THE PRINCIPLES AND AIMS OF FAMILY ALLOWANCES
A POLICY DISCUSSION

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Family allowances are an essential component of a comprehensive social security system, for by eliminating the necessity to provide for varying numbers of dependents, they would make such programmes as unemployment insurance, sickness benefits, workmen's compensation etc. considerably more efficient and more effective. Provisions for dependent children within the scope of other social security programmes have hitherto been marginal, if they existed at all. Under such arrangements the real and pressing needs of children have only too often been sadly neglected. Furthermore, wages do not take account of family needs, and a bachelor and a father of three growing children are paid the same if they do the same kind of job. "Equal pay for equal work" may be justified in the interest of the present industrial wage-system but it certainly counters the social interest of children. As children share the material circumstances of their families, the accident of birth still retains an importance and significance as to the future of a child which do not agree with the aims of a democratic society to provide equal opportunity for all.

The Marsh Report (1943) spoke of the necessity to provide a "social minimum" for children in the same way as the Canada Pension Plan sets a floor below which no-one over the age of sixty in the case of women, and no-one over the age of sixty-five in the case of men, is allowed to fall. What we could do for the aged we should do for children, for children are the most vulnerable and the most
precious group of a nation. The future of the children is the future of Canada.

A Ministry of Family Affairs is a much needed institution to look after the interests of children and their families. Canadian social policy will have to include a vigorous family policy in order to further the well-being of children. This thesis is an attempt in this direction.
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The twentieth century will be remembered as the first age in history in which people have thought it practical to make the benefits of civilization available for the whole human race.

Arnold Toynbee

Promise was a pretty maid, but being poor she died unwed.

George Eliot, Middlemarch

Quite irrespective of whether the right parents have the most children, children should have an unequivocal place in social security policy.

Dr. Leonard C. Marsh

A gain in income that stigmatizes diminishes the satisfaction of the income recipients.

S. M. Miller
CHAPTER I
FAMILY RESPONSIBILITIES

Until the Industrial Revolution children were considered a blessing by rich and poor families alike. The family represented an economic unit where members regardless of their age could contribute according to ability and strength. In an economy based on agriculture young children as well as old people could help towards the support of the whole family. The arrival of the Industrial Revolution increased the importance of child labour for industrialists as well as for their families. Richard Arkwright, for instance, employed children when he could not find any labourers willing to use his newly constructed spinning throstle. This move was generally hailed as a philanthropic gesture to improve the conditions of the so-called "unprofitable poor" of which England had one and a half million in 1720 out of a population of 12 or 13 million. Under the new industrial conditions families very often relied for their maintenance on the work of their children.

Lord Shaftsbury's report (1840) on the shocking conditions these children had to work in paved the way for reform legislation which eventually culminated in the abolition of work for children under the age of 12 (1847). This change transformed children's position within the family structure. If they had once been valuable producers of labour and therefore of income they were quickly turning into costly
consumers of food, clothing, housing, education and other equally important needs. In economic terms this meant that children became consumers rather than producers.

Adam Smith had believed that workers like any other commodity could be produced according to demand. If wages were high workers would have more children; if wages were declining workers would abstain from having to feed too many mouths. After all it was only logical that this should happen for the invisible hand of the market mechanism would see to it.

Just as higher prices on the market will bring about a larger production of gloves and the larger number of gloves in turn press down the higher prices of gloves, so higher wages will bring about a larger number of workers, and the increase in their numbers will set up a reverse pressure on the level of their wages. Population, like glove production is a self-curing disease as far as wages are concerned.¹

Adam's economic theory was taken a step further by Jeremy Bentham and the utilitarians. Self-interest and competition, they claimed, were the most compelling human forces society had to reckon with. Furthermore Ricardo's iron law of wages seemed to support both Adam's and Bentham's theory, for Ricardo had stated in what John Kenneth Galbraith calls the most quoted passage in economic literature:

Labour like all other things which are purchased and sold, and which may be increased or diminished in quantity, has its natural and its market price. The natural price of labour is that price which is necessary to enable labourers one with another, to subsist and perpetuate their race, without

either increase or diminution.  

Experience, however, shows that the market price of labour and especially the price of unskilled labour falls often enough below its "natural" price. Working men and women did not earn enough to support their dependent children in the nineteenth century, and many do not now. Individually paid work ignores family needs, and children who are ignored by the wage-system, can thus be considered to constitute burdens on the slender family resources. The wage-system is basically hostile to the family as a social institution.

However, the market controlled wage system is supposed to automatically balance increases or decreases in the population. The requirements of the economy will correct any deviations from the course of progress for society as a whole. This tidy picture of a self-correcting market economy was torn apart by the Reverend Thomas Robert Malthus.

If Smith and Ricardo had thought that the iron law of wages guaranteed working people an assured existence around subsistence level Malthus insisted that such a view was quite mistakenly optimistic. For he believed that man's potent reproductive urge would make a farce of the automatic balance between population increases and decreases. In his epochmaking Essay on Population he stated categorically that it was the lot of manking to be doomed to a losing

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struggle between an ever growing number of "ravenous and multiplying mouths and the eternally insufficient stock of Nature's cupboard, however, diligently that cupboard might be searched".\(^3\)

According to Malthus men were condemned to interminable poverty. This prospect did not perturb him nor his age for the great majority of people had always been poor and the grim social circumstances which crippled the lives of the people at the time of the Industrial Revolution hardly inspired any hope for a better and less harsh future. The strength of man's sexual drive would interfere with his interest for economic well-being and would make people accept famines and the threat of starvation rather than forego this powerful drive. He did not think that it would be possible to save mankind from the fate of being swallowed by their own numbers.

He recommended the postponement of marriage and suggested that a sombre warning should be included in the marriage ceremony to point out to the young couple that the husband and not the state would be responsible for the children of that union so that if these were excessive the parents could expect to be punished by want.\(^4\)

The gloomy legacy of the Malthusian economic predictions are still part of our intellectual heritage. The Club of Rome reiterated the Malthusian message in even gloomier terms only recently. Since 1798, when Malthus' \textit{Essay} was first published we have oscillated

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between his dismal prognosis and our belief in the progress of technology that will enable us to deal with population explosions without having to suffer its dire consequences or to introduce birth control measures on such a scale that will forestall a population explosion. In the major industrialized countries the latter seems to have been effective enough to allow a standard of living for the great majority of the population on a quite unprecedented scale of affluence. Unfortunately the same does not apply to the underdeveloped countries where the prospect that Malthus foresaw has come true. However he was quite wrong when he fatalistically insisted that mankind could not avert its doom of drowning under its own weight. The example of Japan clearly indicates that traditional peasant societies with high birth rates can not only be converted into modern industrialized societies but can also successfully deal with their population problem. Malthus' prediction is no more valid than the assertion that Japan's successful population policy will be repeated in Red China, India and other countries which have not yet coped with their population problem. But this does not interest us here. We are concerned with another aspect of the Malthusian legacy, namely his notion that children are the responsibility of their progenitors.

Children have always shared the material circumstances of their families. Thus the coincidence of birth decided what chances in life a child could expect. In traditional societies a man's social position at birth was the same as at the time of death. An ascribed
social position characterized the social order of static societies. Under the impact of industrialism static societies broke up and became so-called "open societies" in which the positions of power, influence and prestige are supposedly open to men and women of talent. The emergence of a meritocracy, it was believed, had made the coincidence of birth irrelevant for the future position of a child. Contrary to this belief we find that in spite of the "open society" the children of blue collar workers mostly follow in the footsteps of their fathers just as middle class children tend to take up middle class careers and professions. It is obvious that there are exceptions to that rule, but it cannot be claimed that these cases are of general validity. Galbraith states that, for instance, the professional classes or what he prefers to call the New Class has considerable protective power to prevent its failures from descending the social ladder.

The son of a surgeon rarely becomes a garage hand. However inadequate, he can usually manage to survive, perhaps somewhat exiguously, on the edge of his caste.5

The important point, however, is that he does survive, however precariously. W. Lee Hansen and Burton Weisbrod from the University of Wisconsin studied the supposedly egalitarian system of colleges and universities in California. They found that students from poor families were the least likely to be eligible for state college or

5 Galbraith, op. cit., p. 266.
the University of California, and, if eligible, the least likely to attend. Proportionally six times as many high school graduates from families earning over 25,000 dollars planned to attend U.C. as did those whose family income was less than 4,000 dollars.  

The situation in British Columbia is not considerably different. A study investigating the social background of students enrolled at the University of British Columbia clearly indicated that the great majority of students came from families whose average income was well over 10,000 dollars. It is a fair assumption to make that the students at Simon Fraser University are also mainly recruited from the middle classes. The open society appears to be much less open under closer scrutiny than we like to believe.

It is important to remember that man becomes human because of the way he is brought up, the way he is socialized and the way his early and later life experiences with other human beings lead him to feel about himself and others. A child's capacity for achievement and for a reasonably independent existence is intimately bound up with these experiences. In this respect we cannot underestimate the significance of the role structure and the emotional climate of families in different segments of society, nor can we ignore that these are the consequences of a given family's position within the existing social structure.

Moreover the life chances of a youth depend to a much greater

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extent than we like to admit on the social position of his or her family. This is not to deny that social mobility is indeed possible but to point out the obstacles a lower-class youth will encounter on his way up.

North American society equates success with ability and failure with personal inferiority. The American dream of the boy who rose from the log cabin to the White House is often used to suggest that upward mobility is a reality in all industrialized Western countries. Robert Merton wrote in this context:

... conspicuously successful individuals who have risen rapidly in a social hierarchy and who are much in the public eye function as models and reference figures testifying to a mobility system in which apparently, careers are still open to talent. For some, these success models are living testimony to the legitimacy of the institutional system and in this comparative context, the individual deflects criticism of the system onto himself.7

If we realize, however, that we are still a long way from having achieved equality of opportunity for all, let alone equality of outcome, we can no longer confuse individual success with personalistic and subjective factors.

A child's personality is formed through his contact with his social environment. The available literature in the field of human behaviour has emphasized the differences in child raising practices among the various social classes. Catherine Chilman found that lower

7 Cloward and Ohlin, Delinquency and Opportunity, p. 127.
class parents tended to discipline their children harshly and inconsistently, that they very often had little self-esteem and experienced a strong sense of defeat in coping with their life situation. This sense of defeat is only too often passed on to the next generation, and thus creates a vicious repetitive circle of intergenerational poverty.

