laneous grouping used in the earlier tables); Food and Drug Administration outlays have been transferred from "other" health programs to community and related health services; domiciliary care of veterans and care of the chronically ill in State and local institutions have been included under institutional and other care.

Several changes have also been made in the methods used to estimate expenditures, so that even when the inclusions under a heading are unchanged, the results may be somewhat different. The changes in estimating procedure were significant for the Federal employment security program, for State and local community and related health services, and for hospital and medical care, new hospital construction, and institutional and other care.

Identical changes in expenditure classifications and inclusions have been made for each of the three fiscal years to permit comparison of the data (table). Total expenditures for the social security and related programs in 1948–49 showed a 15.6-percent increase over those in 1947–48 and an 18.1-percent increase over 1946–47. Expenditures for the insurance programs alone increased from $5,572 million in 1947–48 to $6,175 million in 1948–49. Veterans' benefits—principally readjustment allowances—declined by about $180 million, but this decrease was more than offset by increases in other programs. The largest increase occurred in outlays for employment security; unemployment benefit payments by the States were 58 percent more than in the preceding year. This large increase reflects the rise in the monthly average of unemployment from 3.4 percent of the civilian labor force in the fiscal year 1947–48 to 4.1 percent in 1948–49. The outlays of the State temporary disability insurance programs went up 51 percent; the beginning of benefit payments under the New Jersey law was in part responsible for this increase.

The public aid programs and welfare services all showed some increase. Within these two categories, expenditures under the Federal public assistance programs showed the largest dollar increase and one of the largest percentage increases over expenditures in the preceding fiscal year; disbursements during 1948–49 were 30 percent higher than in 1947–48.

An increasing proportion of the total outlays for social security and related purposes is being devoted to health and medical services. Whereas in 1946–47 health and medical services comprised 17.5 percent of all social security and related outlays, in 1947–48 they accounted for 20.6 percent, and in 1948–49, for 22.5 percent. All health programs (with the exception of wartime emergency maternity and infant care, liquidation of which began in July 1947) have shown significant increases. This is particularly true of the nonservice programs, such as medical research and health manpower training, both of which increased more than 160 percent between 1946–47 and 1948–49. Under the stimulus of the Hospital Survey and Construction Act and the Veterans Administration hospital program, and because of the backlog of construction and repair work piled up during the war years, public hospital construction expenditures have increased from $85 million in 1946–47 to $123 million in 1947–48 and $294 million in 1948–49. Expenditures in 1948–49 for medical services to individuals were about 20 percent greater than the amount spent in 1947–48.

The increase in State and local government outlays for social security and related purposes during the 3 years has been more marked than the increase in Federal expenditures for the same purposes. In 1946–47 the States and localities spent $3.6 billion, or 36.5 percent of the total, but in 1948–49 their share had increased to 45.0 percent of total social security expenditures and represented outlays of $5.2 billion. This relative increase in State and local expenditures is partly explained by the drop in expenditures in some of the Federal programs for veterans, but it also reflects increasing State activity in the broad field of social security.

Canadian Unemployment Insurance Amendments

Unemployment insurance in Canada was amended in several respects—including the introduction of a new winter supplementary benefit program—by chapter 1 of the Statutes of 1950, which received the Royal Assent on March 1.[1]

Coverage.—The amendments do not, with the partial exception to be noted, affect the types of work that are covered, so that agricultural, domestic, and permanent public employment remain among the excluded employments. However, the upper earnings limit for insurability has been raised from $3,120 to $4,800 a year, and in this way an estimated 90,000 additional persons will be added to the 2.5 million already covered. Contribution and benefit levels remain unchanged for earnings in excess of $2,496 a year.

Workers in lumbering, logging, and stevedoring are also covered by the amendments of 1950. The effect is to confirm coverage already achieved or initiated by orders in council issued in 1946 (covering logging and lumbering in British Columbia), 1948 (for stevedoring), and 1950 (logging and lumbering elsewhere than in British Columbia). The latter order, by action taken February 23, brought an estimated 75,000 persons into the system on April 1.

Supplementary benefits.—The most important change is the addition of a supplementary benefit program providing insurance payments to certain classes of unemployed workers—estimated at about 100,000 persons—who are not eligible for regular benefit. The supplementary benefits are payable only from January 1–March 31 of each year—that is, at the time of greatest seasonal unemployment (for the first year, the benefit period lasted until April 15, 1950). The supplementary benefit amounts to 80 percent of the regular rate; it is payable to the following groups: (1) Persons who have exhausted their benefit rights during the fiscal year (between March 31 and the date of claim); (2) persons with 90 daily contributions in the fiscal year but fewer than the 180 contributions

[1] Canada, House of Commons, *Bill 8*, passed February 24, 1950; and U. S. Department of State, Despatch from Laurence A. Steinhardt, Embassy, Ottawa, March 1, 1950.

needed to receive the regular benefits; (3) persons in logging and lumbering in any area of Canada where these occupations were not previously covered (90 days' employment in any 12 months during the 18 months preceding the claim is required); and (4) persons in employment not formerly covered but that has been made insurable within the year preceding the claim (90 days' employment during the fiscal year is required).

