5) Reasons for proposal of minority on coverage.....	56
(a) Inadequacies of employee coverage under State systems.....	56
Exhibit XIV. Distribution of labor force in the United States, 1944, by coverage status.....	56
(b) Employees of small firms.....	57
(c) Agricultural processing workers.....	57
Exhibit XV. Estimated number of employees in all firms, by States, 1943.....	58
Exhibit XVI. Estimated number of employees in small firms, by States, 1943.....	59
(d) State and local government employees.....	60
Exhibit XVII. State and local governmental employment, by States, 1943-44.....	61
(e) Employees of nonprofit organizations.....	62
(f) Domestic service employees.....	63
Other benefits.....	64
(1) Various proposals on travel allowances.....	64
(2) Various proposals on veterans' benefits.....	64
(3) Reasons for veterans' proposals of minority:	
(a) Dependents' benefits not relief.....	64
(b) Veterans' benefits compared with allotments.....	65

EMERGENCY UNEMPLOYMENT COMPENSATION

SEPTEMBER 20 (legislative day, SEPTEMBER 10), 1945.—Ordered to be printed

Mr. GUFFEY, from the Committee on Finance, submitted the following

MINORITY VIEWS

[To accompany S. 1274]

As a member of the Committee on Finance I respectfully reject the emasculated version of S. 1274 which has been favorably reported by the committee majority. A number of the most urgently needed provisions of the original bill have been eliminated in committee. On the major problems of unemployment compensation during the reconversion period the committee version ignores the inadequacies of present benefit amounts and offers only partial solutions for the inadequacies of the present system with respect to duration and coverage.

I recommend that the Senate reject the committee version, and enact the essential provisions of the original bill.

I submit herewith a revised draft of S. 1274 which includes these essential provisions and incorporates in addition to a number of minor modifications urged by the majority such perfecting provisions as the testimony before the committee showed to be desirable.

The original bill was drafted to remedy, on an emergency basis, certain of the most widely recognized inadequacies of the existing unemployment compensation system.

These existing inadequacies are:

Low and uneven standards of weekly benefit amounts provided under State systems which are inconsistent with the American concept of decent minimum living standards;

Short and uneven duration of benefits which are insufficient for many workers to bridge reconversion unemployment;

Exclusion from unemployment compensation of nearly 20,000,000 workers, many of whom, such as merchant seamen and workers in Government munitions plants, rendered outstanding and often heroic contributions to the winning of the war.

The provisions of the committee version of the bill in regard to these existing inadequacies, and the provisions of the original bill and our recommendations may be briefly summarized as follows:

AMOUNTS OF BENEFITS

The committee version makes no provision for raising the amounts of benefits.

The original bill provided, and I recommend, that Federal supplements be made to State weekly benefits to bring the total benefit up to more adequate levels. In no case, however, can the supplements give a total benefit exceeding \$25 or 60 percent (two thirds in the original bill) of the worker's previous earnings, whichever is the lower.

I am recommending the restoration of this major provision of the original bill because the testimony before the committee demonstrated clearly and in detail that the inadequacies which the original bill was drafted to remedy do in fact exist. The testimony showed conclusively that gross inequities have arisen under the varying systems of the several States. The testimony showed that the benefit levels established in 1935-37 have been increased slowly and unevenly or not at all by the States, while the cost of living has risen sharply and universally. In about one-fourth of the States, there has been virtually no modification of the standards set a decade ago. Exclusive of dependency allowances only one State today provides a maximum of \$25 or more. The maximum benefits paid by 38 States are \$20 or less.

I believe that the maximum benefit, of \$25 established by the original bill is the least that can be provided in this emergency period. A \$20 benefit check today will buy less food, less clothing, and less household goods than could be purchased with a \$15 benefit check when the early low \$15 maximum was initially established by nearly all the States.

I do not recommend, for reasons discussed hereafter in the report, that the supplemental weekly benefits be administered by the Federal Government where the States fail to administer them, as was provided in the original bill.

DURATION OF BENEFITS

The committee version makes available funds to support increased duration of benefits up to 26 weeks, but leaves final decision for providing this protection up to the governors of the individual States.

The original bill provided, and I recommend, that the mandatory provisions be restored and that the Federal Government administer these supplements directly where a State fails to administer the increased duration. The testimony before the committee demonstrated the present inadequacies of duration as clearly as it demonstrated the present inadequacies of amounts. The majority report of the committee accepts the fact of the present inadequacies of duration. There is, however, no reason that the decision for extending the duration should be left to the several States. I find that no conflict can arise with the State administration where the Federal Government acts directly to extend the duration of benefits after the State benefit rights have been exhausted.

The committee version restricts the extension of duration of benefits to 60 percent above the time provided by State law. This limitation deprives the following groups of workers of full 26 weeks' duration:

(a) All workers in the two States providing less than 16 weeks' maximum duration;

(b) Workers who are entitled to less than 16 weeks of benefits in 36 additional States having variable duration laws; included among such workers are not only those engaged in occasional employment but also many who were engaged in regular employment.

I believe that if a 60-percent limitation is to be imposed it should be applied only to the occasionally employed, and I am so recommending. In my bill this is accomplished by restricting the applicability of the 60-percent clause to workers who have earned less than 26 times the weekly benefit amount in the base year.

EXTENT OF COVERAGE

The committee version guarantees extension of coverage to Federal and maritime workers, but subjects them to the inadequacies and inequities of the existing State systems despite the fact that the Federal Government, practically speaking, was the only employer of these workers. Under the committee version, a Federal worker who was employed in the Pentagon Building in Virginia would be entitled to a maximum benefit of \$15 a week; an employee at the same salary in the District of Columbia would be entitled to a maximum of \$20 a week; while in the State of Michigan, he would be entitled to a maximum with dependents of \$28 a week. Or a worker who had been employed on the atomic bomb project in the State of Washington would be entitled to a maximum benefit of \$25 a week, while the same worker in Tennessee would be entitled to a maximum benefit of \$15.

The original bill provided, and I recommend, coverage of Federal and maritime workers under a uniform standard based on the District of Columbia law as liberalized under the proposed maximum of \$25 for 26 weeks.

The committee version makes no provision for the emergency coverage of the millions of workers employed by small business concerns, agricultural processing workers, and other groups not now covered by any unemployment compensation law.

The original bill provided, and I recommend, that funds be made available for the coverage of any group of workers not now covered to which the States feel it is administratively feasible to administer benefits.

The original bill also provided for travel allowances to facilitate reemployment. This provision has, in the main, been accepted by the committee version, and is included in my recommendations.

The principal witnesses opposing the original bill were the unemployment compensation directors and other officials of 17 States. These opponents did not attempt to contravert the impressive body of evidence on the existing inadequacies of unemployment compensation. Rather they took the position that where the States had failed to act the Federal Government should also fail.

Had this view prevailed in the past I doubt whether the existing Nation-wide system of State unemployment compensation would ever

have come into being. Federal obligation in the field of unemployment compensation was recognized in 1935 when a special Federal tax was placed upon employers for this purpose. This action brought into being unemployment compensation laws in all States where previously only one State had acted on its own initiative.

The 1935 Federal social-security law provided for State systems. It appears to me that the authors of S. 1274 were careful to avoid any federalization of these State systems, and limited the bill strictly to achieving the needed increase in the amounts and duration for the emergency period. It is indisputable that the obligation of the Federal Government in the field of unemployment compensation includes the assuring of adequate benefits, and the long-term problem is now under serious study by both Houses of the Congress. Emergency action, however, is clearly needed now.

Even the majority action concedes the inadequacies of the present State compensation pattern. But in the matter of duration, where more adequate provisions could readily be guaranteed, the committee version has made action contingent upon the wishes of the governors of the several States. In the matter of increased amounts, where assurance is complicated by the States' interpretation of their own laws as discussed in the note on Federal-State relationships, the committee version fails even to offer an opportunity for emergency provision of more adequate benefits to those States that wish to do so.

The Federal Government has both the obligation and the power to provide adequate unemployment compensation. The Congress should not compromise either its obligation or its power before a so-called States' rights theory which would prevent correction of serious inadequacies, aggravated by the national war effort. The termination payments on war contracts have not been made contingent upon the wishes of the governors of the several States. But the committee version of the unemployment compensation bill would make the guaranteeing of the human rights in reconversion contingent upon the reasoned decision, whim, or caprice of the governors of the States. I hold that the cost of the human aspects of reconversion is as much a part of the cost of the war as any other payment assumed by the Federal Government.

Not one witness appeared before the committee to defend the adequacy of unemployment benefits now prevailing. The opponents of the original bill did suggest that raising of benefit levels up to a maximum of \$25 would be conducive to idleness. This argument is an attack upon the integrity of American workmen. No evidence was presented to the committee that idleness is being encouraged in the States of Michigan or Connecticut by their maximum of \$28; or that idleness is being discouraged in the State of Pennsylvania by its maximum of \$20; or in Arizona or Virginia by their maximum of \$15. The speed with which reconversion is facilitated to assure maximum production, and the extent to which consumer purchasing power is adequate to buy the maximum output of industry, will be the important factors in determining the volume of employment or unemployment. For the occasional individual who would prefer idleness at the public expense to work, there are adequate provisions to disqualify him from unemployment compensation benefits.

The logical conclusion to the argument that the bill would promote idleness is that the surest way to promote full employment would be

the denying of all such protection to the unemployed. It will be recalled, however, that the absence of such protection following 1929 did not prevent the enforced idleness of millions of workers.

NOTE ON FEDERAL-STATE RELATIONSHIPS

The bill which I recommend differs from the original S. 1274 in only one significant feature. Federal supplements to the amount of weekly benefit payments have been made optional rather than mandatory and direct Federal payments of supplements is not provided where a State declines to administer increased benefits.

I believe that this change is desirable because of the creation of an irrational legal situation in which direct Federal payment of the supplement might actually not aid the unemployed but rather be deducted from the amount of weekly benefit paid by the State.

The legal situation, which I find capricious and absurd, was created in the following manner. Mr. Claude Williams, State Unemployment Compensation Commissioner for the State of Texas, testified that his State and 39 other States lacked the authority to make agreements to administer supplemental benefits, and that if the Federal Government undertook to pay the supplements directly the State benefit payments would be reduced by the amount of the Federal supplements.

Mr. Williams' testimony has since been repudiated by his own State Governor, who reported to the committee that Texas does have the necessary authority to administer the supplemental benefits.

The committee has also subsequently obtained a legal opinion from the Social Security Board pointing out that the provisions of the State laws in question are identical, except for minor variations, in nearly all States and were designed to prevent duplicate payments rather than to prevent supplemental payments. The legal opinion of the Social Security Board found that the States do have the authority to make the agreements provided under S. 1274.

Before the opinion of the Social Security Board and the full details on the applicable provisions of the State laws were received by the committee, however, the committee dispatched telegrams to the governors of the 48 States requesting their opinions on the validity of Mr. Williams' contention. Twenty States have replied that they have the authority to pay supplemental Federal benefits. Nineteen have replied that they do not have the authority, despite the almost identical language of the laws of all the States. Nine States have to date given no definite opinion.

A situation now exists in which, regardless of the validity of the provision of the original bill, a State might continue to hold to the opinion that it does not have the authority to make the necessary agreements. In such a case the State could further interpret its law so as to require it to deduct a directly paid Federal supplement from the benefit amount paid by the State. The inclusion of a provision for direct Federal payment of supplements might, therefore, lead to conflicts with a State which does not elect to cooperate, without providing the unemployed in that State the aid intended by the bill.

This legalistic situation in no way provides a justification for Congress to shirk its responsibility to do immediately everything possible to assure adequate benefit amounts in the States which will

cooperate. Twenty States recognize their authority to make agreements and 9 States have not finally expressed themselves. With the adoption of my recommendation, the 19 States which have given adverse opinions will have the opportunity to review their opinions in the light of the full information now available. If they believe it legally necessary, and they desire to bring the benefits of this provision to the unemployed within the States, special sessions of their legislatures may be called for the purpose of amending their State laws. It is certainly not too much to expect that special sessions of State legislatures would be called where necessary by the governors to dispose of any self-imposed difficulties which would stand in the way of treating the unemployed citizens of their States equitably and fairly.

JOSEPH F. GUFFEY.

TECHNICAL SUPPLEMENT
TO
MINORITY VIEWS ON S. 1274

MINORITY RECOMMENDATIONS

A majority of the Committee on Finance has filed a favorable report with an accompanying bill to amend the War Mobilization and Reconversion Act of 1944. I do not agree with the report of the majority and recommend the adoption of the revision of S. 1274 attached.

The principles of the present unemployment compensation system are not changed by the attached bill. The bill does not—

1. Give \$25 every Thursday to everyone. An applicant must be able to, and available for, work as now required under State law, and must have earned wages high enough so that the percentage rate yields at least this figure.

2. Federalize unemployment compensation. It leaves the administration in the hands of the States and allows them to administer the supplementary benefits if they so choose.

3. Take the place of permanent amendments to the unemployment compensation system which are now being studied by the Congress.

4. Correct many of the defects which the sponsors believe exist in the present State unemployment compensation laws, such as the harsh disqualification provisions and the inevitable inequities which exist under a State by State system.

To put it very simply, I do not feel that there is time enough, because of the pressing need for immediate action, to request and ask for a complete overhauling of unemployment compensation as a first action of Congress.

EXHIBIT I. PROPOSED REVISION OF S. 1274

September 18, 1945

[S. 1274, 79th Cong., 1st sess.]

A BILL To amend the War Mobilization and Reconversion Act of 1944 to provide for an orderly transition from a war to a peacetime economy through supplementation of unemployment compensation payable under State laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the War Mobilization and Reconversion Act of 1944 is hereby amended by adding at the end thereof the following new title:

"TITLE VII—TEMPORARY RECONVERSION UNEMPLOYMENT BENEFITS

"DEFINITIONS

"SEC. 701. When used in this title—

"(a) The term 'reconversion period' means the period (1) beginning with the fifth Sunday after the date of enactment of this title, and (2) ending June 30, 1947.

"(b) The term 'compensation' means cash benefits payable to individuals with respect to their unemployment (including any portion thereof payable with respect to dependents).

"(c) The term 'weekly benefit amount' means the amount of compensation to which an individual is entitled with respect to a week of total unemployment, under the provisions of a State unemployment compensation law.

"(d) The term 'adjusted weekly benefit amount' means the sum of (1) the State weekly benefit amount of an individual increased by (2) any supplementary compensation payable with respect to a week of total unemployment under an agreement pursuant to section 702 (c) of this title.

"(e) The term 'benefit year' means the benefit year prescribed in the applicable State unemployment compensation law; except that, if such State law does not prescribe any benefit year, such term means any period of fifty-two consecutive weeks specified in an applicable agreement made under this title or, if there is no such applicable agreement, then any period of fifty-two consecutive weeks prescribed by the Director.

"(f) The term 'Federal service' means service performed as a civilian in the employ of the United States, including any wholly owned instrumentality thereof; except that such term does not include service performed by an individual outside the United States, unless such individual is a citizen of the United States, or resided therein on December 7, 1941.

"(g) The term 'maritime service' means service performed, in employment as defined in title II of the Social Security Act, as amended, as an officer or member of the crew of a vessel.

"(h) The term 'State' includes the District of Columbia, Alaska, and Hawaii.

"(i) The term 'United States', when used in a geographical sense, means the several States, Alaska, Hawaii, and the District of Columbia.

"EXTENSION OF THE DURATION OF BENEFITS

"SEC. 702. (a) The Director is authorized on behalf of the United States to enter into an agreement with such State, or with the unemployment compensation agency of such State, under which such State agency (1) will make, as agent of the United States, payments of compensation to supplement the duration of compensation payable under the law of such State with respect to unemployment occurring in the reconversion period, and (2) will otherwise cooperate with the Director and with other State unemployment compensation agencies in making payments of compensation authorized by this title.

"(b) Any agreement made under this section shall provide—

"(1) for paying compensation with respect to unemployment occurring in the reconversion period in cases where compensation is not payable under the State law because of the exhaustion, reduction, or cancellation of benefit rights under such law for a benefit year;

"(2) that compensation with respect to such unemployment will be payable under such agreement at the same rates, on the same terms, and subject to the same conditions as the compensation which would be payable under the State law (including any compensation payable under an agreement

under section 702 (c) of this title) with respect to such unemployment except for the exhaustion, reduction, or cancellation of such benefit rights; and

“(3) that compensation will be payable under such agreement to any individual for any benefit year in such aggregate amount that compensation with respect to unemployment occurring in the reconversion period will not be denied such individual, by reason of the exhaustion, cancellation, or reduction of his benefit rights, until the total amount of compensation paid to him for such benefit year (including compensation paid under the State law and compensation paid under the agreement) is equal to twenty-six times his adjusted weekly benefit amount, except that, in the case of any individual who during his base period has earned less than twenty-six times his adjusted weekly benefit amount, such total amount shall be equal to 160 per centum (adjusted to the next higher multiple of \$1) of the aggregate amount of compensation payable to him for such benefit year under the State unemployment compensation law (such aggregate amount of compensation payable under the State law being computed for this purpose without any deductions on account of any reduction of his benefit rights under State law).

“(c) Any State which enters into an agreement to pay compensation in accordance with subsection (a) of this section may include in its agreement provision for—

“(1) payment of compensation to individuals on the basis of adjusted weekly benefit amounts which do not exceed 60 per centum of the individual's previous weekly earnings, as defined and determined by the State unemployment compensation agency, and (exclusive of any amounts payable with respect to dependents) do not exceed \$25;

“(2) payment of compensation to any class or classes of individuals who would be entitled to compensation under the State unemployment compensation law except for existing or prior exclusions from the definition of employment in such law, or except for existing or prior limitations of coverage in such law based on the amount of pay roll or number of employees of, or the duration or frequency of employment by, the employing unit, such compensation to be in the same amounts, on the same terms, and subject to the same conditions as are provided in such law (including payments thereunder with respect to dependents), together with supplemental payments made in accordance with subsection (a) of this section and paragraph (1) of this subsection.

“COMPENSATION FOR FEDERAL EMPLOYEES AND SEAMEN

“Sec. 703. (a) The Director is authorized on behalf of the United States to enter into an agreement with any State, or with the unemployment compensation agency of such State, under which such State agency will make, as agent of the United States, payments of compensation, on the basis provided in subsection (b), to individuals who have performed Federal service or maritime service.

“(b) Any such agreement shall provide for the payment of compensation to any individual who performed Federal or maritime service equal to the compensation, which would be payable to such individual under the District of Columbia Unemployment Compensation Act, as amended (as supplemented under section 702 (b) of this title and as if it were supplemented under section 702 (c) of this title), as if such services had been performed in the District of Columbia and had not been excluded from the definition of employment in such Act; and—

“(c) If in the case of any State an agreement is not entered into under section 702 (b) or 703 or both, or the unemployment compensation agency of such State fails to make payments in accordance with such an agreement, the Director, in accordance with regulations prescribed by him, shall make payments of compensation to individuals on a basis which will provide that they will be paid compensation in the same amounts, on substantially the same terms, and subject to substantially the same conditions as though such agreement had been entered into and such agency made such payments. Final determinations by the Director of entitlement to such payments shall be subject to review by the courts in the same manner and to the same extent as is provided in title II of the Social Security Act, as amended, with respect to decisions by the Social Security Board under such title.

“(d) All executive agencies shall furnish to individuals who have been in their employ, to the appropriate State agency, and to the Director such information with respect to wages and salaries as the Director may determine to be practicable and necessary to carry out the purposes of this title.

"(e) The Director may require employers to furnish such information with respect to wages and salaries of individuals who have been employed by them as may be necessary to determine the amount of compensation payable to such individuals under this title or an agreement thereunder.

"(f) Pursuant to regulations prescribed by the Director, he, and any State agency making payments of compensation pursuant to an agreement under this section, may—

"(1) to the extent that the Director finds that it is not feasible for executive agencies or other employers to furnish information necessary to permit exact and reasonably prompt determinations of the wages or salaries of individuals who have performed Federal service or maritime service, determine the amount of and pay compensation to any individual under this section, or an agreement thereunder, as if the wages or salary paid such individual for each week of such service were in an amount equal to his average weekly wages or salary for the last pay period of such service occurring prior to the time he files his initial claim for compensation within a benefit year; and

"(2) to the extent that information furnished by executive agencies or other employers is inadequate to assure the prompt payment of compensation authorized by this section (either on the basis of the exact wages or salaries of the individuals concerned or on the basis prescribed in clause (1) of this subsection), accept certification under oath by individuals of facts relating to their Federal service or maritime service and to wages and salaries paid them with respect to such service.

"NO REDUCTION OF BENEFITS

"SEC. 704. Any agreement under this title shall provide that compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any payment made pursuant to such agreement. No agreement under this title for payment of compensation by a State agency shall be valid if compensation payable to any individual under the law of such State is less than it would have been under such law as it existed on September 1, 1945.

"ADMINISTRATION

"SEC. 705. (a) Determinations of entitlement to payments of compensation by a State unemployment compensation agency under an agreement under this title shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law except as the Director may otherwise prescribe, by regulation, for Federal and maritime employees.

"(b) For the purpose of payments made to a State under title III of the Social Security Act, as amended, administration by the unemployment compensation agency of such State pursuant to an agreement under this title shall be deemed to be a part of the administration of the State unemployment compensation law.

"(c) The State unemployment compensation agency of each State shall furnish to the Social Security Board, for the use of the Director, such information as the Director may find necessary in carrying out the provisions of this title, and such information shall be deemed reports required by the Social Security Board for the purposes of section 303 (a) (6) of the Social Security Act, as amended.

"PAYMENTS TO STATES

"SEC. 706. (a) Each State shall be entitled to be paid by the United States an amount equal to the total of all payments of compensation made under and in accordance with an agreement under this title.

"(b) In making payments pursuant to subsection (a) of this section, there shall be paid to the State, either in advance or by way of reimbursement, as may be determined by the Director, such sum as the Director estimates the State will be entitled to receive under this title for each calendar quarter; reduced or increased, as the case may be, by any sum by which the Director finds that his estimates for any prior calendar quarter were greater or less than the amounts which should have been paid to the State. The amount of such payments may be determined by such statistical sampling, or other method as may be agreed upon by the Director and the State agency.

"(c) The Director shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General

Accounting Office, shall make payment, at the time or times fixed by the Director, in accordance with such certification, from the funds appropriated to carry out the purposes of this Act.

"(d) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned to the Treasury upon termination of the agreement or termination of the reconversion period, whichever first occurs.

"(e) An agreement under this title may require any officer or employee of the State certifying payments or disbursing funds, pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Director may deem necessary, and may provide for the payment of the cost of such bond from appropriations for carrying out the purposes of this Act.

"(f) No person designated by the Director, or designated pursuant to an agreement under this title, as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this title.

"(g) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated as provided in subsection (f).

"PENALTIES

"SEC. 707. (a) Whoever, for the purpose of causing an increase in any compensation authorized to be paid under this title or under an agreement thereunder, or for the purpose of causing any compensation to be paid under this title or under an agreement thereunder where none is authorized to be so paid, shall make or cause to be made any false statement or representation as to any wages paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any compensation authorized to be paid under this title or under an agreement thereunder, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

"(b) Whoever shall obtain or receive any money, check, or compensation under this title or an agreement thereunder, without being entitled thereto and with intent to defraud the United States, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

"(c) Whoever willfully fails or refuses to furnish information which the Director requires him to furnish pursuant to authority of subsection (e) of section 703, or willfully furnishes false information pursuant to a requirement of the Director under such section, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than six months, or both.

