

rank and the family status of the individual, a part is set aside for payment to the seaman on his return, and the balance is turned over to his wife or other dependents.

In France, provisions in this respect are embodied in the acts of March 31 and June 24, 1919, as amended by the act of July 28, 1921. Civilian war victims receive pensions on the same basis as those paid to members of the fighting forces and are entitled to virtually all the other prerogatives granted to ex-service men, such as free medical attendance, artificial limbs and orthopedic appliances, and vocational training. The only major difference is in cases of disability resulting from illness; to be eligible for a pension on this basis, a civilian must establish the fact that the illness was caused, and not merely aggravated, by ill-treatment at the hands of the enemy. Such a provision does not apply to service men.

Under an order of September 1, 1939, extending the provisions of an act of August 26, 1938, Germany provides for free medical and occupa-

tional assistance to its civilian war victims. In addition, monthly cash payments of 15, 30, or 50 marks, according to the degree of injury, are granted regardless of any other income except the pension or salary of a civil servant or the pay of an army officer. When the disability proves permanent, the pensions vary according to the family status and the place of residence; they range from 40 to 105 marks a month.

Measures have been generally taken to coordinate these various allowances with the basic social insurance legislation, in order to avoid administrative confusion and duplication of payments. In addition, the necessity once again of providing for war disability pensions and survivors' pensions for the dependents of deceased members of the fighting forces introduces another problem which, of course, can best be met with the passing of time. It is hoped that any outstanding developments may be reported here, on the basis of documentary material as it is received.

## EXTENSION OF THE SCOPE OF NATIONAL ASSISTANCE PROGRAMS IN GREAT BRITAIN

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*In contrast to the wartime emergency measures discussed in the preceding article, the changes outlined briefly here represent presumably permanent trends in the development of the British program for old-age security.*

IN 1934 Great Britain established a nationally financed and administered system of relief for the able-bodied unemployed who could not qualify for unemployment insurance benefits, had exhausted their rights to such benefits, or needed their insurance benefits supplemented. Varying local standards of relief to the unemployed were thus replaced by uniform scales of allowances and uniform definitions of need. Since 1921 a large part of the burden of caring for the unemployed had been carried by the National Government through the payment of extended unemployment insurance benefits. In 1931 the insurance system was limited to provision of benefits for 26 weeks in a year. The cost of relief to insured workers

who remained unemployed beyond this period was financed by the National Government, though the means test was administered by local authorities. In 1934 the administration of relief for the entire group of employable persons—both those previously covered by unemployment insurance and those not previously covered—was made subject to Nation-wide standards and entrusted to a new agency, the Unemployment Assistance Board.

In March of this year this Board was made responsible for the administration of supplementary relief payments to needy recipients of old-age pensions, and its name was changed to the Assistance Board. This change is of importance with respect to the future both of public assistance and of old-age insurance.

\*Bureau of Research and Statistics. For a discussion of the roles of unemployment insurance and unemployment assistance in Great Britain see an earlier article by the authors in the *Bulletin*, March 1940, pp. 3-12.

So far as the rights of the aged are concerned, this step represents a compromise with the demands of groups who have been urging an increase in the regular flat contributory insurance benefit of 10s. weekly, payable since 1925 to all insured persons aged 65 or over and to their wives who have attained that age, regardless of employment or other income.<sup>1</sup> The Labour Party in particular has advocated for several years a doubling of this amount for single persons and a 15s. increase for married persons, conditional upon the pensioner's retiring from employment. The Labour program also included corresponding increases in amounts paid to widows and orphans, a lowering of the age for receipt of pensions to 55 for wives of pensioners and to 60 for unemployed persons certified by the Unemployment Assistance Board as unlikely for economic reasons to regain normal employment; it also advocated provision for voluntary purchase of additional amounts of insurance by persons covered under the contributory system. Many Liberals as well have advocated some increase in the benefits provided. In July 1939 the Government promised an inquiry into the situation; early in 1940 a revised pensions plan was introduced and enacted into law on March 21 as the Old Age and Widows' Pensions Act, 1940.

The act is divided into two main sections; part I is to be effective July 1, part II, a month later. Part I lowers the age for receipt of contributory pensions from 65 to 60 years for all insured women, whether single, married, or widowed, as well as for the wives of insured men who have reached age 65. The Minister of Health, in discussing the bill in Parliament, stated that this change would increase from 28 percent to 63 percent the proportion of cases in which husband and wife would both qualify for a pension when the husband reached age 65. The act also lowers to 60 the age at which women cease to pay contributions for health and unemployment insurance and to be eligible for cash benefits under these programs. To prevent hardship, however, the Minister of Health may, during a transitional period of 5 years, authorize the payment of such benefits to women at age 60 who were insured under those acts before the passage of the revised

pensions act and who are not immediately entitled to old-age benefits.

