

New International Convention on Social Security

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ONE of the major topics placed on the agenda of the Thirty-fourth Session of the International Labor Conference held in Geneva from June 6 to 30, 1951, was "Objectives and Minimum Standards of Social Security." This action represented another step forward in the development of a new international Convention on social security. The procedure leading up to the official adoption of an International Labor Organization Convention is very thorough and accordingly very lengthy. This article will review the action taken and give a description of the contents of the tentative Convention.

Forms of International Instruments

Under the set-up of the International Labor Organization, two forms of international instruments are used—Conventions and Recommendations. In brief, a Convention prescribes certain specific standards that a country must meet in order that it may ratify the Convention¹ and live up to the international obligation thus undertaken. Ratification also involves the responsibility of continued statistical and other reporting as to the country's experience in the particular subject dealt with by the Convention—in part, so that the experience may be made known to other countries and, in part, to indicate continued compliance with the Convention. A Recommendation—as its name implies—merely makes suggestions and gives advice to the various countries on the problems involved in the subject matter under consideration.

Need for a New Instrument

The subject matter of social security has for some time been in need of discussion by the International Labor Conference. Before World War II, there were a number of Recommenda-

tions and Conventions (none of which the United States had ratified), each dealing with a separate branch or subdivision of *social insurance*. In the past two decades, however, the broader concept of *social security* has evolved.

Social insurance usually applied to employees only and frequently contained many private insurance concepts undesirable in a truly social system. Benefits, for example, were related rather closely to those actuarially purchased by each individual's contributions rather than to at least presumed subsistence needs. During the depression years of the 1930's the need for a broader approach encompassing the entire working population, or even the entire population, seemed desirable to many countries.

Furthermore, where the social insurance principle had been maintained or adopted, it seemed necessary to review social assistance (that is, public assistance) in order to have a closer coordination between social insurance and social assistance. This broader scope has come to be called social security. With the advent of social security systems and proposals in many countries, the existing Conventions were not adequate to meet the actual situation developing, and a review was necessary.

Previous Steps

Although the development of new international instruments and the modification of existing ones are continuing processes with the International Labor Organization, the first beginnings of the material considered by the latest International Labor Conference had developed at the Twenty-sixth Session of the Conference in Philadelphia in 1944.²

The earlier Conference adopted two Recommendations—one on income security and one on medical care. These Recommendations, in their

general terms, took into account the new concept of social security that had recently been developing. In the discussion at the Conference it was pointed out that, after there was more actual experience with these new programs—many of which were only in draft legislative form and were not in effect—converting the Recommendations into Conventions could be considered.

The next step was the consideration of the subject by the International Labor Organization's Committee of Social Security Experts. This Committee is composed of 28 experts from 24 different countries; in general, the experts are administrators or technicians of social security organizations and serve in their individual capacities rather than as official representatives of their countries.³

The officers of the Committee, at a meeting in October 1949, recognized the need for a revision of the existing Conventions on social security and recommended that such action should be taken. After the Governing Body of the International Labor Organization had approved the recommendation and placed the subject on the agenda of the 1951 Session of the Conference, the entire Committee of Social Security Experts met in February 1950 and considered a first draft of the questionnaire, which had been prepared by the International Labor Office. The Committee revised this questionnaire, which was then circulated to the various Governments.⁴ The questionnaire was framed on

³ Arthur J. Altmeyer, Commissioner for Social Security, and the author were members of the Committee during its discussion of this subject.

⁴ The questionnaire, with a review of legislation and practice in various countries, is contained in *Report IV(1): Objectives and Minimum Standards of Social Security*, International Labor Conference, 34th Session, 1951 (ILO, 1950). Supplementing the material was a detailed report summarizing the social security systems of all member countries (*International Survey of Social Security* (Studies and Reports, N.S. No. 23, ILO, 1950)).

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¹ In the United States, ratification of a Convention is accomplished by action of the Senate.

² For a detailed description of this meeting and its conclusions, see Wilbur J. Cohen and Jessica H. Barr, "The 1944 International Labor Conference," *Social Security Bulletin*, June 1944.

