

of policy changes in 1947, while in 1948 Mississippi accounted for about 75 percent of the acceptances for this reason. In Mississippi, revision in State policy as well as additional funds permitted large numbers of eligible persons on waiting lists to be approved for assistance. In 1947 several States, including Mississippi, that had formerly made joint payments to two eligible spouses provided for separate payments. This change in agency policy accounted for many of the openings in that year.

In the aid to the blind program, 4.1 and 4.4 percent of all new cases in 1947 and 1948 were taken on because of changes in legislation or agency policy. The proportion was less than 1 percent in 1949. It is noteworthy that the number of States with no

accessions for this reason increased steadily each year, from 12 in 1947 to 20 in 1949. The highest percentage (28.4) for the 3-year period was reported by Utah in 1948, when many aged blind persons who had been receiving old-age assistance transferred to the program for the blind rather than sign the newly imposed lien on property required of all old-age assistance recipients in that State.

In aid to dependent children, only 2.1 percent of all cases were accepted for this reason in 1947 and less than 1 percent in 1949. Additions to the general assistance rolls were even more negligible—less than 1 percent in each year.

*All other reasons.*—Included in cases opened for unspecified reasons are cases transferred from one public

assistance program to another and those that formerly received private aid, as well as those in which the applicant had deferred his request for assistance.

The proportion of cases opened for these reasons is higher for the aid to the blind program than for any other program, and it has become larger each year, increasing from 10.2 in 1947 to 14.3 percent in 1949. In many States, aged blind persons are often transferred from old-age assistance to aid to the blind (and from the latter program to old-age assistance) for reasons unconnected with agency policy or practice. The effect of these transfers on the small program of aid to the blind is likely to be greater than in the case of transfers from aid to the blind to old-age assistance.

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## Notes and Brief Reports

### Expenditures for Civilian Social Security and Related Public Programs

Expenditures for social security and related public programs, as defined and used in the accompanying table, have become an important item in the budgets of the Federal, State, and local governments. During the fiscal year 1948-49, public expenditures by civilian governmental agencies for social security and related public programs were about \$11.6 billion, a \$1.6 billion increase over expenditures in the fiscal year 1947-48. On the Federal level these expenditures represented about 15 percent of Federal expenditures from general funds and from social insurance trust funds; State and local expenditures for these purposes represented more than 25 percent of all State and local outlays.

The increasing magnitude of expenditures for social security and the increasing interest in such programs emphasize the need for information on the scope of current expenditures made at the various levels of government. The accompanying table indicates the approximate outlays for each of the social security and related programs for 3 fiscal years and shows these expenditures separately for Federal and for State and local

governments. The table is not confined to the programs of the Social Security Administration but attempts to present a comprehensive picture of public expenditures for social security and related purposes.

Social security and related public programs are considered here to include all social insurance programs; veterans' disability and survivor benefits, readjustment allowances, medical care, and welfare programs; public assistance; health and medical care; and certain welfare services. Although the armed forces and the Atomic Energy Commission spent significant amounts for direct medical services and for medical research, these are primarily military or defense expenditures and have not been included in the table. Some other agencies, in carrying out their programs, make relatively small expenditures for medical research or services; among those agencies are the Department of Agriculture, the Tennessee Valley Authority, the Civil Aeronautics Administration, the Fish and Wildlife Service of the Department of the Interior, and others—none of whose expenditures is included here.

The outlays from the veterans' national service life insurance and Government life insurance trust funds are not (and have not been in previous years) included in this table. These

life insurance programs were excluded because they are managed in the same way as private insurance; decisions on such matters as participation and the amount of protection are made by the individual participants, not by law or government agencies.

Since the purpose of the table is to indicate the magnitude of expenditures directly related to the social security programs, the table also excludes expenditures for education, public housing, crime control and correction, and similar social purposes. The largest of these exclusions is education. During the fiscal year 1947-48, the States and localities spent about \$4.3 billion for elementary and secondary schools, some part of which was devoted to school health services. Besides expending these amounts, both the States and the Federal Government are supporting college and professional education, including the training of nurses, physicians, and other medical personnel. The veterans' education program alone amounted to more than \$2.7 billion in 1948-49. Housing and community development expenditures by the Federal Government, which totaled nearly \$300 million in 1948-49 and might reach \$1.0 billion in 1949-50, are also excluded.

