

Belgium, Canada, Czechoslovakia, Denmark, Finland, France, Ireland, Japan, the Netherlands, New Zealand, Norway, Portugal, Sweden, Switzerland, the United Kingdom, and Uruguay. Assistance to the needy is also recognized as a Government responsibility in a number of less-developed countries and dependent territories.

There is little reason to expect that the future will see a decrease in the rate of social security development in foreign countries, compared with the past quarter century. Some of the older programs, it is true, have been basically reconstructed in recent years, and these may undergo only minor changes for some years to come. But various countries were still reviewing their programs at

the start of 1960—such as the review of the 75-year-old sickness insurance program in West Germany—and so still further general reform legislation may be anticipated.

The countries with newer programs undoubtedly will seek gradually to remedy shortcomings revealed in the first years of operation, enlarge the risks and proportions of the population covered, and improve benefits. Countries without any significant social security measures at present will probably try before long to make a start in this direction. Prominent among these, no doubt, will in time be the numerous new nations in Africa that are just now achieving their independence.

Significant Events, 1935-60

1935

January 17: Report of Committee on Economic Security transmitted to Congress with recommendations for Federal old-age insurance, Federal-State public assistance and unemployment compensation programs, and extension of public health services, maternal and child health services, services for crippled children, child welfare services, and vocational rehabilitation services. Economic Security Bill introduced.

August 14: Social Security Act became law.

August 23: Members of Social Security Board named by President: John G. Winant (chairman), Arthur J. Altmeyer, and Vincent M. Miles.

August 29: Railroad Retirement Act of 1935 and Carriers Taxing Act of 1935 signed by President (to replace Railroad Retirement Act of 1934).

1936

January 1: Federal unemployment tax of 1 percent of payrolls first applicable to employers of 8 or more, with credit offset for contributions paid to State unemployment funds.

February: Public assistance payments to recipients first made with Federal participation under Social Security Act in old-age assistance (17 States), aid to dependent children (10 States), aid to the blind (9 States).

March 5: First Federal grant for administration of State unemployment insurance law (New Hampshire) certified.

August 17: First State unemployment benefit paid in Wisconsin.

November: All States, the District of Columbia, Alaska, and Hawaii actively participating in program of maternal and child health services under Social Security Act.

1937

January 1: Workers began to acquire credits toward old-age insurance benefits. Employers and employees each subject to tax of 1 percent of wages, up to \$3,000 a year. Lump-sum payments first payable to eligible workers, their survivors, or their estates.

Federal unemployment tax payable by employers of 8 or more increased to 2 percent of payrolls.

May 24: Constitutionality of old-age and unemployment insurance provisions of Social Security Act upheld by U.S. Supreme Court. (301 U.S. 495, 548, 619.)

June 24: Railroad Retirement Act of 1937 became law, amending portions of Railroad Retirement Act of 1935.

June 30: Unemployment insurance legislation became nationwide with approved laws in all States.

1938

January 1: Federal unemployment tax, payable by employers of 8 or more, increased to 3 percent of payrolls.

June 25: Railroad Unemployment Insurance Act became law.

September: All 51 jurisdictions making old-age assistance payments under Social Security Act.

1939

March 24: All States, the District of Columbia, Alaska, and Hawaii actively participating in program of crippled children's services under Social Security Act.

July 1: Federal Security Agency, set up by President's Reorganization Plan No. 1 of 1939, integrated in one unit the Social Security Board (to which was transferred the U.S. Employment Service), U.S. Public Health Service, Civilian Conservation Corps, National Youth Administration, and U.S. Office of Education.

August 10: Social Security Act amended to provide, under OASI, benefits for dependents and survivors, advance payment of monthly benefits to 1940, revise the benefit formula, modify certain coverage provisions, and hold contribution rates for employers and employees at 1 percent each through 1942; under unemployment insurance, to modify definition of covered employment and make tax applicable only to first \$3,000 in wages; to increase Federal share of public assistance payments; to raise annual authorization for grants for maternal and child health, crippled children's, and child welfare services and extend these programs to Puerto Rico. For unemployment insurance and public assistance, State personnel merit system made requisite for Social Security Board approval of State plan; also made condition for Federal grants for maternal and child health and crippled children's services.

1940

January: Monthly benefits first payable under OASI.

January 18-20: White House Conference on Children in a Democracy held.

