Gerard Swope (December 1, 1872 – November 20, 1957) was a U.S. electronics businessman. He served as the president of General Electric Company between 1922 and 1939, and again from 1942 until 1944.

Swope was born in St. Louis, Missouri to Ida and Isaac Swope, Jewish immigrants from Germany. He graduated from the Massachusetts Institute of Technology in 1895.

He is possibly best known for his labor relations innovations. While at GE, Swope implemented numerous labor reforms, making conditions better for employees with voluntary unemployment insurance, profit-sharing, and other programs considered radical in their day. Swope increased sales and overall efficiency (economics), earning high profits and market share, while focusing on employee training, retention, and loyalty. Before the passage of the Wagner Act [1935], Swope "had long supported labor legislation."

He served as Chairman of The Business Council, then known as the Business Advisory Council for the United States Department of Commerce in 1933. Swope's other Roosevelt Administration roles included member, Industrial Advisory Board of the National Recovery Administration (NRA) (1933); member, Bureau of Advertising and Planning of the Department of Commerce (1933); chairman, Coal Advisory Board (1933); member, National Labor Board (1933); member, President's Advisory Council on Economic Security (1934); and member, Advisory Council on Social Security (1937-1938). Swope was Assistant Secretary of the Treasury in 1942. In 1942 he was chairman of the Committee to Study Budgets of Relief Appeals for Foreign Countries. For this work he won the Hoover Medal.

He died in New York City in 1957. In 2005, Forbes Magazine ranked Swope as the 20th most influential businessman of all time.

**Swope Plan**

In September 1931, Swope presented a proposal for recovery, the Swope Plan. Under the plan, the Federal Trade Commission would supervise trade associations established for each industry. Trade associations would cover every company with at least 50 employees.
Associations would regulate output and set prices. Workers would receive life insurance, pensions, and unemployment insurance paid for in part by employers. The Chamber of Commerce and other conservative groups provided enthusiastic support.

President Herbert Hoover, who strongly supported voluntary trade associations, denounced the plan for being compulsory, inefficient, and monopolistic.

In an oral history interview, Leon H. Keyserling said the New Deal's National Industrial Recovery Act "started as a trade association act. The original draft of the act grew out of the so-called Gerard Swope plan for Recovery." When asked in November 1933 about an updated Swope Plan, President Roosevelt said, "Mr. Swope's plan is a very interesting theoretical suggestion in regard to some ultimate development of N.R.A"

Text

1. All industrial and commercial companies (including subsidiaries) with 50 or more employees, and doing an interstate business, may form a trade association which shall be under the supervision of a federal body referred to later.

2. These trade associations may outline trade practices, business ethics, methods of standard accounting and cost practice, standard forms of balance sheet and earnings statement, etc., and may collect and distribute information on volume of business transacted, inventories of merchandise on hand, simplification and standardization of products, stabilization of prices, and all matters which may arise from time to time relating to the growth and development of industry and commerce in order to promote stabilization of employment and give the best service to the public. Much of this sort of exchange of information and data is already being carried on by trade associations now in existence. A great deal more valuable work of this character is possible.

3. The public interest shall be protected by the supervision of companies and trade associations by the Federal Trade Commission or by a bureau of the Department of Commerce or by some federal supervisory body specially constituted.

4. All companies within the scope of this plan shall be required to adopt standard accounting and cost systems and standardized forms of balance sheet and earnings statement. These systems and forms may differ for the different industries, but will follow a uniform plan for each industry as adopted by the trade association and approved by the federal supervisory body.
5. All companies with participants or stockholders numbering 25 or more, and living in more than one state, shall send to its participants or stockholders and to the supervisory body at least once each quarter a statement of their business and earnings in the prescribed form. At least once each year they shall send to the participants or stockholders and to the supervisory body a complete balance sheet and earnings statement in the prescribed form. In this way the owners will be kept informed of the conditions of the business in such detail that there may be no criticism of irregularity or infrequency of statements or methods of presentation.