Summary of minimum standards in tentative Convention

Branch	Contingencies provided for	Coverage ¹	Qualifying conditions	Amount of benefits ²	Duration of benefits
Medical benefits	For covered person and his wife and children, all morbid conditions, and pregnancy.	20% of all residents..	Period of contributions, employment, or residence. ³	General practitioner care, specialist care at hospitals, hospitalization, and essential medicines; maternity care by midwife at least.	26 weeks in each case (52 weeks if disease requires prolonged care and can be cured). ⁴
Sickness allowances.....	Incapacity for work due to sickness and loss of earnings.	20% of all residents..	Period of contributions, employment, or residence. ³	40% for man, wife, and 2 children.	26 weeks in each case, with 3-day waiting period. ⁵
Unemployment allowances.	Loss of earnings due to unemployment if able to work.	50% of all employees.	Period of contributions, employment, or residence. ³	40% for man, wife, and 2 children.	Three alternatives: <i>Benefit days</i> <i>Waiting period</i> <i>in year</i> <i>(days)</i> 78 3 per case 78 9 cumulative 156 7 per case
Old-age pensions.....	Age 65 ⁶ and retirement...	20% of all residents...	30 years of contributions, or 20 years of residence, or yearly average of contributions required. ⁷	30% for man and wife of pensionable age.	For life.
Employment injury benefits.	Morbid conditions resulting from employment, and resulting loss of earnings.	50% of all employees.	Employed at time of injury.	Complete medical care; ⁸ invalidity, sickness, and survivor benefits same as in each of these branches.	Medical care as long as needed; sickness benefits, 26 weeks, with 3-day waiting period; for invalidity and survivor benefits, same as in each of these branches.
Family allowances.....	Responsibility for 2 or more children.	20% of all residents...	3 months of contributions or employment, or 1 year of residence.	Flat benefit of 5% of earnings of typical unskilled worker for each child after the first.	Until children attain school-leaving age.
Maternity benefits.....	Pregnancy and confinement for women workers and wives of men workers; in addition, for women workers, resulting loss of earnings.	20% of all residents...	Period of contributions, employment, or residence. ³	40% for woman worker; medical care as in medical benefits branch.	Medical care as long as needed; cash allowances for 12 weeks.
Invalidity pensions.....	Presumably permanent invalidity—inability to engage in any gainful occupation.	20% of all residents...	5 years of contributions or employment, or 10 years of residence.	30% for man, wife, and 2 children.	For duration of invalidity, with such waiting period as necessary for determination of invalidity.
Survivor pensions.....	Presumed incapacity of widow and orphan children for self-support.	20% of all residents...	5 years of residence, contributions, or employment; ⁹ additional requirements for widow without children. ¹⁰	30% for widow and 2 children.	Until children attain school-leaving age or, for widow, until remarriage.

¹ Percentages indicated are a measurement of the minimum coverage permissible; such coverage is to be obtained from selected classes of gainfully occupied persons (except for unemployment allowances and employment injury branches, which relate only to employees). Alternatively, the system may cover all residents, except for maternity benefits branch. Underdeveloped countries may temporarily cover groups making up at least 50 percent of employees in firms of not less than 20 employees.

² For cash benefits other than family allowances, percentages shown relate either (a) to individual average earnings (up to prescribed maximum of the earnings of a typical skilled worker) or (b) to a flat benefit, based on the prescribed proportion of earnings of a typical unskilled worker; as an alternative, for plans with a needs test, covering all residents, benefit must be determined from a fixed scale, but from such amount there may be deducted means of the family in excess of a substantial amount (but total of benefit and means taken into account must be sufficient to maintain in health and decency and must at least equal benefit under (b)).

³ Sufficiently long, considering the scope of the system, to prevent abuse.

⁴ As temporary exception for underdeveloped countries, 13 weeks in each case.

⁵ As temporary exception for underdeveloped countries, such shorter period as will result in benefits paid for an average of 10 days per person covered.

⁶ Higher age is permitted for a system if ratio of those over specified age to those under that age but over age 15 is at least 10 percent.

⁷ Reduced benefits must be available to those who have at least half of these requirements.

⁸ As temporary exception, underdeveloped countries may provide same medical care as in medical benefits branch.

⁹ For contributions and employment, longer period may be required as proof of status as an employee.

