Other provisions amend and update the benefit payments for veterans taking correspondence courses, provide new financial assistance to State agencies charged with approving veterans' educational programs, and liberalize the farm cooperative training program.

Other Legislation

Public Law 90-431 permits vocational rehabilitation training on a part-time basis for veterans with service-connected disabilities. Previously, such training could be offered only on a full-time basis. The program involves payment of a subsistence allowance, as well as tuition, fees, books, supplies, and equipment, during the period in which training is pursued. The schedule under the new law is as follows:

Type of training	No dependents	One dependent	Two or more dependents
	Monthly subsistence allowance		
Institutional:			
Full-time [1]	$110	$150	[2] $175
Three-quarter-time	80	110	130
Half-time	55	75	85
Institutional on-farm apprentice or other on-job training:			
Full-time [1]	95	125	[2] 150

[1] No change from old law.
[2] Additional $5 allowance for each dependent above two, where veteran is not eligible to receive additional compensation because he is less than 50 percent disabled.

Public Law 90-432 increased the maximum per diem rates of Federal payments for domiciliary and nursing-home care of eligible war veterans in a State home. For domiciliary care, the new rate was upped from $2.50 a day to $3.50; for nursing-home care, the rise was from $3.50 a day to $5.00.

Public Law 90-429 raised the amount that the Veterans Administration may pay to private or public nursing-home care facilities for care of eligible veteran patients from one-third the cost of care in Veterans Administration general hospitals to 40 percent of such cost. This means an increase in the maximum per diem from $14.40 to $16.50.

SOCIAL SECURITY ABROAD

BRITISH COMMONWEALTH AREAS OF THE CARIBBEAN*

Though some form of public assistance has existed in most of the Commonwealth countries and British islands of the Caribbean, the evolution toward a compulsory or universal social insurance system has generally been slow. Protection of the working population has taken the form of (a) work-injury insurance (workmen's compensation), (b) assistance to the aged and disabled based on noncontributory pensions subject to a means test and long residence requirements, and (c) provident funds (statutory or voluntary) limited to special occupational groups or employees of private enterprise. Public employees, for example, have benefited for many years in all jurisdictions from coverage provided by government-sponsored, contributory disability and retirement funds. These separate programs, however, have proved inadequate both in terms of benefits and total population covered, a fact reflected in the large portion of the aged population dependent on old-age assistance (as many as two-thirds to four-fifths in some areas).

The advent of political independence in four of the former British territories of the Caribbean since 1962 has brought with it a concern on the part of the individual governments with the economic needs of the population. This concern has led to a reexamination of contributory social insurance programs with a view to providing improved protection against the major risks facing a citizen and his family during his working life.

Options for establishing a compulsory and universal program of social insurance in the former British territories have been circumscribed by low income standards, high unemployment or underemployment, and the dependence of a large segment of the population on agricultural pursuits in sectors where seasonal employment or migratory labor predominates. To ensure that

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the goals expressed in social legislation are attainable in terms of economic and social development, the four countries have sought the advice and assistance of experienced social security administrators and actuaries designated by international organizations or international development agencies.

Jamaica, which was the first country to revise its social security program, followed the pattern of the United Kingdom by establishing a combined flat-rate and wage-related system. The other three countries have favored wage related programs that closely adhere to the broad guidelines and standards recommended by the International Labor Office (ILO) for countries seeking to introduce new programs or expand existing ones. ILO technicians are currently assisting Barbados in drawing up plans to extend its existing social security program. In Trinidad and Tobago and in Guyana, ILO assistance is being utilized by government task forces responsible for drafting a national program of social insurance. In Jamaica, social security is also expected to be implemented more fully, especially in the area of workmen's compensation.

Paralleling these efforts to improve the economic security of the working population is a program of regional development designed to encourage investment and to establish a larger trading market for the 4 million persons who inhabit the Commonwealth countries in the Caribbean. This cooperative effort has taken the form, thus far, of the Caribbean Free Trade Area (CARIFTA), and discussions concerning the establishment of a Caribbean development bank have been initiated. Countries and territories that will participate in the new bank, as well as in the recently created (CARIFTA) are Antigua, the Bahamas, Barbados, British Honduras, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts, Nevis and Anguilla, St. Lucia, St. Vincent, and Trinidad and Tobago.