It is very unfortunate that people who are often not the ones who are best equipped to take care of the young tend to have the largest numbers of offspring. This can be regarded almost as an act of defiance on their part. People who are deprived of control over their own lives turn to the only way still open to them where they can define themselves and feel themselves the equals of their luckier fellow-men. Poor people tend to think of their children as having been given to them by the will of God or by Fate, in short by some external force over which they cannot possibly exert any kind of control. It is almost impossible to decide whether society at large can hold people who ascribe to such fatalistic views as being responsible for the number of their children. In order to practise birth control precautions a couple needs a certain amount of intelligence, and has to display some effort to secure whatever kind of precaution they choose to use. In spite of the existence of the so-called permissive society, we have to realize that birth control precautions are not as easily available over the counter in a drug-

8 Chilman, Catherine, Growing Up Poor, p. 28.
store as for instance toothpaste. Societal attitudes towards birth control measures are too often still wrapped up in some sort of hypocritical flummery. If legislators were truly concerned about the seriousness of a cataclysmic population explosion and nations could cooperate, they would devise programmes to prevent the problem from becoming a reality.

In the meantime we cannot, however, ignore the correlation, which appears to be of some significance, between poverty and family size. Eleanor Rathbone, the great British crusader for family allowance payments, had absolutely no doubts on this point. She could thus write in 192:

I do not believe that anyone who has been in touch with the facts can doubt that on the whole the elements in the working-class that are restricting their families (in whatever way they do it) represent the cream and those who are not practising represent the dregs.⁹

Moreover in the county of Lancashire the birth-rate fell the most where there were the best housing conditions.¹⁰ From this we may conclude that once people have achieved a certain level of well-being and comfort they act rather self-consciously in their own interest. It appears that Jeremy Bentham's emphasis on man's basic selfishness has after all more validity than Malthus' insistence on the reproductive urge. This information should be of some importance to

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⁹ Rathbone, Eleanor, Family Allowances, p. 192.
¹⁰ Ibid.
policy-makers. Ricardo had advised that the taste for consumption be encouraged among the labouring classes in order to cut down the number of their offspring, for he had realized that only a certain amount of comfort and well-being would induce them to husband their limited resources for their own and their children's betterment and improvement.

The Webbs tended to believe that the decline in the birth-rate which took place in Britain at a time when the social conditions of the working-classes had somewhat improved, was due to their better educational opportunities. They wrote:

We attribute this adoption of Neo-Malthusian devices to prevent the burden of large families . . . chiefly to the education among working-class women, to their discontent with a life of constant ill-health and domestic worries under narrow circumstances and to the growth among them of aspiration for a fuller and more independent existence of their own. This change implies, on the part of both husband and wife, a large measure of foresight, deliberateness and self-control which is out of reach of the less intelligent and more self-indulgent classes, and difficult for the very poor, especially for occupants of one-roomed houses.11

It can, therefore, be argued that by raising the standard of living for poor people their birth-rate can be lowered substantially. There are still a number of people who seem to have their doubts that this will indeed be the case -- even people who believe that the misfortunes of the parents, deserved or not, should not be visited on their children. John Stuart Mill took up the point that since no one

11 Rathbone, op. cit., p. 196.
could be held personally responsible for having been born, it would only be right to tax the rich in order to provide adequately for all living children. His Malthusian prejudices, however, got the better of him and he concluded that this was unfortunately an unfeasible proposition for it would only encourage people to have as many children as they thought fit, and would remove the most effective check to population increases by placing the responsibility of parents for their children on society as a whole.

It is becoming increasingly difficult, however, to uphold this kind of view in the light of demographic developments since the days of John Stuart Mill. In the wake of rising expectations birth-rates have considerably declined in all parts of the industrialized Western nations. From this we can make the argument, and with some confidence too, that the less developed nations of the world will follow in time depending on their social and economic advancement. It cannot be stressed enough that material deprivation produces attitudes of resignation, apathy and dependency. To think differently is to espouse an attitude which may very well prove to be socially harmful.

It may have been realistic to insist on parents' personal responsibilities for the needs and wants of their children in the age of Mill, when the foundation for our present day affluence was laid, but this is certainly no longer the case in our present day and age. John Kenneth Galbraith makes this point with passion and conviction:
A poor society . . . has to enforce the rule that the person who did not work could not eat. And possibly it was justified in the added cruelty of applying the rule to those who could not work or whose efficiency was far below par. An affluent society has no similar excuse for such rigour. It can use the forthright remedy of providing for those in want. Nothing requires it to be compassionate. But it has no high philosophical justification for callousness.\(^{12}\)

Indeed leaving aside the philosophical and moral pros and cons of society's attitudes towards familial responsibilities, it is certainly sound economic policy on the part of the community as a whole to assume its share in the raising of the next generation. Today's neglected children will be tomorrow's social problems. People who in childhood did not receive the physical and emotional nourishment essential for their own best development will become, in their own turn, problem citizens, economic misfits, inadequate parents, and thus constitute a liability to society. If we choose to ignore the problems of the child we shall be forced to deal with the problems of the adult, and this very often after considerable damage to society has already been done. We may have to pay dearly for our neglect.

\(^{12}\) Galbraith, op. cit., p. 255.
CHAPTER II

CHILDREN AS A SOCIAL INVESTMENT

At any given time most of the trouble, effort and expenditure in raising the next generation falls on the shoulders of a minority of people in each generation, and in this way on quite a small minority of all adult tax-payers. In 1945, Mr. Mackenzie King in the House of Commons quoted figures which showed quite clearly that 84 per cent of Canadian children under the age of 16 were dependent on only 19 per cent of the gainfully employed in the country.\(^1\)

The great majority of earned as well as unearned incomes are received by adults who have no children to support. However the future flow of goods and services our society has come to rely on depends on the prospective labour of subsequent generations. Older people and childless couples often seem to forget that their assured support, once they are no longer capable of working themselves, will come from those born long after them. The deep resentment shown by some people to shoulder their part of the educational costs through the local property tax is a case in point. The conviction that children are a national investment in the interest of the national community is far from being generally accepted. In this respect the hesitations on the part of the federal government to increase family allowances on a universal rather than a selective basis appear in a

different light. The majority of voters are non-parents who grudgingly contribute to the costs of education but definitely shy away from their responsibility to pay their fair share of the costs of child raising. They base their reluctance upon the obsolete Malthusian fears discussed earlier.

John Kenneth Galbraith in *The Affluent Society* stresses the importance of a shift in emphasis from investment in the increased production of commodities, that is to say in economic growth, to an increase in the investment of people. He states:

Investment in human beings is, prima facie, as important as investment in material capital. The one, in its modern complexity, depends on the other.\(^2\)

The foundation to the quality of life for the next forty and fifty years is presently being laid. Its nature will depend on the opportunity, education and training we shall make available for the upbringing of those who will then take our place. This constitutes a very serious and responsible task on the parts of governments who will have to accept the primary role in this undertaking. All levels of government will have to attempt to explain and convince the unwilling and recalcitrant members of the national community that children are a country's most crucial resource, and that in order to help them special attention will have to be paid to the welfare of families in which these children are being raised. The United Nations Universal

\(^2\) Galbraith, *op. cit.*, p. 213.
Declaration of Human Rights, signed by Canada, states that "the family is the natural and fundamental group unit of society and is entitled to protection by society and the state".

There can be little doubt that in an economic system where wages are based on industrial rather than social considerations, that is to say pay is based on the concept of equal pay for equal work, regardless of the number of dependents who will have to be supported on an individual's income, the arrival of children will lead to a reduction in the standard of living of a couple compared to a childless couple in the same income range. Each further addition to the family will continue to widen this gap. Considering that the support of the childless couple in old age will depend on the children of those couples who are willing to dedicate themselves to the certainly not easy task of raising children, it is surely not unreasonable to assume that the former should be asked to contribute at least financially to the burden of the latter. Tax concessions, as will be shown later, are inadequate to fill the gap in the standard of living between a couple with children and one without children, especially as women unencumbered by offspring tend to be employed as well as their husbands.

This thought was predominant in the arguments of the New Zealand government when they insisted that family allowances had to remain universal as all families who chose to have children were having to accept certain expenditures and sacrifices childless couples
would not have to endure. The commission on Social Security for New Zealand (1970) stated:

... a reintroduction of income test eligibility for family benefits would be directly contrary to the fact, that at all levels of income, those responsible for rearing the next generation have higher costs and lower living standards than those without such burdens, and that therefore this responsibility should be widely shared in the community.³

This view has not been accepted in Canada although its validity seems undeniable. The future of every country depends upon its investment in its children, and what is good and beneficial for poor children and their families is also good and beneficial for rich children and vice versa. This is not to deny that the needs of the children of the poor are indeed much greater and more justifiable than those from the wealthier sections of society, the issue here is simply to point out that the responsibility for children lies not exclusively in the hands of parents but also on society as a whole. In the context of education it seems to have been generally understood that parents alone would not be able to meet the substantial expenses of the educational process. The advanced state of science and technology requires literate people. It is therefore in the interest of society to make education a universal feature. However the first five years, and according to prevalent theories in child development, the most crucially formative years in a child's

life, are spent almost exclusively in the bosom of the family. If the home environment is materially and culturally poor, irremedial damage to the child's future intellectual and emotional development might occur. By the time he reaches school age it is often too late to enable him to take advantage of an education that would now be available. It is not the educational process per se that may be held responsible for the high drop out rates of our schools but rather the attitude of false parsimony that conduces us to offer the child an opportunity when it is very often already too late. It is precisely for these reasons that Alvin Schorr in Poor Kids: A Report on Children in Poverty (1966) suggests a payment of fifty dollars per month for each child under the age of six.

His proposal is by no means unjustified. The stifling atmosphere of a culturally deprived home, regardless of family income, has concerned many educators. Professor S. Wiseman stated in evidence to the Plowden Committee on primary school children in Britain:

We regard two of our findings as being of the first importance: that environmental forces bear most heavily on the brightest of our children; and that factors in the home are overwhelmingly more powerful than those of the neighbourhood and school. 4

Before children's performance at school is likely to improve substantial changes will have to be induced in their home environment.