6. The federal supervisory body shall cooperate with the Internal Revenue Department and the trade associations in developing for each industry standardized forms of balance sheet and income statement, depending upon the character of the business, for the purpose of reconciling methods of reporting assets and income with the basis of values and income calculated for federal tax purposes.

7. All of the companies of the character described herein may immediately adopt the provisions of this plan but shall be required to do so within 3 years unless the time is extended by the federal supervisory body. Similar companies formed after the plan becomes effective may come in at once but shall be required to come in before the expiration of 3 years from the date of their organization unless the time is extended by the federal supervisory body.

8. For the protection of employees, the following plans shall be adopted by all of these companies:

(A) **A WORKMEN'S COMPENSATION ACT**, which is part of the legislation necessary under this plan, shall, after careful study, be modeled after the best features of the laws which have been enacted by the several states.

(B) **LIFE AND DISABILITY INSURANCE**. All employees of companies included in this plan may, after two years' service with such companies, and shall, before the expiration of five years of service, be covered by life and disability insurance.

1. The form of policy shall be determined by the association of which the Company is a member and approved by the federal supervisory body. The policy will belong to the employee and may be retained by him and kept in full force when he changes his employment or otherwise discontinues particular service as outlined later.

2. The face value of a policy shall be for an amount approximately equal to one year's pay, but not more than $5,000, with the exception that the employee may, if he desires, increase at his own cost the amount of insurance carried, subject to the approval of the
Board of Administrators, later defined.

(3) The cost of this life and disability insurance shall be paid one half by the employee and one-half by the company for which he works, with the following exception: the company's cost shall be determined on the basis of premiums at actual age of employees less than 35 years old and on the basis of 35 years of age for all employees 35 or over and shall be a face value of approximately one-half a year's pay but limited to a maximum premium for $2,500 of insurance. An employee taking out insurance at age 35 or over will pay the excess premium over the amount based upon age 35. This will remove the necessity for restriction against engaging employees or transferring them from one company to another because of advanced age, as it will place no undue burden of high premiums upon the company.

(4) The life and disability insurance may be carried by a life insurance company selected by the trade association and approved by the federal supervisory body or may be carried by a company organized by the trade association and approved by the federal supervisory body, or a single company may be formed to serve all associations.

(5) The administration of the insurance plan for each company shall be under the direction of a Board of Administrators consisting of representatives, one-half elected by the employee members. The powers and duties of the Board for each company will be to formulate general rules relating to eligibility of employees, etc., but such rules shall be in consonance with the general plan laid down by the General Board of Administration of the trade association of which the company is a member, and approved by the federal supervisory body.

(6) Provision for the continuation of a policy after an employee leaves one company and goes to another in the same association, or goes to a company in another trade association; continuance of the policy after retirement on pension; provisions with regard to beneficiaries; total or partial disability; method of payment of premiums by payroll deductions or otherwise, weekly, monthly or annually, shall be embodied in the plan formulated by the trade association, with the approval of the federal supervisory body.

(7) If an employee leaves a company to go with one which is not a member of the trade association; if he engages in business for himself; or if he withdraws from industrial or commercial occupation, he may elect to retain the portion of the policy for which he has paid, in whole, or in part, by the continued payment of the proportional full premium costs, or he may receive a paid up policy, or be paid the cash surrender value for the part for which he has been paying the premiums. The cash surrender value of that portion of the policy paid for by the company will be paid to the company which paid the premiums.
(C) **PENSIONS.** All employees of companies included in this plan shall be covered by old age pension plans which will be adopted by the trade associations and approved by the federal supervisory body. The principal provisions will be as follows:

1. All employees may, after two years of service with a company coming within the scope of this plan, and shall, before the expiration of five years of service, be covered by the old age pension plan.

2. All employees after two years' service may, and after five years' service shall be required to, put aside a minimum of one per cent of earnings, but not more than $50 per year, for the pension fund. The employee may, if he desires, put aside a larger amount, subject to the approval of the Board of Administrators.