¹⁰ Specified length of marriage, 5 years of residence, and at least a certain prescribed age at widowhood.

the general basis of setting up two standards, one minimum and the other more advanced, which might be said to represent ultimate objectives.

After the Office had received replies from the various Governments a preliminary draft of the instrument was drawn up for the consideration of the coming Conference.⁵ On the basis of the replies the Office modified the original material developed previously

⁵ The replies, an analysis of them, and the preliminary draft of the instrument are contained in *Report IV(2): Objectives and Minimum Standards of Social Security*, International Labor Conference, 34th Session, 1951 (ILO, 1951).

to give weight to the majority views expressed. The resulting document took the form of a Convention covering all branches of social security, with, of course, individual and specific details for each.

Ratification of the Convention would be possible if a country had in existence at least three qualifying branches out of a total of nine (general medical care; health insurance and cash sickness benefits; unemployment benefits; old-age benefits; workmen's compensation; family allowances; maternity care and benefits; invalidity benefits; and survivor benefits). Moreover, at least two of the branches would have to be from the

first six listed. For each branch, ratification would be at two levels—a minimum standard and an advanced standard.

For countries with a Federal form of government, special provision was made in regard to branches under the jurisdiction of their constituent units. In order to ratify, the Central Government would, in effect, be required both to certify that the required number of constituent units were in compliance at the time of ratification and to guarantee that they would continue to comply.

The specific details of the tentative instrument will be discussed later in the article in connection with the con-

clusions adopted by the Conference, and the more important changes made from the original document will be given.

General Position of the United States Government

From the viewpoint of the United States Government, changes seemed essential at three major points. There was, moreover, the question of form: should the instrument be a Recommendation or a Convention, and should there be a distinction between the minimum and advanced standards. The answer to these questions was dependent, however, on action taken on other matters.

One major point concerned the first two branches—(a) general medical care and (b) health insurance combined with cash sickness benefits. The general medical care branch contemplates a public medical service like that in Great Britain. A health insurance program such as that recommended by President Truman would not be able to qualify under the general medical care branch since it would not relate to the entire population but only to the insured working population and specified dependents. On the other hand, such a health insurance program could qualify under the second branch of the proposed Convention, but only if cash sickness benefits were included. Likewise, a cash sickness benefits system could not qualify unless it were combined with a health insurance plan. There seems to be no reason that these two programs, health insurance and cash sickness benefits, should be combined in one branch; although many countries do administer those two branches together, there are others that do not. Accordingly, the United States Government position was to have the first branch modified so that a health insurance plan could qualify and to have the second branch encompass only cash sickness benefits.

The second major point related to the number of branches required to ratify the Convention, if the instrument took the form of a convention. Because of the difficulties arising from the clause dealing with the Federal States, it seemed unlikely that the United States would be able to ratify on the basis of three branches; in ac-

tuality, it would appear that only two branches on a national level would be possible of ratification, namely old-age benefits and survivors benefits. Moreover, from a theoretical standpoint it seems illogical to require any specified number of branches. It does seem logical, rather, that ratification be on the basis of only one branch; the country, of course, would have the incentive of ratifying as many more branches as it could for the sake of prestige and recorded achievement. Thus, the journey of nine possible steps might be made, with the start being made with one step rather than an initial jump of three.

The third major point centered on the special clause for Federal States. The United States Government position was that this clause was undesirable as a general principle, since the provisions of Article 19, paragraph 7, of the Constitution of the International Labor Organization should hold in all such cases. This paragraph provides that where action on a particular matter is appropriate in whole or in part for the constituent units, the Federal Government should in general serve as liaison and coordinating agency with these units so that they may take the necessary action. Moreover, the United States could not ratify on the basis of this particular clause if it were interpreted as constituting a "guarantee" of continued compliance by the States.

Organization of the Conference

At the fourth sitting of the Conference (on June 8, 1951) a Committee on Social Security was set up. It consisted of 80 members—40 from Governments, 20 representing the employers, and 20 representing the workers.⁶

As is customary in International

⁶ The United States representatives were Arthur J. Altmeyer for the Government (with the author as a substitute); Charles P. McCormick of McCormick and Company for the employers (with A. D. Marshall of the General Electric Company and Charles B. Shaw of the Standard Oil Company of New Jersey as substitutes); and Jacob S. Potofsky of the Amalgamated Clothing Workers of America, CIO, for the workers (with Martin Kyne of the Retail, Wholesale, and Department Store Union, CIO, as deputy member).