4 Wynn, Margaret, Family Policy, p. 20.
The problem of a child's family situation has gained more and more predominance in the thinking of educators in Europe and especially in Great Britain. The Plowden Report of 1966 concluded:

> It has long been recognized that education is concerned with the whole man; henceforth it must be concerned with the whole family.⁵

The Celdic Report (1972) drew the attention of Canadians to the shattering fact that one million children within the Canadian school system displayed some kind of emotional disturbances, a clear indication that the emotional climate in family situations throughout the country leaves much to be desired. In this context the failure of schools to provide children from all kinds of socio-economic backgrounds with an equal chance can be of little surprise. It is even more of an illusion to assume that the most gifted children can and will surmount every handicap, most of all their home environment.

The middle-class child whose parents enjoy a certain level of education definitely has a considerable advantage compared to one that comes from an undereducated family. His father or mother will be able to help out with a problem in mathematics or French. Lower-class parents, on the other hand, very often will show little understanding of why the child has to learn all kinds of things for which they can have little use. In an undereducated family the child will hardly be given any intellectual encouragement or

⁵ Wynn, op. cit., p. 234.
stimulation. Working-class people tend to have a very practical attitude towards education. Pestalozzi, who dedicated his life to improving the educational opportunities of poor children in Switzerland and who found many followers in all parts of the world once said:

The aim of education is not to perfect scholarly knowledge but to prepare the individual to stand on his own feet. 6

This attitude may be one explanation why the children of the working-class are seldom found in the academic stream in high schools. It is certainly a factor but it would be too simplistic to give much weight to it. During their most formative years they lack all the advantages that middle-class children take for granted. A room of their own, or even a small space in a room shared with others they can call their own, privacy, quietness, educational toys and probably most of all verbal stimulation on the part of their parents.

There is an ever increasing awareness of the importance of the family as the primary channel for the transmission of culture. Habits, attitudes, beliefs and values are formed within the family which will affect the conduct of a child for the rest of his life. A poor family life is more than likely to have a negative influence later on on a child's social relationships with others. And it may be even more important to realize that the child will absorb its

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6 Wynn, op. cit., p. 235.
family's attitude to their social environment. There will come a time when the struggling family will give up all hope for a better future for themselves as well as their children. Hylan Lewis, an American sociologist, commented on this phenomenon:

... in other words there are cut-off points in parents' optimism and confidence about themselves and the future of their families, and in their belief that the future could be affected by their efforts alone. This cut-off point in parental optimism and confidence is one of the most disastrous phenomenon affecting child rearing.  

The belief that it is possible to improve one's social and economic situation seems to be absolutely essential in the promotion of social mobility. It is only after all hope has been given up that people fall into the state of some kind of stoic apathy that is so disturbing to all those who believe in progress and growth. In the post-industrial society the quality of family life is largely dependent on the adequacy of family incomes. The kind of food, the entertainment, in short the style of living of a particular family is determined by the dollars and cents a family can afford to spend. Emulation is one of the strongest factors in the development of personality traits. A boy who is brought up to regard watching TV, and an occasional fishing trip as the most desirable ways of spending his leisure time will be intellectually and spiritually very much poorer than one who learnt to enjoy good music, painting and the theater in his youth. The latter's horizon

7 Hylan Lewis, quoted by M. Wynn in op. cit., p. 236.
will be so much broader, he will be used to making up his own mind, and he will have learnt to rely on himself. Television on the other hand encourages passiveness and discontent. The constant barrage of advertisements makes us continuously dissatisfied with what we have, and make us believe if only we had a new car, used the right deodorant or after-shave lotion all our worries and difficulties would fade away. Discontent and day dreaming are, however, attributes of no social value whatsoever. The desire and willingness to work for social change will be to the benefit of society as a whole.

It is impossible to find out how many intellectually able and gifted children never get a chance to show their promise as their limited and unstimulating family environment kills their talents before they had time to develop. This is detrimental to all of us. The work opportunities for unskilled and undereducated persons are constantly becoming scarcer. The scientific and technological revolution demands better educated and more skilful workers. Experts from socialist countries, particularly the Soviet Union, estimate that in about twenty years, countries with developed economies will require that seventy per cent of their work force, at the time they enter the labour market, will have to have a general education up to the standard of what is now required for entry into a college of technology. 8

But investment in children on the part of society is not

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8 "Radical Changes in Work", in Civilization at the Cross-Road, edited by Radoman Richta, p. 107-111.
essential only for scientific and technological reasons; it is equally important on humanitarian grounds. It is a well-known platitude to state that our lives are becoming increasingly more complex and difficult to handle. The alarming number of divorce cases, abuses of children and the increases in the crime rate illustrate the glaring incompetence of our social system to cope with the intricacies of modern life. Obsession with the increased production of goods allows us to play havoc with personal relationships. If production falls corporations have no qualms whatsoever to lay off men, regardless of how unemployment is going to affect the men or their families. Governments may squirm uneasily but armed with their conviction in the correctness of the Phillips curve, it is announced that we have reached rather an unfortunate stage of economic development where a rapid growth rate coincides with a high unemployment rate, that there is little that can be done about this except wait until we move on to a different stage.\(^9\) In the meantime the additional hardship that hit a great number of families will only further deteriorate the life chances of their children. Wastage of talent among children is a convincing reason for the support of families.

Education is widely regarded as a social investment for the future. But it is certainly not enough if we are to prevent the wastage of human potential. What is needed is a form of direct help

\(^9\) Prime Minister P. E. Trudeau in an interview with Jack Webster in Vancouver during the last election campaign (1972).
to families in order to influence a child's most formative years more decisively. The merits of various forms of direct help to families have been debated over a long period of time. Family allowances have crystallized as the most satisfactory form.

The family environment is more to blame for the ultimate failures of individuals to find a place in our economic system than the schools. Once help is given to parents directly the school is in a much better position to fulfil its social task.

'Education', said Kant in the Critique of Judgement, 'is the creation in a rational being of an aptitude for any kind of general end.'

It may be possible to achieve this end by a joining of forces of families and educational institutions.

The investment in children seems to have already paid off for one country, namely France. The French have the most generous family policy of any Western nation. This in conjunction with their great stress on educational achievement are important factors in aiding economic growth. France which in the Fifties was a society dominated by infants and the old can, according to a study by the Hudson Institute, (the same institute predicted the Japanese economic miracle,) expect the highest living standard in Europe, and that by the middle 1980's France will have established herself as

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10 Kant, Emanuel, quoted by R. Garaudy, The Turning Point of Socialism, p. 28.
the leading economic power in Europe. Although it cannot be argued that this is due to the existence of family allowances, their part in this development should not be underestimated.

It is a general misconception that benefits to children will only allow parents to spend money, that they would have used for the needs of their children, differently and for other purposes. Government expenditure on children is certainly not a subsidy to parents but makes sound economic sense in the interest of the whole nation. Children are a country's finest resource.

For generations Canadians have believed that investment in capital goods mainly through the private sector accelerates productivity while on the other hand investment in human beings to develop their potential mainly through public social programmes and services is a burden which hinders the economy. It is about time to redress the balance of priorities between the private and the public sector in Canadian society.

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12 Social Policy for Canada, Part I,
CHAPTER III
FAMILY ALLOWANCES AS A METHOD OF DIRECT HELP TO FAMILIES

Sixty-two countries in the world have introduced family allowance schemes in various forms. Their existence is the acceptance and acknowledgement on the part of governments of their responsibility in the raising of the next generation. Alfred Sauvy defined the role of family allowances in a conference on Social Security of the European community in the following terms:

The role of family allowances is, above all, a social role; thanks to these allowances children can be better nourished, better cared for (as for example by the "mother at home" allowance), better housed (which, is, in particular, the effect of the personal housing subsidy which is given in France by the family allowance fund). What will the consequences be for the development of the population? The effect of these allowances is seen rather in quality than in quantity. Put in another way, their influence will be felt in the state of health and in the physical and educational development of children though it will have no appreciable effect on the death rate at least in families which have already reached a certain level of income. In particular, infant mortality is not now influenced by family allowances because it no longer depends directly on family income. But the height, weight and general development of children are favourably influenced . . . . Family allowances tend to increase the length of time children are at school and therefore defer their entry into the labour force; this must be considered a desirable result because it raises the quality of the employed population.¹

Professor Sauvy not only stresses the benefits the children will enjoy through the payment of family allowances, but is also

¹ Wynn, op. cit., p. 245-246.
aware of the social investment aspect involved in the scheme. By nature family allowances are transfer payments; theoretically they redistribute national income from taxpayers in general for the benefit of families with dependent children. In this respect they are a progressive measure. Dr. Leonard Marsh described family allowances "as a direct method of dealing with the gap between family budget needs and the living wage which is anomalous for unmarried men, and not elastic enough to cover families larger than the average".²

The presently operational wage system is insensitive to family needs. It has generally been argued that employers should pay a "living wage" to their workers with which they would be able to support a wife and three children. Employers, however, have always been unwilling to pay a living wage. Moreover, Eleanor Rathbone argued, a living wage based on the needs of a five person household would in fact mean the provision for a large number of "phantom children", as certainly not every family would have three children or any children at all, while this kind of system would fail to meet the pressing needs of real children. If the wage-system failed to provide sufficiently for children, their needs would have to be met through family allowances. Inga Thorsson, the Swedish representative to the Children's Allowance Conference at Airlie House, Warrenton, Virginia in 1967, stated in her address to the conference, that

family allowances are generally developed to establish social equity and justice by equalizing the burden of child rearing. They are a deliberate way of achieving horizontal redistribution of income, (and to some extent vertical redistribution) from childless families to those with children . . . . They are implemented to offer . . . the ultimate right of every child irrespective of background, place of living, income of parents and so on, to be welcomed, to have an economically secure childhood and adolescence with equal opportunities for a good start in life and equal access to the educational resources in order to develop his full potential.

In this respect family allowances can be used as equalization factors in an unequal society. In Canada family allowances have not been viewed from such a perspective. Here as in most other countries which have introduced family allowances the emphasis has been on establishing a living wage on which a worker can maintain his family needs rather than supplementing it with a family allowance benefit. The problem of wages in reference to family obligations has never been satisfactorily dealt with. Eleanor Rathbone commented on this situation:

It has been assumed practically without discussion or question, that the only alternative to the present system or rather lack of system is through a minimum living wage based on the needs of a family of a particular size and ladled out to all men whether they have families or not. The idea of treating each family as though every man, every woman and every child in it had a separate stomach to be filled, back to be clothed, individuality to be respected and developed, is either ignored altogether or brushed aside with some careless allusion to the impossibility of asking employers to proportion wages to the size of a man's family, or the danger of encouraging over population.  