"TRANSPORTATION ALLOWANCES

"SEC. 708. In order to assist individuals who have been engaged in activities essential to the national defense or to the war effort at places away from their former homes, and who have left their homes since December 7, 1941, to engage in such activities, to return to their former homes or to go to places where suitable employment is available, the Director, subject to regulations and limitations prescribed by him, is authorized to pay a part or all of the cost of transportation, including transportation of dependents and household effects, for any such individual (1) back to his former home, if within the United States, or (2) if the Director finds that suitable employment is not available to him in the locality where he applies for such transportation, to some other locality (not farther distant than his former home) where the Director finds that suitable employment is available for such individual: *Provided*, That the amount paid under this section with respect to such transportation shall not exceed \$200 for any one worker and his dependents and household effects, and shall not exceed the amount allowable in the case of civilian employees of the United States in the Standard Government Travel Regulations: *Provided further*, That no such cost of transportation shall be paid by the Director for an individual if the employer, former employer, or prospective employer of such individual has entered into an agreement or arrangement under which such transportation is provided for. No transportation shall be provided under this section after June 30, 1947."

SEC. 2. (a) Section 700 (a) of the Servicemen's Readjustment Act of 1944 is amended by striking out the word "weeks" which occurs after the word "fifty-two" and inserting in lieu thereof the following: "times his allowance for a week of total unemployment."

(b) Section 900 of such Act is amended to read as follows:

"SEC. 900. (a) The allowance for a week shall be—

"(1) \$25, plus—

"(2) \$5 if the claimant has one or more dependents: less that part of the wages payable to him for such week which is in excess of \$3: *Provided*, That where the allowance is not a multiple of \$1, it shall be computed to the next highest multiple of \$1; and

"(b) As used in this section the term 'dependent' means any dependent as defined in the Servicemen's Dependents Allowance Act of 1942, as amended, who, in the week for which an allowance is claimed, has not received \$5 or more either as wages, or as an allowance under this title, or under any Federal or State unemployment or disability compensation law;

"(c) The Administrator may find an individual to be a dependent of the claimant if the claimant has certified the facts required by the provisions of this section."

SEC. 3. Notwithstanding the provisions of section 603 of the War Mobilization and Reconversion Act of 1944 (relating to the termination date of the provisions of such Act), the provisions of title VII of such Act, as amended, shall not terminate as provided in such section 603.

OBJECTIVES OF THE LEGISLATION

Unemployment benefits were designed as a form of monetary relief. It is a stopgap bolstering consumer purchasing power of the unemployed, alleviating individual hardships until the economic system can provide jobs for able and willing workers.

The basic monetary protection required by all types and classes of workers during a violent transition period of the type we are describing is unemployment benefits, adequate both in duration and amount to tide the workers over their readjustment. Those benefits should be paid promptly, after a short waiting period, to persons who are unemployed. In this way all workers, whether unemployed or not, will have a sense of security and consciousness of a resource which will support the family's income while necessary industrial changes are taking place.

The objectives of such legislation therefore are:

1. To provide every displaced worker during unemployment with sufficient buying power of consumers goods to help furnish an impetus to rapid reconversion.

2. To expand the present State system of unemployment compensation without changing its principles only to meet the immediate pressing human problems of reconversion.

The question arises: How does the bill reported by the committee meet these objectives? The bill reported by the committee does not meet the minimum pressing needs of the reconversion period. It meets only a small part of these needs.

The President, in his message to Congress on September 6, 1945, clearly stated the reasons why adequate reconversion unemployment insurance is necessary: ¹

The existing State laws relative to unemployment insurance are inadequate in three respects:

(1) Only about 30,000,000 of our 43,000,000 nonagricultural workers are protected by unemployment insurance. Federal Government employees, for example, such as Federal shipyard and arsenal workers, are not covered. Nor are

¹ Congressional Record, vol. 91, No. 156, September 6, 1945, p. 8506.

employees of small businesses and small industrial establishments. Nor are the officers and men of the merchant marine who have braved enemy torpedoes and bombs to deliver supplies and the implements of war to our armed services and our allies.

(2) The weekly benefit payments under many of the State laws are now far too low to provide subsistence and purchasing power for the workers and their families. Almost half of the States have the clearly inadequate maximum of \$15 to \$18 a week.

(3) Many of the States pay benefits for too short a period. In more than one-third of the States, for example, 18 weeks is the maximum.

Specially, coverage should be extended to * * * other workers not now insured.

During the emergency every eligible worker should be entitled to 26 weeks of unemployment benefits in any one year.

* * * The maximum weekly payment for those workers whose previous earnings were high enough, should not be less than \$25 per week.

If Congress decides to take this necessary step, it will also wish to reconsider and increase the unemployment allowance provided for veterans.

The bill (exhibit I) proposed by the minority revises the original bill only with respect to certain technical improvements and meets all of the requirements for the emergency period as set forth by the President. Exhibit II clearly shows that the minority bill is far more adequate to meet the human aspect of reconversion than is the bill reported by the committee.

EXHIBIT II.—Comparison of various proposals on S. 1274

Major provisions	Original bill	Revision recommended by Committee on Finance	Revision recommended by minority report
A. Weekly benefit amount.	<p>1 (a). If State agrees, agreement shall provide Federal supplementation of State weekly unemployment benefit amounts up to a maximum not to exceed \$25 per week, exclusive of dependents' benefits, to individuals entitled to the maximum weekly benefit under the State unemployment compensation law (sec. 702 (b) (2)).</p> <p>1 (b). In event of State failure to make agreement or failure to make payments, Director of CWMR shall make payments (sec. 703).</p> <p>2. If State elects, agreement may provide Federal supplementation of State weekly unemployment benefit amount up to a maximum of \$25 per week and not in excess of 2/3 of individual's previous weekly earnings (sec. 702 (c) (1)).</p>	<p>1 (a). Deleted.....</p> <p>1 (b). Deleted.....</p> <p>2. Deleted.....</p>	<p>1 (a). Deleted and covered by recommendation 2 below.</p> <p>1 (b). Deleted.</p> <p>2. If State elects, agreement may provide Federal supplementation of State weekly unemployment benefit amount up to a maximum of \$25 per week and not in excess of 60 percent of previous weekly earnings, exclusive of dependents' benefits (sec. 702 (c) (1)).</p>
B. Maximum duration of benefit.	<p>1 (a). If State agrees, amendment shall provide Federal supplementation of State duration of unemployment compensation up to equivalent of 26 weeks uniformly for every eligible individual (sec. 702 (b) (1)).</p> <p>1 (b). In event of State failure to make agreement or failure to make payments, Director of OWMR shall make payments (sec. 703).</p>	<p>1 (a). At written request of Governor, agreement shall provide Federal supplementation of State duration of unemployment compensation up to equivalent of 26 weeks, or 160 percent of State maximum payable to individual, whichever is the smaller (secs. 702 and 703 (b) (3)).</p> <p>1 (b). Deleted.....</p>	<p>1 (a). Restoration of provisions in original bill for those who earned at least 26 times State weekly benefit amount in State base period; and 160 percent provision applicable only to individuals who in base year earned less than 26 times State weekly benefit amount (sec. 702 (b) (3)).</p> <p>1 (b). Restoration of provision in original bill (sec. 703 (c)).</p>
C. Coverage of Federal and Maritime employees.	<p>1 (a). If State agrees, agreement shall provide Federal payment of unemployment compensation to Federal and maritime employees, as if they had been covered under the District of Columbia Unemployment Compensation Act as supplemented by 25-26 agreement. Payments are to be made by the Federal Government through the States (sec. 702 (b) (3)).</p> <p>1 (b). In event of State failure to make agreement or failure to make payments, Director of OWMR shall make payments (sec. 703).</p>	<p>1 (a). If State agrees, agreement shall provide payment of unemployment compensation to Federal and maritime employees under respective State laws. Payments are to be made through the States (sec. 703).</p> <p>1 (b). Same as original (sec. 703 (c)).....</p>	<p>1 (a). Restoration of the original provision (sec. 703 (b)).</p> <p>1 (b). Same as original (sec 703 (c)).</p>

D. Coverage of industrial agricultural processing workers.	1 (a). If State agrees, agreement shall provide payment of unemployment compensation to industrial agricultural processing workers in accordance with the provisions of the respective State laws. Payments are to be made by the Federal Government through the States (sec. 702 (b) (4)).	1 (a). Deleted.....	1 (a). Deleted—covered by recommendation under E below.
	1 (b). In event of State failure to make agreement or failure to make payments, Director of OWMR shall make payments (sec. 703).	1 (b). Deleted.....	1 (b). Deleted.
E Coverage of other employees.	1 (a). If State elects, agreement may provide payment of unemployment compensation to groups of employees not now covered by the respective State unemployment-compensation laws, because of character of employment or small size of firm. Payments are to be made by the Federal Government through the States (sec. 702 (c) (2)).	1 (a). Deleted.....	1 (a). Restoration of provision in original bill (sec. 702 (c) (2)).
F. Travel allowances.....	1. The U. S. Employment Service is authorized to provide transportation, including that for dependents and household effects, for civilian war workers from war-production areas to places at which the service certifies there are available suitable jobs. The amount of the transportation is not to exceed the amount allowable to Federal employees under Standard Government Travel Regulations (sec. 706).	1. Director of OWMR is authorized to pay cost of transportation of war workers and their dependents who left homes after Dec. 7, 1941, to engage in war work either back to their former homes or to places where suitable employment is available. This cost is not to exceed \$200 in any one case, and not to exceed the amount allowable to Federal employees under Standard Government Travel Regulations. No cost is provided where employer has agreement with employee to pay transportation (sec. 708).	1. Provision as reported by committee (sec. 708).
G. Veterans' benefits.....	1. The readjustment allowance title of the GI bill of rights would be amended to provide \$25 per week for a single veteran; \$5 per week if the veteran has 1 or more dependent; the equivalent in benefit amount of 52 weeks of unemployment benefits.	1. Deleted. Will consider this feature in separate bill.	1. Restoration of provisions in original bill (sec. 2).

REPRESENTATIONS OF OPPOSITION WITNESSES

Mr. Rector, representing the Governor of Wisconsin and the Interstate Conference of Employment Security Agencies, stated² that to his knowledge only 1 of the 48 States represented in the conference did not agree with the position expressed by him. The printed record on S. 1274 shows that only 23 States have in one way or another expressed an opinion on the bill, as of September 4, 1945, and the other 28 jurisdictions have not presented their point of view. Of the 23 States which have expressed an opinion, 6 of them (Massachusetts, Connecticut, Rhode Island, Oklahoma, Washington, and Mississippi) approved the bill in principle. Five of these have the more liberal provisions on maximum weekly benefit amount and maximum duration.

The hearings show that the opposition to adequate legislation consisted primarily of 17 States and 1 representative of industry. It should be noted that the Advisory Committee of the Office of War Mobilization and Reconversion unanimously endorsed the emergency unemployment compensation benefits recommended in President Truman's message to Congress. (See exhibit III herewith.) This committee includes representatives of industry, agriculture, labor, and the public.

The inadequacies of the present State system were described very pointedly by a leading business publication as follows. On April 28, 1945, the editors of *Business Week* stated:

At any continuous level of unemployment, drains on reserve funds will decline during the first few years as workers exhaust benefits. So, with 6,000,000 unemployed, present aggregate reserves of over \$6,000,000,000 would last almost indefinitely. As many as 9,000,000 unemployed year after year would drain reserve funds in 10 years or a little less. But, as we said 5 years ago, "It was never contemplated that funds would be built up to take care of workers during a severe depression. At best, unemployment insurance was looked upon as a stopgap—a temporary economic alleviator."

And as a stopgap the system today hardly measures up, for, with the average beneficiary receiving little more than one-third or so of his former weekly wages and with, at most, two-thirds of the eligibles on the rolls at any one time, less than 25 percent of the income of laid-off insured workers would be maintained.

S. 1274 AND PREVIOUSLY PROPOSED LEGISLATION

Mr. Williams, representing the Texas Unemployment Compensation Commission, tried to show that S. 1274 is similar in principles and purposes to the Murray-Kilgore-Truman bill of 1944 and other previous bills.³ The similarity between the present bill and previously proposed legislation is that they were designed to meet the problems of reconversion but in their major provisions are quite different.

The present bill contains no eligibility provisions, no disqualification provisions, no detailed administrative provisions which the States must carry out under the agreements. On the other hand, the Murray-Kilgore-Truman bill and previous proposed legislation contained eligibility provisions, disqualification provisions, and detailed administrative provisions.

² P. 289 of the unrevised printed record of hearings on S. 1274.

³ P. 333 of the unrevised printed record of hearings on S. 1274.

EXHIBIT III

SEPTEMBER 7, 1945.

HON. WALTER F. GEORGE,
*Chairman, Senate Finance Committee,
 United States Senate.*

DEAR SENATOR GEORGE: I should like to call your attention to a resolution unanimously adopted on September 6 by the Advisory Board of the Office of War Mobilization and Reconversion in support of emergency unemployment compensation legislation now pending before the Congress. A copy of the Board's resolution, together with supplementary statements outlining the position of certain members of the Board, is attached to this letter.

The Advisory Board, as you know, was established by the War Mobilization and Reconversion Act of 1944, and consists of 12 members appointed by the President with the advice and consent of the Senate. All members of the Board represent the general public and the public interest, but it is required that three members shall have had experience in business management, three in matters relating to labor, and three in agriculture. The names of the members of the Board are listed on the attached resolution.

The Board has carefully considered the proposed unemployment compensation legislation at several of its meetings, beginning shortly after the recommendation made by the President last May. At its meeting yesterday, the attached resolution was adopted by the Board as a final statement of its conclusions.

In view of the broad representation of the Advisory Board, as well as the outstanding nature of its individual members, I feel that this expression of opinion is entitled to great weight and will be of interest to your committee in its consideration of the pending proposal.

Sincerely,

JOHN W. SNYDER, *Director.*

Recommendatory No. 25

Resolved, That the Advisory Board endorses the interim unemployment compensation benefits recommended in President Truman's message to Congress today.

SEPTEMBER 6, 1945.

Unanimously adopted:

O. Max Gardner
 Albert S. Goss
 Edward A. O'Neal
 James G. Patton
 Nathaniel Dyke, Jr.
 Eric A. Johnston
 George H. Mead
 T. C. Cashen
 William Green
 Philip Murray
 William H. Davis
 Mrs. Anna M. Rosenberg

NOTE.—In casting his vote in favor of the resolution, Mr. Goss asked that the record show that he did so with the proviso that Congress provide such safeguards as may reasonably be expected to reduce abuses to a minimum.

Messrs. Johnston and Mead asked that the record show that they voted in favor of the resolution with the same proviso set forth by Mr. Goss.

In casting his vote in favor of the resolution, Mr. O'Neal asked that the record show that his position is set forth in the American Farm Bureau Federation's resolution on unemployment compensation legislation dated August 29, 1945. He asked that the federation's resolution be incorporated in the record and transmitted to Congress with any communication by the Director on the Advisory Board's action. The resolution referred to by Mr. O'Neal follows here:

RESOLUTION CONCERNING UNEMPLOYMENT COMPENSATION ADOPTED BY BOARD OF DIRECTORS OF THE AMERICAN FARM BUREAU FEDERATION AT ITS MEETING, CHICAGO, ILL., AUGUST 29, 1945

We will support for the reconversion period a Federal supplement to the State unemployment compensation payments, such as is provided by the Doughton bill, H. R. 3736, with the understanding, however, that it be amended to provide that—

(1) Adjusted weekly benefit amounts "shall not exceed 50 percent of the weekly benefit amount now payable under respective State laws, or \$25, whichever is less."

In other words, that the adjusted weekly benefit amount, which includes the supplementary payment provided for by this bill, will not be more than 150 percent of weekly benefit amounts now provided under the various State laws.

(2) There be a review of each case by the State unemployment compensation commission after 13 weeks and that the benefits be extended to 26 weeks only if such review shows that no reasonable employment is available to the recipient.

(3) No person be entitled to Federal supplementary benefits if he refuses to accept employment of a permanent nature, provided the salary is at least two-thirds of the salary earned in the employment engaged in immediately previous to application for unemployment compensation.

We believe that—

No benefits should be paid to Federal workers under this plan, because such benefits, if desirable, should be provided by separate legislation.

No benefits should be paid to maritime workers, because this is not primarily a State unemployment compensation problem and may be a proper subject for Federal legislation.

With respect to benefits to workers engaged in the handling, drying, and processing of any agricultural commodity, that such persons be included or excluded in agreement with the State, under the general provision which permits the State to pay compensation in accordance with subsection (2) "to any class or classes of individuals who would be entitled to compensation under the State unemployment compensation law, except for existing or prior exclusions from the definition of 'employment' in such law."

There be no amendment of section 1607 of the Internal Revenue Code to extend the employer definition to "one or more at any time." Such amendment would tend to impose an additional burden on small business during the reconversion period, and would present tremendous problems of administration.

If transportation costs are to be provided for the relocation of war workers, it should be provided that all Federal supplementary payments be immediately discontinued should such beneficiaries refuse the work provided at the point of relocation. No provision should be made to cover cost of transporting household goods of such relocated workers.

THE UNEMPLOYMENT CRISIS

There is an unemployment crisis facing us. Unemployment prior to VJ-day amounted to about 830,000.⁴

It is estimated by the War Manpower Commission that about 2,400,000 persons have been laid off between VJ-day and September 8, 1945.

These lay-offs are reflected in claims for unemployment insurance. For the week ending September 8, 1945, 296,100 claims were filed for the first time, and a total of 1,198,200 claims were filed. The estimated increase in initial claims since VJ-day is 1,475,000.

Estimates indicate a peak of unemployment in 1946 varying from 8,600,000 to 10,000,000, which will taper off to somewhere between 6,000,000 and 7,700,000 unemployed in 1947.⁵

In certain sections of the country which have been devoted almost entirely to munitions production, new "depressed areas" will develop in which business becomes practically nonexistent and unemployment almost complete. The returning war veterans, nearly all of them seeking jobs, are adding more labor to a wartime-inflated labor force.

It is true that in addition to the normal growth of the labor force by about three to four million, some six to seven million workers entered the labor market during the war emergency.

Of course, many wartime-emergency workers are retiring from the labor market after the war. At least half a million persons beyond age 65 can reasonably be expected to drop out of the labor market

⁴ Exhibit I-d, p. 54, of unrevised printed record of hearings on S. 1274.

⁵ Exhibit I-a, p. 53, exhibit IX-a, p. 117, unrevised printed record of hearings on S. 1274.

after the strenuous years of war production. Many of the 600,000 servicemen's wives will undoubtedly become homemakers exclusively, although they may stay in the labor market temporarily until their soldier husbands find satisfactory peacetime jobs. Many of the younger workers under age 20 will decide to return to school in order to complete their training or education.

On the other hand, a very large proportion of the handicapped and marginal workers are going to cling tenaciously to their newly won status of self-support. It will be a bitter experience for many of them if they find themselves pushed out of the labor market by a shortage of jobs. Comparable with this group may be some hundreds of thousands of veterans who have suffered war injuries of one kind or another and who will require special placement and employment opportunities after the war. Probably many of the older married women will also want to remain in the labor market indefinitely. These women are available for work, many have proved highly satisfactory employees in wartime, and most of them do not have a full-time job in the home.

This is why reconversion unemployment occurring soon after the end of the Pacific war will cause such a shock to the economy. If business in the next year should fall to the level of March 1939, with only 43,000,000 jobs at prewar weekly hours, but with 57,000,000 job seekers after allowing for men in the armed forces, the resulting insecurity and unemployment can best be left to the imagination. There would be such a scramble for jobs and such cutthroat competition on the part of veterans, war workers, young workers, old workers, men workers and women workers, white workers and colored workers, that the general safety and stability of the Nation might be endangered. If there is one thing certain after this war, it is that we cannot afford to go back to prewar employment levels, wages, earnings, and incomes. The first and most vital postwar problem which faces us is how to insure that we do not fall back to that level.

STATES' FAILURE TO LIBERALIZE THEIR LAWS

An effort is being made to show that in an unemployment crisis, the States are financially able to take care of their own people adequately through the State unemployment insurance systems and through other State surplus funds. We agree that the State unemployment compensation reserves in many instances are sufficient to pay the adequate benefits under S. 1274.

As a whole, States evidently don't want to meet their obligations to pay these adequate benefits. Forty-five State legislatures met in 1945; of these, 32 States increased the maximum weekly benefit amount or maximum duration, and only 21 States increased both amount and duration.

Although many States made changes in weekly benefit amount during 1945, benefits are still inadequate. These changes were as follows:

	<i>Number of States</i>
From \$15 to \$16.....	1
From \$15 to \$18.....	4
From \$15 to \$20.....	4
From \$15 to \$18-\$24.....	1
From \$15 to \$25.....	1
From \$16 to \$18.....	1

	<i>Number of States</i>
From \$16 to \$21.....	1
From \$18 to \$20.....	5
From \$18 to \$21.....	2
From \$18 to \$22.....	1
From \$20 to \$25.....	2
From \$20 plus dependents' benefits to \$28.....	1
From \$22 plus dependents' benefits to \$28.....	1
Total.....	25

On duration, the picture is similar. Despite spectacular changes, many duration provisions are still far below the 26-weeks' level.

	<i>Number of States</i>
From 15 weeks to 18 weeks.....	1
From 16 weeks to 18 weeks.....	2
From 16 weeks to 20 weeks.....	7
From 16 or 16 weeks (U) to 20 weeks (U).....	2
From 16 weeks to 21 weeks.....	1
From 16 weeks to 26 weeks.....	1
From 18 weeks (U) to 20 weeks (U).....	2
From 18 weeks to 20 weeks.....	3
From 18 weeks (U) to 22 weeks.....	1
From 18 weeks to 26 weeks.....	1
From 20 weeks to 19 weeks.....	1
From 20 weeks to 22 weeks.....	1
From 20 weeks to 23 weeks.....	2
From 20 weeks to 26 weeks.....	1
From 20 weeks (U) to 26 weeks (U).....	1
From 23 weeks to 26 weeks.....	1
Total.....	28

(U)=uniform duration.

Despite promises made to various congressional committees in 1944, 14 of the 45 States which met in 1945 made no changes in amount or duration, and of the 51 State laws, no changes for increased amounts or duration were made in 19.

Federal action on unemployment compensation in the past was always necessary to prod the States into effective action. When the Social Security Act was passed in 1935, there were few States with unemployment compensation laws. After the passage of the Social Security Act in 1935, the tax provisions on unemployment compensation forced the States to take action. When the Murray-Kilgore-Truman bill on reconversion unemployment compensation was introduced in the Senate in 1944, the State unemployment compensation agencies fought it on the ground that the States could handle the situation and liberalize their laws. A number of States did liberalize their laws—but many changes in 1945 still provided inadequate benefit amounts or maximum duration.

ADEQUACY OF WEEKLY BENEFIT AMOUNT

1. VARIOUS PROPOSALS COMPARED

Section 702 (b) (2) of title VII of the original bill provides for the mandatory Federal supplementation of State weekly benefit amounts up to a maximum not in excess of \$25 per week. This provision is deleted from the bill as reported by the committee. The minority does not recommend the restoration of this provision.

Section 702 (c) (1) of title VII of the original bill provides, at the election of each State, for the Federal supplementation of State weekly

benefit amounts up to a maximum not in excess of \$25 per week and not in excess of two-thirds of an individual's previous weekly earnings. This provision is deleted from the bill reported by the committee. The minority recommends the restoration of the provision in the original bill except that two-thirds is changed to 60 percent.

The following table illustrates the total amount which would be paid under the bill to an unemployed person in a particular State which now provides benefits of one-half of wages up to a ceiling of \$15. No change would be made in the amount of benefits paid to individuals below the maximum paid by the State.