Within the 3-month period in which they are payable, the duration of supplementary benefits corresponds as closely as possible to the maximum statutory duration of regular benefit, which is one-fifth the number of contribution days in the past 5 years, minus one-third the number of benefit days in the past 3 years. Thus, those who have exhausted their benefit rights are entitled to receive supplementary benefits for the same duration as they did their regular benefit; the other groups are entitled to benefit for one-fifth of the days for which contributions were paid in the fiscal year, or for a fifth of the days worked (when no contributions were payable).

Regular benefit.—Modifications are also made in the system of regular benefits. The new rates maintain approximately the same relationship between earnings and contributions as before, with the important exception that the contributions have been increased by 1 cent a day to finance the supplementary benefits. The regular benefit rates and the contributions on which they are based are as follows:

Average daily contribution [1] (cents)	Regular benefit rate			
	Without dependent		With dependent(s)	
	Daily	Weekly	Daily	Weekly
2	$0.70	$4.20	$0.80	$4.80
3	1.00	6.00	1.25	7.50
4	1.35	8.10	1.70	10.20
5	1.70	10.20	2.15	12.90
6	2.05	12.30	2.60	15.90
7	2.40	14.40	3.05	18.30
8	2.70	16.20	3.50	21.00

[1] Excluding 1 cent for the supplementary benefits.

The qualifying requirements are modified in some respects. The new law requires that 60 daily contributions be paid in the 52 weeks immediately preceding the claim, or 45 daily contributions in the 26 weeks preceding the claim. Previously, the payment of 60 contributions since the last initial claim for benefit was sufficient. The effect of the change is to require a recent attachment to the labor market for eligibility. The basic statutory condition of 180 daily contributions in the 2 years preceding the claim is unchanged.

Married women are added to the classes for whom the Unemployment Insurance Commission may make regulations imposing additional contributions and terms or restrict payment of benefit in the event that anomalies would otherwise occur. This grant of authority is designed to make certain that the benefits are paid only to women who remain bona fide members of the labor force following marriage.

The old law did not permit payment of benefits to persons under age 16, or to persons who had been in the lowest earnings group (earning less than 90 cents a day) for more than half the contribution year. Previously the contributions in these cases were paid by the employer. The amended law authorizes payment of benefits to these persons, who must now pay contributions at the same rate as their employer.

Certain liberalizations as to outside earnings and as to the waiting period have been made. While previously the claimant could earn not more than $1.50 a day in work outside ordinary working hours and in other than his usual employment, the amendments provide that he may receive insurance payments while earning as much as $2 a day in this type of work. In addition, persons taking brief employment of 1 or 2 days generally lost another day of benefit; under the amended act the benefit is payable for the first day of unemployment following employment of not more than 3 days in a spell of unemployment. The initial waiting period of 9 days in a benefit year has been reduced to 8 days.

Financial resources.—The contribution amounts have been changed somewhat, principally to finance the new supplementary benefits; for this purpose the contributions of both the worker and the employer are increased 1 cent a day. Since the Government contributes a sum equal to one-fifth the total paid by labor and management, the amendment results in a rise of two-fifths of a cent per day per worker from the Government. The Treasury is to meet the costs of supplementary benefits for persons not formerly employed and will underwrite any deficit occurring in the supplementary benefit program.

In addition the law takes into account the generally increased level of wage and salary rates by adopting a new contribution schedule, as shown below, with fewer wage classes and with a higher maximum contribution than before.

Earnings	Contribution by—	
	Employer	Insured
Less than $9.00	$0.18	$0.18
$9.00–14.99	.24	.24
15.00–20.99	.30	.30
21.00–26.99	.36	.36
27.00–33.99	.42	.42
34.00–47.99	.48	.48
48.00 or more	.54	.54

Administration.—The membership of the Unemployment Insurance Advisory Committee is increased from six to eight persons, to permit additional employee and employer representation. Various amendments of a minor character have been made to facilitate inspection, certification, and similar administrative processes.

Effective date.—Most of the changes, including the supplementary benefit program, took effect on March 1, 1950, the date the Act was assented to. Some important provisions, however, are to come into force on the date of proclamation. These provisions are the new contribution rates, the amendments in the program of regular benefit payments, the compulsory insurance of persons earning up to $4,800 a year, and the change in contribution requirements to demand recent attachment to the labor market as a condition of receiving benefit.

Primary Benefit Awards

During 1949, primary benefits were awarded to 337,000 retired workers, an increase of 22 percent over the previous high established a year earlier. One-seventh of the awards were to