3 Rathbone, op. cit., p. 97.
A wage system of equal pay for equal work which does not take an individual worker's family obligations into account imposes an economic penalty on parenthood. For reasons of equity it is, however, appropriate to argue that the number of children living in a family should not affect the standard of living of a family to an excessive degree. These are the considerations underlying family allowance schemes, which are an effective means of redistributing income between individuals and families according to family responsibilities.

Family allowance benefits do, however, not solve the problem of living wages. There are three questions that need an answer:

1. Should wages be high enough to allow a family of a given size at least a minimum standard of living?
2. Should wages simply be high enough to support one individual, or should wages support a man and his wife whilst the needs of children are met by the state in form of a family allowance?

In reference to the first question it is very difficult to decide whether the living wage should be set around the needs of a family of two, three, four or more children. Moreover, a realistic definition of a minimum standard will have to be arrived at. This will be attempted in a later chapter. The standard family of five of the period after world war I in the social science literature of European countries no longer applied to what could be considered a typical family in Canada in 1943. Demographic changes fluctuate to
such an extent that any decision as to what we are to understand by a standard family needs constant revising. Our present wage system sets the minimum wage at a level that will simply allow for the support of one person, or very often not even that. The slogan "equal pay for equal work" certainly does not apply to women in a number of industries. The average income of women is considerably lower than that of men throughout the country. At the time when Eleanor Rathbone made her plea for equal pay for women she was countered with the argument that women did not have families to support. This was certainly untrue in her time, for a considerable number of unmarried women supported an elderly parent or a disabled brother or sister, but it is an even more unjustified attitude to take now. The number of women who are heads of families in Canada is increasing every year. Women without husbands but with dependents to support meet with a particularly harsh fate under the rules of the present wage system.

Some employers are very reluctant to raise wages let alone accept minimum wage levels set by governments. Only recently the Government of British Columbia had to meet this reaction when it determined the minimum wage to be two dollars an hour in the province. The family head of a non-farm family with two parents and five children will, however, have to earn nearly three dollars per hour in a 40-hour week, if he is to maintain even the most basic standard of living.
Considering the low level of the minimum wage (in Manitoba, for instance, it is 1.65 dollars per hour) throughout Canada, it could be argued that family needs could be met more efficiently through government provisions such as wage supplements. Indeed a Canadian version of the unfortunate Speenhamland wage supplement experiment, introduced in England in 1795, has been spoken of by a number of politicians including Mr. Lalonde. Such a measure would, however, represent more relief for employers than the "working poor". It would also be against the traditional economic axiom which states that a labourer should be able to live and perpetuate himself on his wages. If the component of reproduction in the wage element is passed on from the employers to the state, this would not be in the interest of the wage-earners whose taxes would help to finance such a programme but in the interest of the employers. The hidden implications of wage supplements are not immediately visible because the name is misleading. If we call them what they really are, namely subsidies for the cost of labour to employers, we can see them in their true colour.

There are, however, certain advantages in such an approach, which its supporters have as yet failed to recognize. It could mean a thorough application of the principle of "equal pay for equal work", an axiom that seems to have become indelibly entrenched in our value system. Moreover, it could further the interest of women in as much as it would wipe out employers' artificial excuse that women should be paid less as they do not have a family to support. The theory of
government provisions for children recognizes their social value to the national community rather than their progenitors' contributions to industry. It is, however, fairly safe to assume that we still are a long way off from such a far reaching change in our attitudes for the provision of children. Family allowances have not advanced further in conceptualization than their acceptance as supportive measures to families with children. But they could be used for fundamental changes in the field of child welfare. Dr. Marsh recognized this point clearly when he wrote with great insight:

Family allowances, at one stroke, simplify enormously the organization and administration of almost every other kind of social insurance. By limiting any further necessity for considering varying numbers of extra dependents, they permit e.g., unemployment benefits to be geared to the need of the individual worker as such, a widow's pension to be designed for the widow as such, and so forth. They also remove the anomaly of the possibility of the low-paid wage earner with a large family receiving more from social assistance than he would from unskilled wages.4

The same can be said of the system of wage structures, but it would certainly imply some very drastic rethinking on the parts of all government levels as to their responsibility to the next generation.

John Stuart Mill believed that in the long run the level of the living wage would be determined by the subsistence needs of a family large enough to keep up the population. This would imply that minimum wages are to be set at a level that would guarantee a standard

4 Marsh, Family Allowances in Canada (speech), p. 3.
of living that would allow for a humanly dignified existence for a man, his wife and two children. The difficulty here is that definitions of what constitutes a "humanly dignified existence" vary greatly depending on who made the assessment for whom. Adherents to the concept of the living wage will have every reason to fight against a nation-wide system of direct provisions to children. Its most serious drawback is, however, the fact that it is an attempt to reconcile the interest of employers in low labour costs and the national concern with the well-being of children.

The dilemma of minimum wage and family needs is not new. Its problem was debated in the British House of Commons in 1795. The younger Pitt retorted to Whitbread's proposal to introduce a minimum wage bill that:

there was a difference in the numbers which compose the families of the poor . . . . So that were the minimum wage fixed upon the standard of a large family, it might operate as an encouragement to idleness on one part of the community and, if it were fixed on the standard of a small family, those would not enjoy the benefit of it for whose relief it was intended. What measures then could be found to supply the defect? Let us make relief in cases where there are a number of children a matter of right and an honour instead of a ground for approbrium and contempt.  

The argument sounds familiar. Such pious vagueness has traditionally been the reaction of politicians. One is reminded of Ralph Milliband's point of the "bias of the system", which he sees

5 Rathbone, op. cit., p. 131.
as being evidently manifested in the fact that state intervention in the economic life means largely intervention for the purpose of helping the market economy rather than furthering the interest of people.

Benefits to children can be used as a demographic measure to influence population growth. Governmental regulations setting the minimum income around the needs of a family with two children might therefore encourage a static population. But we cannot ignore that, even given a no-growth population policy, governments would have to encourage families to have three or four children as the great number of those, who either choose to remain unmarried or who are unable to reproduce themselves for a variety of reasons will also have to be replaced. A strict implementation of restricting benefits to children exclusively to first and second children in a family might very well overshoot the mark. This is to say nothing of the inference such a policy would represent into the sphere of people's private life.

Traditional economic theory claims that a worker should be remunerated according to his productivity. Productivity is, however, not measured in terms of the number and quality of shoes or legal briefs an individual produces. Instead it is measured in terms of the dollar-value of that output. The dollar-value is determined by the price of the product, which in turn is heavily influenced by the distribution of wealth and by people's relative valuations of different
goods and services. In this respect we can say that productivity as well as its valuation, that is to say the cost of labour, is socially determined. Wages and salaries are, therefore, social constructs and cannot be defined as objective determinants of what a person's labour is worth to society. In this context we shall have to ask ourselves, as did S. M. Miller and Ronnie Steinberg Ratner, "what is the economic or social contribution of a brilliant and extremely well-paid lawyer who strives to manipulate tax-laws to reduce the tax payments of their even wealthier clients with the result that the rest of us pay higher taxes?"^6

There exists today a growing concern that the close link between the market and social well-being will have to be broken. The capitalist credo of equality insists that nobody should be entitled to receive more in the form of wages and benefits than he contributes himself either through his labour or through social insurance. Needs are definitely not taken into account. A broadened view of the command over resources in the way of public services to individuals is a priority now. The emergence of an institution such as family allowances as a means of distributing resources directly to families with children is a first attempt in resource distribution. A family's main resource is still determined by earned income. Minimum wage levels have, therefore, not yet receded in importance.

John Kenneth Galbraith states that:

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People are poverty-stricken when their income, even if adequate for survival, falls markedly behind that of the community. Then they cannot have what the larger community regards as the minimum necessary for decency, and they cannot wholly escape, therefore, that in the eyes of the larger community they are indecent. They feel degraded for, in the literal sense, they live outside the grades or categories which the community regards as acceptable. 7

In the interest of social harmony and stability no one should be asked to work for a wage that will not guarantee him a standard of living that is regarded as acceptable, or "decent" by the rest of society. S. M. Miller and Pamela Roby showed in The Future of Inequality, that between 1947 and 1960 in the United States, the percentage of families earning less than one-half the median income -- a good relative measure of poverty -- increased from 18.9 per cent to 20.3 per cent. Thus the gap between the bottom fifth of the population and the rest of society has grown steadily. Canada can probably pride itself on having a more progressively structured income tax system, but the general trend of developments should be the same as in the United States. But the Economic Council of Canada stated that "economic growth which tends to widen the so-called 'poverty gap' between the rich and the poor also increases the resources available to narrow it". 8

Still the working poor are today relatively worse off compared

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7 Galbraith, op. cit., p. 251.

8 Economic Council of Canada, Challenge of Growth and Change, p. 106.
to the average wage-earner than they were twenty years ago. The working poor are mostly employed by industries which have a low productivity rate. Barry Bluestone estimated that absolute productivity in the low-wage sectors of industry in the United States was well below that in high-wage industries. The value added per production worker man-hour in the low-wage sectors was about 3.63 dollars, while in other manufacturing industries the medium was 8.17 dollars.9 (It may be reasonably assumed that the situation in Canada and other Western industrialized states is similar.) Yet production continues to grow, although slowly, in the low-paying sectors. It is therefore reasonable to ask whether a poverty wage can be justified from an economic point of view. Economic theory teaches that productivity increases in these industries are either absorbed into broader profit margins or into lower prices due to competition with other firms.

In the case of the former there can be little doubt that poverty wages are a gross social injustice; in the latter case, depending whether the survival of such an industry serves a socially useful purpose, solutions, maybe in the form of government subsidies, will have to ensure living wages to workers in these industries. The onus is definitely on governments and industries alike to deal with the problems of inequality in the wage system.