TABLE 1.—*Illustrative unemployment benefits under the bill in a State which at the present time provides benefits of 50 percent of wages up to a maximum of \$15 per week*

Average weekly wage of unemployed individual	Total benefit (State plus Federal)	Amount paid by State	Amount paid by Federal Government
\$20.....	\$10	\$10	\$0
\$30.....	15	15	0
\$40.....	20	15	5
\$50.....	25	15	10
\$60 or more.....	25	15	10

For a State which now pays 60 percent of wages up to a ceiling of \$20, the bill would work out as shown in the following table:

TABLE 2.—*Illustrative unemployment benefits under the bill in a State which at the present time provides benefits of 60 percent of wages up to a maximum of \$20 per week*

Average weekly wage of unemployed individual	Total benefit (State plus Federal)	Amount paid by State	Amount paid by Federal Government
\$20.....	\$12	\$12	\$0
\$30.....	18	18	0
\$40.....	24	20	4
\$50.....	25	20	5
\$60 or more.....	25	20	5

2. REASON FOR THE PROPOSAL OF MINORITY

(a) *Present State weekly maximums too low for subsistence*

Maximum weekly benefits payments under many State laws are now far too low to provide adequate subsistence for workers and their families. Exclusive of special dependency benefits only the State of Washington and Hawaii pay \$25 as a maximum weekly benefit. Exhibit IV shows 13 States have maxima of only \$15 or \$16. Thirty-one States pay \$18 to \$20 as a maximum and five pay a maximum of \$21 to \$22. The average of the State maxima is therefore between \$18 and \$20 per week. This same exhibit shows that about half the workers were at their present State maximum. If the proposal embodied in the minority report were made law, three-fourths of all workers now receiving the maximum would get increased benefit amounts. Only one-third of the Nation's workers would be limited by the \$25 national maximum.

EXHIBIT IV.—Average weekly wages of workers covered by State unemployment compensation laws—estimated percent of covered workers entitled to present State maximum weekly benefit amount and percent who would be entitled to a \$25 maximum under extension of State formula¹

State	Average weekly wages in 1944 ²	Present maximum weekly benefit amount	Percent of covered workers entitled to present maximum	Workers entitled to \$25 maximum as percent of—	
				Workers entitled to present maximum	All covered workers
United States.....	\$44.21		44.9	75.9	34.0
Alabama.....	33.38	\$20	23.0	66.5	15.3
Alaska.....	93.45	16	75.1	86.4	64.8
Arizona.....	40.10	15	48.1	55.1	26.5
Arkansas.....	26.99	15	25.4	34.2	8.7
California.....	51.97	20	60.3	84.2	50.8
Colorado.....	37.12	15	45.1	46.9	21.2
Connecticut.....	50.31	\$22	49.9	84.0	41.9
Delaware.....	45.83	18	56.2	69.5	39.0
District of Columbia.....	36.43	20	35.1	69.5	24.4
Florida.....	36.69	15	38.9	50.3	19.6
Georgia.....	31.48	18	20.6	56.4	11.6
Hawaii.....	40.85	25	30.1	100.0	30.1
Idaho.....	34.00	18	27.6	40.2	11.1
Illinois.....	46.59	20	55.0	79.7	43.9
Indiana.....	46.70	20	47.5	74.0	35.2
Iowa.....	36.02	18	36.9	55.8	20.6
Kansas.....	43.51	16	47.6	56.8	27.1
Kentucky.....	36.82	16	26.0	38.4	10.0
Louisiana.....	37.19	18	33.7	64.7	21.8
Maine.....	40.89	20	23.9	68.6	16.4
Maryland.....	43.57	20	56.0	79.5	44.5
Massachusetts.....	41.41	21	51.2	82.0	42.0
Michigan.....	55.18	\$20	68.5	88.5	60.6
Minnesota.....	39.09	20	29.7	69.0	20.5
Mississippi.....	27.91	15	24.1	38.7	9.3
Missouri.....	38.96	18	39.3	57.6	22.6
Montana.....	36.74	15	47.5	62.1	29.5
Nebraska.....	38.24	18	36.1	57.3	20.7
Nevada.....	45.02	\$18	57.5	76.6	44.0
New Hampshire.....	33.52	20	17.2	50.5	8.7
New Jersey.....	50.18	22	54.3	87.4	47.5
New Mexico.....	31.31	15	35.2	48.0	16.9
New York.....	47.11	21	47.2	80.9	38.2
North Carolina.....	28.87	20	8.2	57.7	4.7
North Dakota.....	31.50	20	23.3	70.6	16.4
Ohio.....	48.78	21	41.5	76.7	31.8
Oklahoma.....	39.90	18	46.5	70.3	32.7
Oregon.....	48.51	18	46.4	79.3	36.9
Pennsylvania.....	42.75	20	45.7	72.8	33.3
Rhode Island.....	42.14	18	65.2	70.2	45.7
South Carolina.....	26.69	20	12.1	56.9	6.9
South Dakota.....	30.01	15	37.8	43.5	16.4
Tennessee.....	35.66	15	36.5	39.0	14.2
Texas.....	39.19	18	33.9	65.5	22.2
Utah.....	39.41	\$20	49.8	84.9	42.3
Vermont.....	37.06	20	26.7	62.8	16.7
Virginia.....	35.34	15	42.0	42.9	18.0
Washington.....	48.74	25	31.1	100.0	31.1
West Virginia.....	42.89	20	35.4	61.8	21.9
Wisconsin.....	44.08	20	40.2	93.9	37.8
Wyoming.....	39.02	20	42.7	85.0	36.3

¹ "Covered workers" include all workers who earned wage credits under the State law during 1943. The percentages are based on data for all such workers, including those with insufficient earnings to qualify for benefits. If data for the ineligible workers were eliminated and the proportions of eligible workers at the State and \$25 maximums computed, the percentages would be higher than those shown; the percentage of workers entitled to the State maximums who would also be entitled to the \$25 maximum would probably remain unchanged.

² Based on average weekly wage of estimated number of workers in covered employment in last pay period of each type (weekly, semimonthly, etc.) ending within the month, and estimated total wages earned in covered employment during all pay periods ending within each quarter. Estimates are based on coverage provisions in effect during fourth quarter of 1943.

³ In Connecticut, Michigan, and Nevada, the maximums shown are the highest benefit amounts to which workers are entitled on the basis of past earnings alone. Workers with dependents in these States can receive benefits as high as \$28 in Connecticut and Michigan and \$24 in Nevada.

⁴ The statutory maximum of \$20 is raised to \$25 when the cost-of-living index is at or above 125, and reduced to \$17 when the index is 98.5 or below.

Source: Program Division, Bureau of Employment Security, Social Security Board.

(b) Inequity of present State weekly maximums

Workers entitled to present State maximum weekly benefit amounts get only 35 percent or less of their normal weekly wages, whereas those below get at least 50 percent of their weekly wages.

Title IX of the Social Security Act and the laws of all the States, except Nevada, levy the tax on the pay roll of an employer, excluding that part of annual wages in excess of \$3,000 per week from any one employer. Thus, \$60 per week in most cases is a maximum base for contributions. Yet the original maximum benefits under almost every State law was \$15, with three exceptions—\$10 for Wisconsin, \$16 for Michigan, and \$18 for Wyoming.

The original maximums established under State laws created a serious inequity for those workers whose weekly wages were in lower proportion to their benefits than that for workers who were entitled to benefits lower than these original maximums. Our contention is that, at the outset of unemployment insurance, the maximum weekly benefit levels were too low and, in the light of experience, should have been at least \$25 per week in every State; \$25 per week would provide the same percentage formula for all workers up to \$50 a week.

(c) Rise in cost of living

In spite of increases which have been made in some States, the weekly benefit rate in most States provides less real purchasing power today than it did when benefits were first paid in 1938. The cost-of-living index of the Bureau of Labor Statistics, in June 1945, was 29 percent above the 1935-39 average. (See exhibit V). The President's Committee on the Cost of Living, in its report last November, found that this index has a downward bias of three to four points—which means that the actual cost of living now is about one-third higher than in prewar years. For the family dependent on unemployment benefits, this does not tell the whole story. The prices of food and clothing, which represent a larger proportional part of the expenditures of such families have risen 30 and 44 percent, respectively.

EXHIBIT V.—*Cost of living—Groups—Average for large cities*

[Index numbers 1935-39=100]

Year and month	All items	Food	Rent	Clothing	House-furnishings	Fuel, electricity, and ice	Miscellaneous
1939.....	99.4	95.2	104.2	100.5	101.3	99.0	100.7
1940.....	100.2	96.6	104.6	101.7	100.5	99.7	101.1
1941.....	105.2	105.5	106.2	106.3	107.2	102.2	104.0
1942.....	116.5	123.9	105.5	124.2	122.2	105.4	110.9
1943.....	123.6	138.0	106.0	129.7	125.6	107.7	115.8
1944.....	125.5	136.1	108.2	138.8	136.4	109.8	121.3
1944—Mar. 15.....	123.8	134.1	108.1	136.7	129.0	109.9	119.1
Apr. 15.....	124.6	134.6	108.1	137.1	132.9	109.9	120.9
May 15.....	125.1	135.5	108.1	137.4	135.0	109.8	121.2
June 15.....	125.4	135.7	108.1	138.0	138.4	109.6	121.7
July 15.....	125.1	137.4	108.2	138.3	138.7	109.7	122.0
Aug. 15.....	125.4	137.7	108.2	139.4	139.3	109.8	122.3
Sept. 15.....	125.5	137.0	108.2	141.4	140.7	109.8	122.4
Oct. 15.....	125.5	136.4	(¹)	141.9	141.4	109.8	122.8
Nov. 15.....	125.6	136.5	(¹)	142.1	141.7	109.9	122.9
Dec. 15.....	127.0	137.4	108.3	142.8	142.0	109.4	123.1
1945—Jan. 15.....	127.1	137.3	(¹)	143.0	143.6	109.7	123.3
Feb. 15.....	126.9	136.5	(¹)	143.3	144.0	110.0	123.4
Mar. 15.....	126.8	136.9	108.3	143.7	144.5	110.0	123.6
Apr. 15.....	127.1	136.6	(¹)	144.1	144.9	109.8	123.8
May 15.....	128.1	138.8	(¹)	144.6	145.4	110.0	124.0
June 15.....	129.0	141.1	108.3	145.4	145.8	110.0	124.0

¹ Not available.

EXHIBIT VI.—Selected provisions of State unemployment compensation laws, June 30, 1945¹

State	Coverage Minimum size-of-firm coverage (number of workers)	Eligibility Qualifying base-period earnings for minimum benefits ²	Weekly benefit amount		Duration of benefits ³		
			Fraction of highest quarterly earnings or type of schedule	Maximum	Fraction of base-period earnings used in determining duration	Maximum weeks of benefits for total unemployment	Maximum annual benefits
Alabama	8 or more in 20 weeks	\$120 (30x)	3/20	\$20	3/20	20	\$400.00
Alaska	1 or more at any time	125 (25x)	3/20	16	3/20	16	255.00
Arizona	3 or more in 20 weeks	70 (14x) ²	3/20	15	3/20	14	210.00
Arkansas	1 or more in 10 days	66 (22x)	3/20	15	3/20	16	240.00
California	1 or more at any time and \$100 pay roll in calendar quarter. ⁴	300	3/20	20	(⁵)	23.4	468.00
Colorado	8 or more in 20 weeks	150 (30x)	3/20	15	3/20	16	240.00
Connecticut	4 or more in 13 weeks	240	3/20	22-28	3/20	16	440.00-560.00
Delaware	1 or more in 20 weeks	210 (30x)	3/20	18	3/20	22	396.00
District of Columbia	1 or more at any time	150 (25x)	3/20	20	3/20	20	400.00
Florida	8 or more in 20 weeks or \$5,000 quarterly pay roll	150 (30x)	3/20	15	3/20	16	240.00
Georgia	8 or more in 20 weeks	100 (25x-40x)	3/20	18	U	U 16	288.00
Hawaii	1 or more at any time	150 (30x)	3/20	25	U	U 20	500.00
Idaho	\$78 or more wages payable in any 1 quarter	140 (28x-52x)	3/20	18	U	U 17	306.00
Illinois	6 or more in 20 weeks	225	3/20	20	(⁵)	26	520.00
Indiana	8 or more in 20 weeks	250	3/20	20	3/20	20	400.00
Iowa	8 or more in 15 weeks	90 (18x)	3/20	18	3/20	18	324.00
Kansas	8 or more in 20 weeks or 25 or more in 1 week	100 ⁶	3/20	16	3/20	20	320.00
Kentucky	4 or more in 3 quarters of preceding year to each of whom \$50 payable in each such quarter; or 8 or more in 20 weeks	200	(⁵)	16	U	U 20	320.00
Louisiana	4 or more in 20 weeks	90 (30x)	3/20	18	3/20	20	360.00
Maine	8 or more in 20 weeks	200	(⁵)	20	U	U 20	400.00
Maryland	1 or more at any time	210 (30x)	3/20	20	3/20	26	520.00
Massachusetts	1 or more in 20 weeks	150	3/20	21	3/20	23	483.00
Michigan	8 or more in 20 weeks	250 ¹¹	3/20	20-28	3/20	20	400.00-560.00
Minnesota	1 or more in 20 weeks (or 8 or more outside cities of population of 10,000 or more)	200	(⁵)	20	(⁵)	20	400.00
Mississippi	8 or more in 20 weeks	90 (30x)	3/20	15	U	U 14	210.00
Missouri	do	20 (40x) ⁷	3/20	18	3/20	16	288.00
Montana	1 or more in 20 weeks or annual pay roll over \$500	150 (30x)	3/20	15	U	U 16	240.00
Nebraska	8 or more in 20 weeks or \$10,000 quarterly pay roll. ⁴	200	3/20	18	3/20	18	324.00
Nevada	\$225 or more wages payable in 1 quarter	175 (25x-30x) ¹²	3/20	18-24	3/20	20	360.00
New Hampshire	4 or more in 20 weeks	200	(⁵)	20	U	U 20	400.00
New Jersey	do ⁴	150	3/20	22	3/20	26	572.00
New Mexico	\$450 or more wages paid in quarter, or 2 or more in 13 weeks	150 (30x)	3/20	15	3/20	16	240.00
New York	4 or more in 15 days	300 (30x)	3/20	21	U	U 26	546.00

North Carolina	8 or more in 20 weeks	130	(10)	20	U	U 16	320.00
North Dakota	do	140 (28x)		20	U	U 20	400.00
Ohio	3 or more at any time	160 ¹⁴	¹ 22-125	21	(11)	¹ 22	462.00
Oklahoma	8 or more in 20 weeks	120 (20x)		18	3/4	20	360.00
Oregon	4 or more in any day in any calendar quarter with pay roll of \$500.	200 ¹	(10)	18	(9)	20	360.00
Pennsylvania	1 or more at any time	240 (30x)		20	(9)	20	400.00
Rhode Island	4 or more in 20 weeks	100	¹ 16-115	18	(9)	20, 25	364.60
South Carolina	8 or more in 20 weeks	120 (30x-40x)		20	U	U 16	320.00
South Dakota	do	125	¹ 13-125	15	(9)	20	300.00
Tennessee	do	125 (25x-30x)		15	U	U 16	240.00
Texas	do	90 (18x)		18	3/4	18	324.00
Utah	\$140 or more wages payable in 1 quarter	150 (30x)	¹⁰ 20	25	(10)	19	450.00
Vermont	8 or more in 20 weeks	180 (30x)	¹ 19-125	20	U	U 20	400.00
Virginia	do	100 (25x)		15	3/4	16	240.00
Washington	1 or more at any time	300	(10)	25	(9)	26	650.00
West Virginia	8 or more in 20 weeks	300	(10)	20	U	U 21	420.00
Wisconsin	6 or more in 18 weeks or annual pay roll of \$6,000; also employer with more than \$10,000 quarterly pay roll.	14 weeks employment	(2)	20	3/2	23	460.00
Wyoming	1 or more in 20 weeks and \$150 or more wages payable in 1 quarter or \$500 in 1 year.	175 (25x)	3/6	20	3/4	20	400.00

¹ Provisions of State laws include amendments enacted and reported to the Bureau of Employment Security through June 30, 1945. Except where otherwise stated, all amendments will become effective during 1945.

² In variable-duration States, maximum benefits are limited to the lesser of a specified fraction of base-period earnings or a specified multiple of the weekly benefit amount. Except in the following States, the base period is 4 quarters or a calendar year: Arizona—2-year base period may be extended to include as many as 4 additional quarters; Missouri—2 years; Oregon—base period may be extended by not more than 4 quarters if individual has been incapable of work during greater part of working time in any calendar quarter; Wisconsin—duration roughly equivalent to 1 week of benefits to 2 weeks of employment, the maximum depending on continuity of unemployment and a number of previous employers (but not exceeding 23 weeks based on employment from same employer).

³ Amount shown represents minimum base-period earnings for a claimant who barely qualifies. In some States, a flat amount is specified in the law and in others, a specified multiple of the weekly benefit amount. In the latter States, amount shown is the product of the multiple and the minimum weekly benefit; qualifying earnings would be higher for claimants receiving a higher weekly benefit rate. Where dependents' benefits are provided, the fraction applies to the basic benefit. Qualifying wages must have been earned in a 1-year period in all States except: Arizona—qualifying wages must have been earned in first 3 of last 4 completed calendar quarters preceding first day of benefit year; Missouri—2-year base period; Oregon—base period may be extended by not more than 4 quarters if individual has been incapable of work during greater part of working time in any calendar quarter; Wisconsin—eligibility requirement is 14 weeks of employment, and benefits are in ratio of 1 week to 2 weeks of employment.

⁴ Effective Jan. 1, 1946.

⁵ State law provides for reduction if solvency of fund is imperiled.

⁶ Duration is determined according to a table of base-period earnings, contained in the State law.

⁷ 4 States provide for dependents' allowances: Connecticut—maximum primary benefit is \$22; weekly benefits may be increased \$2 for each dependent up to 3. District of Columbia—weekly benefits may be increased \$1 for each dependent of specified types up to 3; same maximum (\$20) with or without dependents. Michigan—primary benefit plus

\$2 per child dependent up to the lesser of \$28 or average weekly wage in high quarter; maximum primary benefit is \$20. Nevada—dependents' allowances of \$3 for 1 or 2 dependents, \$6 for 3 or more; maximum annual benefits not increased, hence weeks of benefits decreased for claimants with dependents—for example, maximum duration is 15 weeks for claimant receiving \$24 maximum weekly payment.

⁸ Weekly benefit based upon a weighted table of high-quarter earnings, contained in the State law. Fractions shown are approximate.

⁹ Wages totaling \$100 in 2 quarters, or \$200 in base period.

¹⁰ Weekly benefit based upon a weighted table of annual earnings contained in the State law.

¹¹ Including wages in at least 2 quarters.

¹² \$175 if computed weekly benefit is less than \$8; 25-30 times weekly benefit amount if computed weekly benefits is more than \$8. Including earnings of 5 times the weekly benefit in some quarter other than that of highest earnings.

¹³ Benefit amounts which are expressed in days of unemployment in New York and in 2-week periods in Texas have been converted into weeks.

¹⁴ And employment in at least 20 weeks.

¹⁵ Duration based on calendar weeks of covered employment in base period; 18 weeks' duration for claimants with 20 weeks of covered employment; 19 weeks' duration for 21-24 weeks of covered employment; 22 weeks' duration for over 24 weeks of covered employment.

¹⁶ Effective July 1, 1945, Utah law provides for adjustment of weekly benefit amount according to Bureau of Labor Statistics cost-of-living index; duration and benefit limits shown are those now applicable. Greatest possible duration is 19 weeks under the upward adjustment; 28.3 weeks under the downward adjustment; when no adjustment applies, 23 weeks uniform. Maximum weekly benefit amount without cost-of-living adjustment is \$20 and minimum \$5. Total benefits payable during benefit year computed as 23 times normal weekly benefit amount; hence, under cost-of-living adjustments, duration in weeks varies inversely with weekly benefit amount. Thus a claimant eligible for the maximum weekly benefit amount and duration (\$20 for 23 weeks) would receive, under the upward adjustment and at present time, \$25 for 18.4 weeks and, under the downward adjustment, \$17 for 27 weeks.

EXHIBIT VII.—Selected provisions of State unemployment compensation laws as of Dec. 31, 1944, and June 30, 1945¹

(1944 provisions are in "From" columns and 1945 provisions in "To" columns. An asterisk (*) in "From" indicates that the provision was not changed in 1945; hence present provision also applied in 1944)

Social Security Board region and State	Monthly average (1944) of covered employment ² (thousands)	Size-of-firm coverage ³		Initial waiting-period weeks		Weekly benefit amount						Duration			
		From	To	From	To	Fraction of highest quarterly earnings or type of schedule		Minimum		Maximum		Fraction of base-period earnings ⁴		Maximum (weeks)	
						From	To	From	To	From	To	From	To	From	To
Total, 51 States.	29,838.9														
REGION I															
Connecticut	625.4	(*)	4 in 13 weeks	(*)	1	1/2	1/2; dependents' benefits.	\$6	\$8-\$12	\$22	\$22-\$28	1/5	1/4	18	20
Maine	172.9	(*)	8	(*)	1	(*)	Weighted, annual earnings.	\$6	\$5	\$18	\$20	(*)	U	16	U20
Massachusetts	1,363.8	(*)	1	(*)	1	(*)	1/2	(*)	\$6	\$18	\$21	(*)	1/2	20	23
New Hampshire	106.0	(*)	4	(*)	1	(*)	Weighted, annual earnings.	(*)	\$6	\$18	\$20	(*)	U	U 18	U20
Rhode Island	231.1	(*)	4	(*)	1	(*)	1/2 to 1/2	(*)	\$6.75	\$18	\$18	(*)	table	(*)	20,25
Vermont	56.7	(*)	8	(*)	2	(*)	1/2 to 1/2	(*)	\$6	\$15	\$20	(*)	U	U 18	U20
REGION II-III															
Delaware	82.6	(*)	1	(*)	1	(*)	1/2	\$5	\$7	(*)	\$18	(*)	1/2	20	22
New Jersey	1,247.7		4	(*)	1	(*)	1/2	\$7	\$9	\$18	\$22	1/5	1/2	18	26
New York	3,935.1	(*)	4 in 15 days	(*)	1	(*)	1/2	(*)	\$10	\$18	\$21	(*)	U	U 20	U25
Pennsylvania	2,709.8		1 at any time	(*)	2	1	1/2	(*)	\$8	\$18	\$20	(*)	table	16	20
REGION IV															
District of Columbia	189.0	(*)	do	(*)	1	(*)	1/2; dependents' benefits.	(*)	\$6-\$9	(*)	\$20	(*)	1/2	(*)	20
Maryland	520.8	4	do	1	None	(*)	1/2	(*)	\$7	\$20	\$20; \$25 if GI maximum increases.		1/2	23	26
North Carolina	552.1	(*)	8	(*)	1	(*)	Weighted, annual earnings.	\$3	\$4	\$15	\$20	(*)	U	(*)	U16
Virginia	427.0	(*)	8	(*)	1	(*)	1/2	(*)	\$4	(*)	\$15	(*)	1/2	(*)	16
West Virginia	334.1	(*)	8	(*)	1	(*)	Weighted, annual earnings.	\$7	\$8	\$18	\$20	(*)	U	U16	U21