Labor Conferences, each of the employer members and each of the worker members had two votes, so that there was an equal tripartite division of the votes between the three groups. The Committee elected Pierre Laroque, French Government member, as Chairman, with the Vice-Chairmen being Fernando Yllanes Ramos, Mexican employer member, and Edward Stark, Austrian worker member; the Reporter was Cyril G. Dennys, Government member for the United Kingdom.

The Committee held 17 meetings, and in addition there were numerous separate meetings of each of the three groups. Because of insufficient time the Committee was able to consider only the minimum standards, which it was decided should be presented in the form of a Convention. Under the customary procedure, the Convention will be on next year's agenda for final consideration. The Committee also recommended that the advanced standards be placed on next year's agenda for a first discussion and that the Governing Body should consider holding an advance tripartite technical preparatory conference to expedite next year's session.

The Committee prepared a report⁷ presenting both a general résumé of the discussions it had held and a revised form of the international instrument. This report was adopted unanimously as reflecting the majority decisions of the Committee, although, as will be described later, certain groups were in disagreement with some of the conclusions adopted. At its twenty-third and twenty-fourth sittings, on June 28, 1951, the Conference as a whole considered the Report of the Committee on Social Security⁸ and adopted its conclusions by a vote of 122 to 23. In subsequent voting, similar large majorities supported resolutions to place the Minimum Standards Convention on next year's agenda for a final discussion, to place the subject of advanced standards on next year's agenda for a first discussion, and to invite the Governing Body

⁷ International Labor Conference, 34th Session, 1951, *Provisional Record No. 28*.

⁸ International Labor Conference, 34th Session, 1951, *Provisional Records No. 33 and 34*.

to consider holding a preparatory conference before next year's session.

Provisions of the Proposed Convention

The accompanying chart summarizes the general provisions of the proposed Minimum Standards Convention by indicating separately for each branch the risks against which protection is provided, the coverage, qualifying conditions, amount of benefits, and duration of benefits. The first two branches are different from those in the original form of the instrument; the first branch, medical benefits, includes not only general medical care programs for the entire population but also health insurance systems, while the second branch is composed solely of cash sickness benefits. This change was made in line with the first major position point of the United States Government mentioned previously. The basis of ratification was left unchanged, however; three branches will be necessary and at least two must be from the first six branches. Thus, the second major point raised by the United States Government was not concurred in.

An attempt was made to obtain specific statistical bases for various requirements and provisions in as many instances as possible and at the same time to leave sufficient flexibility for various types of programs. Several of these statistical bases are worthy of consideration at this point.

Throughout it should be kept in mind that the various requirements shown are minimum ones and that any country can ratify if it provides larger benefits or less restrictive conditions of any sort. For the maternity benefits branch, for instance, the medical care provided for both dependent wives and women workers must be furnished "at least by qualified midwives and, if necessary, by medical practitioners." This requirement would not mean that a country must prescribe midwife care but rather that, if a country adopts the more advanced basis of prescribing a medical practitioner in all cases, the requirement would be met.

As another instance, the qualifying condition for old-age pensions is 30 years of contributions, or 20 years of

residence, or "the yearly average number of contributions prescribed by national laws or regulations."⁹ This condition would be fulfilled if a country had a much lower requirement as, for instance, in the old-age and survivors insurance program in the United States where, depending upon the individual's age in 1950, only 1½ to 10 years of contributions are in effect required.

As a further example, for survivor pensions the proposed Convention requires that such benefits shall be paid to a widow under either of two circumstances: (1) if she has children under school-leaving age at the time she becomes widowed (and then the benefits are to be paid only as long as the children are under that age), or (2) if she has no children, benefits are to be paid only if she is over a certain prescribed age at widowhood, had been married for a certain prescribed length of time, and she or her husband had met certain requirements as to length of contributions, employment, or residence. A country could ratify if it eliminated or lowered these requirements—for instance, if benefits were paid to the widow, regardless of whether she had children and regardless of her age at widowhood. The old-age and survivors insurance program in the United States would more than meet the conditions, since widows receive benefits not only while they have children in their care but also at age 65 regardless of their age when they were widowed.