Wages cannot be allowed to be regulated entirely by the blind

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economic forces of supply and demand. They must be guided by moral considerations most of all. In times of plenitude different criteria apply than at times of scarcity. Social and economic thinking is still engrained with the now obsolete notions of the nineteenth century. This is not to argue for an equality of rewards for all types of work, but for a narrowing of the gap between the highest paid jobs and the lowest paid jobs in our society. It is justifiable to argue that considering the costs of educating a lawyer compared to that of a janitor the former should be better paid than the latter. What can, however, not be ethically justified, is the fact that the lawyer's salary is too high in relation to the purchasing power of the wage of the janitor. This may be the first step towards a social policy that is unequivocally dedicated to the advancement of equality. In the Western world all governments pay lip service to this goal but do little else. We claim that our welfare policies have effectively redistributed income from the rich to the not so rich. This is, unfortunately, not the case. Gabriel Kolko has concluded that:

the reason for high taxation in the United States for instance, at least since 1933, has not been the redistribution of income but to pay for extraordinary costs in the most expeditious way. We have not taxed the rich to give to the poor; we have taxed both the rich and the poor and, at least since 1940, contributed only a small fraction of the proceeds to the welfare of the poor.10

As we become increasingly more future-oriented as a society the most crucial aspect that will crystallize in the field of social policy is the issue of what will happen to the children of different socio-economic strata. Our discussion above clearly indicates that the present wage-system is not flexible enough to bring about the equalizing of opportunities for children of different classes. The incommensurability of wages to family needs brought about the first payments of family allowance benefits in France at the end of the last century. The origin of the concept can thus be found in that country. The programme was employment-related and first introduced by the Railway and Mining companies. Benefits were restricted to the lowest income group in those industries (incomes of 2,000 francs a year). During World War I rising prices reduced the purchasing power of wages relentlessly to such a low level in France that the French government, in its turn, introduced the scheme for the children of its lesser paid employees. The government's example induced a number of industries to do the same. This step was not taken because industries had suddenly become enlightened enough to realize their social responsibilities, but because efforts to save expenditure encouraged employers to offer the necessary wage increases as additional cash allowances for dependents rather than a general rise in wages.11

At the same time the British government paid separation allowances to the families of enlisted men. Social workers like

11 Rathbone, op. cit., p. 154.
Eleanor Rathbone could observe that this systematic source of funds to families greatly improved conditions particularly in those families where the father had been a bad provider. In spite of the harsh war time situation the children of the working class were better fed and clothed and healthier than they had ever been before. This convinced Eleanor Rathbone that it would be in the best interest of the children if these payments were to be continued after the war directly to the mother. In 1917 a committee for the "national endowment of motherhood" had been formed. Eleanor Rathbone was its first president. The committee continued to function until Britain finally introduced family allowances -- twenty-eight years later! It had been a long and stony way for Eleanor Rathbone and her committee.

The idea had the support of the novelist H. G. Wells, who in his book *The New Machiavelli* published in 1911 had popularized the notion of the Endowment of Motherhood, which appeared to him as an effective tool "to change the respective values of the family group altogether, and make the home indeed the woman's kingdom and the mother the owner and responsible guardian of her children".\(^{12}\) Wells regarded this concept as a novel and revolutionary step towards a "new method of social organization, a rearrangement of the social unit, untried in human experience -- as untried as electric traction or flying in

Eleanor Rathbone shared Wells' optimism in respect to the profound impact family allowances were going to have on the status of women. She commented with amazement on the fact that she had met "intelligent French women active in the women's movement in France, who know that in some industries allocations familiales were paid, but regarded them as of no importance, and opened their eyes in astonishment when I suggested that there perhaps was the beginning of a movement destined to make more difference to the status of women and the welfare of children than anything that has happened in the world since the beginning of Christianity". Maybe it would have had the effect if the programme had been established at the time when women were given the right to vote. However, the British government felt that the payment of benefits on the scale of the separation allowance to all mothers and children up to the age of 14 was economically unrealistic as it was going to cost something like 240 million pounds a year. The underlying assumption on the part of the governments seems to have been that this was simply too high an expenditure; furthermore children had grown up without family allowance benefits before the war, why shouldn't they now? But it is difficult to kill an idea once it has been born. When Eleanor Rathbone published her famous book The Disinherited Family in 1924 she convinced and won over to her cause no less a person than Lord

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13 Wells, loc. cit.

14 Rathbone, op. cit., p. 154.
Beveridge. He professed to have been instantly and totally converted. Indeed his conviction was so deep that when he became the director of the London School of Economics he introduced in the spring of 1926 a family allowance scheme for the teaching staff of the school. Funds available were not used to raise salaries but were employed as supplements for substantial allowances for children throughout their whole educational period including their time at university.15

Beveridge's own contribution to the development of the concept of family allowances was the realization that "without family allowances to insure an adequate subsistence income when the breadwinner was employed, it was not practicable for social insurance to provide a subsistence income when earnings were interrupted".16 The Marsh Report in Canada came to the same conclusion, and Dr. Leonard Marsh stated:

Allowances for children have had to be recognized in relief and social assistance budgets because they are so near to the minimum that there are no margins; they have to be extended by small additions to fit varying needs.17

Both the Beveridge Report in Britain and the Marsh Report in Canada endeavoured to build family allowances into a comprehensive

15 In Rathbone, op. cit., Epilogue by Lord Beveridge, p. 277.
16 Lynes, Toni, "Family Allowances in Great Britain", in Burns, op. cit., p. 102.
17 Marsh, op. cit.
scheme of social insurances and other welfare measures. For Rathbone the programme had been an end in itself. Beveridge and Marsh, however, saw it only as a component, although a very decisive component, in the total range of all social security programmes. In the absence of any sort of special benefits for dependents, the establishing of a sufficiently high minimum wage level and other social security measures without taking into account the varying sizes and needs of families, is a most unsatisfactory and very unrealistic practice. This was a point that the Marsh Report elaborated at some length:

It would be a mistake to assume that a social security programme is entirely a matter of specific pieces of legislation, each covering a field marked off for itself alone . . . . The only rational way to cope with the large and complicated problem of the insecurities of working and family life is by recognizing and legislating for particular categories or areas of risk or need . . . . The establishment of organized provision for even one defensible area of need . . . makes the handling and the sorting out of the other types of need, which still remain, immensely easier.\(^{18}\)

Provision for the needs of children is the first and probably the most decisive step towards the erasing of the poverty cycle. Eveline Burns contended that, in the United States in the same period as that of the Beveridge and Marsh reports, for lower-income families with children "a family allowance would probably do more than the negative income tax because of the improbability that the

latter would make payments that would equal 100 percent of any income deficiency".19

The principle of family allowances is the systematic supplementing of incomes of individuals with dependents to support in cash. The actual amount paid out is theoretically of little significance, but the higher the benefits the better the needs of families will be met. Family allowance programmes can either be universal or employment-related. The Canadian system is universal and the French system is employment-related. Universal coverage is extended to all families residing in the country including aliens who are staying in the country for at least a year. Under employment-related schemes, benefits are contingent on employment or whether the industry for which one works is covered. Exceptions to this principle are to be found in France, the Netherlands and Luxembourg. In France the system also covers self-employed persons. Universal programmes are, as in Canada, usually financed from general tax revenues. Employment-related systems require employers to pay uniform percentages of payrolls to a compensation fund which distributes the allowances. In France benefits are determined by a fixed percentage, 13.5 per cent, of the median wage level existing in a particular département within a ceiling of 12,240 francs a year.20

19 Burns, E. M., "Childhood Poverty and the Children's Allowances", in Burns, op. cit., p. 11.

20 Questiaux, Nicole, "Family Allowances in France", in Burns, op. cit., p. 80.
In other countries such as West Germany, for instance, benefits are made up by employers as well as government contributions from general tax revenues. The most unusual programme exists in Hungary which finances benefits by a special tax on childless men and women.²¹

Programmes also differ in their coverage as to the point in the ordinal number of children at which payments begin or end. British benefits begin only with the second child. In Canada all children within a family from the first to the last child are covered. Benefits in the U.S.S.R. only start with the fourth and subsequent children. Tunisia stops family allowances with the fourth child, and Cambodia does the same after the tenth child. Both Finland and Brazil have a general system for all children, which is, however, supplemented by a special programme for families with a large number of dependent children. Only six countries in the world have introduced a means test to determine benefits (Bulgaria, Colombia, Czechoslovakia, Union of South Africa, Uruguay, and Yugoslavia).²² Canada, of course, may soon join this group, if the government reintroduces its scheme of a family income security programme.

Rates also vary greatly from country to country. France undoubtedly has the most generous family allowance system. However, it has some serious drawbacks. The level of wages in France has kept pace with the increase in national income only if the sums indirectly

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²¹ Vadakin, James, *Childhood, Poverty and Family Allowances*, p. 58.

²² Ibid., p. 57.
redistributed through social security benefits are taken into consideration. Trade unions are aware of this and claim that the amount of the family allowance would have gone in any case to them in the form of increased wages. Furthermore employers are inclined to pass the cost of the benefits to the consumer by raising their prices, a danger that seems to be inherent to all employment-related schemes. In spite of its depressant effect on wages, family allowances are extremely popular in France. It could be argued that the French have recognized that family responsibilities will anyway not be met through wages but through provisions whose level has been set by government.

Benefits are paid in some countries on a progressive scale, i.e., the rate increases for each additional child. Others have set payments at the same level for all children. A few, like Canada, increase benefits for older children. When Canada first introduced family allowances the programme had a regressive scale. Payments declined after the fourth and any subsequent child. This was, however, abolished in 1949. No country operates a regressive scale now. They all seem to have realized that costs for large families increase rather than decrease.

Family allowances as part of a comprehensive social security programme have become a stable feature in the social policy decisions of nations who are concerned with the well-being of the next generation. This feeling was summarized by Inga Thorsson, the
director of the social development division at the United Nations.

"The fundamental principles underlying family allowance proposals," she stated, "are

First, it was felt to be a matter of general justice to reduce differences in standards of living between those supporting families and those without family responsibilities. Second, the proposals were considered an important part of a complex system of measures for abolishing poverty by creating security against need. Third, income distribution in this way was considered an interest of society as a whole and consequently to be undertaken by all, irrespective of whether they had children, because of the pertinent fact that a country's children will make up the future economically active population and by their work support the aging, regardless of whether they themselves have raised children." 23

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CHAPTER IV
FAMILY ALLOWANCES IN CANADA

When Canada introduced family allowance benefits for the first time on July 1, 1945, the event had not come, as in Britain, after a long period of debate and controversy. Even during the depression Canadians with such exceptions as Father Léon Lebel and a few others had shown little interest in the idea. A comprehensive programme for social welfare services was seriously hampered by the constitutional difficulties facing the country then as they are hindering it now. Thus the depression years only saw a string of temporary expedients, without any binding obligations for future measures on the part of the federal government.