REGION V															
Kentucky	310.3	(*)	4 in 3 quarters of preceding year to each of whom \$50 payable in each such quarter; or 8.	(*)	1	(*)	Weighted, annual earnings.	(*)	\$5	(*)	\$16	(*)	U	(*)	U20
Michigan	1,571.7	(*)	8	(*)	1	1/20	1/20; dependents' benefits.	(*)	\$4.819	\$20	\$20 to \$28 ¹	(*)	10 1/4	(*)	20
Ohio	2,015.2	(*)	3 at any time	(*)	2	(*)	1/22 to 1/25 ¹	(*)	\$5	\$16	\$21	U	(1)	U18	" 22
REGION VI															
Illinois	2,175.6	(*)	6	(*)	1	(*)	1/20	\$7	\$10	(*)	\$20	(*)	* table	20	26
Indiana	857.8	(*)	8	(*)	1	(*)	1/22	(*)	\$5	\$18	\$20	(*)	1/4	18	20
Wisconsin	664.6	(*)	6 in 18 weeks or annual pay roll of \$6,000; also \$10,000 quarterly pay roll.	(*)	11 2	(*)	Weighted, average weekly earnings. ⁴	\$2	\$6, but paid at \$8.	(*)	\$20	(*)	1/2	20-36	23
REGION VII															
Alabama	415.2	(*)	8	" 1	1	(*)	1/20	\$2	\$4	(*)	\$20	(*)	1/2	(*)	20
Florida	335.1	(*)	8 or \$5,000 quarterly pay roll.	(*)	1	(*)	1/20-1/25 ⁶	0*	\$5	(*)	\$15	(*)	1/4	(*)	16
Georgia	496.6	(*)	8	(*)	2	(*)	1/18-1/20 ⁶	(*)	\$4	(*)	\$18	(*)	D	(*)	U16
Mississippi	158.5	(*)	8	(*)	2	(*)	1/20	(*)	\$3	(*)	\$15	(*)	D	(*)	U14
South Carolina	255.8	(*)	8	(*)	1	(*)	1/20	(*)	\$4	\$15	\$20	(*)	D	(*)	U16
Tennessee	484.2	(*)	8	(*)	1	(1)	1/20	(*)	\$5	(*)	\$15	(*)	U	(*)	U16
REGION VIII															
Iowa	294.7	(*)	8 in 15 weeks	(*)	2	50 percent ¹³ or 1/20	1/25	\$5 ¹⁴	\$5	\$15	\$18	1/6	1/4	15	18
Minnesota	458.7	(*)	1 ¹⁵	(*)	2	(*)	Weighted, annual earnings.	(*)	\$7	(*)	\$20	(*)	* table	16	20
Nebraska	141.4	8	8 or \$10,000 quarterly pay roll.	(*)	2	(*)	1/25	(*)	\$5	\$15	\$18	(*)	1/4	16	18
North Dakota	29.4	(*)	8	" 2	1	1/20	1/25	(*)	\$5	\$15	\$20	(*)	U	U16	U20
South Dakota	87.1	(*)	8	(*)	1	(*)	Weighted, annual earnings.	\$7	\$6	(*)	\$15	(*)	* table	16	20
REGION IX															
Arkansas	181.6	(*)	1 in 10 days	(*)	1	(*)	1/20	(*)	\$3	(*)	\$15	(*)	1/4	(*)	16
Kansas	259.0	8	8 or \$25 in 1 week	(*)	1	(*)	1/25	(*)	\$5	\$15	\$16	(*)	1/4	16	20
Missouri	715.4	(*)	8	(*)	11 1	(*)	1/25	(*)	\$3	(*)	\$18	(*)	1/4	(*)	16
Oklahoma	258.7	(*)	8	(*)	1	(*)	1/20	(*)	\$6	\$16	\$18	(*)	1/4	16	20

Footnotes at end of table

EXHIBIT VII.—Selected provisions of State unemployment compensation laws as of Dec. 31, 1944, and June 30, 1945¹—Continued

Social Security Board region and State	Monthly average (1944) of covered employment ² (thousands)	Size-of-firm coverage ³		Initial waiting-period weeks		Weekly benefit amount						Duration			
		From	To	From	To	Fraction of highest quarterly earnings or type of schedule		Minimum		Maximum		Fraction of base-period earnings ⁴		Maximum (weeks)	
						From	To	From	To	From	To	From	To	From	To
REGION I															
Louisiana.....	388.5	(*)	4.....	(*)	1	50 percent ¹³ or ½.	½.	(*)	\$3.....	(*)	\$18.....	(*)	¼	(*)	20
New Mexico..	55.8	(*)	2 in 13 weeks or \$450 in 1 quarter.	(*)	1	(*)	½.	(*)	\$5.....	(*)	\$15.....	(*)	½	(*)	16
Texas.....	1,008.9	(*)	8.....	(*)	12 1	(*)	½.	(*)	\$5.....	\$15	\$18.....	(*)	½	16	18
REGION II															
Colorado.....	154.9	(*)	8.....	(*)	2	(*)	½ or 50 percent ¹³	(*)	\$5.....	(*)	\$15.....	(*)	½	(*)	16
Idaho.....	67.9	(*)	1 at any time and \$78 in 1 quarter.	(*)	2	(*)	½ to ½ ⁶	(*)	\$5.....	(*)	\$18.....	(*)	¼	(*)	17
Montana.....	72.1	(*)	1 or in excess of \$500 in 1 year.	12 2	2	(*)	½.	(*)	\$5.....	(*)	\$15.....	(*)	U	(*)	U 16
Utah.....	99.1	(*)	1 at any time or \$140 payable in 1 quarter.	(*)	1	½.	½ ¹⁶	\$5	\$7 ¹⁶	\$20	\$25 ¹⁶	U	(16)	U 20	(19)
Wyoming.....	39.7	1 and \$150 in quarter.	1 and \$150 in 1 quarter or \$500 in 1 year.	(*)	2	(*)	½.	(*)	\$7.....	(*)	\$20.....	(*)	¼	16	20
REGION III															
Arizona.....	88.3	(1)	3.....	(*)	1	(*)	½ ¹³	(*)	\$5.....	(*)	\$15.....	(*)	¼	(*)	14
California.....	2,191.9	4.....	1 at any time and \$100 in same quarter.	(*)	2	(*)	½.	(*)	\$10.....	(*)	\$20.....	(*)	table ⁴	(*)	23.4
Nevada.....	32.1	(1)	1 at any time and \$225 in 1 quarter.	2	1	½	½; dependents' benefits.	\$5	\$8-\$14 ⁴	\$15	\$18-24 ⁴	(1)	½	18	20
Oregon.....	311.2	(1)	4 on 1 day and \$500 in same quarter.	2	1	6 percent	Weighted, annual earnings.	(1)	\$10.....	\$15	\$18.....	table ⁴	16	20	
Washington.....	569.7	(1)	1 at any time.		1	½	do.	\$7	\$10	\$15	\$25	table ⁴	16	26	
TERRITORIES															
Alaska.....	21.0	8.....	do.	(1)	2	(1)	½.	(1)	\$5.....	(1)	\$16.....	(1)	½	16	16
Hawaii.....	77.1	(1)	do.	(1)	1	(1)	½.	(1)	\$5.....	(1)	\$20.....	(1)	U	(1)	U 20

U = Uniform for all eligible workers; otherwise variable.

¹ 1945 provisions (i. e., those in "To" columns) include amendments enacted and reported to the Bureau of Employment Security through June 30 1945. In general, amendments will become effective during 1945.

² Represents average number of workers in covered employment in last pay period of each type (weekly, semimonthly, etc.) ending within the month. Data are preliminary.

³ Employment of specified minimum number of workers required in at least 20 weeks of a calendar year except where otherwise stated.

⁴ In variable-duration States, maximum annual benefits are limited to a specified fraction of base-period earnings or to a specified multiple of weekly benefit amount, whichever is less. Except in the following States, the base period is 4 quarters or a calendar year: Arizona, 2-year base period may be extended to include as many as 4 additional quarters; Missouri, 2 years; Oregon, base period may be extended by up to 4 calendar quarters, if individual incapable of working during greater part of working time in any calendar quarter; Wisconsin, duration is ratio of 1 week of benefits for 2 weeks of employment in past 52 weeks, the maximum depending upon continuity of unemployment and number of previous employers (but not exceeding 23 weeks based on employment with same employer).

⁵ States provide for dependents' allowances: Connecticut maximum, primary benefit is \$22; weekly benefits may be increased \$2 for each dependent up to 3. District of Columbia, weekly benefits may be increased \$1 for each dependent of specified types up to 3; same maximum (\$20) with or without dependents. Michigan, basic benefit plus \$2 per child dependent up to the lesser of \$28 and average weekly wage in high quarter; maximum basic benefit is \$20. Nevada, dependents' allowances of \$3 for 1 or 2 dependents; \$6 for 3 or more; dependents' allowances will not increase maximum annual benefits and hence will decrease weeks of benefits for claimants with dependents. For example, maximum duration is 15 weeks for claimant receiving \$24 maximum weekly payment.

⁶ 1944, Maine and South Dakota, duration for claimants in lowest annual-wage classes (\$318.56 and under in Maine and \$460.99 and under in South Dakota) is determined according to a table in the State law and ranges from 9.6 to 14.4 weeks in Maine and from 6.8 to 14.8 weeks in South Dakota. For all other claimants, duration is 16 weeks.

⁷ Fractions are approximate. Weekly benefit amount based upon weighted table of high-quarter earnings contained in State law.

⁸ Duration is determined according to a table of base-period earnings, contained in the State law.

⁹ Weekly benefit amount is average weekly wage in high quarter if less than \$10. With minimum high-quarter wages necessary to qualify, weekly benefit amount would be \$4.81. Amendments effective Apr. 1, 1945, add dependents' benefits up to the average weekly wage—hence, did not affect the claimant at the minimum.

¹⁰ But \$200 or 30 percent of base-period wages, whichever is less, if base-period wages are under \$800.

¹¹ Duration based on calendar weeks of covered employment in base period: 18 weeks' duration for claimants with 20 weeks of covered employment; 19 weeks' duration for 21 to 24 weeks of covered employment; 22 weeks' duration for over 24 weeks of covered employment.

¹² Additional waiting period required after reemployment.

¹³ 1944: 50 percent of full-time weekly wage or specified fraction of high-quarter earnings in Arizona, Colorado (weekly wage fraction is the alternative), Iowa, and Louisiana. 1945: weekly wage alternative removed in Iowa and Louisiana.

¹⁴ 1944: No effective minimum—lesser of \$5 or full-time weekly wage.

¹⁵ Or 8 outside cities of population of 10,000 or more.

¹⁶ Basic limits of \$5 minimum and \$20 maximum weekly benefit amount applicable in 1945, but effective July 1, 1945, Utah law provides for adjustment according to Bureau of Labor Statistics cost-of-living index; 1945 duration and benefit limits shown are those now applicable. Greatest possible duration is 19 weeks under the upward adjustment, 28.3 weeks under the downward adjustment; when no adjustment applies, 23 weeks uniform. Total benefits payable during benefit year computed as 23 times normal weekly benefit amount; hence, under cost-of-living adjustments, duration in weeks varies inversely with weekly benefit amount. Thus a claimant eligible for the maximum weekly benefit amount and duration (\$20 for 23 weeks) would receive, under the upward adjustment and at present time, \$25 for 18.4 weeks and, under the downward adjustment, \$17 for 27 weeks. Upward adjustment of 120 percent of regular rate computed to next higher multiple of \$1 (i. e., a maximum of \$25) goes into effect when index is 125 or more and remains in effect until index reaches 120 or below; downward adjustment of 80 percent of regular rate computed to next higher multiple of \$1 (but not to be reduced below \$13) goes into effect when index is 98.5 or below and remains in effect until index reaches 100 or more.

Despite this increase in the cost of living—

10 States with original benefit rates of \$15 showed no increase between 1938 and 1945.

3 States with original benefit rates of \$15 showed an increase of \$1 between 1938 and 1945.

10 States with original benefit rates of \$15 showed an increase of \$3 between 1938 and 1945.

15 States with original benefit rates of \$15 showed an increase of \$5 between 1938 and 1945.

1 State with original benefit rates of \$16 showed an increase of \$2 between 1938 and 1945.

The resistance of State legislatures to increases in State maximum weekly benefits is indicated by State opposition witnesses on pages 329, 352, and 357 of the unrevised printed record of hearings on S. 1274. Tennessee and Montana are particularly good examples of such resistance. There has been no increase in these States since benefits were first paid.

(d) \$25 maximum not conducive to idleness

A maximum of \$25 per week is not conducive to idleness. The conclusion that such maximum is conducive to idleness is based upon the incorrect application of data presented at the hearings. As a matter of fact, this false conclusion can be applied to existing weekly benefit rates.

Mr. Rector, of Wisconsin, estimated that over 90 percent of all unemployment compensation claims in Wisconsin would be entitled to the maximum duration and the full weekly benefit amount, which is \$20 for 23 weeks, and that he and Mr. Williams stated that the average for the country would be around 80 percent.⁶

A glance at exhibit VIII shows that in 1944 only 8.5 percent of actual payments in Wisconsin were made at the maximum benefit in that year. For all States from which data are available 58.5 percent of all payments for total unemployment were compensated at the maximum provided by law in 1944. Of course, if the maximum is raised to \$25, this figure may be relatively smaller.

EXHIBIT VIII.—Percent of weeks of total unemployment compensated at statutory maximum and minimum benefit amount, percentage distribution by amount of payment, and average weekly benefit for total unemployment, by State, 1944

State	Weeks of total unemployment compensated								Average weekly benefit for total unemployment
	Total number	Percent at—		Percentage distribution by benefit amount ¹					
		Maximum amount	Minimum amount	Less than \$5	\$5 to \$9.99	\$10 to \$14.99	\$15 to \$17.99	\$18 or more	
Total.....	3,723,557	58.5	4.4	0.4	8.2	18.3	18.1	55.0	\$15.90
Alabama.....	48,835	41.3	.6	4.0	24.2	30.5	41.3	-----	11.64
Alaska.....	2,068	72.1	2.6	-----	8.9	14.3	76.8	-----	14.21
Arizona.....	7,222	84.9	.6	-----	3.6	11.5	84.9	-----	14.43
Arkansas.....	17,932	44.2	4.2	8.3	25.6	21.9	44.2	-----	11.15
California.....	486,464	67.6	3.2	-----	-----	12.9	11.0	76.1	18.22
Colorado.....	9,834	73.5	1.4	-----	10.3	16.2	73.5	-----	13.36
Connecticut.....	70,621	52.8	.7	-----	4.4	13.5	12.1	70.0	18.87
Delaware.....	3,996	55.8	.7	-----	18.4	15.6	10.2	55.8	14.76

¹ Based on payments for full weekly benefit rate only; excludes residual payments and payments reduced because of receipt of benefits under other programs.

² Based on data for 48 States.

³ Pp. 290, 325, 336 of the unrevised printed record of hearings on S. 1274.

EXHIBIT VIII.—Percent of weeks of total unemployment compensated at statutory maximum and minimum benefit amount, percentage distribution by amount of payment, and average weekly benefit for total unemployment, by State, 1944—Con.

State	Weeks of total unemployment compensated								Average weekly benefit for total unemployment
	Total number	Percent at 1—		Percentage distribution by benefit amount 1					
		Maximum amount	Minimum amount	Less than \$5	\$5 to \$9.99	\$10 to \$14.99	\$15 to \$17.99	\$18 or more	
District of Columbia.....	30,377	61.5	0.9	-----	4.7	13.3	11.6	70.4	\$17.78
Florida.....	44,704	52.6	.7	-----	13.3	34.1	52.6	-----	12.96
Georgia.....	32,488	21.1	8.0	8.0	42.7	19.1	9.1	21.1	10.54
Hawaii.....	308	93.5	0	-----	1.6	2.0	0	96.4	19.57
Idaho.....	4,445	24.7	.5	-----	32.5	26.3	16.5	24.7	12.38
Illinois.....	360,703	46.9	.8	-----	3.9	12.8	9.6	73.7	17.55
Indiana.....	100,746	66.4	.2	-----	5.2	14.4	14.0	66.4	16.10
Iowa.....	22,551	49.0	(²)	.1	27.1	23.8	49.0	-----	11.59
Kansas.....	34,512	70.6	1.4	-----	10.3	19.1	70.6	-----	13.42
Kentucky.....	62,476	18.9	13.9	-----	43.9	32.0	24.1	-----	10.70
Louisiana.....	37,836	53.5	.3	1.0	15.9	21.1	8.5	53.5	14.46
Maine.....	24,202	15.1	25.8	-----	54.6	21.7	8.6	15.1	10.49
Maryland.....	38,488	65.3	2.7	-----	6.4	13.9	9.0	70.7	17.43
Massachusetts.....	163,460	63.5	.8	-----	3.8	16.7	16.0	63.5	16.21
Michigan.....	321,446	83.6	(³)	-----	.3	7.0	8.2	87.5	19.03
Minnesota.....	34,182	18.2	1.7	-----	13.2	28.3	28.5	30.0	14.28
Mississippi.....	11,475	34.7	2.1	4.0	31.3	30.0	34.7	-----	11.16
Missouri.....	98,363	57.1	(³)	.6	10.3	17.4	14.6	57.1	15.27
Montana.....	7,879	51.7	4.5	-----	23.9	24.4	51.7	-----	12.34
Nebraska.....	7,735	60.2	.9	-----	14.1	25.7	60.2	-----	12.65
Nevada.....	2,292	93.5	0	-----	.7	5.8	93.5	-----	14.75
New Hampshire.....	12,966	5.2	10.9	-----	35.9	38.8	20.1	5.2	11.14
New Jersey.....	227,206	76.6	1.4	-----	3.6	10.7	9.1	76.6	16.41
New Mexico.....	923	40.7	5.8	-----	32.3	27.0	40.7	-----	11.66
New York 4.....	642,486	64.1	9.4	-----	-----	23.4	12.5	64.1	16.17
North Carolina.....	43,048	8.3	1.5	13.1	58.2	20.4	8.3	-----	7.91
North Dakota.....	844	52.5	5.1	-----	24.2	23.3	52.5	-----	12.10
Ohio.....	71,815	65.2	.2	-----	5.4	22.9	71.7	-----	14.44
Oklahoma.....	24,181	78.4	2.1	-----	5.6	12.8	81.6	-----	14.69
Oregon.....	9,445	93.8	1.3	-----	(⁵)	6.2	93.8	-----	14.32
Pennsylvania.....	172,449	51.6	9.3	-----	13.3	21.1	14.0	51.6	15.18
Rhode Island.....	69,277	72.9	.1	-----	5.2	11.5	10.4	72.9	16.44
South Carolina.....	22,312	26.8	4.4	4.4	26.8	42.0	26.8	-----	11.15
South Dakota.....	2,120	17.6	40.3	-----	61.7	20.7	17.6	-----	9.50
Tennessee.....	122,703	38.4	0.3	-----	32.1	29.5	38.4	-----	11.45
Texas 6.....	39,948	53.3	6.0	-----	27.1	19.6	53.3	-----	11.55
Utah.....	10,032	83.4	.4	-----	3.8	5.6	3.5	87.1	18.88
Vermont.....	5,480	38.2	1.7	-----	14.7	47.1	38.2	-----	12.29
Virginia.....	27,842	38.2	3.7	3.7	33.4	24.7	38.2	-----	11.13
Washington.....	14,049	79.6	3.8	-----	8.8	11.6	79.6	-----	13.91
West Virginia.....	37,549	42.3	10.0	-----	20.8	23.2	13.7	42.3	14.42
Wisconsin.....	78,388	8.5	3.0	-----	7.0	50.6	29.5	12.9	14.25
Wyoming.....	165	35.0	.7	-----	8.0	16.3	26.3	50.4	15.13

¹ Based on payments for full weekly benefit rate only; excludes residual payments and payments reduced because of receipt of receipts under other programs.

² Data not available.

³ Percentages based on data which include payments for "less than total" unemployment.

⁴ Less than 0.05 percent.

⁵ State law provides for 2-week benefit period; data adjusted for comparability with other States.

Source: Program Division, Bureau of Employment Security, Social Security Board.

Emphasis has been made of the fact that roughly 80 percent of all covered workers in the United States are in States which now have a maximum benefit of \$20 or more. This has been incorrectly interpreted to mean that 80 percent of all covered workers would be entitled to \$20 or more per week if they became unemployed.

Such is not the case. Actually, 45 percent of all covered workers are entitled now to the present State maximum weekly benefits, and roughly 35 percent of the covered workers would be entitled to a \$25 benefit if they became unemployed.

Emphasis has been placed on the fact that in many States the maximum benefit amount equals or exceeds 50 percent of the average

weekly wages of covered workers in the respective States and that in most States this would be about 48 percent.⁷ Again, this is the misuse of data. In any such determination, one must consider the individual worker's earnings and not the average for all workers as compared with his benefits. It is quite obvious that for the higher-paid workers the present State maximums are less than 50 percent of weekly wages. The purpose of the \$25 provision is to bring the higher-paid workers up close to the level as for lower-paid workers.

At the hearings it has been stated repeatedly that \$25 per week will more or less equal or exceed take-home pay for many workers. These conclusions are based on the use of average pay in a given State as related to the \$25 maximum. It is a well-known fact that one must consider, not averages, but the individual wages or take-home pay in relation to his benefits.

The examples of take-home pay and benefits cited by opponents lead to false conclusions because of the exemptions allowed the individuals: A good example of this is the following table of take-home pay for Federal Government employees after deduction of withholding taxes and 5 percent for civil-service retirement.

TABLE 3.—Comparison of take-home pay and weekly benefits under minority proposal

Exact yearly salary	Approximate weekly salary	Estimated weekly take-home pay				Weekly benefits based on 50 percent rate up to \$25 maximum	Weekly benefits based on 60 percent rate up to \$25 maximum
		No dependents	1 dependent	2 dependents	3 dependents		
\$1,500.....	28	\$21.91	\$23.81	\$25.76	\$27.02	\$14	\$16.80
\$1,704.....	33	24.68	26.63	28.53	30.48	16	19.80
\$1,902.....	37	27.50	29.40	31.35	33.25	18	22.20
\$2,100.....	40	30.26	32.21	34.11	36.01	20	24.00
\$2,320.....	45	33.43	35.38	37.28	39.23	22	25.00
\$2,650.....	51	38.21	40.16	42.11	44.01	25	25.00

If the 1-percent old-age insurance deduction under the Social Security Act is substituted for the 5-percent deduction, the difference between the weekly benefit and take-home pay would be on the average even greater than shown in the above table. The amount of benefits obtainable are reasonably below the net amount of wages obtainable through employment; \$25 is not conducive to idleness.

Certainly, on the basis of this above table, it cannot be said that the \$25 maximum or the 60-percent provision is conducive to idleness. Any such statement suggests that the smaller the benefits, the more effective the program would be. Such reasoning leads to the conclusion that the elimination of the present State program would be most effective in removing incentives to idleness.

Unemployment is not caused by human frailty but by economic circumstances. Workers who want to idle will not be influenced by the amount of benefits under the minority proposal; they can be disqualified by the appropriate provisions in State laws. The discouragement of idleness is a matter of proper administration of State laws and is not related to the provisions of the minority proposal.

⁷ P. 341 of the unrevised printed record of hearings on S. 1274.

(e) *Effect of more than one wage earner per family*

It is contended by the opposition that in a large number of cases that there are more than one wage earner in the family during the war period and that therefore more than one wage earner within a family would be entitled to a large amount of benefits under this act. As a matter of fact, the same contention applies now under every State unemployment compensation law, since unemployment compensation laws do not disqualify from benefits a wage earner in a family, if another wage earner in a family is entitled to benefits for the same week. Furthermore, examination of census data on wage earners in relation to size of family shows that there has been no substantial increase in the average number of wage earners per family.

Unemployment compensation laws are designed to pay benefits to eligible workers irrespective of their family status, provided they meet all of the eligibility requirements under the various statutes. It is undesirable to take into account the fact that there are more than one wage earner in a given family.

(f) *Refutation of capricious legal questions raised by opposition witnesses*

It is the belief of the minority that witnesses opposed to the bill made statements on legal questions which are open to serious doubt.

