

average life income is lower than the latest monthly wage.

C. Increasing the minimum number of years payments must be made, before a worker is eligible to receive a pension. In many OECD countries this time is about 15 years. In Norway, it is presently 3 years, and in Japan 25 years.

D. The review of the calculation of so-called "contribution-free" time intervals and possibly their elimination. This brings especially to mind the time and cost it takes to educate children.

E. Tighter eligibility criteria to receive disability pensions, even if the "social costs should be high," and in spite of the fact that the savings to the pensions program will simply be transferred to other areas of social security. In the eyes of the disabled employee, it appears as sheer mockery when the OECD bureaucrats add, "Nevertheless, care must be taken, that these regulations do not become impossible to reverse if labor markets improve in the future." Does an individual's fitness for work depend on the status of the labor market? Does the doctor who examines a patient who has been certified disabled by his or her private physician, evaluate the patient's health by the stability of the labor markets?

F. Reduction or elimination of the surviving dependents' pensions. "The large share that survivors' pensions have in total pension expenditures in many countries, the further increase in working women, the high and still rising divorce rate, changing family structures and new lifestyles are likely to bring about a drastic revision in a number of countries."

The role of private insurance firms

Clearly, the Organization for Economic Cooperation and Development thinks its members should pull themselves out of their social obligations as nation-states and pass the pension-cutting buck to their citizens. The only people who profit in the health care system are the private insurance carriers, whose handwriting can be clearly detected in the two studies. The authors plug the insurance companies, claiming that the trend toward privatization of retirement plans "does not necessarily constitute a major change in retirement policy, since private sector provisions of varying importance already exist in all OECD countries, but it could lead to a redistribution of responsibility for old-age income."

A concrete proposal is already on the table:

"As private sector support for retirement newcomers is likely to increase in importance throughout the OECD area, fully indexed lower public support with partially indexed higher private support could constitute an optimal risk distribution of the retirement portfolio."

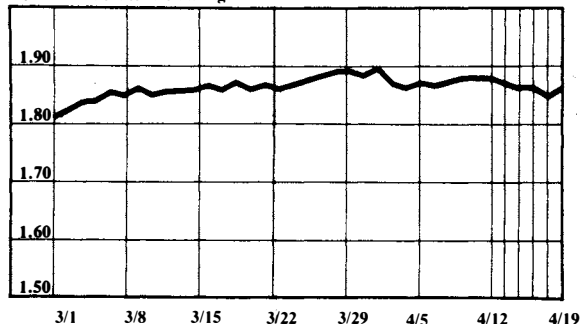
Again, the OECD does not bother to mention those who cannot afford such private insurance, and who therefore will have to live on reduced pensions and possibly work much longer.

The OECD emphasizes in its conclusion that the reform can only be carried through if it is understood and accepted how the world in which the previous social security program was created has changed.

Currency Rates

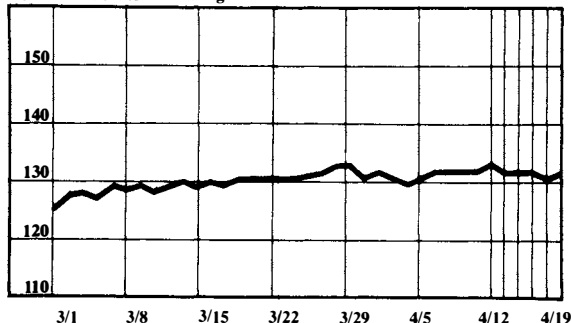
The dollar in deutschemarks

New York late afternoon fixing



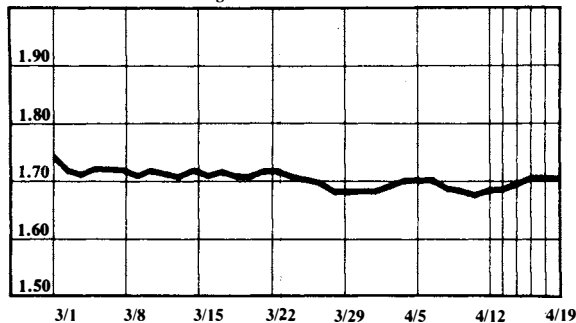
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