The outbreak of war created a more fertile climate for changes in the field of welfare services. In spite of the hardship of war the economic conditions of the country were greatly improved. The war gave the economy a welcome impetus, and Canadians the prospect for a better future. H. M. Cassidy, teaching at Berkley at that time but later on professor of social welfare and director of the School of Social Work at the University of Toronto, was told on his travels through Canada by workers and farmers that they were looking forward to something far better than the relief doles of the 1930's. This

1 Fère Lebel, Canada, House of Commons, Select Standing Committee on Industrial and International Relations, Report, Proceedings and Evidence, 1929.
feeling was shared by the enlisted men on the front who demanded work or decent maintenance. Among the Allied Nations, the need for economic security found its expression in the Atlantic Charter and similar statements. It can be of little surprise that a shrewd politician like Mr. Mackenzie King felt the pulse of the country and echoed its feelings with statements like: "The era of freedom will be achieved only as social security and human welfare become the main concern of men and nation."  

He set up an Advisory Committee on Reconstruction which was to examine the then existing economic and social conditions, and to make recommendations for appropriate post-war policies. The Advisory Committee formed a number of sub-committees which published reports of varying importance and significance. In accordance with the general concern of Canadians with issues of social security the Marsh Report on Social Security for Canada in 1943 gained the most prominence. The dependents of enlisted men were being provided by state grants which gave some families an unprecedented economic security. The Advisory Committee on Reconstruction, therefore, argued that:

unless basic social insurance provision for the ordinary citizen is provided in a fairly comprehensive fashion, and at a reasonable minimum level, differences between

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the protection accorded the dependents of members of the armed forces in time of war and the families of these men after demobilization, will be in marked contrast. 3

It was the aim and ambition of the Marsh Report to prevent this from happening. The Report argued that the needs of children for health, proper food, clothing and desirable conditions of family life could not be compared with such unpredictable risks and contingencies as unemployment, sickness or the loss of the breadwinner. The initial logic of family allowances, as Dr. Marsh saw it, was to permit a coherent system of social security programmes. He envisaged family allowances as "a clear part of the policy of a national minimum", and as such as "a direct attack on poverty where it is bound up with the strain imposed by a large family on a small income". 4 Social security programmes taken together would thus represent a basic undergirding of the "social minimum".

The Report not only recognized the foremost need of the lowest income groups but also the strain on the financial resources of families whose income would be considered as sufficient were it not for the number of their children. In such cases support should be "immediate and almost automatic if it were to have the best chance of being constructive materially and psychologically". As benefits in cash can be incorporated into the normal family income the

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4 Marsh, op. cit., p. 87.
question where and how to spend it was left to the discretion of the parents. It was significant that the Report recommended that payments should go to the mother. The ensuing legislation followed this proposal. Family allowances were thus conceived as a non-stigma type of subsidy in support of children, which also took account of Canadians' respect for individuality as well as for the family. It was generally believed that by assisting families in this manner the country would produce better Canadian citizens in the future. Mr. Joseph W. Willard, Deputy Minister of National Welfare, listed the three following points on the social objectives of family allowances in Canada. First, the failure to relate earned income to family size was one of the major causes of poverty. Indeed the Beveridge Report in Britain had shown that roughly one quarter to one sixth of all the instances of want were due to the fact that families were too large in size in relation to their income. Second was the aim of insuring a greater measure of equality of opportunity for all children. The inequality factor in the life chances of children from different socio-economic backgrounds became apparent when later government studies on how allowances were spent by parents came up with the findings that in many cases the benefits made the difference between a child's going on in school or having to drop out. Third,

5 Marsh, op. cit..
7 Ibid.
it was hoped that a family allowance programme would help to insure an adequate income for social insurance and social assistance recipients with large families, since benefits are being paid regardless of whether the head of the family is working or not. 8

Family allowances were an addition to the system of income tax credits for dependent children of taxpayers that had been introduced in 1918. There were some arguments put forward in favour of raising the tax exemptions for families. However such an approach ignores the fact that incomes have to be sufficiently large in the first place to allow for deductions. It was felt that under such a system the families who needed the extra support most would not be getting it. Until 1947 family allowances were taxable according to a graduated formula taking into account family income and size.

After its piecemeal approach in the 1930's the Canadian government embarked on a new path which was in accordance with a popular desire for a more comprehensive social security system. Mr. Mackenzie King outlined the role of welfare measures of his government in the House of March 3rd, 1943, in this manner:

May I interject that any system of social security is based on the theory that all industry is, or ought to be, in the nature of a social service; that industry is not merely a means whereby capitalists may increase profits, or workers find the means of gaining a livelihood through wages; but that there also exists the right of the community, which makes possible the carrying on of industry, to expect to have the interest and well-being of the community and its members

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8 Williard, in Burns, op. cit., p. 61-62.
considered in the rewards of industry. In other words, industry exists to serve a social service as well as to serve the needs of individuals. Under that view men and women are the great asset of the state. The well-being of all the human resources, the men and women who supply the labour, and thought and skill essential for planning and carrying on industry ought to be the first concern of the state. And where the state makes possible the carrying on of industry they are entitled to have the state see that they are protected against inevitable hazards.

But not only the government's concern for the "well-being of all human resources" induced it to introduce family allowances. There were also very compelling economic reasons at work. It was feared that after the war the country might suffer an economic recession which would lead to a considerable amount of social unrest and upheaval the government wished to forestall.

The influence of John Maynard Keynes on Canadian fiscal thought was strong. As there was apprehension in Canada whether full employment could be maintained after the war his thinking found ready acceptance. In the *General Theory of Employment, Interest and Money* Keynes had demonstrated that measures which would stimulate the propensity to consume would have a favourable effect on total demand. If demand was high, output would be high. It was all quite simple according to Keynes, who realized that income redistributed to the poor sections of society which have a high marginal propensity to consume, would stimulate production. In accord with this theory

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family allowances were seen as socially desirable means of increasing the spending power of individual families as a counter-measure against the expected post-war economic slump. There can be little doubt that this consideration was foremost in the mind of many who would have otherwise opposed the programme. The wage control measures in operation during the war had greatly reduced the purchasing power of low-income families. The Canadian National War Labour Board had recommended in 1943 that family allowances might be viewed as a viable alternative to the general raising of wages.  

The Conservative Party initially opposed the programme. The Liberal Party was accused of having introduced family allowances as a bribe to the catholic interest in Quebec to overcome the province's resentment and bitterness over the issue of conscription. However, as no single party could be allowed a priority in its concern about the future of children, the bill was passed unanimously.

Family allowances were introduced in the form of "demogrants", which are regular statutory payments from general tax resources to individuals who fall into clearly defined categories and whose need for regular income or income supplementation is generally accepted as a social obligation. Social and economic reasons helped to make the programme acceptable. Those who had reservations about the social...

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10 Vadakin, op. cit., p. 48.
wisdom of the scheme could still support it on economic grounds, and vice versa.

Monthly benefits were paid on an increasing scale according to age in the following amounts:

- Under 6 years of age: 5.00 dollars
- From 6 - 9 years: 6.00 dollars
- From 10 - 12 years: 7.00 dollars
- From 13 - 15 years: 8.00 dollars

These amounts were considerably less generous than those proposed by the Marsh Report:

- 0 - 4 years: 5.00 dollars
- 5 - 9 years: 6.50 dollars
- 10 - 12 years: 8.00 dollars
- 13 - 14 years: 10.00 dollars
- 15 - 16 years: 12.00 dollars

Dr. Marsh's principal goal had been to have accepted by the government and its advisors the principle of family allowances. In as far as he was preoccupied with this he did not attach too much importance to the amount of cash benefits, because he realized that once the principle of the programme had been grasped, and captured the interest of the legislative body, benefits could easily be adjusted and reviewed to meet the necessary needs of children. Yet
he did not arrive at the figures he proposed out of nowhere.

Statistical evidence in the early 1940's was scant but it did exist. Dr. Marsh was familiar with the Cost of Living report published, and annually revised by the Welfare Council of Toronto. In their 1944 publication of monthly budgets they reckoned that a child of 12 could be fed for 10.55 dollars. Rents for a 4 - 5 room house are quoted to have been between 25.00 and 30.00 dollars a month. These amounts may look small now, but it must be remembered that depression rates persisted from the 1930's and that enormous inflation has occurred in the last thirty years.

If Dr. Marsh's figures had been accepted in those days by the civil servants who worked out the details of the programme, it would have meant an effective contribution to the cost of living requirements of families in relation to the actual price and wage system of the period. The redistributive impact of the allowances would have been far from negligible for only "some 3 per cent of all families had incomes of over 3,000 dollars a year".

Family allowance scales have to be calculated according to three equally important criteria. First, they have to be relevant to the living expenditures. But as it is not enough to keep people simply alive by providing them with a minimum subsistence, for man does not live by bread alone, the factor for a desirable standard, i.e.,

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13 Marsh, op. cit., p. 91.
whatever is considered "necessary" in a given society at a certain state of development. Needs are socially determined, therefore, when these needs which are being met for the majority of people in society remain unfulfilled for some members these will feel deprived and frustrated.

This enables us to say that in our countries, the subsistence minimum can no longer be related as an appropriate measure for family allowances. No one any longer thinks that the economic security of families is a matter of procuring for each family the means of keeping their children alive, this would be to limit the economic security of families to minimum assistance levels . . . . The economic security of families is only assured if it enables families whether their responsibilities are large or small to balance their budgets, if it enables children of the family not only to be fed, housed and clothed . . . but to enjoy all those good things, social and cultural, which are by right, if not always in practice, available for all children of society.\footnote{Wynn, \textit{op. cit.}, p. 38.}

Second, one of the most attractive features of the allowance is its redistributive effect as a transfer-payment. In this context it is important to recognize when the programme is merely redistributing income of families without children to those with children on a horizontal basis, or when the programme is truly vertically redistributive. It cannot be denied that the latter approach is more difficult to incorporate into the design of the programme. In Canada, where family allowances are financed through general revenues of the federal government this does not constitute a problem. In France,
however, where the benefits are paid through the contributions of employers this is a serious dilemma. What happens quite regularly is that money from small families in the same income group as large families, is diverted from the former to the latter leaving the higher income groups untouched.

James Vadakin argues that "the net effect of the Canadian family allowance programme is a vertical redistribution of income".\(^{15}\) He claims that families with high incomes do not derive any net benefits through the allowances even though they are tax-free. Middle-income group families gain slightly when they have a large number of children. Full benefits are received by low-income families, especially those whose exemptions are more than their incomes. The table below shows the connection between taxes paid and allowances received for the year 1947.