The additional cost of pensions for women between the ages of 60 and 65 is to be met partly through an increase in the rate of contribution of 2d. a week for men and 3d. for women, 1d. of which is paid by the employer in both cases. Employed women will cease to pay contributions after they reach 60, although the employer will continue to pay his share as he has done for men and women at age 65. Since women will also cease to pay contributions for health and unemployment insurance at age 60, this group has received a substantial increase in benefits in relation to its contributions. The National Government has at the same time assumed considerably increased financial responsibilities, particularly with respect to women aged 60 at the time the act was passed.

Part II provides for supplementary payments to needy old-age insurance beneficiaries and to persons over 70 in receipt of noncontributory old-age pensions. This assistance is to be administered by the Assistance Board. The supplementation is to be at standards not less favorable than those applying since 1934 to the unemployed, and the same "household means" test is to be used in determining need. To facilitate the introduction of the new system, the act provides that no new determination of need shall be made by the Board in cases in which pensioners are currently receiving allowances from local authorities. The supplementary relief payments under the act are to be financed entirely by the Exchequer. However, the act provides for an annual contribution from the local public assistance authorities to the National Exchequer at the rate of £1 million from England and Wales and £175,000 from Scotland, the proportion paid by each local authority to be determined by the Minister of Health or, in Scotland, the Secretary of State. The payment of these amounts may be satisfied by a deduction of an equal sum from the general grant-in-aid payable by the Exchequer to the local authority.

These provisions were the subject of lengthy discussion in the House of Commons, and considerable criticism was advanced, particularly by Labour members, against the extension of the means test. In reply the Government pointed out that flat-rate increases of any amount might result in payments too high for single persons and

<sup>1</sup> See Fleisher, Alexander, and Kocher, Eric, "British Contributory Pensions," *Social Security Bulletin*, Vol. 2, No. 4 (April 1939), pp. 14-18.

too low for workers with dependents; that the household means test, although distasteful, offered much more adequate supplementary payments than those currently available from local authorities; that the existence of a war emergency prevented the expenditure of as large a sum of money as would be required for a general increase in pensions; and that it was not proper to encourage able-bodied workers to leave employment at a time when the country so badly needed their services.

The organization of the Assistance Board has not been changed from that of the original Unemployment Assistance Board, although some transfer of personnel from local authorities to the staff of the Board is contemplated. The supplementary assistance payments to pensioners are to be paid through the Post Office, as both contributory and noncontributory pensions have been in the past. Unemployment assistance allowances, on the other hand, have always been paid through the local employment offices of the Ministry of Labour. The primary responsibility of the Assistance Board is, in both types of assistance, the investigation of household means. Old-age pensioners who object to decisions of the Board may appeal to the appeals tribunals already established in the administration of unemployment assistance.

With respect to the organization of relief, this program represents, on the one hand, a further limitation of the responsibilities of the local public assistance authorities. The local authorities will continue to provide supplementary relief to persons in receipt of sickness or disablement benefits under the National Health Insurance Act and to grant assistance to various residual groups in the population. During recent years an average of about 275,000 recipients of old-age insurance benefits had each year applied to the local authorities for supplementary aid. In addition to this group, the local authorities in 1938, the most recent year for which figures are available, cared for an average of about 860,000 persons. In the same year, the Unemployment Assistance Board paid allowances to a monthly average of 541,250 unemployed workers and their families, constitut-

ing about 1.6 million persons in all. It is estimated that, in addition to the 275,000 old persons who will be transferred from the local authorities, the Assistance Board will be called upon to provide assistance to an additional 200,000 pensioners who had not previously applied to or had not received relief from the local authorities.

The designation of the former Unemployment Assistance Board as the agency to administer this national program of supplementary assistance to old-age pensioners and the application to the aged group of the same tests of need and of resources as have been applied since 1934 to the unemployed would seem to indicate a trend in the direction of a generalized national relief program.

This presumably permanent change is emphasized by new duties of an emergency character assigned to the Assistance Board as a result of the war. The Board is responsible for providing assistance to any person aged 16 years or over "who is in distress by reason of the fact that, owing to the action or threatened action of the enemy or to some other circumstance directly caused by the war, he has been moved from home under an official evacuation scheme, or he, or some person on whom he is normally dependent for support, has lost his employment or is unable to follow his normal occupation or has been otherwise deprived entirely or to a substantial extent of his normal means of livelihood."<sup>2</sup>

Under the Personal Injuries (Emergency Provisions) Act of September 3, 1939, the Board is also called upon to assist in the administration of injury allowances to civilians disabled because of war conditions. The allowances provided are flat sums related to the age, sex, and degree of disablement of the claimant, with additional amounts for dependents; the payments are made without respect to need. While the Minister of Pensions, who is in charge of other war pension plans, administers the Personal Injuries Act, the Assistance Board is designated as his agent in taking applications and paying allowances to civilians covered by the act.

<sup>2</sup> "Unemployment Assistance (Prevention and Relief of Distress) Regulations, 1939," *Statutory Rules and Orders 1939*, No. 1147.