

No single corrective measure, obviously, would have increased the amount of wage credits received in more than a small proportion of these divisor quarters. Extension of the coverage of the insurance program, for example, would have reduced by approximately a fourth the aggregate number of divisor quarters with no wage credits. A provision to disregard the divisor quarters during which the worker was disabled would have eliminated approximately three-tenths of the quarters investigated in this study.

The relative importance of the various factors that caused the older workers in the Boston survey to be absent from covered jobs might not be the same for the entire group of aged beneficiaries under old-age and survivors insurance. This study is chiefly significant as evidence of the number of factors involved. It also shows that beneficiaries are able to supply the information needed in such studies of their wage histories with what appears to be a considerable degree of accuracy.

Social Security Agreements in Western Europe

Social security cooperation in Western Europe was significantly advanced at Paris on November 7, 1949, when multilateral conventions on social security and social assistance were signed by the foreign ministers of the five countries that are parties to the treaty at Brussels on economic, social, and cultural collaboration and collective self-defense. The countries—Belgium, France, Great Britain, Luxembourg, and the Netherlands—thus approved the work of the Social Committees of the Brussels Treaty Permanent Commission in these fields.

The multilateral convention on social security is supplementary to a series of bilateral social security agreements among these Nations. Some of the bilateral agreements had been signed before the conclusion of the multilateral treaty, others have been concluded since, and others are still being negotiated. The general aim of each agreement is to treat the citizens of both contracting countries equally with respect to the social se-

curity programs specified in the agreements. The multilateral convention provides for reciprocity of treatment among all five countries in the field of social security legislation, which is defined to mean the laws specified in the bilateral agreements. The programs common to all the agreements thus far negotiated are old-age, invalidity, and survivors insurance, health and maternity insurance, and insurance against work accidents and specified occupational diseases. In some instances family allowances have been included.

Under the multilateral convention, a citizen or national of any of the five countries who has been covered by social security legislation will benefit from any of the bilateral agreements. When the latter provide for totaling periods of covered employment in two countries for the establishment or maintenance of right to benefit, the multilateral agreement extends this privilege to employment in all five countries. "For instance, where a Frenchman has worked in the United Kingdom, France, and the Netherlands, his contributions or insurance periods in those three countries will be added together so as to give him pension rights."¹ When different bilateral agreements govern the combining of covered periods in a given country, the more favorable agreement into which the country has entered will apply.

When coverage under a special system (as for miners) is required for receipt of benefit, the multilateral convention affirms this requirement but also liberalizes it by validating, for benefit purposes, any work performed in the occupation in a country that covers the employment in question in its general social security system, though not in a special program.

In old-age and survivors insurance—and in invalidity insurance when bilateral conventions do not specify that invalidity benefits shall be charged to one country only—the cost of the benefits is to be prorated among the countries in proportion to the duration of the individual's cover-

age in each country. The benefit itself is determined by the country where the claim is made, under its own laws, but without any distinction between coverage in the country of residence and in the other signatory nations. When it is necessary, under a benefit formula, to take account of average earnings, the portion of the benefit charged to a particular country is to be based on the beneficiary's earnings while covered by the system of that country.

A retired beneficiary may, under terms of the multilateral convention, continue to receive his pension after moving to another of the contracting countries. Most European retirement systems, unlike that of the United States, impose restrictions upon the payment of benefits to nonresidents.

The reciprocity conferred by the agreement extends to cases in which a worker and his dependents are not in the same country. In such instances the dependents will ordinarily be entitled to the medical benefits provided by the program effective in the country where they live, and no settling of accounts between the social insurance agencies concerned is contemplated. If the application of the convention would otherwise give rise to double title to maternity benefit, the country where the child is born will provide the benefit.

A second multilateral convention among the five countries deals with social assistance of a medical and institutional character. The basic principle is that of equality of treatment. Each of the countries, at its own expense, will treat nationals of the four other countries on the same basis as it treats its own needy citizens. Furthermore, an individual will not be repatriated solely on the ground that assistance is likely to be long-continued or costly if he has close family ties in the country of residence or if he has lived there for more than 5 years (10 years if he entered the country after age 55), or if he is not in fit condition to be transported.

Bilateral Agreement Between France and Great Britain

The country most active in promoting bilateral agreements has been France, which concluded agreements with Belgium on January 17, 1948;

¹Brussels Treaty Permanent Commission, Communiqué, "Social Security in Western Union," Annex I, November 4, 1949.

with Great Britain on June 11, 1948; and with the Netherlands on January 7, 1950. Belgium and the Netherlands concluded an agreement on August 29, 1949. All the agreements are basically similar, so that the terms of the convention between Great Britain and France will serve to show the pattern. Not all the bilateral agreements have been approved by the respective Governments, but the French-British agreement has been so approved and is now effective in both countries.