June: All States, the District of Columbia, Alaska, Hawaii, and Puerto Rico actively participating in program of child welfare services under Social Security Act.

1942

February 9: Social Security Board given certain responsibilities in program for aid to enemy aliens.

February 26: Social Security Board authorized to administer monthly benefits, assistance, and services to civilians affected by enemy action.

April 29: Rhode Island enacted first cash sickness insurance law, providing temporary disability benefits to those covered by State unemployment insurance law.

August 28: Emergency grants to States authorized for programs for day care for children of working mothers under plans approved by Children's Bureau and Office of Education, administered by Work Projects Administration.

October 21: OASI contribution rates frozen at 1 percent through 1943. (Increase again postponed in 1943, 1944, 1945, 1946, and 1947 (through 1949).)

1943

March 18: Medical and hospital care for wives and infants of enlisted men in the four lowest grades of Armed Forces authorized to be administered by Children's Bureau, through grants to State health departments.

March 24: Wartime coverage under OASI provided for

seamen employed by or through War Shipping Administration.

June 30: With liquidation of projects of Work Projects Administration and student work program of National Youth Administration, Federal financial participation in public aid limited to public assistance under Social Security Act.

1944

February 25: Social Security Act amended to authorize appropriation to OASI trust fund of any additional amounts required to finance benefits.

June 22: Servicemen's Readjustment Act of 1944 (G.I. Bill of Rights) approved. Provided for special placement services through U.S. Employment Service and readjustment allowances for unemployed and self-employed veterans.

July 1: Public Health Service Act repealed title VI of Social Security Act, expanded Federal-State public health programs, and raised annual amount for grants for general public health services.

October 3: Federal unemployment account authorized in the unemployment trust fund from which, up to July 1947, States might borrow when their own unemployment funds dropped to a certain level.

1946

July 16: Under the President's Reorganization Plan No. 2 of 1946, Social Security Board abolished and its functions transferred to the Federal Security Administrator, who established the Social Security Administration to carry on programs of Social Security Board and those of the Children's Bureau. The Children's Bureau (except for its child labor functions) transferred to Federal Security Agency by same plan.

July 31: Railroad Retirement Act and Railroad Unemployment Insurance Act amendments established monthly survivor benefits and sickness and maternity benefits; Social Security Act in effect amended by provision making wages in railroad employment applicable for survivor benefits under OASI.

August 10: Social Security Act amended to provide monthly benefits under OASI for survivors of certain World War II veterans, coverage of private maritime employment under State unemployment insurance, temporary unemployment benefits to seamen with wartime Federal employment, permission for States with employee contributions under their unemployment insurance laws to use such funds for temporary disability insurance benefits, greater Federal sharing in public assistance payments for a specified period, and larger grants for maternal and child health and child welfare, as well as extension of these programs to the Virgin Islands.

1947

August 6: Social Security Act amended to hold OASI contribution rate for employers and employees at 1 percent for 1948 and 1949 and to schedule increases to 1½ percent each for 1950 and 1951 and to 2 percent each in 1952 and thereafter. Increased Federal share in public assistance programs extended through June 1950. Authorization for appropriations to special Federal unemployment account, from which States may borrow when their funds are low, extended through 1949.

1948

April 20: Social Security Act amended to exclude certain newspaper and magazine vendors from coverage under OASI and under the Federal Unemployment Tax Act.

June 14: Definition of "employee" as used in the Social Security Act clarified and Federal participation in public assistance payments increased.

July 29: Administration of Federal Credit Union Act transferred to Federal Security Agency, and Bureau of Federal Credit Unions established in Social Security Administration.

1949

August 20: Bureau of Employment Security transferred from Social Security Administration to Labor Department.

June 30: Termination of emergency maternity and infant care program administered by Children's Bureau in cooperation with State health departments.

1950

January 1: Increase in OASI contribution rates effective—to 1½ percent each for employers and employees.