One of the alternative coverage requirements for all branches except unemployment allowances and employment injury benefits is that coverage must apply to at least 20 percent of all residents in a country. Customarily, the extent of coverage of a social security program is determined by relating it to the total employed civilian labor force. In the United States, for example, old-age and survivors insurance coverage in an average week is perhaps 45 million, or 75 percent of the total employed civilian labor force. Under the proposed Conven-

⁹ One example of the last alternative is the British system under which, in general, full old-age pensions are paid only if the yearly average number of weekly contributions paid or credited since the inception of the plan is 50 or more.

tion, however, coverage is not related to the labor force, but rather to total population—a not precisely comparable base. When old-age and survivors insurance coverage is related to the total United States population of about 155 million, the proportion covered represents 29 percent, which is well in excess of the minimum requirement of 20 percent. Even if old-age and survivors insurance covered all the labor force (including the armed forces), the ratio would be only about 40 percent, so that it may be seen that the 20-percent requirement, although at first glance seeming to be rather low, in actuality requires rather extensive coverage.

The minimum retirement age for old-age pensions is set at 65, although a higher age is permitted for the system if the ratio of those over the specified age to those under that age but over age 15 is at least 10 percent. In other words, if a minimum retirement age of 67 were desired, compliance with the Convention would be possible only if the ratio of those aged 67 and over to those aged 15–66 was at least 10 percent. This concept can be measured quite simply for plans covering the entire population. Thus, for the 1950 population of the United States,¹⁰ the ratio for persons at and above the retirement age of 65 is 12.6 percent, so that the 10-percent standard would readily be met for that age. In fact, on this basis, a retirement age of about 67½ would just meet this standard, while in the future, as the population ages, an even higher age would be permissible.

Three bases are established for the amount of the cash benefits under the Minimum Standards Convention. Under two bases, benefit rates related to certain specified earnings are developed for particular standard beneficiary groups (as shown in the chart), and, presumably, comparable percentages would be applicable for other beneficiary groups within the same branch. In general, these benefit percentages are 30 percent for long-range benefits, such as old-age, invalidity,

¹⁰ Based on preliminary 1950 Census data from a 0.1-percent sample, *1950 Census of Population, Preliminary Reports*, Series PC-7, No. 1, Bureau of the Census, Department of Commerce, Feb. 25, 1951.

and survivor benefits, and 40 percent for short-range benefits—for example, unemployment, sickness, and maternity benefits. One of the most important substantive changes from the original form of the instrument was the lowering of percentages by 10 points (originally they were 40 percent and 50 percent, respectively) so that countries could more readily meet the standards established.

One of the two bases would relate these percentages to individual average earnings but permit earnings in excess of a prescribed maximum—the earnings rate of a typical skilled worker—to be disregarded. This basis is used in the old-age and survivors insurance program of the United States, where benefits are determined from an average wage excluding earnings in excess of \$3,600 a year.

There is no requirement in the proposed Convention that there be any minimum provisions or weighting in the benefit formula so that lower-paid workers receive relatively larger benefits than higher-paid workers within the maximum earnings range. Rather, for example, for old-age pensions the benefit requirement is a fixed 30 percent of the average wage when both man and wife are over the minimum pensionable age. Under the United States old-age and survivors insurance system, if the average monthly wage is \$100 or less, the benefit for a married couple when the wife is eligible amounts to 75 percent of the average wage (and even more in those instances where the minimum benefit provisions apply); at the other extreme, when the average monthly wage is the maximum of \$300, the combined benefit for husband and wife represents 40 percent of the average wage. Accordingly, this provision of the proposed Convention is quite readily met by the United States old-age and survivors insurance system. Similarly, the requirement for survivor pensions—a 30-percent benefit for a widow and two children—is more than met by the corresponding figures for the old-age and survivors insurance system, which range from 80 percent for the lower-paid insured persons down to 50 percent for those with maximum earnings.

The other basis that uses the benefit percentages involves flat benefits.