Though the program for regional development is still in the formative stage, its success or failure may well be determined by the ability of the individual governments to develop policies and programs that will encourage the movement of goods, capital, and labor within the area.[1] The importance of such freedom of movement is also reflected in Latin American efforts at regional economic integration, especially in the Organization of Central American States, where steps have been taken to remove restraints on labor mobility across national boundaries.

[1] See Social Security Administration, Office of Research and Statistics, *Role of Social Security in Economic Development*, Research Report No. 27.

Jamaica

Jamaica is the largest and most developed of the former British colonies in the West Indies. It has a population of 1.9 million. Its internal problems, aggravated by rising prices, stem from chronic unemployment and recurrent strikes.

Among the four Commonwealth countries of the Caribbean, Jamaica has been the leader in social security. Its first Old-Age Pensions and Superannuation Act was enacted in 1958, followed in 1960 by the sugar workers' pension scheme. This legislation provided coverage for some 22,400 sugar workers, or about 3.5 percent of the island's total labor force. Coverage of workers in other occupations remained limited, although a number of the larger companies established contributory provident funds.

After attaining independence on August 6, 1962, the Jamaican Government, with the assistance of the International Labor Office, undertook a review of the country's social security program. As a result, existing programs for old-age pensions, workmen's compensation, and orphans' benefits were consolidated into a single plan under the National Insurance Act of 1965.[2]

The new Jamaican program, which became effective in April 1966, is patterned after the British system. It provides for a flat-rate benefit with respect to earnings under 6 pounds a week and a wage-related pension for that portion of earnings between 6 pounds and 20 pounds a week.[3] Gainfully employed workers (including agricultural workers and the self-employed) between age 18 and the retirement age (65 for men and 60 for women) are insured by the Act. Excluded are those in nonpaid family employment and the casually employed. The current program covers

[2] The Workmen's Compensation Law of 1937 is still in effect and will not be superseded until regulations are issued to bring this section of the 1965 law into effect. Under the old law, insurance is elective. About 80 percent of the employers have chosen to participate.

[3] One pound equals $2.40.

the risks of old age, disability, and death. Special benefits are payable to widows, full orphans, and children under age 18 of a deceased worker. Sickness, maternity, and unemployment are not covered under national insurance. Medical care is provided only in cases of work-connected injuries.

Old-age and survivor pensions are payable if a worker has contributed for a minimum of 156 weeks and has averaged 13 weekly contributions for each year since he came under the program. For disability benefits other than those arising from a work injury, the worker must have contributed for 156 weeks, including 60 weeks in the 3 years immediately preceding the onset of disability. If the worker does not meet the minimum contribution requirement but has made at least 52 weekly contributions, a lump sum grant is payable.

The National Insurance Fund, which pays all benefits, is financed by contributions of insured persons and employers and by yields on the Fund's investments. Employed persons pay 1 shilling and 6 pence on all earnings of less than 6 pounds a week, and the employer pays 2 shillings and 6 pence. For wages of 6–20 pounds, both the worker and the employer pay 2.5 percent of earnings. The self-employed pay 3 shillings on earnings up to 6 pounds a week and 5 percent of their earnings over 6 pounds but under 20 pounds a week. By the end of the second year of operations (March 31, 1968), the Fund had an invested reserve of 813 million pounds.

Except for workers covered under the Sugar Workers' Pension Fund and certain claims for lump-sum grants, no pensions have been paid under the National Insurance Act.[4] Since the program was just initiated in April 1966, the minimum requirement of the equivalent of 3 years of contributions has not yet been met. Thus the first pensions will not be payable until April 1969.

The program is still somewhat limited in terms of total population covered. Out of a labor force of over 700,000 persons, 160,800 were recorded as having contributed to the National Insurance Fund in 1968. Plans to extend the program in the near future are under study, especially with respect to those provisions of the National Insurance Act of 1965 that relate to workmen's compensation. Currently domestic workers, the self-employed, and voluntarily insured persons are not eligible for employment-injury benefits.