August 28: Social Security Act amended to extend coverage under OASI to about 10 million more persons (including most nonfarm self-employed persons), liberalize the eligibility conditions, improve the retirement test, provide wage credits of \$160 a month for military service from September 1940 to July 1947, increase benefits substantially, raise the wage base for tax and benefit computation purposes, provide a new contribution schedule, and eliminate 1944 provision authorizing appropriations to trust fund from General Treasury; in public assistance, to establish program of aid to the permanently and totally disabled, broaden for Federal matching purposes aid to dependent children to include relative with whom child is living, and extend Federal matching provisions to aged and blind persons in certain public medical institutions and to payments made directly to doctors, hospitals, and others supplying medical care to recipients; to approve, for a specified period, certain State plans for aid to the blind, and, in States making assistance payments to persons in institutions, to require standards for such institutions; in the programs for maternal and child health, crippled children's, and child welfare services, to raise maximum authorizations for grants. OASI and public assistance programs extended to Puerto Rico and the Virgin Islands.

October: First payments made under the Federal-State program of aid to the permanently and totally disabled.

December: Midcentury White House Conference on Children and Youth held.

1951

January 1: OASI contribution rate of 2¼ percent of earnings effective for self-employed.

October 20: Revenue Act of 1951 authorized certification of grants for public assistance to States with laws specifying conditions for public access to assistance records if such legislation bars the use of information thus obtained for commercial or political purposes.

October 30: Railroad Retirement Act amended to further coordinate railroad retirement and OASI programs by transferring to OASI wage records of workers who die or retire with less than 10 years' railroad employment; to provide for financial interchanges between systems so that OASI trust fund will be placed in the same position it would have been if railroad employment had always been covered under OASI; and to reduce retirement annuities for persons also getting old-age benefit under OASI if service before 1937 is used in railroad annuity computation.

1952

July 18: Social Security Act amended to increase benefits under OASI, to extend the period of wage credits for military service through December 31, 1953, to liberalize the retirement test, and to change, for a 2-year period, the grant formula for public assistance payments to make additional funds available to the States.

1953

April 11: Reorganization Plan No. 1 abolished Federal Security Agency and transferred all its powers and functions to Department of Health, Education, and Welfare.

May: With approval of Nevada's plan for aid to the blind, all 53 jurisdictions administering such programs.

August 5: Federal Unemployment Tax Act amended to cover Federal seamen under unemployment insurance.

August 8: Uniformed Services Contingency Option Act passed. Provided elective survivor benefits for retired members of the services.

August 14: OASI wage credits of \$160 a month provided for active military service performed after 1953 and before July 1, 1955.

1954

January 1: Increase in OASI contribution rates effective—to 2 percent each for employers and employees and to 3 percent for self-employed.

June 16: Railroad Retirement Act amended to repeal 1951 provision barring dual receipt of benefits under that program and under OASI if service before 1937 is used in railroad annuity computation.

August 3: Vocational Rehabilitation Act amended to call for cooperation of vocational rehabilitation agencies with State public assistance agencies, the Bureau of Old-Age and Survivors Insurance, and other public agencies providing services related to vocational rehabilitation.

August 5: Employment Security Administrative Financing Act provided that excess of collections of Federal unemployment tax over employment security administrative expenditures be used to maintain permanent reserve of \$200 million in Federal unemployment account, which will lend funds to States with depleted reserves and return amounts over \$200 million to States for benefit payments or administrative costs.

August 31: Railroad Retirement Act amended to reduce to 60 the eligibility age for survivor benefits for widows and dependent widowers and for parents and to raise the wage base for contributions and benefits to \$350 a month. Railroad Unemployment Insurance Act amended to increase unemployment and sickness benefits.

September 1: Social Security Act amended to extend OASI coverage to farmers, self-employed members of specified professions, additional farm and domestic employees; on a voluntary group basis, to members of State and local government retirement systems; and, at the election of the individual, to ministers and members of religious orders; raise to \$4,200 the earnings base for tax and benefit computation purposes; raise ultimate contribution rates; increase benefits; liberalize the retirement test; permit a dropout of 4 or 5 years of lowest earnings in computing benefits; and protect benefit rights of disabled persons through a disability freeze provision. Extended to September 30, 1956, the Federal matching formula for public assistance payments and extended for 2 years approval of certain State laws for aid to the blind.

Social Security Act amended by addition of new title XV to provide unemployment insurance benefits for Federal civilian employees financed by Federal funds and paid by State agencies under their own benefit formulas.

Federal Unemployment Tax Act amended to include firms employing 4 or more in 20 weeks, after January 1, 1956, and to permit experience-rating tax reduction to new or newly covered employers after 1 year's experience (instead of 3).