\(^{15}\) Vadakin, op. cit., p. 88.
### Percentage Distribution of Canadian Families in Receipt of Allowances by Tax status and number of Family Allowances Children 1947

<table>
<thead>
<tr>
<th>Number of Family Allowances Children</th>
<th>Paying No Tax (%)</th>
<th>Paying Tax of Less Than Allowances Received (%)</th>
<th>Paying Tax of More Than Allowance Received (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50.4</td>
<td>13.1</td>
<td>36.5</td>
</tr>
<tr>
<td>2</td>
<td>49.3</td>
<td>29.3</td>
<td>26.8</td>
</tr>
<tr>
<td>3</td>
<td>61.7</td>
<td>26.3</td>
<td>12.0</td>
</tr>
<tr>
<td>4</td>
<td>72.5</td>
<td>22.4</td>
<td>5.1</td>
</tr>
<tr>
<td>5</td>
<td>79.6</td>
<td>17.3</td>
<td>3.1</td>
</tr>
<tr>
<td>6 or more</td>
<td>88.2</td>
<td>10.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research Division, Department of National Health and Welfare, The Use of Family Allowance Payments by Canadian Families (Ottawa unpublished). Derived from a study made by the Department of National Revenue, Taxation Division.

This table clearly illustrates that family allowances constitute a method of direct help to large family units. Among all the families with six or more children only 11.8 per cent paid any taxes at all. The same sized families also paid the smallest proportion of the group whose taxes were higher than their benefits.

Significantly this picture has not changed greatly in the year 1961 when the Dominion Bureau of Statistics published data relating family allowances to family income.
Average Gross income, Income from Family allowances, and Transfer Payments for Nonfarm Families receiving Family Allowances, by Number of Children and Income Class, 1961

<table>
<thead>
<tr>
<th>Type of Family</th>
<th>Average Gross Income per Family (in dollars)</th>
<th>Family Allowances</th>
<th>Transfer Payments</th>
<th>Gross Income per Family</th>
<th>Transfer Payments per Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of children</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>5.477</td>
<td>81</td>
<td>240</td>
<td>1.5</td>
<td>33.8</td>
</tr>
<tr>
<td>2</td>
<td>5.505</td>
<td>151</td>
<td>292</td>
<td>2.7</td>
<td>51.7</td>
</tr>
<tr>
<td>3</td>
<td>5.332</td>
<td>230</td>
<td>380</td>
<td>4.3</td>
<td>60.5</td>
</tr>
<tr>
<td>4 &amp; more</td>
<td>5.190</td>
<td>377</td>
<td>578</td>
<td>7.3</td>
<td>65.2</td>
</tr>
<tr>
<td>Income (dollars)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 1.500</td>
<td>832</td>
<td>164</td>
<td>399</td>
<td>19.7</td>
<td>41.1</td>
</tr>
<tr>
<td>1.500 - 2.499</td>
<td>2.061</td>
<td>202</td>
<td>705</td>
<td>9.8</td>
<td>28.6</td>
</tr>
<tr>
<td>2.500 - 3.499</td>
<td>3.022</td>
<td>206</td>
<td>445</td>
<td>6.8</td>
<td>46.3</td>
</tr>
<tr>
<td>3.500 - 3.999</td>
<td>3.736</td>
<td>185</td>
<td>318</td>
<td>5.0</td>
<td>58.2</td>
</tr>
<tr>
<td>4.000 - 4.999</td>
<td>4.500</td>
<td>193</td>
<td>302</td>
<td>4.3</td>
<td>63.9</td>
</tr>
<tr>
<td>5.000 - 5.999</td>
<td>5.457</td>
<td>195</td>
<td>269</td>
<td>3.6</td>
<td>72.5</td>
</tr>
<tr>
<td>6.000 - 6.999</td>
<td>6.438</td>
<td>189</td>
<td>301</td>
<td>2.9</td>
<td>62.8</td>
</tr>
<tr>
<td>7.000 - 9.999</td>
<td>8.972</td>
<td>187</td>
<td>320</td>
<td>2.1</td>
<td>58.4</td>
</tr>
<tr>
<td>10,000 &amp; up</td>
<td>20.822</td>
<td>207</td>
<td>268</td>
<td>1.0</td>
<td>77.2</td>
</tr>
<tr>
<td>All recipient families</td>
<td>5.369</td>
<td>192</td>
<td>352</td>
<td>3.6</td>
<td>54.5</td>
</tr>
</tbody>
</table>


Footnotes: see over.
In spite of the drawbacks of the survey which Joseph W. Willard outlined in his address to the conference and therefore do not need repetition here, the data shows the correlation between large families and low incomes. Families with three, four and more children receive incomes that are actually lower than the gross income of all recipient families. Moreover family allowance benefits constitute 7.3 per cent of the gross family income for families with four and more children. This indicates that the benefits contribute positively to a narrowing of the gap between family size and the inadequacy of family income.

Willard goes on to point out that gross per capita income was not available from the survey. He suggested therefore an approximation to income measures "by assuming that the recipient family consists of father, mother, and one, two, three and four children respectively, and by then dividing the average gross family income by the number of persons in the family". Having done this he discovered that the estimated gross income per person was 1.792 dollars for a family with one child as against 865 dollars for a family with four children. This is a difference of 107 per cent; this discrepancy illustrates well the drop in the standard of living a family experiences once it

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Transfer payments include municipal, provincial, and federal government payments of relief, old age, disability, and blind pensions, veterans' pensions and allowances, family and mothers' allowances, workmen's compensation, and unemployment insurance.

16 Refers to the "economic family" which is defined for Census purposes by the DBS as a group of two or more persons living together and related to each other by blood, marriage, or adoption.

17 Willard, op. cit., p. 71.
has more than two children to support.

There can be little doubt, as the table above indicates, that family allowances benefit the larger and low income families most. The equitable character of the programme in principle cannot be disputed. This point opens up a number of perspectives in relation to income maintenance programmes for the average citizen is for various social reasons least opposed to the idea of supporting children. It is more difficult to hesitate in supplying help to children than for any other category of dependents.

The redistributive effect of family allowances from the wealthy to the poorer provinces is another case in point, as it may help to establish a socially desirable standard of child welfare for Canada as a whole. Ontario, for instance contributed more in direct taxes to general revenues and received only 9.6 per cent of its contribution back in the form of family allowances. The comparable percentages in the Atlantic, Prairie, and Quebec Regions were 41.1, 20.0, and 15.1% respectively. The accident of birth should not be allowed to influence a child's life chance by socio-economic background, let alone by geographical region. Children in British Columbia have the same rights to develop their potential as have the children in the Atlantic provinces.

The third and most debatable criterion for the setting up of allowance scales is the question of what the country as a whole can afford. The emphasis on minimum standards clearly illustrates the
frugal attitude on parts of government in the income maintenance sector. Margaret Wynn summarizes this point succinctly when she states:

Minimum subsistence incomes are not based upon any absolute assessment of minimum human needs and never can be. They are, indeed, in any country a compromise between what the Government of that country decided it can afford and its wish to spare the least fortunate members of the community from the extreme consequences of poverty and destitution. 18

Political parties very often are equally concerned or should one say very often more concerned with what the more "fortunate members" of the national community are willing to do for the "least fortunate" ones. It is significant to realize that the Conservative Party in Britain sailed into office in the election of 1970 with the slogan "relief from the crippling burden of taxes for the well-to-do and freedom from the soul-destroying effects of subsidies for the poor". 19

The impact of public opinion upon standards of public welfare can certainly not be ignored. It is interesting to examine the family allowance regulations set out in the Family Allowance Act of August 1944. As pointed out earlier the payments were fixed at a lower level than Dr. Marsh had recommended if they were to have a meaningful effect on the standard of living of low-income families with children. When governments decide to introduce a type of transfer payment whether it

18 Wynn, op. cit., p. 39.
is unemployment insurance or family allowances they should be generous enough to have meaning for the recipients. To decide to give, but to give miserly, reminds one of Solzhenitsyn's novel the First Circle, when Stalin devises the evil plan to torture political prisoners by just feeding them with a mouthful of the most exquisite foods which merely titillate their taste buds without providing them with any nourishment. The prisoners would have gladly preferred their former grub. The point is that the frustration of raised hopes and expectations is harder to accept than the drab continuity of a standard of living one has become accustomed to.

The wish to economize on part of the federal government led to the reduction in allowances for the fifth and any other subsequent child. The reductions were one dollar for the fifth child, two dollars for the sixth and seventh child and three dollars for the eighth and any further child. It was argued that younger children in large families could reuse clothes or schoolbooks which had already been bought from the allowances of older children. One is tempted to ask whether those involved in the setting up of the scale had forgotten that younger children still had to eat and certainly did not eat any less than older children. Moreover, the bureaucrats apparently forgot that even a high quality garment might be worn out by the time it would have been handed down two or three times.

The Act was amended in 1949 and these reductions were eliminated. From 1957 on allowances were being paid to mothers in care of children
under the age of ten, and 8 dollars a month for each child from ten to sixteen. It seems logical to tie allowances to school attendance.

After the programme had been introduced school attendance improved throughout Canada as continued payments of benefits were dependent on children's going to school.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of children who lost allowance for unsatisfactory attendance</th>
<th>No. of children receiving allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-52</td>
<td>14,830</td>
<td>4,530,186</td>
</tr>
<tr>
<td>1952-53</td>
<td>11,817</td>
<td>4,729,172</td>
</tr>
<tr>
<td>1953-54</td>
<td>8,993</td>
<td>4,942,044</td>
</tr>
<tr>
<td>1954-55</td>
<td>8,660</td>
<td>5,169,042</td>
</tr>
<tr>
<td>1960-61</td>
<td>7,496</td>
<td></td>
</tr>
</tbody>
</table>

It is interesting to notice that school absenteeism constantly fell through the early 1950's as family allowances were becoming an institution Canadians were taking for granted. It is even more significant, however, that allowances should have had this effect, considering that the growing rate of inflation was slowly reducing the monetary value of the payments. The purchasing power of the dollar was a great deal more in 1945 than it was in the early fifties, and is even less now. The spiralling of prices and incomes to keep up with the rising prices seems to have done little to affect the

beneficial consequences of the programme, or so it seems. Immediately after allowances had been introduced a number of surveys were made to find out whether the well-being of children had actually been improved.