3. The Company shall be required to put aside an amount equal to the minimum stated above, namely one per cent of earnings of employees, but not more than $50 per year per employee.

4. The above minimum percentage shall be the same for all employees who are less than 35 years of age when payments begin and the minimum percentage for these employees shall remain the same thereafter. The percentage to be set aside by employees coming into the pension plan at 35 years of age or over shall be so determined that it will provide a retiring allowance at age 70 the same as though they had begun one per cent payments at the age of 35. These provisions enable employees to go from one company to another in the same association or to different associations at any age with provision for retiring allowances which will be not less than the minimum rate of an employee who entered the pension plan at age 35.

5. The amounts set aside by the employee and the company with interest compounded semiannually at five per cent until retirement at age 70, for a typical average employee, would provide an annuity of approximately one-half pay.

6. The administration of the pension plan for each company shall be under the direction of a Board of Administrators, consisting of representatives, one-half appointed by the management and one-half elected by the employee members. The powers and duties of the Board for each company will be to formulate general rules relating to eligibility of employees, conditions of retirement, etc., but such rules shall be in consonance with the general plan laid down by the General Board of Administration of the trade association of which the company is a member, and approved by the federal supervisory body.

7. The amounts collected from the employees and the companies shall be placed with the pension trust organized by the association, the management of which shall be under the
direction of the General Board of Administration referred to hereafter. In no case shall such funds be left under the control of an individual company.

(8) The Pension trust shall invest all funds and place them to the credit of the individual employees, including the income earned by the trust. If an employee goes from one company to another in the same association, the funds accumulated to his credit shall be continued to his credit with proper record of transfer. If an employee goes to a company in another association, the funds accumulated to his credit shall be transferred to his credit in the pension trust of the association to which he goes. If an employee goes to a company which does not come under these provisions or which is not a member of a trade association; goes into business for himself; or withdraws from an industrial or commercial occupation, the amount of his payments plus the interest at the average rate earned by the funds shall be given to him. If an employee dies before reaching retirement age, his beneficiary will receive the amount of his payments plus interest at the average rate earned by the funds. When an employee reaches retirement age, the entire amount accumulated to his credit, including his own payments and those of the company, plus accumulated interest, will be given to him in the form of an annuity. If an employee goes to a company which does not come under these provisions or which is not a member of a trade association; goes into business for himself; or withdraws from industrial or commercial occupation, he may elect to let the amount to his credit (namely, his own payments plus those of the company and the accumulated interest) remain with the pension trust for transfer, if he should return to the employ of any company coming within the provisions of this plan. If he does not return to the employ of a company coming under these provisions, he may at any time thereafter withdraw the amount of his own payments plus interest at the average rate earned by the funds up to that time. Company contributions and accumulated interest credited to employees who die, or for reasons indicated above, receive or withdraw their own contributions and interest, shall be returned to the employer or employers who made the contributions.

(9) The rules governing the payments of pensions on retirement and all other rules governing its continuance shall be made by the trade association, approved by the federal supervisory body, and observed by the General Board of Administration and the Boards of Administration of the member companies.

(D) UNEMPLOYMENT INSURANCE. All employees on piece work, hourly work daily, weekly, or monthly work, with normal pay of $5,000 per year or less (approximately $96.15 per week) shall be covered by unemployment insurance.

(1) All such employees may, after two years of service with a company coming within the provisions of this plan, and shall, after five years of service, be each required to put aside
a minimum of one per cent of earnings, but not more than $50 per year for an
unemployment insurance fund.

(2) The company shall be required to put aside an amount equal to that put aside by the
employees, as set forth above, namely one per cent of the earnings of each employee, but
not more than $50 per year for each such employee.

(3) If a company regularizes and guarantees employment for at least 50 per cent of the
normal wage paid each year to such employees, the company assessment for employees
covered by such guarantee need not be made, but the employees will pay in a minimum
of one per cent of earnings, but not more than $50 per year, into a special fund for their
own benefit.

If such an employee leaves the company, dies or retires on pension, the amount to his
credit in the special fund plus interest at the average rate earned by the special fund, shall
be given to him or to his beneficiaries or added to his pension.