1955

August 9: Social Security Act amended to extend to April 1, 1956, the period during which wage credits of \$160 a month could be provided for military service and extend the time for filing claims for lump-sum death payments with respect to servicemen dying overseas and reburied in this country.

August 12: Railroad Retirement Act amended to increase spouse's annuity and repeal the provision that had barred survivor annuitants from dual receipt of benefits under the railroad and the OASI programs.

1956

June 7: Dependents' Medical Care Act provided for medical and hospital care, on a uniform basis, for the dependents of the uniformed services in service facilities and, for certain dependents of those on active duty, set up the program of "Medicare," authorizing the use of civilian hospitals and physicians.

August 1: Social Security Act amended to provide monthly benefits to permanently and totally disabled workers aged 50-64 under OASI program; pay child's benefits to disabled children (aged 18 or over) of retired or deceased workers, if their disability began before age 18; lower to age 62 the retirement age for widows and female parents, and, on election of a reduced benefit, for wives and women workers; extend coverage to self-employed professional persons (other than doctors of medicine), additional farm owners and operators, and certain State and local government employees; set up a disability insurance trust fund to which $\frac{1}{4}$ of 1 percent of contributions from employers and employees and $\frac{3}{8}$ of 1 percent from the self-employed are allocated and from which disability benefits are paid; reimburse the trust fund for the costs of the gratuitous military wage credits granted veterans earlier and the insured status granted certain deceased World War II veterans; suspend benefits for certain aliens, outside the United States for more than 6 months; permit a judge to termi-

nate benefits of those convicted of treason and subversive activities; exclude from coverage employment for organizations registered as subversive; change the interest rate on certain investments held by the OASDI trust funds; and provide for setting up an Advisory Council on Social Security Financing to review the status of the OASDI trust funds before each scheduled tax increase. Public assistance amendments revised the Federal matching formula to increase the Federal share in assistance payments; establish a new basis for Federal sharing in medical care for recipients, separately from money payments to them; authorize grants for the training of public welfare personnel; and revise the statements of purpose for each program. For child welfare services, the authorization for appropriations was increased. Grants were authorized for cooperative research or demonstration projects relating to the prevention and reduction of dependency.

Servicemen's and Veterans' Survivor Benefits Act amended the Social Security Act by extending regular contributory coverage under old-age and survivors insurance to members of the uniformed services on active duty.

August 3: System of survivor benefits for Federal judges established.

August 7: Railroad Retirement Act amended to increase all benefits except those affected by the "old-age and survivors insurance minimum guarantee" and those under the "average monthly compensation" minimum.

December 28: Secretary of Health, Education, and Welfare approved plan submitted by Tennessee Valley Authority for extending coverage under OASDI to employees covered by its retirement system.

1957

January: First payments with respect to disability paid under OASDI when benefits for this month went to retired or deceased workers' dependent children aged 18 or over with a permanent and total disability that began before age 18. Increase in OASDI contribution rates effective—to $2\frac{1}{4}$ percent each for employers and employees and to $3\frac{3}{8}$ percent for self-employed.

July: Monthly disability benefits first payable under OASDI to insured workers aged 50-64.

July 17: Social Security Act amended to extend to June 30, 1958, an OASDI provision relating to disability freeze applications and to modify the "offset" provision so that receipt of Veterans Administration disability compensation does not mean a reduction of the disability benefit under the Social Security Act.

Another law amended the public assistance provisions to permit States to operate, with respect to Federal sharing in medical care payments, under the 1956 provision for such sharing or to continue to operate as they had before the effective date of the 1956 provision.

August 30: Social Security Act amended to facilitate OASDI coverage for employees of interstate instrumentalities and State and local government employees in certain States, pay benefits, in all cases, to aliens living outside the United States who are survivors of servicemen, revise dependents' eligibility requirements, postpone the deadline for ministers to elect coverage as self-

employed, and specify whether certain remuneration of ministers is to be considered as earnings.

1958

June 4: Temporary Unemployment Compensation Act provided for paying, from July 1957 through March 1959, additional unemployment benefits to workers exhausting their benefit rights under the regular State program, with the Federal Government advancing the funds.

August–September: Visit of U.S. social security officials to Soviet Union under East-West cultural exchange program.