Mr. Claude A. Williams testified that 40 States have a provision of law under which a supplementary Federal unemployment compensation benefit would have to be deducted from the amount provided under State laws.⁸ He stated that this provision is as follows:

An individual shall be disqualified for benefits if he is receiving or has received remuneration in the form of—

Old-age benefits under title II of the Social Security Act, as amended, or similar payments under any act of Congress, or a State legislature or employer pension plan: Provided, That if such remuneration is less than the benefits which would otherwise be due under this act, he shall be entitled to receive for such benefit. If otherwise eligible, benefits reduced by the amount of such remuneration. [Italics supplied.]

He went on to say:

What this means is this: If you pass a supplementary Federal unemployment compensation benefit, whatever amount you provide for, we would have to deduct from the amount we provide in our State laws.

In other words, if we are going to pay \$18 a week in Texas and you pay \$7, we deduct that \$7 from the \$18 and pay \$11. Then under the terms of the proposed legislation the Federal subsidy would be increased another \$7 a week, and the State benefits decreased \$7 a week, until finally the Federal Government would be paying the full amount and, under the laws in 40 States, the State would be paying nothing. The Federal Government would be paying the full amount of \$25 a week, and the States paying nothing.

We contend that this citation of law is incorrect. We further contend that Federal supplemental benefits would not be deducted from State benefits under State laws. This contention is supported by the advisory opinion of the general counsel of the Social Security Board which has been submitted to this committee. (See exhibit IX herewith.)

⁸ P. 334 of the unrevised printed record of hearings on S. 1274.

EXHIBIT IX

SEPTEMBER 4, 1945.

HON. WALTER F. GEORGE,
United States Senate, Washington 25, D. C.

DEAR SENATOR GEORGE: In accordance with your request, I am enclosing an opinion of our general counsel with respect to a provision in State unemployment compensation laws disqualifying an individual from receipt of State benefits if benefits are being received under "another State or Federal unemployment compensation law."

All but four States (Tennessee, Texas, Washington, and Wisconsin) have such a provision in their State laws. However, as this opinion points out, these provisions were designed to prevent payment of duplicate benefits as between State laws or as between a State law and a Federal law such as the Railroad Unemployment Insurance Act. As you know, the benefits under S. 1274 are supplementary benefits.

If there is any further information that you desire, do not hesitate to call on me.

Sincerely yours,

ARTHUR J. ALTMAYER, *Chairman.*

SEPTEMBER 4, 1945.

Mr. ARTHUR J. ALTMAYER,
Chairman, Social Security Board, Office of the General Counsel.

Authority of States which disqualify claimants for any week in which they are seeking or receiving unemployment compensation under a Federal unemployment-compensation law to enter into an agreement under S. 1274.

This is in reply to your request for an opinion as to the authority of States to enter into an agreement pursuant to S. 1274 without the necessity of calling a special session of the State legislature.

The legal basis for a State agency's entering into an agreement with the Director of War Mobilization and Reconversion under the present provisions of S. 1274, would be its authority to enter into cooperative arrangements. For example, section 17-A of the Texas unemployment-compensation law provides:

"(b) The Commission is also authorized to enter into arrangements with the appropriate agencies of other States or the Federal Government whereby potential rights to benefits accumulated under the unemployment-compensation laws of one or more States or under one or more such laws of the Federal Government, or both, may constitute the basis for the payment of benefits through a single appropriate agency under terms which the Commission finds will be fair and reasonable as to all affected interests and will not result in any substantial loss to the fund.

"(c) The Commission is authorized to make to other State or Federal agencies and to receive from such other State or Federal agencies, reimbursements from or to the fund, in accordance with arrangements entered into pursuant to subsection (b) of this section. Reimbursements paid from the fund pursuant to this subsection shall be deemed to be benefits for the purposes of this act."

State agencies pursuant to the above authority to enter into cooperative arrangements now make combined benefit payments, based upon potential rights under two or more State unemployment-compensation laws, without disqualification. This is so even though the laws under which such State agencies operate also disqualify a claimant "for any week with respect to which or a part of which he has received or is seeking unemployment benefits under an unemployment-compensation law of another State or of the United States * * *."

If this disqualification is construed together with the provision for cooperative arrangements, its intent appears to be to prevent duplication of benefits for the same period through separate claims under two or more laws but not to preclude combined payments which increase the benefit amount in accordance with authorized administrative agreements.

Only by this interpretation can the disqualification provision and the statutory authority to make combined payments based upon potential rights under two or more laws be harmonized and both given effect.

The benefits provided under S. 1274 are not payable under a system designed to operate independently of the State system. Under the bill, in those States which enter into an agreement, the individual who is qualified to receive benefits under the State law may not file a claim for benefits under the Federal law. He must claim and be entitled to the State weekly benefit amount which may then be augmented by any benefit rights he has under the Federal law. The Federal

legislation is intended only to assure that the combined payment which an individual receives will be adequate.

The Texas unemployment compensation law does not contain the disqualification quoted above. The provision cited by Mr. Claude Williams in his testimony before the Senate Finance Committee as requiring deductions from a claimant's State benefit of any Federal supplemental payment under S. 1274 disqualifies for the receipt of—

“(3) Old-age benefits under title II of the Social Security Act, as amended, or similar payments under any act of Congress, or a State legislature, or employer pension plan: *Provided*, That if such remuneration is less than the benefits which would otherwise be due under this act, he shall be entitled to receive for such benefit period, if otherwise eligible, benefits reduced by the amount of such remuneration” (sec. 5 (e), Texas Unemployment Compensation Act).

Payments under S. 1274 which are payable to individuals “with respect to their unemployment,” would not seem to be similar to old-age benefits under title II of the Social Security Act. Even if payments under S. 1274 were assumed to be similar to old-age benefits under title II, however, the legal analysis set forth above would be equally applicable in construing this disqualification in harmony with the provision of the State law for cooperative arrangements. The attorney general of Texas in an opinion cited by Mr. Williams held that “Federal war displacement benefits” under legislation proposed in 1942 would be deductible from benefits under the Texas unemployment compensation law. Whether that opinion would apply to benefits under S. 1274 cannot be determined with certainty from the opinion. A later opinion by the Texas attorney general, dated May 27, 1944, held that the Texas Unemployment Compensation Commission has the authority to enter into a reciprocal agreement with other State unemployment compensation agencies whereby one State may pay “benefits accruing in one or more other States through a centrally constituted agency.”

While the authorities of each State will of course determine the effect of their own laws, the legal basis for cooperation with the Federal Government and making combined payments under S. 1274 would appear to be the same as the legal basis for cooperation with other States agencies and making combined payments of benefits accrued under two or more State laws.

EARLE V. SIMRELL,
Assistant General Counsel.

Forty States provide in their unemployment compensation laws that, in substance, an individual is disqualified from benefits for any week with respect to which he is receiving or has received certain types of remuneration. In 31 of these 40 laws, if such remuneration is less than the weekly benefit amount otherwise due, the individual is entitled to the difference. The following indicates the specific types of remuneration mentioned in the 31 laws:

	<i>Laws</i>
(1) Wages in lieu of notice.....	20
(2) Federal or State workmen's compensation for temporary disability.....	20
(3) Federal old-age insurance payments.....	23
(4) Payment for loss of wages under employee pension law.....	2
(5) Payments under employer pension law.....	8
(6) Payment for loss of wages.....	1
(7) Vacation allowances.....	3
(8) Amounts earned in self-employment.....	1

A supplementary Federal unemployment benefit paid out by the State under State conditions is not a payment similar to the types of remuneration specified above. The term “similar payments under any Act of Congress,” in these provisions refers to payments similar to the types of remuneration specified in the above provisions. The types of payments specified in the statutes are payments made by agencies or persons other than the particular State unemployment compensation agency under conditions other than those specified in the particular State unemployment compensation law. Furthermore,

the specified types of remuneration are not made for loss of wages on account of extended industrial unemployment, but are made for different purposes such as old age, sickness, and the like. Finally, an analysis of State decisions as published in the unemployment compensation interpretation service Benefit Series of the Social Security Board shows clearly that "similar payments" as interpreted by the States themselves refers to such items as pensions of retired Army officers, retainer pay to members of United States Naval Reserve, Spanish-American War pensions, and the like.

On the basis of Mr. Williams' statement that 40 States could not enter into an agreement without disqualifying the claimant and that special sessions of the legislature would be necessary, the committee sent the following telegram to the Governors of 48 States:

1. Can your State enter into such agreement with Federal Government without resulting in the State payment being partially or totally reduced by the amount of the supplementary Federal payment?

2. If your State does not enter into such agreement, would Federal supplementary payments result in reduction of the State amount?

3. In brief, will your State under existing law be required to credit any payments made by Federal Government against the unemployment compensation benefits paid under your State law?

The answers to the first two questions are shown in the attached table 4. The first column shows the answer to the first question, and the second column shows the answer to the second question. The third and fourth columns show the variation of the particular State law from the language on the provisions in the Alabama law. (See Exhibit XI.)

This table may be summarized as follows:

TABLE 4

	Authority to make agreement without disqualification			Application of disqualification without agreement		
	Yes	No	Doubtful or no answer	Yes	No	Doubtful or no answer
Number of States with provision practically identical with Alabama law (Alabama included in figures)	17	17	2	22	7	3
Number of States with different provision but substantially similar to Alabama law	3	2	3	8	1	-----
Number of States with no provision similar to Alabama law	-----	-----	1	-----	4	-----
Total, all States replying to telegram	20	19	6	30	12	3

On the basis of these replies the majority of the Senate Finance Committee believe that Federal supplementation of the State weekly benefit amounts is "unworkable." We contend it is "workable."

TABLE 5.—*Tabular analysis of telegraphic answers to committee telegram*

State	Authority to make agreement without disqualification	Application of disqualification without agreement	Comparison with standard provision in Alabama on—	
			Agreement	Disqualification
Alabama	No	Yes		Same.
Alaska	No telegram	No telegram	Same	Slight difference.
Arizona	Yes	Yes	do	Same. ¹
Arkansas	No answer	do	do	Do. ¹
California	Yes	No	do	Do.
Colorado	No	Yes	do	Do.
Connecticut	Yes	do	do	Slight difference.
Delaware	No	do	do	Same. ¹
District of Columbia	No telegram	No telegram	do	No provision.
Florida	Doubtful	Doubtful	do	Same. ¹
Georgia	No answer	Yes	No provision	Slight difference.
Hawaii	No telegram sent	No telegram sent	Same ¹	Same. ¹
Idaho	No answer	Yes	Slight difference	Do.
Illinois	Yes	No	Same	Do. ¹
Indiana	No reply	No reply	Slight difference	Do.
Iowa	do	do	Same	Do.
Kansas	No	Yes	do	Do. ¹
Kentucky	do	do	Slight difference	Do.
Louisiana	Yes	No	Same	Do. ¹
Maine	No	Yes	do	Slight difference.
Maryland	do	do	do	Same. ¹
Massachusetts	do	do	do	Do.
Michigan	Yes	No	do	Do. ¹
Minnesota	No	Yes	do	Slight difference.
Mississippi	do	do	do	Same. ¹
Missouri	Yes	Doubtful	Slight difference	Do. ¹
Montana	Doubtful	Yes	do	Slight difference.
Nebraska	Yes	do	Same	Same. ¹
Nevada	No	do	do	Do. ¹
New Hampshire	Yes	No	do	Slight difference.
New Jersey	do	do	do	Same. ¹
New Mexico	No	do	do	Do. ¹
New York	Yes	No	do	Do. ¹
North Carolina	do	Yes	do	Slight difference.
North Dakota	do	Doubtful	do	Same.
Ohio	Doubtful	Yes	Slight difference	Do. ¹
Oklahoma	Yes	No	Same	Do. ¹
Oregon	do	Yes	do	Slight difference.
Pennsylvania	No	do	do	Same.
Rhode Island	do	do	do	Slight difference.
South Carolina	Yes	do	do	Same. ¹
South Dakota	No reply	No reply	do	Do.
Tennessee	Yes	No	do	No provision.
Texas	do	do	do	Do.
Utah	No	Yes	do	Same.
Vermont	do	do	do	Do.
Virginia	do	do	do	Do.
Washington	Yes	No	Slight difference	No provision.
West Virginia	No	Yes	Same	Slight difference.
Wisconsin	Yes	No	Slight difference	No provision.
Wyoming	No	Yes	Same	Same. ¹

¹ The language is the same as for Alabama except that the disqualification does not apply to weeks for which the claimant is seeing waiting-period credit. No benefits are payable under State laws for waiting periods.

EXHIBIT X.—*List of States testifying on or submitting reports on S. 1274*

State	Presented by—	Position on bill
Alabama		
Arizona		
Arkansas		
California		
Colorado	Governor	Opposed.
Connecticut	Lieutenant Governor and unemployment-compensation director.	Approved weeks. ¹ except \$25, 26
Delaware	Governor	Opposed.
Florida	Unemployment-compensation director	Do.
Georgia	do	Do.
Idaho		
Illinois		
Indiana		

¹ Lieutenant Governor approved entire bill; unemployment-compensation director, approved except \$25, 26 weeks.

EXHIBIT X.—List of States testifying on or submitting reports on S.1274—Con.

State	Presented by—	Position on bill
Iowa	Unemployment-compensation director	Opposed.
Kansas	do.	Do.
Kentucky	Governor	Do.
Louisiana		
Maine		
Maryland	Unemployment-compensation director	Do.
Massachusetts	Governor	Approved.
Michigan		
Minnesota		
Mississippi	Governor	Do.
Missouri		
Montana	Unemployment-compensation director	Opposed.
Nebraska		
Nevada		
New Hampshire		
New Jersey	Governor	Do.
New Mexico		
New York		
North Carolina	Governor	Do.
North Dakota		
Ohio		
Oklahoma	Governor	Approved.
Oregon		
Pennsylvania	Governor	Opposed.
Rhode Island	do.	Approved.
South Carolina		
South Dakota		
Tennessee	Unemployment-compensation director	Opposed.
Texas	do.	Do.
Utah		
Vermont		
Virginia	Governor	Do.
Washington	Unemployment-compensation director	Approved, except details.
West Virginia		
Wisconsin	Unemployment-compensation director	Opposed.
Wyoming	do.	Opposed except transport.
District of Columbia		

The issue now before the Senate is: In the 51 jurisdictions that have enacted unemployment-compensation laws, do these 51 statutes contemplate such cooperation with the Federal Government that supplementing the amount of the weekly payment now paid under the laws of the 51 jurisdictions, and extending the period of time for the payment of benefits, that the beneficiary will not suffer from the enactment of the bill as proposed herein?

The general principle of reciprocal dealing and cooperative effort in the administration of the unemployment compensation laws of all the jurisdictions in the United States, with each other and each with the Federal jurisdiction is the inescapable induction from reading of the statutes referred to. Our proposals conform to this general purpose and have the approval of the general counsel of the Federal Social Security Board.

As a matter of fact, 47 State unemployment-compensation laws have a disqualification provision specifically covering the receipt of unemployment-compensation benefits under another State or Federal unemployment compensation law. Texas, Tennessee, Wisconsin and Washington do not have any such disqualification provision.

In 37⁹ of the States with this disqualification provision, an individual is denied benefits under the State unemployment compensation law for any week with respect to which benefits are received or sought under another State or Federal unemployment compensation law; but the disqualification will not apply if such other State or Federal

⁹ In some of these States, the disqualification does not apply to waiting-period claims.

agency finally determines he is not entitled to such other benefits. The other 10 State laws have slightly different language—but would produce substantially the same disqualification in most cases.

This type of provision is also not applicable to the supplementary Federal benefits under our proposal. Reference in this type of provision is made to benefits under a Federal unemployment compensation law. The type of unemployment benefits in mind, under this type of provision, is a benefit on the basis of a separate claim which is paid or to be paid under certain eligibility and disqualifying conditions under a Federal unemployment compensation law. This type of provision is intended to prevent duplicate payments on two or more separate claims for the same type of industrial unemployment under two or more different laws,¹⁰ whereas the supplementary benefits are to be paid out by the State on a single claim under that State's terms of eligibility and disqualification for benefit and under its terms for determining the weekly amount of benefits. It is not a duplicate payment for the same type of industrial unemployment, but a supplementary payment.

Mr. Williams stated that the enactment of this legislation would require special sessions of the State legislatures because none of the States have the authority to administer these supplemental benefits.¹¹ This assertion is contradicted by several other State witnesses who appeared in opposition to the bill,¹² such contradiction appears to be valid even for the State of Texas. The Texas State attorney general has reversed Mr. Williams and has indicated that Texas can enter into these agreements without disqualifying claimants.

Despite identical provisions of law, some States in reply to telegrams from this committee indicate they can make arrangements to administer the benefits under our proposal and others indicate they cannot do so. With some slight variations in language for a few States, 50 State unemployment compensation laws have provisions which authorize the administrative agency to enter into reciprocal arrangements with the appropriate agencies of other States and of the Federal Government, under terms it finds fair and reasonable and not resulting in substantial loss to the fund, whereby potential benefit rights accumulated under the law of any State or of the Federal Government may constitute the basis for benefit payment through a single agency. Fifty-one States, including the State of Georgia, which does not have this provision, have entered into reciprocal arrangements under which one State can act as an agent for another State whereby the agent State will take claims, make necessary investigations and reports and the like for another State in the case of claimants of such other State who file claims in the agent State. Furthermore, every one of the 51 State jurisdictions have signed agreements with the Veterans' Administration to take claims and administer the provisions of the readjustment allowance title of the present GI bill of rights. These arrangements have been made without special sessions of State legislatures.

It can be inferred that the reference in this provision to a Federal unemployment compensation law means only a Federal unemploy-

¹⁰ E. g., on this provision, most States followed the draft model bills on unemployment compensation submitted to the States by the Social Security Board in 1936 and 1937 as guides to the States in drafting unemployment compensation bills.

¹¹ See p. 334 of the unrevised printed record of hearings on S. 1274.

¹² Pp. 356 and 372, of the unrevised printed record of hearings on S. 1274.

ment compensation law which prescribes eligibility and disqualification conditions, and the like, for payment of the benefits based on such rights. Such interpretation, however, has little validity when the reciprocal arrangement provision is read together with the disqualification provision above under disqualification of claimants. While our proposal does not specify such conditions for the payment of benefits, it does create potential benefit rights to unemployment benefits under a law of the Federal Government. Under the agreement these supplementary benefits are to be paid out along with the State benefits by the State as a single State agency. In other words, the potential benefit rights accumulated under our proposal may constitute the basis for benefit payments through a single agency without disqualifying the claimant.

In this connection it should be noted that 46 States have provisions authorizing the State agency to enter reciprocal arrangements with other States or Federal agencies whereby wage or service credits acquired by an individual under several laws may be pooled for benefit payments under one of these laws with provision for reimbursement to it from the fund established under such law; 38 States have already entered into reciprocal arrangements with one another providing for the pooling of wage service credits of an individual who has such credits under two or more laws and is not entitled to benefits under any of such laws. Under some of these arrangements it is possible for an individual to get more than the benefits specified in the law of the agent State.

EXHIBIT XI. STATE DISQUALIFICATION PROVISIONS FOR RECEIPT OF FEDERAL BENEFITS

The disqualification provision in Alabama reads as follows:

"SEC. 6 B. An individual shall be disqualified for benefits for total or partial unemployment—

"(g) For any week with respect to which, or a part of which, he has received or is seeking unemployment benefits under this chapter of any other State or of the United States: *Provided*, That if the appropriate agency of such other State or of the United States finally determines that he is not entitled to such unemployment benefits this disqualification shall not apply." (General Laws of Alabama (regular session, 1935), Act No. 447, effective September 14, 1935, as amended by Laws, 1939, Act 497; as amended by Laws, 1943, ch. 310.)

Alaska, Georgia, and New Hampshire merely omit the proviso in the Alabama law which has no significance for the purposes of this statement. Alaska differs from Alabama:

"SEC. 5. An individual shall be disqualified for benefits:

"(e) For any week with respect to which or part of which he has received or is seeking unemployment benefits under an unemployment-compensation law of another State or of the United States." (Extraordinary Session Laws of Alaska, 1937, ch. 4, approved and effective April 2, 1937, as amended.)

Georgia: Section 5 (f), Laws of 1937, Governor's No. 335, approved and effective March 29, 1937, as amended.

New Hampshire: Section 4 (F): "An individual shall be disqualified for benefits:

"(F) For any week or a part of a week with respect to which he is seeking to receive or has received payments in the form of unemployment compensation under an unemployment-compensation law of any other State or under a similar law of the Federal Government." (Ch. 99, Public Laws of 1935, approved May 29, 1935, and became Public Laws, ch. 179-A, as amended.)

Arizona: Same as Alabama except that the words "for total or partial unemployment" were omitted, the word "ineligibility" is substituted for the word "disqualification," "another" for "any other." (Sec. 56-1005 (f), Special Session Laws of 1936 (first special session), ch. 13, approved by the Governor on December 2, 1936, effective February 23, 1937, as amended.)

Arkansas: Same as Alabama, except that the words "for total or partial unemployment" are omitted, the word "ineligibility" is substituted for the word "disqualification," "another" for "any other." (Sec. 5 (f), General Acts of 1937, Act No. 155, approved and effective February 26, as amended.)

California: Same as Alabama, except that the words "for total or partial unemployment" are omitted, the words "the provisions of this section shall not apply" are substituted for the words "this disqualification shall not apply." (Sec. 57.5, Session Laws of the State of California, regular session, 1935, ch. 352, approved June 25, effective August 14, 1935, as amended.)

Colorado: Same as Alabama except that the words "for total or partial unemployment" are omitted. (Sec. 5 (f), Laws of Colorado (extraordinary session) 1936, ch. 2, approved and effective November 20, 1936, as amended.)

Connecticut: Connecticut differs substantially from Alabama:

"SEC. 1339e (b) An individual shall be ineligible for benefits

"(4) during any week with respect to which the individual has received or is about to receive remuneration in the form of

"(A) wages in lieu of notice or dismissal payments or any payment by way of compensation for loss of wages, or any other State or Federal unemployment benefits, or * * *." 1937 Supplement to General Statutes, ch. 280a, secs. 803d-819d, enacted and approved on November 30, 1936, as ch. 2, Public Acts of November, special session, 1936, as amended.

Delaware: Same as Alabama except that the words "for total or partial unemployment" are omitted. (Sec. 5 (c) (1), ch. 258, Laws of 1937, approved and effective April 30, 1937, as amended.)

District of Columbia: Same as Alabama except as noted for Arizona. (Public Law 386, 74th Cong., H. R. 7167, sec. 10 (g), as amended.)

Florida: Same as Alabama, except that the word "another" is substituted for the words "any other." (Sec. 443.07 (5), acts of 1937, ch. 18,402, approved and effective June 9, 1937, as amended.)

Hawaii: Same as Alabama, except that the words "for total or partial unemployment" are omitted, the word "another" is substituted for "any other," and the word "ineligibility" is substituted for the word "disqualification." (Sec. 5 (f), Session Laws of Hawaii 1937, Act 243, approved and effective May 18, 1937, as amended.)

Idaho: Substantially the same as Alabama. The reference to section 11 (f), is to a section on State-Federal cooperation and reciprocal agreements:

"Sec. 43-2409. -A benefit claimant shall be disqualified—

"(f) For any week with respect to which, or a part of which, he has received, or has made a claim for, benefits under an unemployment compensation law of another State or of the United States, except as the board shall by regulations otherwise prescribe pursuant to the provisions of section 43-2804 of this act: *Provided*, That if the appropriate agency of such other State or of the United States shall finally determine that he is not entitled to such unemployment benefits, he shall not, by the provisions of this subsection, be disqualified." (Extraordinary Session Laws of Idaho, 1935, ch. 12, approved August 6, 1936, effective September 1, 1936, as amended.)