The table differs in a few important respects from earlier tables, which were carried in the SOCIAL SECURITY YEARBOOKS. Several categories of expenditure have been included for

the first time, principally the private expenditures required under the State temporary disability (cash sickness) insurance programs and the sanitation expenditures of State and local governments now included under community and related health services. Education expenditures for

veterans and professional medical training, which had been included previously, are now excluded. In addition, all international health obligations and military and atomic medical research, both of which had previously been included in part, are excluded.

Expenditures under some programs have been transferred from one category to another. Hospital and medical care now includes several medical programs—those for merchant seamen, Indians, and Federal prisoners—that were formerly considered to be “other” health programs (the miscel-

**Expenditures for civilian social security and related public programs, by source of funds and by program, fiscal years 1946-47, 1947-48, and 1948-49<sup>1</sup>**

[In millions; data corrected to May 22, 1950]

Program	1948-49			1947-48			1946-47		
	Total	Federal	State and local	Total	Federal	State and local	Total	Federal	State and local
Total.....	\$11,591.8	\$6,370.4	\$5,221.5	\$10,024.9	\$5,920.0	\$4,105.0	\$9,817.1	\$6,233.6	\$3,583.4
Social insurance and related programs.....	6,175.0	4,118.9	2,056.2	5,571.5	4,022.2	1,549.4	6,106.2	4,567.8	1,538.3
Old-age and survivors insurance.....	660.5	660.5	-----	559.1	559.1	-----	466.4	466.4	-----
Railroad retirement.....	282.5	282.5	-----	227.3	227.3	-----	177.6	177.6	-----
Public employee retirement systems <sup>2</sup> .....	632.5	352.0	280.5	550.7	294.2	256.5	492.7	256.0	236.7
Employment security <sup>3</sup> .....	1,382.2	184.3	1,198.0	901.2	141.5	759.7	986.0	148.8	837.2
Railroad unemployment insurance.....	50.5	50.5	-----	35.0	35.0	-----	51.2	51.2	-----
Railroad temporary disability insurance <sup>4</sup> .....	32.0	32.0	-----	28.6	28.6	-----	-----	-----	-----
State temporary disability insurance programs <sup>5</sup> .....	51.7	-----	51.7	34.3	-----	34.3	15.3	-----	15.3
Veterans' program <sup>6</sup> .....	2,541.6	2,541.6	-----	2,720.6	2,720.6	-----	3,451.1	3,451.1	-----
Workmen's compensation <sup>7</sup> .....	541.5	15.5	526.0	513.8	15.0	498.9	465.9	16.7	449.1
Public aid.....	2,086.4	939.5	1,146.9	1,699.9	722.5	977.4	1,440.1	615.9	824.2
Special types of public assistance <sup>8</sup> .....	1,820.2	939.5	880.7	1,487.5	722.5	765.0	1,271.9	615.9	656.0
General assistance.....	266.2	-----	266.2	212.4	-----	212.4	168.2	-----	168.2
Health and medical services <sup>10</sup> .....	2,607.0	828.5	1,778.5	2,062.0	717.2	1,344.8	1,717.1	678.4	1,038.7
Hospital and medical care <sup>11</sup> .....	1,589.1	603.1	986.0	1,324.6	547.2	777.4	1,076.0	530.9	545.1
New hospital construction <sup>12</sup> .....	294.4	94.4	200.0	123.1	55.1	68.0	84.8	28.8	56.0
Community and related health services <sup>13</sup> .....	649.7	75.4	574.3	551.5	67.1	484.4	488.7	63.7	425.0
Maternal and child health care <sup>14</sup> .....	30.8	20.5	10.3	34.1	25.1	9.0	51.9	43.7	8.2
Medical rehabilitation <sup>15</sup> .....	6.2	3.1	3.1	5.2	2.6	2.6	3.5	1.8	1.7
Medical and public health research <sup>16</sup> .....	31.3	29.3	2.0	19.8	17.8	2.0	10.1	8.1	2.0
Health manpower training <sup>17</sup> .....	5.5	2.7	2.8	3.7	2.3	1.4	2.1	1.4	.7
Other welfare services.....	723.4	483.5	239.9	691.5	458.1	233.4	553.7	371.5	182.2
Vocational rehabilitation <sup>18</sup> .....	19.6	15.1	4.5	19.4	15.1	4.3	15.8	12.4	3.4
Veterans' program <sup>19</sup> .....	366.9	366.9	-----	353.3	353.3	-----	263.8	263.8	-----
Institutional and other care <sup>20</sup> .....	223.0	23.0	200.0	217.0	17.0	200.0	173.5	15.4	158.2
School lunch program.....	110.1	74.7	35.4	98.3	69.2	29.1	98.5	77.8	20.6
Child welfare.....	3.8	3.8	(2)	3.5	3.5	(2)	2.1	2.1	(2)

<sup>1</sup> Preliminary; not comparable with data in *Social Security Yearbooks* (before the 1948 issue) because of changes in inclusions and classification. Data represent expenditures from public funds (general and special) and trust accounts, and other expenditures under public law; exclude transfers to such accounts and loans; include administrative expenditures unless otherwise noted. Fiscal years ended June 30 for Federal Government, most States, and some localities; for other States and localities, fiscal years cover various 12-month periods ended with the specified year.