August 28: Social Security Act amended to increase benefits under OASDI, provide benefits for dependents of disabled-worker beneficiaries, raise to \$4,800 the amount of earnings taxable and creditable for benefit purposes, set new schedule for contribution rates, raise to \$100 the amount of monthly wages a beneficiary with earnings higher than \$1,200 a year may have without losing benefits, repeal the provision that reduced disabled-worker and disabled child's benefits by the amount of certain other disability payments received, make minor changes in eligibility requirements for the disability freeze and for certain dependents, extend coverage to turpentine workers and additional State and local government employees and nonprofit organization employees, credit self-employment earnings from an individual's partnership in the year of his death, provide wage credits of \$160 a month for American citizens' military service in World War II for certain foreign countries, and postpone the deadline for certain ministers to elect coverage as self-employed.

Public assistance amendments revised the formula for Federal sharing in State assistance expenditures by shifting to an average single monthly limitation on the amount to which the Federal Government will contribute for money and medical care payments combined and relating Federal participation in part to the fiscal capacity of each State; extended the program to Guam; and raised the dollar limitations on the Federal payments to Puerto Rico and the Virgin Islands.

Child health and welfare programs amended to raise maximum authorizations for Federal appropriations for all three programs, make grants available to Guam, remove the provisions relating to the use of Federal child welfare funds in predominantly rural areas, revise the allotment formula for child welfare funds, provide for variable matching of child welfare funds (based on State per capita income), broaden provisions on use of Federal child welfare funds for return of runaway children, permit reallocation of Federal child welfare funds.

August 28: Title XV of the Social Security Act amended by Ex-Servicemen's Unemployment Compensation Act, which set up a permanent unemployment insurance program for ex-servicemen like that for Federal employees.

September 6: Railroad Retirement Act and Social Security Act amended to revise certain provisions relating to coordination between the railroad and OASDI programs that concern disability freeze determinations and eligibility for certain survivors and certain railroad workers residing outside the United States.

1959

January 1: Increase in OASDI contribution rates effective—to 2½ percent each for employers and employees and to 3¼ percent for self-employed.

January: Advisory Council on Social Security Financing, required by Social Security Amendments of 1956, submitted its report on status of OASDI trust funds and called for no major change in financing methods.

March 31: Program for additional unemployment benefits for workers exhausting benefits under regular State programs extended for 3 months.

April 2: Secretary of Health, Education, and Welfare submitted to the House Ways and Means Committee the report on the study requested by the Committee on "alternative ways of providing insurance against the costs of hospital and nursing home care for old-age, survivors, and disability insurance beneficiaries."

May 19: Railroad Retirement Act amended to increase benefit amounts, raise the taxable wage base to \$400 a month, liberalize the disability earnings test, lower the retirement age for women, increase future tax rates, and adjust the OASDI minimum guarantee provision.

Railroad Unemployment Insurance Act amended to increase benefit rates for unemployment and for sickness, raise the qualifying earnings requirement, raise the taxable wage base to \$400 a month, revise the schedule for employer contributions, and provide for extended unemployment benefits on a permanent basis.

August 29: Veterans' Pension Act revised nonservice-connected pension programs by setting up a sliding scale of benefits, related to need, for those going on the rolls after June 30, 1960; and by providing pensions to widows and children of deceased veterans of World War II and the Korean conflict.

September 22: Federal Credit Union Act rewritten. Changes include raising of limit on unsecured loans to \$750, increasing maximum maturity of loans to 5 years, authorization to cash and sell checks to members for a fee, and requiring repayment or amortization of loans according to Bureau of Federal Credit Union regulations.

December 28: Advisory Council on Child Welfare Services submitted to the Secretary of Health, Education, and Welfare and to Congress its report on implementing the child welfare provisions in the Social Security Amendments of 1958.

December 31: Advisory Council on Public Assistance submitted to the Secretary of Health, Education, and Welfare and to Congress its report on the status of the public assistance program.

1960

January 1: Increase in OASDI contribution rates effective—to 3 percent each for employers and employees and to 4½ percent for self-employed.

March 27–April 2: Sixth White House Conference on Children and Youth held.

April 22: Social Security Act amended to provide fully insured status under OASDI for certain persons who had not obtained needed quarters of coverage because wages earned in 1 calendar quarter had been paid and credited in a later quarter; and to permit, in the unemployment compensation program for Federal civilian workers, lump-sum terminal annual-leave payments to be treated in accordance with State law.