Illinois: Same as Alabama, with the exception of the word "ineligibility" being substituted for "disqualified," the omission of the words "for total or partial unemployment," omission of the words "or a part of which," and substitution of word "ineligibility" for "disqualification." Sec. 7 (e). (Laws, 1937, Senate bill 436, approved June 30, 1937, effective July 1, 1937, as amended.)

Indiana: Same as Alabama, except that the word "ineligible" is substituted for "disqualified," omission of the words "for total or partial unemployment," insertion of the words "receives, is receiving," immediately before the words "has received." (Sec. 7 (f) (6), acts of 1936, ch. 4, approved and effective, March 18, 1936, as amended.)

Iowa: Same as Alabama, except for omission of words "for total or partial unemployment," and the word "another" substituted for "any other." (Sec. 1551.11 (F), Code of Iowa 1939, ch. 77.2, Code, 1939, as amended.)

Kansas: Same as Alabama, except for omission of words "for total or partial unemployment." (Sec. 44-706 (f), ch. 44, art. 7, G. S. 1937 Supp., as amended.)

Kentucky: Same as Alabama, except as otherwise provided by an arrangement between Kentucky and such other State of the United States.

"SEC. 341.360. * * * No workers may serve a waiting period or be paid benefits for any period of unemployment with respect to which the Commission finds that"

"(2) He has received or is seeking unemployment compensation under an unemployment-compensation law of another State or of the United States, except as otherwise provided by an arrangement between Kentucky and such other State or the United States; *Provided, however,* That if the appropriate agencies of such State or of the United States finally determine that he is not entitled to such unemployment compensation, this paragraph shall not apply." (Kentucky unemployment-compensation law, ch. 50, Acts of the 1938 regular session, codified as section 4748g-1 to 4748g-22, inclusive, Carroll's Ky. Stats., Baldwin's 1938 Supp., approved and effective March 5, 1938, as amended.)

Louisiana: Same as Alabama, except for substitution of words "not be eligible" for "be disqualified," omission of words "for total or partial unemployment," word "another" substituted for words "any other." (Sec. 4 (e), Act 97 of 1936, approved June 29, 1936, effective November 3, 1936, as amended.) Louisiana's provision permits the acceptance of supplementary Federal benefits without disqualification.

Maine: Same as Alabama, except that the language reads as follows:

"An individual shall be disqualified for benefits:

"(e) For any week with respect to which he is receiving or has received remuneration in the form of paragraph N (4) benefits under the unemployment-compensation law of any State or similar law of the United States. (Sec. 5 (3) (4), Public Laws of 1935 (special session of 1936), ch. 192, approved by governor, December 18, 1936, as amended.)

Maryland: Same as Alabama, except for omission of words "for total or partial unemployment" the word "another" substituted for the words "any other." (Sec. 5 (f), ch. 1, Laws of 1936 (extraordinary session), effective December 16, 1936; as amended.)

Massachusetts: Same as Alabama, except that the words "No benefit shall be payable under this chapter to an individual" replaced "an individual, etc.," and the words "this section" displace "this disqualification." (Sec. 16 (g), acts of 1937, ch. 421, approved May 29, 1937, effective January 1, 1937, as amended.)

Michigan: Same as Alabama, except for omission of words "for total or partial unemployment," the word "another" substituted for "any other." (Sec. 61 (a), public acts 1936 (extra session), House Enrolled No. 1, as amended.)

Minnesota: Substantially similar to Alabama:

"No week shall be counted as a week of unemployment for the purposes of this section:

"(3) With respect to which he is receiving, has received, or has filed a claim for unemployment compensation benefits under any other law of this State, or of any other State, or the Federal Government, including readjustment allowances under title V, Servicemen's Readjustment Act, 1944: *Provided,* That if the appropriate agency of such other State or the Federal Government finally determines that he is not entitled to such benefits, this provision shall not apply." (Sec. 268.08 subdivision 2, Minn. Stat., 1941, as amended by laws of 1943, ch. 650, as amended.)

Mississippi: Same as Alabama, except for omission of words "for total or partial unemployment," and the word "another" substituted for "any other." (Sec. 7379 (f), General Laws of Mississippi (regular session, 1936), ch. 176, approved March 23, 1936, effective April 1, 1936, as amended.)

Missouri: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of word "another" for "any other," and the proviso reads as follows: "*Provided,* That if it be finally determined that he is not entitled to such unemployment benefits, his disqualification shall not apply." (Sec. 10 II (d), Laws of Missouri, 1937, p. 574, approved and effective June 17, 1937, as amended.)

Montana: Differs from Alabama; it reads as follows:

"Sec. 5. An individual shall be disqualified for benefits—or has received payment in the form of

"(4) Benefits under the Railroad Unemployment Act or any State unemployment compensation act or similar laws of any State or of the United States." (Sec. 5 (e) (4), Session Laws of Montana, 1937, ch. 137, approved and effective March 16, 1937, as amended.)

Nebraska: Same as Alabama, except for omission of words "for total or partial unemployment." (Sec. 48-705 (f), ch. 48, art. 7, Nebr. C. S. Supp. 1939, as amended.)

Nevada: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of word "another" for "any other." (Sec. 5 (e), Stat. 1937, ch. 129, approved and effective March 23, 1937, as amended.)

New Jersey: Same as Alabama, except for omission of words "for total or partial unemployment." (Sec. 43; 21-5 (f), ch. 21 of title 43 of the Revised Statutes, 1937, or ch. 270, Laws of 1936 (special session), approved and effective December 22, 1936, as amended.)

New Mexico: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of word "another" for "any other." (Sec. 5 (f), Special Session Laws of New Mexico, 1936, ch. 1, approved and effective December 16, 1936, as amended.)

New York: Same as Alabama, except for omission of words "for total or partial unemployment." (Sec. 506 (3), Consolidated Laws, ch. 31 (labor law), art. 18, secs. 500-539, as amended.)

North Carolina: Differs from Alabama. This section reads:

"An individual shall be disqualified for benefits:

"(g) For any week after June 30, 1939, with respect to which he shall have or assert any right to unemployment benefits under an unemployment-compensation law of either the Federal or a State government, other than the State of North Carolina." (Sec. 5 (g), Public Laws of 1936 (extra session), ch. 1, ratified and effective December 16, 1936, as amended.)

North Dakota: Same as Alabama, except for omission of words "for total or partial unemployment," the word "another" substituted for "any other," and the words "ineligibility condition" substituted for "disqualification." (Sec. 7 (f), ch. 232 of Session Laws of North Dakota, 1937, as amended.)

Ohio: Same as Alabama, except for omission of words "for total or partial unemployment." (Sec. 1345-7b, 116 O. L., pt. 2 (1935), first special session, p. 286, as amended.)

Oklahoma: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of word "another" for "any other," and word "ineligibility" substituted for "disqualification." (Sec. 5 (f), Sessions Laws of Oklahoma (extraordinary session) 1936, ch. 1, approved and effective December 12, 1936, as amended.)

Oregon: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of the word "another" for "any other," omits the words "or is seeking." (Sec. 126-705 (g), Oregon Laws, special session, 1935, ch. 70, effective November 15, 1935, as amended.)

Pennsylvania: Same as Alabama, except for omission of words "for total or partial unemployment." (Sec. 402 (c), Acts of 1936 (second extraordinary session), No. 1, approved and effective December 5, 1936, as amended.)

Rhode Island: Differs from Alabama. The section reads as follows:

"An individual shall be disqualified from receiving benefits for any week of his unemployment occurring within any period with respect to which such individual is currently receiving, or has received, remuneration in the form of—

"(c) Benefits under an unemployment compensation law of any State or of the United States;" (Sec. 7 (7) (c), Public Laws of 1936, ch. 2333, effective May 5, 1936, as amended.)

South Carolina: Same as Alabama, except omission of words "for total or partial unemployment," substitution of word "another" for "any other." (Sec. 5 (e), Laws of 1936, No. 946, (768), approved and effective June 6, 1936, as amended.)

South Dakota: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of word "another" for "any other." (Sec. 17.0830 (7), Revised Code, ch. 17-08, and ch. 17.99, as amended.)

Tennessee: No disqualification provision.

Texas: No provision.

Utah: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of word "another" for "any other." (Sec. 42-2a-5 (f), Laws of Utah (special session) 1936, ch. 1, approved and effective August 29, 1936, as amended.)

Vermont: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of word "another" for "any other." (Sec. 5 (f), No. 1, acts of the special session of 1936, approved and effective December 22, 1936, as amended.)

Virginia: Same as Alabama, except for omission of words "for total or partial unemployment." (Sec. 5 (f), ch. 1, acts of General Assembly of Virginia (extra session, 1936), approved and effective December 18, 1936, as amended.)

Washington: No provision.

West Virginia: Differs from Alabama in that its law refers to unemployment-compensation benefits under the laws of the United States, instead of under an unemployment-compensation law of the United States. West Virginia also omits

the proviso in the Alabama law, which omission has no significance for the purpose of this statement. West Virginia also omits the reference to "or is seeking":

"Upon the determination of the facts by the director an individual shall be disqualified for benefits:

"(5) For a week with respect to which he is receiving or has received;

"(d) Unemployment-compensation benefits under the laws of the United States or any other State." (Art. VI, sec. 4 (5) (d), Code of West Virginia, ch. 21-A (acts of 1936, second extraordinary session, ch. 1, approved and effective December 16, 1936, as amended.)

Wisconsin: No provision.

Wyoming: Same as Alabama, except for omission of words "for total or partial unemployment," substitution of word "another" for "any other." (Sec. 5 b IV, Session Laws of Wyoming, 1937, ch. 113, approved and effective February 25, 1937, as amended.)

RECIPROCAL ARRANGEMENTS STATUTES COMPARED

The reciprocal arrangements provision in Alabama is provided in section 12 (a) of the Alabama unemployment-compensation law (General Laws of Alabama Regular Session 1935, Act No. 447).

"The director is hereby authorized to enter into arrangements with the appropriate agencies of other States or the Federal Government whereby individuals performing services in this and other States for employing units under circumstances not specifically provided for in section 2 (f) and 2 (g) of this act or under similar provisions in the unemployment-compensation laws of such other States shall be deemed to be engaged in employment performed entirely within one of such other States and whereby potential rights to benefits accumulated under the unemployment-compensation laws of several States or under such a law of the Federal Government, or both, may constitute the basis for the payment of benefits through a single appropriate agency under terms which the director finds will be fair and reasonable as to all affected interests and will not result in any substantial loss to the fund."

The variations from uniformity in the statutes of the 51 jurisdictions upon the subject of reciprocal administration among themselves and with the Federal Government are so few as to reinforce the argument for reciprocal administration by agreement.

As the most graphic manner in which to present this phase of the general subject of unemployment compensation, a tabular analysis has been prepared and is hereinbelow set out, after the next two paragraphs which call attention to the specific variations in legislative policy.

The following variation should be noted, however. Idaho provides for reciprocal treatment of individuals who have acquired potential benefit rights under the Idaho law and under an unemployment compensation act of Congress. The Kentucky and Wisconsin provisions authorize administrative arrangements for the purpose of assisting in the payment of benefits.

Indiana, Missouri, Montana, and Ohio authorize the agency to enter into arrangements with Canada as well as with other States and the Federal Government; Washington authorizes such arrangements with agencies of foreign governments. Wisconsin specifies "any agency similarly charged with the administration of any other unemployment-compensation law," instead of other States or the Federal Government.

ADEQUACY OF DURATION OF BENEFITS

(1) VARIOUS PROPOSALS COMPARED

Section 702 (b) (1) of title VII of the original bill provides for the mandatory Federal supplementation of State benefits to bring the total amount payable up to the equivalent of 26 weeks in a benefit year for every eligible unemployed individual. Section 702 and section 703 (b) (3) of title VII of the bill reported by the committee provides, at the written election of the Governor of each State, for Federal supplementation of State benefits to make the total amount payable equal to the smaller of the following: The equivalent of 26 weeks of total unemployment or 160 percent of the State maximum

payable by the State to an individual. The minority recommends that restoration of the original provision for those who earned at least 26 times their weekly benefit amount in their State base periods and the application of the 160 percent provision for those who earned less than 26 times such amount.

(2) REASONS FOR PROPOSAL OF MINORITY

(a) *Workers savings during war*

Studies of savings during the war show that savings of workers have been small. A major purpose of unemployment insurance is to avoid the exhaustion of savings during periods of unemployment. It is not intended to use savings as a basis for determining the shortening of benefits. The 160-percent proposal of the majority would throw many workers back on their small savings.

Witnesses opposed to S. 1274 have given various estimates on savings of individuals during the war. Estimates of individual savings have ranged from \$45,000,000,000 in series E War Savings bonds¹³ to \$100,000,000,000.¹⁴ Evidence presented actually shows that savings of members of the two large unions during the war are in fact small. In one survey, the average savings for family incomes under \$1,500 was only \$76.32, and for all family groups under \$3,000, the average was \$214.52, and for those over \$3,000, \$1,163.99.¹⁵ A similar study for workers averaging \$50 per week showed average family savings of only \$312.45. This study showed that the greater part of savings is concentrated in a very small group, perhaps 10 percent of all individuals.¹⁶

Whatever the cause, this lack of savings for the group of workers hardest hit by long unemployment emphasizes the need for a reasonably long duration to tide the great majority of demobilized war workers over the period between-jobs. The short durations under many State laws would throw many workers back on their savings.

(b) *State duration benefits*

Provisions of existing laws for even the maximum duration of benefits do not measure up to the responsibilities which will be placed on unemployment insurance in the reconversion period. In 14 States benefits may be drawn for only 16 weeks or less. Only 5 States assure 26 weeks of benefits to all eligible workers, and in 4 of these the actual maximum may be less than 26 weeks because the duration is related to earnings and employment.

In 37 States the duration of benefits is related to the amount of employment or earnings which the worker had in a previous period, with a specified maximum duration. The other 14 States have a uniform duration of benefits for all claimants.

Nor is the existence of variable and uniform duration of benefits an adjustment to local conditions. Georgia, Mississippi, and North Carolina provide uniform duration of benefits; Louisiana, Texas, Missouri, and Arkansas do not; New York and Ohio provide uniform duration; Maryland, Michigan, and Pennsylvania do not. Uniform duration of benefits is simple to understand and treats all eligible

¹³ P. 291 of the unrevised printed record of hearings on S. 1274.

¹⁴ P. 355 of the unrevised printed record of hearings on S. 1274.

¹⁵ See p. 165 of the unrevised printed record of hearings on S. 1274.

¹⁶ See the Washington Post editorial page, September 4, 1945.

workers within the State alike; consequently, it will go further to supply workers with that security which is needed and business and the community with a solid foundation upon which plans for economic prosperity must rest.

Provision of uniform duration of up to 26 weeks if needed would benefit workers in all but one State.

Under existing laws, only 17 percent of the covered workers are in States which provide a minimum duration of 20 weeks or more and another 14 percent of the covered workers are in States which provide a minimum duration of 14 to 18 weeks, and roughly 70 percent are in States which provide a minimum benefit of 13 weeks or less.¹⁷

There are no comparable figures on maximum durations because there are two types of maximum-benefit provisions: One with uniform duration for all workers and the other with variable durations based on wages or employment in the base period. Twenty-four percent of the covered workers are in States with uniform durations varying from 14 to 26 weeks (about 13 percent at 26 weeks). Seventy-six percent are in States with variable maximum durations ranging from 14 to 26 weeks (15 percent at 26 weeks).

However, these percentages of covered workers may be misleading because only a portion of covered workers become unemployed and still further only a part of this portion are unemployed long enough to draw benefits for the maximum duration specified in State laws. If 1940 or 1941 are good examples, then it can be expected that not over 50 percent of those who claim benefits under State unemployment compensation laws will draw benefits for 26 weeks. Probably, the percent will be less. If 20 percent of the covered workers file compensable claims for benefits, this means that only 10 percent of the covered workers would be unemployed for 26 weeks or more. As unemployment is extended beyond 26 weeks, the proportion becomes smaller and smaller.

(c) State legislatures not prone to extend duration

It is quite evident from the record that many State legislatures are not prone to extend duration. Between the time benefits first began and 1945, 9 States had the same maximum duration of 16 weeks, 2 changed from 12 to 14 weeks, 2 from 12 to 16 weeks, 1 from 13 to 16 weeks, 2 from 15 to 18 weeks, 1 from 16 to 18 weeks, 1 from 18 to 17 weeks. In other words, of 50 original laws with benefit durations of 18 weeks or less, 18 still have maximum durations 18 weeks or less. We do not consider this liberalization of State unemployment compensation laws.

(d) Reconversion and duration

No one knows how long it will take to reconvert to peacetime production or to reemploy workers laid off because veterans will resume their old jobs. However, unless benefits are payable for a duration sufficient to enable the unemployed labor force to live more adequately until business has a fair chance to reconvert, substitute Government action for the provision of purchasing power must be taken.

In the reconversion period one of the prime things relied upon is an unemployment compensation to protect workers. Yet in a rather good year of employment like 1941, about 50 percent of the eligible

¹⁷ P. 80 of the unrevised printed record of hearings on S. 127.

unemployed workers under State unemployment compensation laws failed to be reemployed before exhausting their benefit rights, many of which were for very short durations.

(e) Justification for uniform duration and 160-percent provision

We advocate a uniform duration of 26 weeks of benefit for every eligibly unemployed worker. But the 160-percent provision for employees with short periods of employment in their base periods proposed by the minority is offered as a compromise to offset the harsh effects of the application of the 160-percent provision for all employees recommended by the majority.

The duration of benefits should be uniform for all employees who are or were more or less substantially attached to the labor market during their base period. State laws with uniform durations of benefits have uniform eligibility requirements which are usually based upon a certain amount of base-year earnings high enough to eliminate from benefits those who are not more or less substantially attached to the labor market in the base period. Furthermore, in any individual case of a casual worker who is not available for work while not employed there are sufficient disqualifying provisions in such laws to prevent such worker from getting benefits.

It is stated by the majority that the purpose of their 160-percent provision on duration is to prevent casual workers with small amounts of earnings in a base period from drawing amounts of benefits far in excess of such earnings. In fact, under their proposal, there will be instances where a worker can get more in benefits than he earned in his base period. This provision is based on a false theory that the more employment and earnings that an individual has in a base year, the longer the duration of benefits should be. This is based on a false notion of unemployment insurance. Those persons with lower earnings in their base periods are usually those who undergo longer periods of unemployment. In other words, the provisions in many State laws confer longer duration of benefit rights upon those who become unemployed for shorter periods of unemployment in their benefit years, namely those who do not need the longer duration.

It is also contended by the majority that by far and large, most of the covered workers will be entitled to the maximum duration of 26 weeks. However, such is not the case. An examination of exhibit XII shows that under the majority proposal claimants with substantial earnings of \$600 in the base period will get less than 26 weeks in 22 States and those with \$1,000 in the base period will get less than 26 weeks in 12 States. Many workers will have entered covered employment from noncovered employment so that their earnings creditable for duration will be relatively small. In addition, there will be other workers whose earnings are reduced in the base period because of illness and other similar personal reasons. Furthermore, there will be some groups of workers who had intervening periods of unemployment between periods of employment in the base period. Under our proposal they would get 26 weeks under every State law.

Exhibit XII points up the wide difference in maximum benefits still existing under State laws.

Claimant A, with only \$200 base-period credit and \$100 in his high quarter in the base period, would be ineligible to receive any benefits in 11 States, and in the remaining States would receive benefits in

varying amounts from \$34 in Arizona (\$5 a week for 6 plus weeks) to \$120 in New Hampshire (\$6 for 20 weeks).

Claimant B, with \$600 base-period credit and \$250 in his high quarter in the base period would get from \$100 in Arizona (\$10 a week for 10 weeks) to \$286 in New York (\$11 for 26 weeks).

Claimant C, with \$1,000 base-period credit and \$400 in his high quarter in the base period would get from \$167 in Arizona (\$15 a week for 11 plus weeks), etc., to \$460 in Utah (\$25 a week for 18 weeks).

Claimant D, with \$1,500 base-period credit and \$500 in his high quarter in the base period would get from \$210 in Arizona (\$15 a week for 14 weeks) to \$546 in New York (\$21 a week for 26 weeks).

Claimant E, with \$2,100 base-period credit and \$600 in his high quarter in the base period would get from \$210 in Arizona (\$15 a week for 14 weeks) to \$624 in Washington (\$24 a week for 26 weeks).

EXHIBIT XII.—Weekly benefit amount for total unemployment and maximum potential benefits in a benefit year for 5 hypothetical claimants with specified high-quarter and base-period wages, by State, June 30, 1945¹

State	Claimant A: High-quarter wages of \$100 and base-period wages of \$200			Claimant B: High-quarter wages of \$250 and base-period wages of \$600			Claimant C: High-quarter wages of \$400 and base-period wages of \$1,000			Claimant D: High-quarter wages of \$500 and base-period wages of \$1,500			Claimant E: High-quarter wages of \$600 and base-period wages of \$2,100		
	Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits	
		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)
BASIC BENEFIT															
Alabama	\$4.00	\$67.00	16+	\$10.00	\$200	20	\$15.00	\$300	20	\$19.00	\$380	20	\$20	\$400	20
Alaska ⁴	5.00	67.00	13+	13.00	200	15	16.00	256	16	16.00	256	16	16	256	16
Arizona ⁴	5.00	34.00	6+	10.00	100	10	15.00	167	11	15.00	210	14	15	210	14
Arkansas ⁴	4.00	64.00	16	10.00	160	16	15.00	240	16	15.00	240	16	15	240	16
California ⁴	(?)	(?)	(?)	13.00	208	16	20.00	324	16+	20.00	414	20+	20	468	23+
Colorado ⁴	5.00	66.67	13+	10.00	160	16	15.00	240	16	15.00	240	16	15	240	16
Connecticut ⁴	(?)	(?)	(?)	10.00	160	16	15.00	260	17+	19.00	380	20	22	440	20
Delaware	(?)	(?)	(?)	10.00	150	15	16.00	250	15	18.00	325	21+	18	396	22
District of Columbia ⁴	6.00	100.00	16+	11.00	220	20	18.00	360	20	20.00	400	20	20	400	20
Florida ⁴	5.00	50.00	10	11.00	150	13+	15.00	240	16	15.00	240	16	15	240	16
Georgia ⁴	5.00	80.00	16	10.00	160	16	15.00	240	16	18.00	288	16	18	288	16
Hawaii	5.00	100.00	20	10.00	300	20	17.00	340	20	21.00	420	20	24	480	20
Idaho ⁴	5.00	50.00	10	11.00	150	13+	15.00	250	16+	16.00	272	17	18	306	17
Illinois	(?)	(?)	(?)	12.50	230	18+	20.00	350	17+	20.00	500	25	20	520	26
Indiana ¹⁰	(?)	(?)	(?)	10.00	150	15	16.00	250	15	20.00	375	18+	20	400	20
Iowa	5.00	66.67	13+	10.87	196	18	17.39	313	18	18.00	324	18	18	324	18
Kansas	5.00	67.00	13+	10.00	200	20	16.00	320	20	16.00	320	20	16	320	20
Kentucky ^{11 12}	5.00	100.00	20	8.00	160	20	12.00	240	20	15.00	300	20	16	320	20
Louisiana ¹¹	4.00	50.00	12+	10.00	150	15	16.00	250	15	18.00	360	20	18	360	20
Maine ¹²	5.00	100.00	20	9.00	180	20	13.00	260	20	17.00	340	20	20	400	20
Maryland	(?)	(?)	(?)	13.00	150	11+	20.00	250	12+	20.00	375	18+	20	520	26
Massachusetts	6.00	60.00	10	13.00	180	13+	21.00	300	14+	21.00	450	21+	21	483	23
Michigan ²	(?)	(?)	(?)	12.50	180	14+	20.00	250	12+	20.00	375	18+	20	400	20
Minnesota ¹³	7.00	84.00	12	11.00	198	18	14.00	266	19	19.00	380	20	20	400	20
Mississippi ¹¹	4.00	56.00	14	10.00	140	14	15.00	210	14	15.00	210	14	15	210	14
Missouri ⁴	5.00	40.00	10	10.00	120	12	16.00	200	12+	18.00	288	16	18	288	16
Montana ⁴	5.00	80.00	16	10.00	160	16	15.00	240	16	15.00	240	16	15	240	16
Nebraska	5.00	67.00	13+	10.00	180	18	16.00	288	18	18.00	324	18	18	324	18
Nevada ¹	8.00	67.00	8+	13.00	200	15+	18.00	334	18+	18.00	360	20	18	360	20

See footnotes at end of table, p. 51.