Barbados

Barbados became an independent country on November 30, 1966. Its population of 250,000 is concentrated in an area of 166 square miles. With 1,500 people per square mile, the island is one of the most densely populated areas in the world. The unemployment rate is about 12 percent, and seasonal unemployment is even higher. The island economy is heavily dependent on sugar and the guaranteed price it receives on the British market under the Commonwealth preference system.

Barbados has entered the social insurance pension field only within the last 2 years. Its National Insurance and Social Security Act, passed in March 1966, became effective in June 1967. The legislation followed 5 years of study and technical assistance from the International Labor Office.

Coverage under the program is compulsory for most employed persons between the ages of 16 and 65, including government workers. Excluded are casual labor, family employment, and employment with international organizations or foreign embassies. The self-employed are to be assimilated into the plan at a later date. Workers and employers are each required to pay 3 percent of earnings to finance the program.

The program provides old-age, survivors, sickness, maternity, and disability benefits and lump-sum death payments. Workers who have made 150 weekly contributions will be eligible for a pension of 40 percent of recent average earnings at age 65. Persons who have made less than 150 contributions by the time they have reached age 65 will be eligible for one payment equal to 6 weeks of covered earnings for each period of 50 contributions. Because of the number of contributions required to be eligible for pensions, full old-age pensions will not be payable until May 1970, or 3 years after the program started. The plan covers about 80,000 workers out of a total of 95,000 in the labor force. It does not pay for medical or hospital care.

The 1966 law also provides for reform of workmen's compensation. Administration of the

[4] As of March 31, 1967, 11,800 sugar workers were receiving pensions for a total of £81,000 during the fiscal year.

program is to be brought under the National Insurance and Social Security Office, and employers are to make the required contributions (1.5 percent of earnings) to the fund of this agency rather than purchase private insurance. Regulations authorizing this change have not been issued, however, and it is estimated that it may take another year before these can be completed. In the interim the original Workmen's Compensation Law of 1916, as amended in 1963, is still in effect.

Trinidad and Tobago

Trinidad and Tobago became independent on August 31, 1962. The country has a population of about 1 million; approximately one-third are in the labor force. Sugar and petroleum are the principal sources of income, with petroleum providing the Government with 25–30 percent of the revenue it needs to carry out its programs of social welfare and development. Unemployment is high (14–15 percent of the labor force) and industry, agriculture, and commerce have not been expanding sufficiently in recent years to absorb the population increase of 3 percent a year.

Except for workmen's compensation and certain government benefit plans for public employees, Trinidad and Tobago has had no national contributory social security program. The introduction of a national system of social security has been under study for several years, however.

For many years, the basic program for meeting the economic needs of the general public has been the Government's noncontributory old-age pensions and public assistance program for the indigent. This program, financed from general revenues, paid benefits amounting to $4 million (Trinidad)[5] to 35,223 persons at the end of 1966. Of the population aged 65 and over, about 80 percent are receiving old-age assistance.

Many large, well-established industrial firms have set up private pension and welfare plans for their employees, a development that has been encouraged through tax concessions granted employers under the Income Tax Act of 1963. By the end of 1965 there were over 220 approved plans in operation covering over 30,000 workers in the private sector.

Another form of social insurance available to the lower income groups has been the protection provided by the Friendly Societies. These organizations are supported through voluntary contributions and provide relief for members and their families who suffer income loss because of sickness, maternity, or death. During the past decade, membership in these societies has been steadily declining (from 141,662 members in 1957 to 57,970 in 1966), until today the movement no longer reaches any significant segment of the general population.

Recognizing that neither private nor voluntary pension plans are providing the coverage needed to protect the working population against social and economic risks, the Government in 1963 requested technical assistance from the International Labor Office in establishing a compulsory social insurance program. The findings of the ILO team were not made public, but the Government continued its examination of the problem and appointed a committee in February 1967 to review the status of the contemplated social security program and to make recommendations for action. After visiting Jamaica and Barbados to study the systems of those countries, the committee recommended the introduction of legislation covering the financial risks of sickness, maternity, disability, work-connected injury and disease, old age, and death. The committee's recommendations were adopted by the Government on June 22, 1967. It is expected that legislation setting forth the principal features of the plan will be enacted in the very near future.