<sup>2</sup> Excludes refunds of employee contributions to employees leaving service.  
<sup>3</sup> Represents State unemployment insurance and employment service programs, the reversion unemployment benefit program for seamen, and administrative expenditures of the Bureau of Employment Security.

<sup>4</sup> Benefits first payable July 1, 1947.  
<sup>5</sup> Benefits first payable in California in December 1946 and in New Jersey in January 1949; includes benefits paid by private plans under State law in California and New Jersey.

<sup>6</sup> Represents pensions, annuities, burial awards, and readjustment allowances and estimated administrative expenditures in connection with these payments; excludes expenditures from Government life insurance fund.

<sup>7</sup> Includes expenditures for medical services—approximately \$150 million in 1946-47, \$165 million in 1947-48, and \$175 million in 1948-49. Includes payments by employers and private insurance carriers of benefits payable under public law.

<sup>8</sup> Excludes administrative expenditures.

<sup>9</sup> Old-age assistance, aid to the blind, and aid to dependent children.

<sup>10</sup> Excludes all medical expenditures (both health services and research) of the Military Establishment and the Atomic Energy Commission; health services provided in connection with primary and secondary public education; medical services included under the public aid programs above (about \$150 million in 1947); medical care included under workmen's compensation above; international health activities; professional education and training of nurses, physicians, and other medical personnel; and expenditures for medical services and research subordinate to the performance of other functions, such as those of the Department of Agriculture and the Civil Aeronautics Authority.

<sup>11</sup> Includes hospital and out-patient care in public institutions and expenditures for maintenance and improvement of existing facilities. Excludes expenditures for domiciliary care by the Veterans Administration and institutions for chronic care (other than mental and tuberculous) included under institutional and other care below.

<sup>12</sup> Federal expenditures include cost of hospital planning and surveys; State and local expenditures include new construction only.

<sup>13</sup> Federal expenditures represent those made by the U. S. Public Health Service (except for international health activities, the National Institutes of Health, medical and hospital care and hospital construction, and professional education and training) and by the Food and Drug Administration; State and local expenditures represent all community health and sanitation expenditures by public agencies except those in connection with schools and public welfare and those classified elsewhere as health and medical services.

<sup>14</sup> Federal expenditures are for the maternal and child health program, the program for crippled children, and the wartime emergency maternity and infant care program; State and local expenditures represent required matching of Federal grants under the maternal and child health program and under the program for crippled children.

<sup>15</sup> Expenditures for medical care and services under the Vocational Rehabilitation Act.

<sup>16</sup> Represents all expenditures (except for education and training) of the National Institutes of Health, U. S. Public Health Service, and estimated amounts appropriated by State and local governments for medical research.

<sup>17</sup> Represents in-service training of the National Institutes of Health and other units of the U. S. Public Health Service and of the Children's Bureau. Excludes professional education and training of nurses, physicians, and other medical personnel and expenditures in State-supported medical schools.

<sup>18</sup> Expenditures under the Vocational Rehabilitation Act other than those for medical services.

<sup>19</sup> Veterans Administration programs for vocational rehabilitation, automobiles and other conveyances for disabled veterans, and housing for paraplegic veterans.

<sup>20</sup> Federal expenditures are for the American Printing House for the Blind, the Columbia Institute for the Deaf, the U. S. Soldiers' Home, and the U. S. Naval Home, and for domiciliary care of veterans; State and local expenditures in institutions for chronic care, for the handicapped, and for the aged.

<sup>21</sup> Funds are also available from private organizations and payments from parents; in 1946-47 these nongovernmental funds amounted to \$130 million, in 1947-48 to \$161 million, and in 1948-49 to \$182 million.

<sup>22</sup> Rough estimates, based on a 1947 study, indicate that State and local governments are spending about \$40-50 million for care of children in foster homes; because of the tentative nature of this estimate, the amount is not included here.

Source: Data taken or estimated from Federal budgets and available reports of Federal, State, and local administrative agencies.

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 expendi-

tures 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.<sup>1</sup>

*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

<sup>1</sup> 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.