EXHIBIT XII.—Weekly benefit amount for total unemployment and maximum potential benefits in a benefit year for 5 hypothetical claimants with specified high-quarter and base-period wages, by State, June 30, 1945¹—Continued

State	Claimant A: High-quarter wages of \$100 and base-period wages of \$200			Claimant B: High-quarter wages of \$250 and base-period wages of \$600			Claimant C: High-quarter wages of \$400 and base-period wages of \$1,000			Claimant D: High-quarter wages of \$500 and base-period wages of \$1,500			Claimant E: High-quarter wages of \$600 and base-period wages of \$2,100		
	Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits	
		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)
New Hampshire ¹³	\$6.00	\$120.00	20	\$9.00	\$180	20	\$13.00	\$260	20	\$17.00	\$340	20	\$20	\$400	20
New Jersey.....	9.00	90.00	10	12.00	200	16	19.00	334	17+	22.00	500	22+	22	572	28
New Mexico ⁴	5.00	67.00	13+	10.00	160	16	15.00	240	16	15.00	240	16	15	240	16
New York.....	(?)	(?)	(?)	11.00	286	26	17.00	442	26	21.00	546	26	21	546	26
North Carolina ¹²	5.00	80.00	16	9.50	152	16	12.50	200	16	15.00	240	16	20	320	16
North Dakota.....	5.00	100.00	20	11.00	220	20	18.00	360	20	20.00	400	20	20	400	20
Ohio ¹³	5.00	95.00	18	11.00	242	22	16.00	352	22	19.00	418	22	21	462	22
Oklahoma.....	6.00	67.00	11+	13.00	200	15	18.00	334	18+	18.00	360	20	18	360	20
Oregon ¹²	10.00	50.00	5	12.00	150	12	15.00	250	16+	18.00	360	20	18	360	20
Pennsylvania.....	(?)	(?)	(?)	10.00	170	17	16.00	288	18	20.00	400	20	20	400	20
Rhode Island ⁴	7.25	48.75	6+	13.00	124	9	18.00	205	11	18.00	306	17+	18	365	20+
South Carolina.....	4.00	64.00	16	10.00	160	16	16.00	256	16	20.00	320	16	20	320	16
South Dakota.....	6.00	80.00	13+	12.00	160	13	15.00	240	16	15.00	300	20	15	300	20
Tennessee.....	5.00	80.00	16	10.00	160	16	15.00	240	16	15.00	240	16	15	240	16
Texas ¹⁴	5.00	40.00	8	10.00	120	12	15.50	200	12	18.00	324	18	18	324	18
Utah ¹⁴	7.00	115.00	16+	16.00	299	18+	25.00	460	18+	25.00	460	18+	25	460	18+
Vermont.....	6.00	120.00	20	11.00	220	20	16.00	320	20	20.00	400	20	20	400	20
Virginia ¹¹	4.00	48.00	12	10.00	150	15	15.00	240	16	15.00	240	16	15	240	16
Washington ¹²	(?)	(?)	(?)	10.00	150	15	13.00	247	19	18.00	432	24	24	624	26
West Virginia ¹²	(?)	(?)	(?)	11.00	231	21	15.00	315	21	18.50	388	21	20	420	21
Wisconsin ¹⁴	8.00	78.00	9+	11.00	170	15	16.00	256	16	20.00	390	19+	20	450	22+
Wyoming.....	7.00	60.00	8+	13.00	160	12	20.00	260	13	20.00	380	19	20	400	20
BASIC BENEFIT PLUS MAXIMUM ALLOW- ANCES FOR DEPEND- ENTS															
Connecticut.....	(?)	(?)	(?)	15.00	240	16	21.00	364	17+	25.00	500	20	28	560	20
District of Columbia.....	9.00	150.00	16+	14.00	280	20	20.00	400	20	20.00	400	20	20	400	20
Michigan.....	(?)	(?)	(?)	19.23	180	9+	28.00	250	8+	28.00	375	13+	28	525	18+
Nevada.....	14.00	67.00	4+	19.00	200	10+	24.00	334	13+	24.00	360	15	24	360	15

¹ See text footnote 2 for dates when 1945 amendments are effective. See tables 1 and 7 for a statement of the benefit formula in each State, and for States in which benefits here stated may be reduced if solvency of the fund is threatened.

² No legislative session in 1945.

³ Indicates minimum weekly benefit amount, minimum potential annual benefits, or minimum weeks of benefits for total unemployment.

⁴ Indicates maximum weekly benefit amount, maximum potential annual benefits, or maximum weeks of benefits, other than uniform duration.

⁵ No change in 1945.

⁶ Base period of 8 quarters. If in preceding 4 quarters unchanged wage credits were equal to wages assumed for 4 quarters, maximum potential benefits in a benefit year would be doubled, to maximum specified in State law.

⁷ Assumes most favorable distribution of base-period wages in all 4 quarters; concentration in 2 quarters would limit benefits to 8 weeks.

⁸ Indicates ineligible on basis of qualifying wages.

⁹ See below for benefit with maximum compensable dependents under State law.

¹⁰ Indicates uniform duration for all eligible claimants.

¹⁰ Assuming \$150 wage credits in last 2 quarters of base period; otherwise, claimant would be ineligible.

¹¹ No legislative session in 1945.

¹² Annual-wage formula; high-quarter wages not used in computing weekly benefit amount.

¹³ Assuming that A has the minimum employment of 20 weeks and B to E, 25 weeks. If A had 25 weeks he would be eligible for 22 weeks of benefits or \$110.

¹⁴ Actual benefits are paid for 2-week periods at twice the amounts specified.

¹⁵ Benefits are figured with present cost-of-living adjustment above normal scale of \$5-20, since weeks of duration are reduced below the normal of 23 uniform.

¹⁶ Benefits are figured on further assumption that the high quarter represents 13 weeks of employment and all base-period employment was with 1 employer and at the same average wage. Claimant A actually has a minimum of \$8 for 13 weeks, but law provides for payment at the rate of \$8 with reduced weeks of duration.

Source: Administrative Standards Division, Bureau of Employment Security, Social Security Board.

Section 702 (b) (3) of the bill reported by the committee provided for the reduction or cancellation of 26 weeks of benefit rights of an individual under the inequitable disqualification of many State laws. The minority recommends the elimination of this provision by specific language in sections 702 (b) (2) and 702 (b) (3) of title VII of the proposed revision.

DISQUALIFICATIONS UNDER STATE LAWS

There is no place in the unemployment compensation program for imposing disqualifications for refusal of suitable work, voluntary leaving, and discharge for misconduct solely for punitive purposes. Disqualifications properly should prevent the payment of benefits for voluntary unemployment but never completely bar payments to eligible individuals who are involuntarily unemployed, able, willing, and available for work. Unemployment compensation should not be payable for periods of voluntary unemployment, but neither should it act to introduce rigidities in the system or hinder the free mobility of labor, especially in this period. Disqualifications might well be limited to a suspension of benefits for the weeks, up to four or five, which immediately follow the act for which the individual is disqualified. Such suspensions are sufficient to deter workers from voluntarily becoming unemployed and to bar the compensation of voluntary unemployment. Cancellations or reductions in benefit rights, on the other hand, nullify the duration provisions and prevent the compensation of involuntary unemployment. By so doing they withdraw insurance protection from both business and workers and curtail the usefulness of unemployment compensation, particularly for the kind of economic period that is ahead.

Disqualifications under the State laws are imposed when a worker quits his job voluntarily without good cause, when he is discharged for misconduct connected with his work, when he is engaged directly in a labor dispute, or when he refuses to accept suitable work. Amendments to many State laws, however, have shifted the emphasis from paying benefits to workers unemployed through no fault of their own to paying benefits only when the employer is responsible for their unemployment. Emphasis has also shifted from postponing benefits for a certain number of weeks following the workers' disqualifying acts to penalizing workers by canceling their benefit rights. Finally, a whole host of special causes of disqualifications have been written into State statutes. It is necessary that the basic principles be restored. Good cause for voluntarily leaving a job should not be limited to causes attributable to the employer but should include good personal causes. As long as the unemployment is involuntary and the worker is available for work, good personal or family reasons for quitting a job, such as the fact that the conditions are such as to undermine his health, are as valid as reasons attributable to employers.

Workers should be disqualified for benefits merely by suspension of their rights for a reasonable period following a disqualifying act. In January 1938, eight State laws contained disqualifications which canceled part or all benefit rights, and the remaining States contained disqualifications which resulted only in postponement of benefit rights. The reasoning behind postponement of benefits was that the claimant should not be entitled to benefits during any period when his unemployment was directly due to a disqualifying act. After that period, his unemployment would be due not to his disqualifying act but to labor-market conditions, and it would therefore be compensable. Such suspensions are sufficient to deter workers from voluntarily becoming unemployed and to bar compensation for voluntary unemployment. By 1944, however, 19 additional States had included disqualifications which cancel part or all of a worker's benefit rights.

TABLE I.—Changes in State laws on major disqualifications from unemployment compensation benefits, 1938, 1940, 1944

Disqualifying act	Number of State laws reducing or cancelling benefit rights for 3 major reasons		
	January 1938	January 1940	January 1944
Total State laws with 1 or more types of disqualifications.....	8	14	27
Voluntary leaving without good cause.....	5	10	20
Discharge for misconduct.....	6	12	20
Refusal of suitable work.....	6	9	21

Under this philosophy a worker who has committed a disqualifying act is not only deprived of benefits for the period following his act but is further penalized by losing some or all of his benefit rights. If he should become unemployed in the future he may find that, though otherwise eligible for benefits, he has little or no benefit rights on which to draw. Such disqualifications may nullify duration provisions; they are particularly serious in the reconversion period, since cancellation of benefit rights for current disqualifying acts will result in curtailment of benefit rights later when workers are unemployed through no fault of their own. Such curtailment seriously limits the usefulness of unemployment compensation, particularly for the period as the one we are facing.

The seriousness of this situation is shown by some figures on the extent of disqualifications. During 1943, for example, 28 percent of new claims allowed in Colorado were disqualified because of voluntary leaving, discharge for misconduct, and refusal of suitable work. The disqualifications in the Colorado law provide that any worker disqualified for any of these reasons shall have his benefit rights reduced by 3 to as much as 15 weeks; yet duration of benefits under the Colorado law is equal to only one-third of the individual's base-year wages or 16 weeks, whichever is less. If disqualifications of 15 weeks were imposed under this law, the benefits would be payable for only 1 week. This is not an isolated example. Georgia disqualified 11.6 percent of its allowed new claims in 1943 and provides a mandatory reduction of 2 to 8 weeks for voluntary leaving and refusal of suitable work and 3 to 10 weeks for discharge for misconduct. Disqualification for a single act thus cut down Georgia's 16 weeks' uniform duration of benefits to as few as 6 weeks.

TABLE II.—Percentage of new claims disqualified in specified States for 3 issues, 1943

State	Percent of allowed new claims disqualified, 1943, because of—			
	All 3 issues ¹	Voluntary leaving	Discharge for misconduct	Refusals of suitable work
California.....	13.0	2.6	0.2	10.2
Colorado.....	28.4	13.9	1.1	8.4
Georgia.....	11.6	8.9	2.7	(²)
Maine.....	7.3	3.2	1.3	2.8
Mississippi.....	17.0	(³)	(³)	(³)
Nebraska.....	7.4	5.1	.7	1.6
New York.....	9.9	2.9	.2	6.8
Washington.....	37.3	(³)	(³)	(³)
Wyoming.....	18.8	11.6	1.4	5.8

¹ Includes disqualifications for other issues.

² Includes only disqualifications for voluntary leaving and discharge for misconduct.

³ Data not available.

ADEQUACY OF COVERAGE

(1) VARIOUS PROPOSALS FOR FEDERAL AND MARITIME EMPLOYEES

Section 702 (b) (3) of title VII of the original bill provides for the mandatory Federal payment of benefits to unemployed Federal and maritime employees as if they were covered by the District of Columbia unemployment compensation law. Section 703 of title VII of the bill as reported by the committee provides for such mandatory coverage under the laws of the respective States except that a majority of the deep-sea seamen would in effect be covered by the District law. The minority recommends the restoration of the provision in the original bill.

(2) REASONS FOR PROPOSAL BY MINORITY

The position taken by the majority for Federal workers is that they should be placed in the same position that they would have been had they been engaged in employment for a private employer and therefore payment should be made to Federal employees on the basis of laws of the State in which they reside and work for the Federal Government. Under this type of provision, it is claimed there would be no discrimination either for or against Federal employees as compared with their neighbors working for private employers.

Actually, their proposal merely adds to existing discriminations with respect to coverage under the various State unemployment compensation laws. Thus, a Federal employee working in Alexandria, Va., torpedo plant may get a much lower maximum benefit (\$15 for 16 weeks) than another Federal worker in the navy yard in the District of Columbia who is getting the same rate of pay and who would get higher benefit (\$20 for 20 weeks). The Federal Government, by placing its employees under 51 unemployment compensation systems would not only be creating inequities and injustices for Federal workers, because they are paid on a uniform scale and because they work for a single employer, but it would be giving up jurisdiction in a field in which it has always exercised its sovereignty powers.

The maritime problem is a complicated one, which differs in many respects from normal civilian employment. When a seaman is on ship he is usually not working within any State. He may sign his articles in one State, and dock at ports in other States. He may go from State to State and get his benefits in another State. His family may be living in still another State. It is obvious that maritime employees should be covered by a national system of unemployment insurance. (See exhibit XIII.)

The Federal Government has absolute authority over the maritime industry. Federal legislation governs every conceivable phase of shipping. National standards are legislated by Congress with respect to minimum living and safety conditions of seamen, all movements of vessels, and the seamen's complete life aboard ship is governed by Federal laws. This fact was recognized by some Senators at the hearings:

Senator TAFT. Is it not very difficult to do this on a State basis? I mean one shipowner owning one ship would have to report to a dozen States perhaps, from which the men came. It seems to me your argument for a Federal system is very persuasive. (P. 362 of the unrevised printed record of hearings on S. 1274.)

EXHIBIT XIII. MEMORANDUM ON COVERAGE OF MARITIME EMPLOYEES UNDER UNEMPLOYMENT INSURANCE LAWS

There were two reasons for the initial failure to extend the protection of unemployment insurance to maritime workers: First, when the Social Security Act was adopted in 1935, the Congress followed the recommendations of the Committee on Economic Security in its report to the President and transmitted by him to the Congress on January 17, 1935, that the States be assigned primary responsibility for the creation and administration of unemployment insurance systems.¹ The recommendation of the Committee on Economic Security that there be imposed "a uniform pay-roll tax against which credits shall be allowed to industries in States that shall have passed unemployment-compensation laws" ¹ was adopted.

¹ Economic Security Act, hearings before the Committee on Ways and Means, House of Representatives. 74th Cong., 1st sess., on H. R. 4120, p. 21.

But it was assumed apparently by both the Congress and the State legislatures that, under the doctrine enunciated by the Supreme Court in the *Jensen*² case, the imposition of a tax on maritime employment would violate article III, section 2, of the Constitution. Title IX of the Social Security Act, the Federal legal structure on which the States were expected to build unemployment compensation systems, therefore excluded from taxable employment "service performed as an officer or member of the crew of a vessel on the navigable waters of the United States,"³ and most of the States followed the congressional lead. Those States which did not copy the Social Security Act language apparently did not do so because they regarded the result as in any event the same.

But there was another reason for the exceptional treatment given the maritime industry. The Committee on Economic Security recommended an exception to the rule of State administration of unemployment insurance:

"We are opposed to exclusions of any specified industries from the Federal act, but favor the establishment of a separate nationally administered system of unemployment compensation for railroad employees and maritime workers."⁴

The economic security bill as originally introduced in the House⁵ would have levied a tax on maritime employers, as on other employers engaged in industry and commerce; and since it was assumed that the States would be unable, constitutionally, to levy a tax on such employers, the bill presumably contemplated a Federal system. In the Social Security Act as finally adopted, however, maritime employment was excluded entirely and the records imply that no consideration was given to the creation of a national system. Maritime workers were excluded from the old-age insurance system created by titles II and VIII of the Social Security Act because of anticipated administrative difficulties.⁶ Presumably, there was no discussion of a national unemployment insurance system for the maritime industry for the same reason. Thus, the failure to provide benefits for maritime workers in the initial stages of unemployment compensation history was based on both legal and administrative reasons.

Railroads were originally taxed under title IX of the Social Security Act and all the States except Alabama and Wisconsin covered railroad workers in the scope of their unemployment compensation acts.⁷ In 1938, however, Congress exercised its prerogative to deal with matters affecting interstate commerce to the exclusion of the States by passing the Railroad Unemployment Insurance Act,⁸ by the terms of the Railroad Unemployment Insurance Act there were removed from the coverage of State unemployment compensation systems railroads, certain related employers, and their employees. Such removal was effective with respect to unemployment on and after July 1, 1939. Judging by the failure of the hearings on the railroad unemployment insurance bill⁹ to mention maritime employment, no consideration was given to including the maritime industry along with railroads in the Federal system.

In its recommendations of January 1939, the Social Security Board urged the creation of a Federal maritime unemployment insurance system on the ground that it was constitutionally impossible to extend the jurisdiction of the State systems into the maritime field.¹⁰

Further, in a report published by the Social Security Board in April 1939, the conclusion was stated that--

"Conditions of employment in deep-sea shipping in foreign, coastwise, and intercoastal trades render it difficult for State unemployment compensation systems to extend coverage to such employment. Service in these trades is performed on the high seas and on the territorial waters of foreign countries and on waters adjacent to several States. Individuals engaged in such service frequently have no established residence and may become unemployed in any port during the voyage."¹¹

² *Southern Pacific Co. v. Jensen* (244 U. S. 205).

³ Sec. 907 (c) (3), Public, No. 271, 74th Cong.

⁴ Economic Security Act, hearings, *ut supra*, p. 33.

⁵ H. R. 4120, 74th Cong., 1st sess.

⁶ See report of the Social Security Board on proposed changes in the Social Security Act, in social-security hearings relative to the Social Security Act amendments of 1939, before the Committee on Ways and Means House of Representatives, 76th Cong., 1st sess., p. 7.

⁷ See Analysis of State Unemployment Compensation Laws, December 1937, Social Security Board Publication No. 13.

⁸ Public, No. 722, 75th Cong., approved June 25, 1938.

⁹ See Railroad Unemployment Insurance System, hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives, 75th Cong., 3d sess., on H. R. 10127; and Unemployment Insurance System for Employees Engaged in Interstate Commerce, hearings before the Committee on Interstate Commerce, U. S. Senate, 75th Cong., 3d sess., on S. 3772.

(3) VARIOUS PROPOSALS FOR COVERAGE OF INDUSTRIAL AGRICULTURAL PROCESSING WORKERS

Section 702 (b) (4) of title VII of the original bill provides for mandatory Federal payment through the States of benefits to unemployed industrial agricultural processing workers, in accordance with the provisions of the respective State laws. This provision is deleted from the bill as reported by the committee. The minority recommends the coverage of such workers under the optional coverage provisions in the next paragraph.

(4) VARIOUS PROPOSALS FOR COVERAGE OF EMPLOYEES NOT NOW COVERED BY UNEMPLOYMENT-COMPENSATION LAWS

Section 702 (c) (2) of title VII of the original bill provides, at the election of each State, for the Federal payment through the States of benefits to unemployed workers not now covered by unemployment-compensation laws, in accordance with the provisions of the respective State laws. This provision is deleted from the bill as reported by the committee. The minority recommends the restoration of the provision in the original bill.

(5) REASONS FOR PROPOSAL OF MINORITY ON COVERAGE

(a) Inadequacy of employee coverage under State system

There is no doubt in the minds of various committees of Congress that the present unemployment-compensation coverage is wholly inadequate. In reporting on June 23, 1944, the Senate Special Committee on Postwar Economic Policy and Planning, and on S. 2051 the Committee on Finance on August 3, 1944; Mr. Doughton reporting for the House Ways and Means Committee on August 21, 1944, and the House Special Committee on Postwar Economic Policy and Planning in its third report on August 14, 1944, all clearly indicated the need for coverage of those groups which, within the limits of administrative possibility, can be brought within the system. According to exhibit XIV, the total employed labor force, 52,200,000 in the United States in an average week of 1944, only about 29,000,000 were covered by State unemployment-compensation laws and an additional 1,400,000 were covered by the Railroad Unemployment Insurance Act.

EXHIBIT XIV.—*Distribution of labor force by coverage status (in an average week of 1944)*

Total labor force (average week in 1944).....	64. 2
Less unemployed.....	. 8
Employed labor force.....	63. 4
In the armed forces.....	11. 2
Employed civilian labor force.....	52. 2
A. Presently covered groups:	
(1) Covered by State unemployment compensation laws.....	29. 0
(2) Covered by railroad unemployment insurance.....	1. 4
Total covered.....	30. 4

EXHIBIT XIV.—*Distribution of labor force by coverage status (in an average week of 1944)*—Continued

Employed civilian labor force—Continued

B. Presently not covered groups:

(1) Federal and maritime employees.....	3.3
(2) Employees of small employers (excluded by size-of-firm restrictions).....	1.0
(3) Agricultural workers:	
(a) Agricultural processing workers.....	.3
(b) Others.....	2.2
(4) Employees of State and local governments.....	2.9
(5) Domestic workers in private homes, employees of nonprofit institutions and miscellaneous.....	1.6
(6) Self-employed:	
(a) Farmers.....	5.0
(b) Others.....	4.5

Total not covered..... 21.6

(b) Employees of small firms

Approximately 3,000,000 workers are still without coverage because they work for small employers. These workers have not generally had the same increase in wages as those employed by larger firms; many of them, moreover, will lose their jobs because a returning veteran has a prior right to it or because of the uncertainties that many small businessmen are facing in this period. Employers of one or more employees are already covered by Federal old-age and survivors insurance and by 13 State unemployment-compensation laws. Coverage under the unemployment-compensation program need be no great administrative burden on small employers, since they are already reporting under old-age and survivors insurance. The success of the 13 States in covering these workers also demonstrates that the additional administrative job for State agencies is no real obstacle.

(c) Agricultural-processing workers

In their periods of unemployment, farm workers, too, need the type of protection offered by an unemployment-compensation program. While the administrative problems inherent in covering all agricultural workers may be too great to attempt at this time, there is good reason why, at a minimum, 300,000 workers on industrialized farms should be included under unemployment compensation. This work is in many ways similar to work in manufacturing establishments. The administrative task of including these workers under an employment-compensation program should create no problem. (For a fuller discussion of the coverage of agricultural labor, see pp. 95-101 of unrevised printed record of hearings on S. 1274.)

Fourteen States—California, Connecticut, Kansas, Kentucky, Massachusetts, Montana, Nevada, New Jersey, North Carolina, Rhode Island, Texas, Tennessee, Vermont, and West Virginia—now cover industrial agricultural processing workers.