It provides in general that the nationals of either country are, when working in the other country, made subject to the social security measures of the country where they are employed, with right to benefit under the same conditions as its own citizens. The laws in the country of employment govern coverage, eligibility, and benefits. Certain exceptions to coverage are specified; namely, persons employed for less than 6 months in a country other than that of their normal residence, if the employer is located in the country of normal residence; traveling personnel of transport undertakings; career officers and other diplomatic and consular employees, including personal employees of diplomatic and consular employees; and such other persons as may be excepted by mutual agreement.

The French areas to which the agreement applies are metropolitan France and its overseas Departments (Guadeloupe, Guiana, Martinique, and Réunion). The British areas are England, Wales and Scotland, and the Isle of Man. The programs to which the agreement applies are old-age, invalidity, and survivors insurance; health and maternity insurance; work-injuries insurance; and (as to France) special systems, particularly miners' insurance, covering the same risks. The convention does not apply to unemployment insurance, which is a part of the British but not of the French system, or to family allowances, which are payable to the children of aliens in both countries.

The division of costs and other aspects of the reciprocity vary somewhat as among the different risks covered. Some of the principal provisions follow.

For sickness, maternity, and survivors insurance, a national of either

country covered by the system of that country and moving to the other country, and being there covered from the time of his arrival, may qualify for benefit on the basis of the period of coverage in both countries or either country. For sickness benefits, the illness must have become apparent after the insured became compulsorily covered in the new country of residence.

For permanent disability, nonoverlapping insurance periods completed under both French invalidity insurance and British long-term sickness coverage will be added in determining the right to cash benefit and the maintenance or recovery of such right. The benefits will be determined by the law of the country where the sickness or invalidity was certified, and the costs will be met by the system of that country.

A person moving from one country to the other while in receipt of invalidity benefit will maintain the same pension rights in either country as he would have had if he had not changed his residence. Details of medical administration and control with respect to disability in such cases are to be regulated by mutual agreement.

For old-age and widows' insurance, periods of coverage in either country may likewise be added for benefit purposes. Each country pays the portion of the old-age pension corresponding to the time spent in covered employment in that country. The joint contribution is also effective for benefits to widows aged 65 or over or incapable of working. If the widow does not meet one of these conditions, no contribution is payable by the country where she does not live.

If an individual chooses, he may renounce the right to benefit based on adding the insurance periods; each country will then pay separately whatever benefit is due him.

In insurance against work accidents and occupational disease, it is provided that any legal limitations on rights of foreigners shall not apply to nationals of the two countries.

In view of the fact that assistance in Great Britain is available to needy aged residents irrespective of nationality, the agreement declares that the French allowance to formerly em-

ployed persons who are age 65 or over and without sufficient means will be paid to British subjects in France who meet the same requirements.

Full mutual administrative cooperation is specified, including exemption from normal registration, stamp, and consular charges. Where restrictions on free exchange of currency exist, measures are to be taken by the respective Governments to ensure the reciprocal transfer of sums due. If a beneficiary in one country under old-age, invalidity, survivors, or work-injuries insurance transfers to the other country, he receives his pension from the social security organization in the place of his new residence, and this organization is reimbursed by the agency in the country responsible for the benefit. The French National Social Security Fund, on the one hand, and the British National Insurance Fund or Industrial Injuries Fund, on the other, will make the necessary repayments. All provisions necessary for the operation of the convention are to be the subject of supplementary agreements, some of which have been made effective already.²

In the event of difficulties in carrying out the convention, the competent authorities will resolve the issue. If this method proves unsuccessful the use of arbitration is specified.

Trust Fund Operations in 1949

Sums equivalent to 100 percent of current collections under the Federal Insurance Contributions Act are transferred under permanent appropriation to the Federal old-age and survivors insurance trust fund as such collections are received by the Treasury. In 1949, appropriations of such contributions amounted to \$1,666 million. The trust fund also received \$3.6 million in appropriations from the general fund of the Treasury for additional costs incurred in benefit

² National Insurance and Industrial Injuries (Reciprocal Agreement With France) Order, 1949; National Insurance (Reciprocal Agreement With France as to Retirement Pensions) Order, 1948; and National Insurance (Industrial Injuries) (Reciprocal Agreement With France) Order, 1948.