The broad outline of the plan is embodied in a Government White Paper published in September 1968. The program will be earnings-related and will be compulsory for all employees aged 15 to 65 (including government and domestic workers). Within a 2-year period the program will also be extended to the self-employed . Contributions will amount to about 8 percent of average weekly earnings up to $80 (Trinidad), graduated according to five wage classes. A third of this amount will normally be paid by the worker and the other two-thirds by the employer.

The program will be phased into operation over a 3-year period. Thus, few benefits are anticipated until the third year of operation when the program will have a substantial cash reserve. Contributions will be held in a national insurance

[5] One Trinidad dollar equals 58 cents.

fund in the custody of the Ministry of Finance and will be invested under the direction of an advisory committee.

Eligibility for retirement benefits will accrue to men and women at age 65 if a minimum of 750 weekly contributions (equal to 14.5 working years) have been paid. A pension increment will be awarded for each block of 25 contributions paid in excess of the 750 minimum. As a transitional measure, special age credits will be allowed older employed persons (those aged 35–59) to assist them in satisfying the contributions requirement. Thus, a person over age 59 at the start of the program will receive the maximum number of credits — 600 — and will need only 150 additional contributions to qualify for retirement benefits. A retirement test will apply, and benefits will be withdrawn from any retirement pensioner who performs more than a small amount of part-time work.

Retirement benefits for the fully insured will range from 50 to 73 percent of their average weekly earnings within five wage classes. The benefit formula is weighted in such a way that the group with the lowest average covered earnings will receive the highest ratio of benefits to earnings, and the groups with higher earnings will receive relatively smaller returns. The program also provides for disability, survivors, and lump-sum death benefits.

During the second year of the program, the Government intends to introduce work-injury benefits. The cost of this protection will be paid out of the employer's share of social security contributions and will cover injury, dismemberment, or death that is due to a work-connected accident or industrial disease.

Guyana

Guyana, an English-speaking enclave on the northeast coast of South America, became an independent member of the British Commonwealth on May 26, 1966. It has an estimated population of 675,000. The economy is predominantly agricultural and is based on the production of sugar and rice. Bauxite is the most valuable export. Of the total labor force of 175,000 persons, 36,500, or 20.9 percent, were unemployed in 1965. High unemployment prevails, especially in Georgetown, the capital.

Guyana is a full participating member in the free trade and regional development plans of the English speaking states of the West Indies. The headquarters of the Commonwealth Caribbean Regional Secretariat for CARIFTA were formally established at Georgetown on March 9, 1969. Like its Caribbean associates, Guyana's social insurance laws have consisted principally of a public assistance program with means-tested old-age pensions and work-injury insurance. A health care program is also provided by the public health service on an ability-to-pay basis. Like Trinidad and Tobago, Guyana is preparing to initiate a national program of contributory social insurance.

A law to establish a social insurance system was submitted to the Guyana National Assembly on October 3, 1968.[6] The bill is the result of over 10 years of intermittent study that included technical assistance from the International Labor Office and from other countries. It provides for the payment of old-age, disability, survivor, sickness, maternity, and lump-sum death benefits and for a revised program of cash benefits and medical services for work-connected injury. The International Labor Office will continue to assist the Guyanese Government in the initial stages of the implementation of this program.

The Act covers most persons between ages 18 and 65 who are gainfully employed. The self-employed, persons under age 18, and persons who do not work for wages or salaries will not be included at the beginning. Persons who work for an employer less than 20 hours a week and earn less than $5 (Guyana)[7] a week are also excluded. It is estimated that between 100,000 and 125,000 contributors will be covered by the program at the outset.

The following regulations for implementing the program are under consideration:

Contributions under the plan would begin at the rate of 5.5 percent of the weekly wage, with workers and employers each paying 2.75 percent. In addition, the existing work-injury law will probably be replaced by a program that would provide cash benefits and medical services for

[6] The text of the proposed legislation was published in the *Official Gazette of Guyana*, vol. V, October 7, 1968.

[7] One Guyana dollar equals 50 cents.

workers who incur work-connected injuries. The cost of this insurance will be borne by the employer, who would pay an additional 1.5 percent tax on covered wages.