The size of these benefits is fixed at a given percentage of the earnings of a typical unskilled worker. This basis would be used as a measuring stick to determine the conformity of a plan such as that in Great Britain, where, under the legislation recently enacted,¹¹ an eligible husband and wife receive 50s., or £2½, a week. The average earnings of an unskilled laborer in Great Britain are probably about £4 or £5 a week, so that the benefit is 50 to 60 percent thereof, or well above the minimum standard of 30 percent. If such a system were in effect in the United States, to conform with the requirement of the Convention the combined benefit for husband and wife would have to be at least \$9 a week, or \$39 a month.¹²

The third basis for the amount of cash benefits is applicable only to plans covering all residents. Under this basis the benefit must be determined according to a fixed scale but may be reduced to the extent by which the means of the family exceed a prescribed substantial amount. There is the further limitation, however, that the total amount of the benefit and any means taken into account must be sufficient to maintain the family in health and decency and must not be less than the amount of benefit determined on the second basis.

A typical example of a system of this kind is that in New Zealand, under which an eligible husband and wife receive a weekly pension of £5¾.¹³ This amount is reduced, however, by a means test, which disregards such assets as the home and its furnishings, other assets up to £1,000, and weekly income of £1½ or less. When the cost of living and the standard of living in New Zealand are considered, the total of the benefit and any means taken into account is far more than sufficient for maintenance of health and decency and is well above 30 percent of the earnings of an unskilled worker, which are roughly £7 per week.

¹¹ National Insurance Act, 1951 (ch. 4), assented to June 22, 1951 (effective September 1951).

¹² Based on a 40-hour workweek and assumed wage for an unskilled worker of 75 cents per hour, which is the minimum wage in the Fair Labor Standards Act.

¹³ Based on provisions in effect since February 1951.

Exceptions for Underdeveloped Countries

As indicated in the table, a number of temporary exceptions are permitted for countries whose economy and medical facilities are insufficiently developed. The determination of the exception is made by the member itself, and as long as the country wishes to use this exception, it must so state in its annual report. It may be observed that the coverage requirements particularly are modified for underdeveloped countries so that they can begin a social security system by covering only certain groups of employees in moderate-sized and large work establishments. Some exception of this kind is necessary for a country such as India, which has a population of about 500 million and, if it were not for this exception, would have to have a coverage of 100 million in order to ratify!

Voluntary Insurance Systems

Ratification is permitted on the basis of a voluntary insurance system that is both supervised and subsidized by the Government; the various requirements described previously must be met, and certain other requirements must also be satisfied. Contributions of insured persons cannot be more than 75 percent of the expected cost of the system, with the remainder being made up either by the employers or by the Government.¹⁴ Further, the voluntary system must cover in the aggregate a substantial portion of the workers eligible for coverage whose earnings are less than those of a typical skilled manual worker. In the vote in the Committee on Social Security as to whether, for purposes of ratification, voluntary insurance must be subsidized by public authorities, the representative of the United States Government voted in opposition.¹⁵

Treatment of Aliens

To permit ratification a system must provide that alien residents receive

¹⁴ In compulsory insurance systems the employee may not contribute more than 50 percent of the expected cost of the system.

¹⁵ International Labor Conference, 34th Session, 1951, *Provisional Record No. 34*, p. 424.

the same treatment as citizens, except that a residence requirement may be imposed when a system does not make payment of benefits conditional on a minimum period of contributions or employment. There is no restriction, however, against different treatment for citizens who leave the particular country and reside elsewhere and for aliens. Under the United States old-age and survivors insurance system, benefits are paid in similar fashion to citizens whether they live in the United States or elsewhere and to aliens. Further, this program imposes no residence requirement; for aliens, such a requirement would not, of course, be permissible under the provisions of the Convention, since qualification depends on a minimum period of employment.

Individual Sharing in Cost of Medical Benefits

For the various medical care benefits provided, the insured person may be required to pay up to one-third of the cost in his individual case, provided that this payment does not involve hardship. No such cost-sharing is permitted, however, with respect to maternity, employment injury, and diseases likely to be cured but known to involve prolonged care. Thus, a system could require that the insured person pay the entire cost of expensive medicines, since in the aggregate they would involve less than one-third of the total costs in his individual case. Such a procedure, of course, might be advisable to prevent abuse and to eliminate expensive administrative procedures in connection with relatively small financial expenditures, which could readily be borne by the insured person.