(4) If a company so plans its work that it is able to reduce unemployment, when the
amount of such company's credit in the normal unemployment fund is equal to but not
less than 5 per cent of the normal annual earnings of the employees covered, the company
may cease making payment to the fund. Employees' payments will continue. The
company will resume payments when its credit in the normal unemployment fund falls
below 5 per cent of normal annual earnings of the employees covered.

(5) When the weekly payments made from the fund for unemployment benefits amount to
2 per cent or more of the average weekly earnings of participating employees, the
company shall declare an unemployment emergency, and normal payments by the
employees and the company shall cease. Thereafter all employees of the company
(including the highest officers) receiving 50 per cent or more of their average full-time
earnings shall pay 1 per cent of their current earnings to the unemployment fund. A
similar amount shall be paid into the fund by the company. The unemployment
emergency shall continue until normal conditions are restored, which shall be determined
by the Board of Administrators of each company. Thereupon normal payments will be
resumed.

(6) The main provisions for the distribution of the funds shall follow along these lines,
unless modified by the Board of Administrators as set forth in Section D, paragraph 7
hereof. A certain small percentage of the normal payments of the employees and the
company may be considered as available for helping participating employees in need. A
larger percentage of such normal payments may be considered as available for loans to
participating employees in amounts not exceeding $200 each, with or without interest as
may be determined by the Board. The balance of the funds shall be available for unemployment payments. Unemployment payments shall begin after the first two weeks of unemployment and shall amount to approximately 50 per cent of the participating employee's average weekly or monthly earnings for full time, but in no case more than $20 per week. Such payments to individual employees shall continue for no longer than ten weeks in any twelve consecutive months unless extended by the Board. When a participating employee is working part-time because of lack of work and receiving less than 50 per cent of his average weekly or monthly earnings for full time, he shall be eligible for payments to be made from the fund, amounting to the difference between the amount he is receiving as wages from the company and the maximum he may be entitled to as outlined above.

(7) The custody and investment of funds and administration of the unemployment insurance plan for each company shall be under the direction of a Board of Administrators consisting of representatives, one-half appointed by the management and one-half elected by the employee members. The powers and duties of the Board shall be to formulate general rules relating to eligibility of employees, the waiting period before benefits are paid, amounts of benefits and how long they shall continue in any year, whether loans shall be made in time of unemployment or need, whether a portion of the funds shall be placed at the disposal of the Board for relief from need arising from causes other than unemployment, etc., but such rules shall be in consonance with the general plan laid down by the General Board of Administration of the trade association of which the company is a member, and approved by the federal supervisory body.

(8) If an employee leaves the company and goes to work for another company coming within the provisions of this plan, the proportionate amount remaining of his normal contributions, plus interest at the average rate earned by the funds, shall be transferred to such company and to his credit. If he leaves for other reasons, dies or retires on pension, the proportionate amount remaining of his normal payment, plus interest at the average rate earned by the funds, shall be given to him, or to his beneficiary, or added to his pension. When such employee's credit is transferred to another company, or paid to the employee or to his beneficiary under this provision, an equal amount shall be paid to the cooperating company.

GENERAL ADMINISTRATION. Each trade association will form a General Board of Administration which shall consist of nine members, three to be elected or appointed by the association, three to be elected by the employees of the member companies, and three, representing the public, to be appointed by the federal supervisory body. The members of the General Board, except employee representatives, shall serve without compensation. The employee representatives shall be paid their regular rates of pay for time devoted to Board work, and all members shall be paid traveling expenses, all of which shall be borne
by the trade association. The powers and duties of this General Board shall be to interpret
the life and disability insurance, pension and unemployment insurance plans adopted by
the trade association and approved by the federal supervisory body, supervise the
individual company Boards of Administration, form and direct a pension trust for the
custody, investment, and disbursements of the pension funds, and in general supervise
and direct all activities connected with life and disability insurance, pension and
unemployment insurance plans.