Although the major reason advanced for excluding industrial agricultural workers from the Social Security Act and from the State unemployment-compensation acts, was that administration would be difficult because of the seasonal and migratory character of the jobs. The fact that 14 States now cover them, indicates that at least these States do not find any particular difficulty in administration. The Chairman of the Social Security Board, in an article for the Social

Security Board Bulletin, March 1945, indicates quite clearly that these jobs are industrial in character. The evidence presented at the hearings indicates that the industrial agricultural processing workers are in a highly unfavorable position during the reconversion period and face large-scale unemployment.

Agricultural processing employment was covered by social security until 1939. Prior to that time, the Social Security Act excluded agricultural labor without defining it in the law. The definition adopted by regulation by the Social Security Board, the Bureau of Internal Revenue, and the State unemployment compensation agencies did not regard processing as agricultural labor. The 1939 amendments, however, wrote into the social security tax law a broad definition of agricultural labor under which the processing of agricultural commodities was excluded. About two-thirds of the States amended their definitions to agree with the new Federal definition. Thirty-five States now exclude these workers in one way or another.

The Social Security Board has never believed that unemployment compensation coverage of these workers presented especial problems of administrative feasibility nor have they represented special problems in those States which have continued to cover them under their State laws.

Agricultural processing is carried on under essentially industrial conditions. The operation of an automatic machine for packing raisins is no more agricultural than employment in a canning factory. The considerations of administrative difficulty which led to the exclusion of agricultural labor from the social-security program are not applicable to processing employment. The Social Security Board has been recommending to the States that they extend coverage to agricultural processing workers without waiting until they feel prepared to cover agricultural employment generally.

EXHIBIT XV.—Estimated number of workers with some earnings during 1943 in industries subject to State unemployment compensation laws,¹ by State

State	Size-of-firm coverage provision ²	Number of workers in covered firms (in thousands)	Number of workers in all firms ³ (in thousands)	Percentage increase, workers in all firms over covered workers ⁴
Total, 51 States.....		44,800	48,300	7.5
Alabama.....	8 or more.....	755	832	10.3
Alaska.....	do.....	37	44	17.9
Arizona.....	3 or more.....	206	214	4.0
Arkansas.....	1 or more.....	383	383	0
California.....	4 or more.....	3,887	4,076	4.9
Colorado.....	8 or more.....	347	411	18.3
Connecticut.....	4 or more.....	1,027	1,068	4.0
Delaware.....	1 or more.....	161	161	0
District of Columbia.....	do.....	317	317	0
Florida.....	8 or more.....	720	839	16.5
Georgia.....	do.....	891	985	10.6
Hawaii.....	1 or more.....	168	168	0
Idaho.....	do.....	136	136	0
Illinois.....	6 or more.....	3,632	3,871	9.6
Indiana.....	8 or more.....	1,404	1,557	10.9
Iowa.....	do.....	522	654	25.4
Kansas.....	do.....	505	605	19.8
Kentucky.....	4 or more.....	556	592	6.5
Louisiana.....	do.....	778	812	4.3
Maine.....	8 or more.....	291	334	14.9
Maryland.....	4 or more.....	933	976	3.9
Massachusetts.....	1 or more.....	1,912	1,912	0
Michigan.....	8 or more.....	2,266	2,476	9.2
Minnesota.....	1 or more.....	740	807	9.1
Mississippi.....	8 or more.....	855	414	16.7
Missouri.....	do.....	1,231	1,407	14.3
Montana.....	1 or more.....	133	133	0
Nebraska.....	8 or more.....	289	370	27.9
Nevada.....	1 or more.....	81	81	0
New Hampshire.....	4 or more.....	168	180	7.2

See footnotes at end of table, p. 59.

EXHIBIT XV.—Estimated number of workers with some earnings during 1945 in industries subject to State unemployment compensation laws,¹ by State—Con.

State	Size-of-firm coverage provision ²	Number of workers in covered firms (in thousands)	Number of workers in all firms ³ (in thousands)	Percentage increase, workers in all firms over covered workers ⁴
New Jersey	8 or more	1,934	2,137	10.5
New Mexico	2 or more	133	136	2.3
New York	4 or more	5,881	6,255	6.4
North Carolina	8 or more	1,027	1,128	9.8
North Dakota	do	65	98	50.7
Ohio	3 or more	3,165	3,255	2.8
Oklahoma	8 or more	519	615	18.6
Oregon	4 or more	565	591	4.6
Pennsylvania	1 or more	4,193	4,193	0.2
Rhode Island	4 or more	375	391	4.4
South Carolina	8 or more	470	523	11.7
South Dakota	do	74	106	43.0
Tennessee	do	866	970	12.
Texas	do	1,874	2,187	16.7
Utah	1 or more	228	228	0
Vermont	8 or more	111	132	19.3
Virginia	do	870	990	13.9
Washington	1 or more	812	812	0
West Virginia	8 or more	519	574	10.6
Wisconsin	6 or more	1,004	1,117	11.2
Wyoming	1 or more	75	75	0

¹ Includes all services which constitute "employment" as defined in the law, regardless of the size of the employing unit.

² Represents number of workers an employer must have to be subject to State law.

³ Figures based on number of workers, with no information as to the number of weeks.

⁴ Percentages based on unrounded data. In States with coverage of 1 or more in 20 weeks, some workers would undoubtedly be added by changing to 1 at any time, but the number could not be ascertained.

⁵ Total, 51 States, has been reduced to adjust for duplication arising from employment of individuals in more than 1 State during the year.

⁶ But employers located outside the corporate limits of a city, village, or borough of 10,000 or more are excluded if not subject to the Federal act.

EXHIBIT XVI.—Estimated increase in covered workers in 1945 if size-of-firm restrictions had been eliminated from State laws, in descending percentage increase

State	Size-of-firm provision	Number of workers excluded by size-of-firm limitations (in thousands)	Percentage increase over covered workers, 1945
Total, 51 States ¹		2,500	7.5
North Dakota	8 or more	33	50.7
South Dakota	do	32	43.7
Nebraska	do	81	27.0
Iowa	do	123	25.4
Kansas	do	100	19.8
Vermont	do	21	18.4
Oklahoma	do	96	18.6
Colorado	do	64	12.3
Alaska	do	7	17.9
Mississippi	do	59	15.7
Texas	do	313	16.7
Florida	do	119	16.5
Maine	do	43	14.9
Missouri	do	176	14.3
Virginia	do	130	13.8
Tennessee	do	104	12.0
South Carolina	do	58	11.4
Wisconsin ²	6 or more	113	11.2

¹ Total, 51 States. Has been reduced to adjust for duplication arising from employment of individuals in more than 1 State during the year.

² Employer becomes subject as of the beginning of the calendar year in which he has 6 or more employees in 13 weeks, and as of the end of the calendar year in which he has 6 or more employees in 13 weeks.

EXHIBIT XVI.—Estimated increase in covered workers in 1943 if size-of-firm restrictions had been eliminated from State laws, in descending percentage increase—Continued

State	Size-of-firm provision	Number of workers excluded by size-of-firm limitations (in thousands)	Percentage increase over covered workers, 1943
Indiana.....	8 or more.....	153	10.9
Georgia.....	do.....	94	10.6
West Virginia.....	do.....	55	10.6
New Jersey.....	do.....	203	10.5
Alabama.....	do.....	77	10.3
North Carolina.....	do.....	101	9.8
Illinois.....	6 or more.....	339	9.6
Michigan.....	8 or more.....	210	9.2
Minnesota.....	1 or more ¹	67	9.1
New Hampshire.....	4 or more.....	12	7.2
Kentucky.....	do.....	36	6.5
New York.....	do.....	375	6.4
California.....	do.....	189	4.9
Oregon.....	do.....	26	4.6
Louisiana.....	do.....	34	4.3
Rhode Island.....	do.....	16	4.2
Arizona.....	3 or more.....	8	4.0
Connecticut.....	4 or more.....	41	4.0
Maryland.....	do.....	37	3.9
Ohio.....	3 or more.....	90	2.8
New Mexico.....	2 or more.....	3	2.3
Arkansas.....	1 or more.....	0	0
Delaware.....	do.....	0	0
District of Columbia.....	do.....	0	0
Hawaii.....	do.....	0	0
Idaho.....	do.....	0	0
Massachusetts.....	do.....	0	0
Montana.....	do.....	0	0
Nevada.....	do.....	0	0
Pennsylvania.....	do.....	0	0
Utah.....	do.....	0	0
Washington.....	do.....	0	0
Wyoming.....	do.....	0	0

¹ But employers located outside the corporate limits of a city, village, or borough of 10,000 or more population are excluded if not subject to the Federal act.

(d) State and local Government workers

Removal by the States of the exclusion of State and local governmental workers would bring between 2 and 3 million additional workers into the unemployment compensation system. In April 1944 there were 3,081,100 State and local government employees in the United States, including both school and nonschool employees. The attached table shows the number of such employees in each State in April and October 1943 and April 1944. In April 1940 the number of State and local government employees—excluding school employees, persons on work relief, and employees of contractors—was estimated at 2,057,000. There were 38,853 employing units—States, counties, townships, cities, towns, and villages. Of these units, 48 percent had 10 or more employees and employed 97 percent of the workers. In 1942, 1 of every 40 persons in the country was a public employee of a State or local government. The 12 largest governmental employers in the country are, in descending order, the Federal Government, New York City, New York State, Pennsylvania, Chicago, California, Detroit, Illinois, Ohio, Philadelphia, Texas, and Los Angeles. New York City with 133,000 (exclusive of school employees) had more than twice the number of New York State with 55,900.

Despite a general impression to the contrary, public employees do suffer from unemployment. Civil-service laws give them some security in their jobs. Not all jurisdictions have civil-service laws, however, while even in those jurisdictions which do, certain groups are frequently outside the system. In addition, government functions needed at one time become obsolete and are discontinued, appropriations are cut and staff reduced accordingly and many public activities are self-limiting or temporary. In the census of March 1940 approximately 1

of every 12 individuals reported out of work was a government worker and 1 of every 11 government workers was reported unemployed.

Another indication that these workers need protection is given by the fluctuations in the level of government employment within a year. If the average number of workers in State and local government nonschool employment in the years 1940 and 1941 is taken as 100, the quarterly index of employment ranges from 97 in January 1940, 96 in January 1941, and 97 in January 1942, to 103 in July 1940, and 105 in July 1941. The greatest fluctuation was in employment in public-service enterprises of cities of over 100,000 population—from 75 in January 1940 to 112 in July 1941, and down to 102 in January 1942.

The need of government workers for protection is illustrated also by experience under the Wisconsin unemployment compensation law. In Wisconsin the ratio of benefits to contributions for government employment has been much higher than the ratio for all industries in the State. For example, the ratio for all industries for 1942 was 26.9 percent while for regular government agencies the ratio was 75.6 percent. This is probably partially due to the fact that under the Wisconsin law, government employees on an annual salary basis are excluded. The data for 1939-42, inclusive, are as follows:

Year	Ratio of benefits to contributions				
	All Industries	Government agencies (total)	State	County	City
1939.....	29.0	98.2	(¹)	(¹)	(¹)
1940.....	41.6	120.4	151.6	142.6	85.5
1941.....	24.3	85.8	101.3	81.3	81.8
1942.....	26.9	75.6	95.3	78.9	63.8

¹ Break-down not available.

At the present time many workers in public employment as in private industry are temporary employees releasing servicemen. The group in public employment, however, will have no protection when demobilization and reconversion come.

EXHIBIT XVII.—*State and local governmental employment for selected months, by State, 1943-44*

State	Employment				
	April 1943	October 1943	Percentage change from April 1943 to October 1943	April 1944	Percentage change from October 1943 to April 1944
Continental United States ¹	3,101,900	3,056,000	-1.5	3,081,100	+0.8
Alabama.....	49,100	48,700	-.8	48,800	+ .2
Arizona.....	12,300	12,200	-.8	12,300	+ .8
Arkansas.....	31,800	31,600	-.6	31,700	+ .3
California.....	192,100	188,500	-1.9	190,700	+1.2
Colorado.....	31,800	31,400	-1.3	31,000	+ .6
Connecticut.....	43,100	42,300	-1.9	42,800	+1.2
Delaware.....	7,000	6,900	-1.4	6,900	0
District of Columbia.....	15,800	15,700	-.6	15,900	+1.3
Florida.....	50,400	49,600	-1.6	50,100	+1.0
Georgia.....	56,500	56,100	-.7	56,200	+ .2
Idaho.....	14,400	14,200	-1.4	14,300	+ .7
Illinois.....	162,100	159,500	-1.6	160,900	+ .9
Indiana.....	73,800	72,800	-1.4	73,300	+ .7
Iowa.....	64,500	64,000	-.8	64,100	+ .2
Kansas.....	53,200	52,700	-.9	52,900	+ .4
Kentucky.....	48,500	48,100	-.8	48,200	+ .2
Louisiana.....	55,600	54,700	-1.6	55,200	+ .9
Maine.....	23,000	22,600	-1.7	22,600	+ .9
Maryland.....	39,000	38,300	-1.8	38,700	+1.0

¹ Excludes data for Alaska and Hawaii.

EXHIBIT XVII.—State and local governmental employment for selected months, by State, 1943-44—Continued

State	Employment				
	April 1943	October 1943	Percentage change from April 1943 to October 1943	April 1944	Percentage change from October 1943 to April 1944
Massachusetts.....	112,900	110,600	-2.0	112,000	+1.3
Michigan.....	141,800	139,500	-1.6	140,800	+.9
Minnesota.....	75,600	74,400	-1.6	75,100	+.9
Mississippi.....	41,700	41,400	-.7	41,500	+.2
Missouri.....	77,100	76,100	-1.3	76,600	+.7
Montana.....	16,100	15,900	-1.2	16,000	+.6
Nebraska.....	36,900	36,500	-1.1	36,700	+.5
Nevada.....	4,100	4,000	-2.4	4,100	+2.5
New Hampshire.....	15,900	15,600	-1.9	15,800	+1.3
New Jersey.....	101,100	99,300	-1.8	100,400	+1.1
New Mexico.....	12,600	12,400	-.8	12,400	0
New York.....	375,500	367,300	-2.2	372,600	+1.4
North Carolina.....	65,800	65,300	-.8	65,400	+.2
North Dakota.....	16,600	16,500	-.6	16,500	0
Ohio.....	161,900	159,100	-1.7	160,700	+1.0
Oklahoma.....	51,700	51,300	-.8	51,400	+.2
Oregon.....	31,100	30,700	-1.3	30,900	+.7
Pennsylvania.....	209,400	206,200	-1.5	208,000	+.9
Rhode Island.....	17,500	17,200	-1.7	17,400	+1.2
South Carolina.....	37,900	37,600	-.8	37,700	+.3
South Dakota.....	22,600	22,200	-1.3	22,300	+.5
Tennessee.....	52,700	52,100	-1.1	52,400	+.6
Texas.....	134,400	133,100	-1.0	133,600	+.4
Utah.....	18,000	17,800	-1.1	17,900	+.6
Vermont.....	9,900	9,800	-1.0	9,800	0
Virginia.....	57,900	57,200	-1.2	57,500	+0.5
Washington.....	51,600	50,600	-1.7	51,100	+1.0
West Virginia.....	37,300	37,100	-.5	37,100	0
Wisconsin.....	82,800	81,500	-1.6	82,200	+.9
Wyoming.....	7,800	7,800	0	7,800	0

Source: Bureau of Labor Statistics, Department of Labor.

(e) Employees of nonprofit organizations

One of the major groups of wage earners not now protected by the unemployment compensation program is that of employees for nonprofit institutions. This group includes about a million workers who are employed in hospitals; schools; churches; welfare, literary, scientific, and educational institutions. Many of these individuals do exactly the same type of work as persons in the same occupations working for private firms. They are subject to the same risk of unemployment. Yet persons working for private firms are protected by unemployment compensation; these workers are not.

What are the reasons for discrimination against workers for organizations whose objectives are humane, and whose concern is with the welfare of individuals? Most of the reasons which have been given from time to time are based on distinctions from commercial and industrial employers which are assumed to be peculiar to nonprofit organizations.

The claim has been made that individuals working for nonprofit organizations are not subject to the risks of unemployment; that such organizations make provision for their employees; that hospitals have to keep a full staff at all times to be ready for any emergency; that teachers have tenure of office.

As a matter of fact, representatives of hospitals have stated that 400 hospitals closed during the depression; considerable unemployment must have resulted. Even in 1940, the United States census found 22,700 teachers unemployed and seeking work; this includes employees of both public and private schools. No figures are available concerning turn-over among service workers in hospital and private schools and colleges—janitors, elevator operators, switchboard operators, printers, editors, accountants, cooks, maids, cleaning women, laundresses, waitresses, watchmen, gardeners—but no one who has spent any time in a hospital or a college dormitory can have been unconscious of the constant changes in the staff. No fund was available for paying benefits to these people during periods of unemployment.

It is sometimes maintained that employers who sell a product or a service are able to add the cost of the unemployment tax to the selling price, but that hospitals or private schools produce no article for sale to which the cost of unemployment insurance could be added.

The basis for this argument is the thesis that these nonprofit organizations are largely supported by donations and by endowments, and that when people are giving out of generosity, they should not be expected to give money for taxes also.

The answer to this argument lies in the need of the workers for the protection of unemployment compensation. If the workers are subject to the risk of unemployment, their need must be met in some way. In all cases, their jobs will be less attractive than would be similar work in covered employment. Those who become unemployed may have to be assisted by payments made by the same public-spirited citizens who support the nonprofit institution. Obviously, unemployment compensation is the most satisfactory device, both for society and the individuals, for taking care of this risk of unemployment.

If the insurance is necessary, the amount of the contributions becomes as much a legitimate cost of operating the organization as the fuel bills, and can be included in the budget to be raised in the same manner as any other expenses.

Moreover, "nonprofit" is by no means synonymous with "charity." Many of the organizations excluded by this provision do sell services, and could include some or all of the cost of the insurance contribution in the price charge to students or patients.

(f) Domestic service employees

The 1940 census reported 2.1 million workers employed in domestic service in private families. Probably a very large percentage of these workers is employed in families employing only one such worker. Again, a large number are part-time or casual workers. This is precisely the greatest difficulty in covering domestic service—that the employing units are small and scattered, and the collection of reports and contributions would be difficult and expensive. It has always been assumed that making reports of wages, including payments in kind, would be too difficult for housewives, but they seem to have done very well in mastering the mathematics of point rationing. However, a stamp system has been considered the most feasible method of collection, for the small units employing domestic workers—as for small farm units. Any States which might pioneer in covering these workers, and experiment with methods of collecting contributions, and paying benefits to them, would perform a useful service by pointing the way to the coverage of these workers throughout the country.

The 1940 census contains the following distribution by States of domestic workers in private families, including both those employed, and those who were experienced workers seeking work:

United States.....	2, 327, 159	Montana.....	4, 627
Alabama.....	75, 061	Nebraska.....	16, 349
Arizona.....	6, 821	Nevada.....	866
Arkansas.....	32, 239	New Hampshire.....	8, 770
California.....	96, 886	New Jersey.....	67, 842
Colorado.....	12, 991	New Mexico.....	6, 364
Connecticut.....	29, 844	New York.....	252, 437
Delaware.....	6, 935	North Carolina.....	82, 613
District of Columbia.....	28, 295	North Dakota.....	7, 723
Florida.....	72, 662	Ohio.....	99, 064
Georgia.....	110, 874	Oklahoma.....	33, 097
Idaho.....	4, 065	Oregon.....	13, 164
Illinois.....	104, 264	Pennsylvania.....	146, 810
Indiana.....	41, 837	Rhode Island.....	8, 771
Iowa.....	32, 655	South Carolina.....	55, 795
Kansas.....	22, 808	South Dakota.....	6, 670
Kentucky.....	42, 720	Tennessee.....	68, 711
Louisiana.....	70, 711	Texas.....	154, 999
Maine.....	15, 569	Utah.....	3, 077
Maryland.....	45, 262	Vermont.....	7, 923
Massachusetts.....	62, 096	Virginia.....	65, 509
Michigan.....	66, 502	Washington.....	19, 320
Minnesota.....	38, 749	West Virginia.....	23, 812
Mississippi.....	52, 419	Wisconsin.....	39, 612
Missouri.....	58, 783	Wyoming.....	2, 186

OTHER BENEFITS

(1) VARIOUS PROPOSALS ON TRAVEL ALLOWANCES

Section 706 of title VII of the original bill provides for the Federal payment of transportation costs, including that for dependents and household effects, of civilian war workers to places where suitable work is available with certain limitations on cost. Section 708 of title VII of the bill reported by the committee covers transportation costs of war workers who left their homes after December 7, 1941, to engage in war work, back to their homes or to places where suitable work is available with certain additional limitation on costs, including a limit of \$200. The minority recommends that the substance of the provision in the bill reported by the committee be adopted.

(2) VARIOUS PROPOSALS ON VETERANS' BENEFITS

Section 2 of the original bill provides for the payment of \$25 per week to unemployed veterans and \$5 more to unemployed veterans with dependents for a maximum benefit amount equivalent of 52 weeks of total unemployment. This provision is deleted from the bill as reported by the committee. The minority recommends the restoration of this provision in the original bill.

(3) REASONS FOR VETERANS' PROPOSAL OF MINORITY

(a) Dependents' benefits not relief

It has been contended that no provision should be made for dependents' benefits of veterans. These benefits would make the unemployment compensation system into a relief system. Finally, it might place veterans at a disadvantage in relation to civilians.

The minority contend that provision should be made for dependents' benefits, at least for veterans. These benefits would not turn the GI system of readjustment allowances into a relief system. Dependents' benefits have generally been recognized as socially desirable as part of many unemployment compensation programs and have never been considered to be part of a relief program. Some State unemployment compensation laws now contain dependents' benefits provisions. The Canadian unemployment compensation system and most of the European systems provide for dependents' benefits. The versions of the GI bill passed by the Senate in 1944 had such dependents' benefits which were deleted by the House of Representatives.

The allotment law passed by Congress provides for mandatory payments to dependents of servicemen while they are in military service. Certainly the allotment law is not a relief measure. Nor do the dependents' benefits provisions in our proposal introduce administrative difficulties for the Veterans' Administration. Under the allotment law, information on the number of dependents and who they are with respect to each serviceman is now available and could be easily made available for the payment of dependents' benefits under the minority proposal.

(b) *Veterans benefits compared with allotments*

The GI bill now pays an unemployed veteran with at least 90 days of military service \$20 for each week of total unemployment for a period ranging from 24 to 52 weeks of unemployment which may be consecutive or nonconsecutive, depending upon his length of military service. The effect of our proposal would be to raise the readjustment allowances paid to single veterans from \$20 to \$25 and from \$20 to \$30 for those with dependents. It would also correct certain inequities which now exist in the GI bill of rights. Of the 12,200,000 persons in military service in July 1945, 60 percent had no dependents and 40 percent had one or more dependents.

There are civilians in some States who are now allowed more than \$20 a week, which is payable to a single veteran or to a veteran with dependents. Under our proposal the minimum payable to any veteran would be \$25, whereas the maximum payable to a civilian would be \$25, and the actual payments to civilians can be less than \$25.

The veteran who comes back and who has two dependents—for example, a wife and child—at home will get less unemployment compensation under the GI bill of rights than his wife had been getting in her monthly allotment check while he was in the military service. In other words, such a veteran comes home and joins his family; he becomes quite an expense to his family if he is unemployed. In terms of money income, his family was better off when he was in the Army. Under the allotment law the Government recognized that it requires more than \$20 a week for a veteran's wife to take care of herself and two or more children. If there is more than one child the veteran would get considerably less while unemployed than his family got while he was in the Army.

Furthermore, the situation is made worse by the fact that while in the service the veteran was drawing a salary, rations, clothing, lodging, and the like, yet while an unemployed ex-serviceman he is adding his living expenses to the family budget, although the family income has not been increased.