At age 65 workers would be able to qualify for monthly pensions ranging from 20 to 40 percent of their average monthly earnings during their 3 years of highest earnings. Additional increments up to 60 percent are possible if benefits are based on a lifetime in employment. To qualify for benefits workers will be required to have made a minimum of 750 weekly contributions. Workers over 35 years of age at the time the legislation goes into effect would be given special credit to reduce the total number of contributions required of them. A worker who reaches age 65 without making the minimum contributions would receive a lump-sum grant amounting to 5 percent of his average wage for every 25 contributions.

A sickness benefit amounting to 60 percent of average weekly earnings would be paid for a maximum of 26 weeks to a worker who becomes ill and is unable to work. To qualify, a worker would have to have made 52 contributions and to have been employed a minimum of 8 weeks in the 13-week period before he became ill. The plan would also provide for disability pensions for insured workers who are at least 55 years old and permanently incapacitated by reason of ill health or non-work-connected disability. Other features include a $100 (Guyana) death grant, a lump-sum survivor's benefit, and maternity benefits for women workers.

Recent Publications*

SOCIAL SECURITY ADMINISTRATION

Office of Research and Statistics. *The Role of Social Security in Economic Development.* (Research Report No. 27.) Washington: U.S. Govt. Print. Off., 1968. 265 pp. $1.

Twelve seminar papers dealing with the validity and priority of social security programs in encouraging economic development.

* Prepared in the Library, Department of Health, Education, and Welfare. Orders for items listed should be directed to publishers and booksellers; Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Office of Research and Statistics. *Workers Under Social Security, 1960: Annual and Work History Statistics.* Washington: U.S. Govt. Print. Off., 1968. 333 pp. $2.50.

Comprehensive employment and earnings data on persons reported or included under the old-age, survivors, disability, and health insurance program.

SOCIAL AND REHABILITATION SERVICE

Children's Bureau. *The Nation's Youth: A Chart Book.* Washington: U.S. Govt. Print. Off., 1969. 44 charts. $1.

Information on the size of the population of children and youth, urban-rural distribution, family composition and income, education, employment, military service, juvenile delinquency, and health.

GENERAL

Bangs, Robert B. *Financing Economic Development: Fiscal Policy for Emerging Countries.* Chicago: University of Chicago Press, 1968. 212 pp. $7.50.

Long-range relations of fiscal policy to the level and trend of economic activity.

Berrien, F. Kenneth. *General and Social Systems.* New Brunswick, N.J.: Rutgers University Press, 1968. 231 pp. $9.

Application of general systems theory to problems in social psychology.

Borgatta, Edgar F., and Bohrnstedt, George W., eds. *Sociological Methodology, 1969.* San Francisco: Jossey-Bass, Inc., 1969. 302 pp. $12.50.

Methodological changes in the field of social science.

Clague, Ewan. *The Bureau of Labor Statistics.* New York: Frederick A. Praeger, 1968. 271 pp. $6.95.

History of the Bureau written by a former Commissioner of Labor Statistics.

Committee for Economic Development. *Economic Development Issues: Greece, Israel, Taiwan, Thailand.* (CED supplementary paper No. 25.) New York: The Committee, 1968. 215 pp. $4.

Douglas, Paul H. *In Our Time.* New York: Harcourt, Brace & World, Inc., 1968. 228 pp. $4.95.

Examines abuses and inequities in American life, including tax loopholes, consumer credit, and poverty.

Eagly, Robert V., ed. *Events, Ideology and Economic Theory: The Determinants of Progress in the Development of Economic Analysis.* Detroit: Wayne State University Press, 1968. 205 pp. $8.50.

Relates the formulation of economic theory to historical conditions.

Easterlin, Richard A. *Population, Labor Force, and Long Swings in Economic Growth: The American Experience.* New York: Columbia University Press, 1968. 298 pp. $10.

Economic Report of the President: Transmitted to the Congress January 1969 Together with the Annual Report of the Council of Economic Advisers. Washington: U.S. Govt. Print. Off., 1969. 332 pp. $1.50.

Considers the problems of prosperity, fiscal policy, international economic affairs, price stability, cities and