Financing Aggregate Costs

As to financing, there are general provisions that the method adopted should avoid hardship for low-income persons and that any specific method should be determined in the light of the economic and financial situation of both the country and the persons covered. With respect to compulsory insurance systems under which only employees are insured, the insured persons shall not be required to contribute more than half the expected

cost of the benefits and administration. Further, the Government should accept general responsibility for the solvency of the system, including any voluntary plans.¹⁶

Right of Appeal

There are included in the Convention certain minimum provisions granting the right to appeal, with special independent tribunals.

Federal Government Clause

Federal States may ratify branches that are under the jurisdiction of their constituent units. The Central Government would have to certify that the required number of constituent units are currently providing plans that satisfy the general conditions and would have to report on them annually in the future. The required number of constituent units may be determined by alternative methods. Either there can be any number of such units so long as the aggregate number of persons protected complies with the general provisions; or at least two-thirds of the constituent units have such plans, with each plan complying with the coverage requirement as measured independently for the constituent unit.¹⁷ Although this clause is modified from the original form in that it no longer involves the possible "guarantee of continuance" of each constituent unit (as discussed previously), it still does not meet the primary objection of the United States Government position—that a special clause for Federal States is undesirable as a general principle

¹⁶ In particular, the Governments are to make actuarial studies and calculations as to the financial equilibrium of the system periodically and in any event before any change in the contribution rate is made.

¹⁷ For example, if the United States desired ratification for a plan solely under the auspices of the States, such as the unemployment allowances branch (unemployment insurance), it would be possible if either (a) the aggregate coverage was 20 percent of the total population or about 31 million, or (b) 39 States had plans, with coverage in each case at least equal to 20 percent of the State's population. As to this coverage requirement, the United States could definitely qualify on the first alternative since the aggregate coverage is about 34 million (as of the middle of 1951) and on the second as well since all States have such programs.

since the customary provisions of the Constitution of the International Labor Organization should apply in all Conventions.

Positions of the Employers and the Workers

The employer members took a position against any action leading to a general Convention. They believed that there should be separate Conventions for each branch and possibly a general Recommendation covering the entire subject. Further, they were opposed to having a minimum standard and an advanced standard, which they considered would be incompatible with the customary procedure of having specific and comparable international obligations. The group also believed that the considerations should not extend to plans covering the entire population, or even to gainfully occupied persons other than employees, since such consideration would be beyond the competence of the Organization, which is concerned solely with employer-employee matters. Further, the employer members held that voluntary insurance systems regulated by the Government should be considered for qualifying purposes under the instrument, regardless of whether there was subsidization by the Government.

On the whole, the worker representatives were satisfied with the original text but willingly made a number of compromises desired by the other groups. They felt strongly, however, that the instrument should be a Convention and that there should be a differentiation between minimum and advanced standards. Accordingly, they believed that the principle of the new document should be adopted and approved.

Votes of the United States Government

The United States Government voted in favor of using the general conclusions of the report made by the Committee on Social Security as a basis for the consultation of Governments and also voted in favor of placing on next year's agenda both the subject of minimum standards with a view to a final decision as to a Con-

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Table 10.—Public assistance in the United States, by month, July 1950–July 1951¹

[Exclusive of vendor payments for medical care and cases receiving only such payments]

Year and month	Total	Old-age assistance	Aid to dependent children		Aid to the blind	Aid to the permanently and totally disabled ²	General assistance	Total	Old-age assistance	Aid to dependent children (families)	Aid to the blind	Aid to the permanently and totally disabled ²	General assistance	
			Families	Recipients										
				Total ³										Children
Number of recipients													Percentage change from previous month	
1950														
July		2,796,769	653,491	1,657,706	95,857		499,000	+0.2	-0.1	+0.5				-4.9
August		2,805,011	655,583	1,663,489	96,255		485,000	+3	+3	+4				-2.8
September		2,809,537	653,893	1,661,004	96,619		469,000	+2	-3	+4				-3.2
October		2,798,711	655,251	2,244,576	97,194	58,250	408,000	-4	+2	+6				-13.0
November		2,793,712	649,931	2,226,685	97,491	61,050	403,000	-2	-8	+3	+4.8			-1.3
December		2,786,216	651,309	2,233,194	97,453	68,800	413,000	-3	+2	(⁴)	+12.7			+2.6
1951														
January		2,784,199	652,971	2,240,743	96,062	70,770	425,000	-1	+3	-1.4	+2.9			+3.0
February		2,777,722	651,928	2,238,185	96,065	74,567	421,000	-2	-2	(⁵)	+5.4			-1.0
March		2,771,640	651,356	2,236,472	95,905	80,002	412,000	-2	-1	-2	+7.3			-2.1
April		2,760,691	646,822	2,218,670	96,974	87,845	384,000	-4	-8	+1.1	+9.8			-6.8
May		2,754,884	640,606	2,198,894	96,990	97,079	355,000	-2	-8	(⁵)	+10.5			-7.6
June		2,745,285	632,649	2,171,426	97,024	104,230	335,000	-3	-1.2	(⁵)	+7.4			-6.2
July		2,737,649	618,369	2,123,823	97,235	108,907	324,000	-3	-2.3	+2	+4.5			-3.2
Amount of assistance													Percentage change from previous month	
1950														
July	\$194,691,114	\$121,785,828	\$45,843,007	\$4,390,279		\$22,672,000	-1.1	-0.5	-0.4	-0.1				-6.2
August	195,145,237	122,687,714	45,956,225	4,412,298		22,089,000	+2	+7	+2	+5				-2.6
September	194,647,657	123,086,487	46,051,975	4,439,195		21,073,000	-3	+3	+2	+5				-4.6
October	192,265,677	121,124,389	45,811,754	4,463,099	\$2,399,435	18,467,000	-1.2	-1.6	-5	+6				-12.4
November	192,572,324	120,824,086	46,220,553	4,472,924	2,533,761	18,521,000	+2	-2	+9	+2	+5.6			+3
December	193,264,021	119,954,750	46,529,002	4,480,567	3,033,402	19,266,000	+4	-7	+7	+2	+19.7			+4.0
1951														
January	194,962,874	120,099,988	47,327,250	4,438,705	3,170,931	19,926,000	+8	+1	+1.7	-9	+4.5			+3.4
February	194,437,286	119,131,206	47,857,550	4,454,255	3,383,275	19,611,000	-3	-8	+1.1	+4	+6.7			-1.6
March	194,532,503	118,948,024	48,088,334	4,448,593	3,596,552	19,451,000	(⁵)	-2	+5	-1	+6.3			-8
April	191,959,100	118,270,450	47,521,557	4,495,465	3,946,628	17,716,000	-1.3	-6	-1.2	+1.1	+9.7			-8.9
May	191,037,004	118,929,307	47,021,843	4,523,461	4,399,393	16,163,000	-5	+6	-1.0	+6	+11.5			-8.8
June	189,319,242	118,665,540	46,384,194	4,537,434	4,677,074	15,055,000	-9	-2	-1.4	+1.7	+6.3			-7.1
July	188,139,013	119,299,917	45,002,602	4,536,590	4,847,904	14,452,000	-6	+5	-3.0	(⁴)	+3.7			-4.0

¹ For definition of terms see the *Bulletin*, January 1951, p. 21. Excludes programs administered without Federal participation in States administering such programs concurrently with programs under the Social Security Act; beginning October 1950, includes data for Puerto Rico and the Virgin Islands, the first month these jurisdictions were included under the public assistance titles of the Social Security Act. All data subject to revision.

² Beginning October 1950, includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

³ Program initiated in October 1950 under Public Law 734.

⁴ Decrease of less than 0.05 percent.

⁵ Increase of less than 0.05 percent.

NEW INTERNATIONAL CONVENTION

(Continued from page 8)

vention on this subject and the subject of advanced standards for first

discussion. In taking this action, the United States Government pointed out that the position taken was not that the instrument is now perfect but rather that, though there are a

number of points on which modification is desirable, the material developed forms a suitable basis for further consideration at next year's session of the Conference.