The Gaspé study of 1946, the Montreal study of 1947, the Prairie study of 1947 and the most comprehensive one, the questionnaire sent out by the Dominion Bureau of Statistics at the request of the Department of National Health and Welfare in 1948, came up with more or less the same results.

Family allowances were generally added to the rest of the family's income, and children's needs were met from this common fund. The most important items of expenditure were for firstly clothes, secondly food and thirdly medical care. The percentage spent on these three items were proportionally higher among the families interviewed for the Prairie, Montreal and Gaspé studies for they all belonged to the lowest income groups. The Dominion Bureau of Statistics survey showed that smaller, better-off families were more likely to earmark the payments for specific purposes such as savings and insurances for the benefits of children, or for such educational purposes as music lessons or for recreation.

It is reasonable to expect that the larger and poorer families spent their allowances on the more basic necessaries of life. Thus not only was school attendance better, but children were also better dressed, ate more nutritional foods, and enjoyed better medical attention than ever before. In the poor district of Gaspé Nord
milkmen commented on the fact that they were delivering milk to houses where they had never left any milk before.

The economy enjoyed the benefits of the allowances too. It was just as Keynes had predicted — those in need had the highest propensity to consume. The sales of children's items, particularly shoes, increased relative to other consumer goods.21

As the programme established itself and its benefits began to be felt throughout the country it grew in popularity. The following table indicates this growth.

<table>
<thead>
<tr>
<th></th>
<th>1943</th>
<th>1947</th>
<th>1950</th>
<th>1955</th>
</tr>
</thead>
<tbody>
<tr>
<td>is a good thing</td>
<td>49%</td>
<td>74%</td>
<td>84%</td>
<td>90%</td>
</tr>
<tr>
<td>is not a good thing</td>
<td>42%</td>
<td>16%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>undecided</td>
<td>9%</td>
<td>10%</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>

In spite of the popularity of family allowances and their positive impact on the well-being of poor children, let alone their "pump priming" effect on the economy, the programme was allowed to

sink from the political consciousness of Canadians. Benefit amounts remained unchanged from July 1945 to September 1957.\textsuperscript{24} Canada had experienced an economic boom during these years, which may account partly for the lack of interest in the programme. These were also the years when governments and people alike, except those who were not participating in the increase of prosperity, believed that the problem of poverty had finally been eradicated. But although the country was prosperous, prices were rising, and the purchasing power of the allowances was greatly reduced during this period.

The consumer price index (1949 equals 100) had risen from 75.0 to 122.6 between 1945 and 1957. In fact in 1957 the allowances bought only 61% of the goods and services that they purchased in 1945 for children living in urban communities.\textsuperscript{25} Moreover no further studies exist to find out to what necessaries allowances are now applied or what part they play in the provision for children. The monetary effect of the programme has greatly declined since its introduction and is declining further.

However, in 1964 family allowances were supplemented by Youth Allowances at a rate of 10 dollars per month for all those youngsters between sixteen and seventeen who were receiving education or training. This programme was specially designed to encourage children to stay in school in order to reach a higher standard of

\textsuperscript{24} Parkinson, \textit{loc. cit.}.

education. It was also thought to be of some assistance to parents who still had to support their children to make their further education possible.

The province of Quebec does not participate in this programme as they had introduced their own School Allowance programme shortly before the federal plan. Instead, the Quebec government receives a tax abatement from the federal government which is the equivalent amount to what the province would have received if the programme was in operation there. Youths who are no longer in school or in training do not qualify for youth allowances, even though they might still be dependent on their parents or guardians.

The present family allowance payments (1973) are 6 dollars a month for every child under 10, and 8 dollars a month for those between 10 and 16. Total expenditure for family allowances for the fiscal year 1969-70 was 560,049,928 dollars. In March 1970 2,977,556 families received an average of 15.68 dollars a month on behalf of 6,865,302 children. Family Assistance payments on behalf of children of immigrants and returning Canadians (same rates as for family allowances) totalled 2,856,845 dollars to 13,970 families for the number of 27,283 children. Youth allowances for the same period amounted to 55,101,899 dollars for 484,476 youths.26

These are substantial sums; but if we place the expenditure of

the family allowance programme in relation to the Gross National Product which was 67 billion dollars in 1967, family allowances constitute only a very minimal percentage of the GNP, namely something like 0.8%. This indicates more than anything else the lack of significance that family allowances, as a method of giving direct support to children, have in the thinking of politicians and their bureaucratic advisers. The position of Quebec towards family allowances is generally more positive. The situation there will be examined later.

Social legislation, like any other kind of legislation, is usually the result of many interacting political, social and economic factors at the time of its introduction. But social legislation, unlike other legislation, requires constant revision as the social and economic conditions which gave rise to it change. Criticism of the programme as it was becoming less and less valuable as a means of direct help to children has been growing steadily. It was generally felt that the benefits were so low that they failed entirely to make any significant contribution to the costs of child rearing. One could, of course, argue that they were not meant to do so, and that they should be regarded as some form of relief for the burden of expenditure individual families with children have to carry. However, the increasingly apparent inflationary trend with its uneven effect on income levels was making the burden of child-rearing more and more heavy for the low-income groups. In this respect the benefits
became meaningless for the well-to-do and totally insufficient for the poor. Family allowances have long departed from Dr. Marsh's aim to constitute "a clear part of the policy of a national minimum".

The Trudeau government was quick to realize that the greatest portion of the existing family allowance benefits was going to families for whom it had very little significance. The white paper on *Income Security for Canadians* estimated that in 1971, 24 per cent of family and youth allowance expenditures were going to be paid to families with less than 5,000 dollars income, but that 76 per cent went to families with incomes above that level.

It seems obvious that any conception of change of the existing scheme was caused by the realization that the social conditions of the seventies made a change essential. The rediscovery of poverty exemplified by the report of the special senate committee on *Poverty in Canada* and the search for a just society forced the hand of the federal government to attempt once more to improve the lot of children.

Before we examine the new programme, the family income security plan, we shall look at the standard of living levels in relation to which the benefits of the new programme are considered.
A person's standard of living depends largely on increases or decreases in income, whether earned or unearned, and on the purchasing power of his money. Various other abilities, as for instance prudent housekeeping on the part of the wife and mending skills around the house on the part of the husband, contribute somewhat to the general well-being of the family, but are of minor importance in comparison to income. Margaret Wynn points out that:

there are components of any standard of living that cannot be measured, such as differences in climate, or proximity to alpine scenery or bathing beaches. The merits of the total environment of man can never be aggregated on a single scale. However, a single approximate scale for measuring the standard of living can be devised for that component of the standard of living which is dependent upon incomes and is purchased.¹

Whether people see themselves as well-off or deprived is conditioned by their comparison with others around them.

Although at first sight a paradox, it has become a commonplace that steady poverty is the best guarantee of conservatism: if people have no reason to expect or hope for more than they can achieve, they will be less discontent with what they have, or even grateful simply to hold on to it. But if, on the other hand, they have been led to see as a possible goal the relative prosperity of some more fortunate community with which they can compare themselves, then they will remain discontent with

¹ Wynn, op. cit., p. 153.
their lot until they have succeeded in catching up. It is a natural reaction, which underlies the so called revolution of rising expectations.²

Canadians enjoy one of the highest standards of living in the world. By comparison with the absolute poverty in nations like India, Egypt and other undeveloped countries, the relative poverty of Canadians seems insignificant. However, the poor in Canada do not contrast their situation with the poor in other countries but with the general standard of prosperity of the majority of Canadians. They will therefore not rest until they have caught up with the rest of society. The Special Senate Committee on Poverty in Canada found that in Canada as well as in other highly industrialized countries the gap between rich and poor was widening, although the total income of the lowest income quintile had increased from 6.1 per cent in 1951 to 6.8 per cent in 1967.

Between 1951 and 1967, the lowest quintile of families gained on the average 2,270 dollars, the third quintile, 4,460; and the fourth quintile, 6,010 dollars. The latter registered a gain greater by 50 per cent than the lowest 20 per cent.³

The figures quoted here include transfer payments and are before income tax. The myth that things have been getting better has to be discarded in the face of social reality. The country was forced to recognize that one out of four Canadians lives in severe poverty.

³ Canada, Senate, Report of the Special Senate Committee: Poverty in Canada, p. 16.
The Economic Council of Canada in its *Fifth Annual Review* attempted to draw a cut-off point at which poverty ends and well-being begins. They arrived at two different sets of figures. Their first category of figures was based on the assumption that a family (regardless of size) which has to spend 70 per cent of its income on the basics of food, clothing and shelter was living in a condition of extreme penury.  

This assumption was in general agreement with a large number of costs of living indices, particularly the City Workers' Family Budget of Greater New York, and the well-known, more than one hundred year old Engel's law, which says that "the lower the standard of living the larger the fraction of income that must be spent on food".  

The incomes of people in Canada which fell into this first category were classified by the ECC in the following way: single persons with incomes below $1,500 dollars a year, families of two with less than $2,500 dollars; and families with three, four and five or more members with incomes of less than $3,000, $3,500 and $4,000 dollars respectively. This classification method sets the number of poor in Canada at 4.7 million or 29 per cent of the total population.

The second classification category given by the ECC speaks of 6.6 million poor, who have to spend at least 60 per cent of their income on the basic necessities of life. For this classification

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4 Adams, Ian, *Poverty Wall*, p. 16.
5 Wynn, *op. cit.*, p. 41.
method the cut-off lines have been slightly raised to 2,000 dollars for a single person, 3,500 for a family of two, 4,000 for families of three and four, and 5,000 dollars for families of five and more.

When these figures are compared to those given by John Porter in the *Vertical Mosaic*, who had used basically the same 1961 Statistics Canada income sources, the picture changes again. Porter claims that real middle-class life for a family of four begins only at an income of 8,000 dollars a year. The Canadian Labour Congress produced figures even higher than Porter's. Their report argued that, owing to inflation, an urban family of four needed a minimum of 11,000 dollars to make ends meet. However, at the same time the average family income for the lowest and second lowest quintile of the population was 2,263 and 4,542 dollars respectively.⁶

All these contradictory figures indicate the need for a realistic scale that may be used to measure the standard of living of any family group. Margaret Wynn suggests the use of units which she calls "prosperity numbers" by which she means essentially the same concept as the "welfare ratio" of Professor James Morgan. The disadvantage of prosperity numbers is that it can only measure income units. In this way single persons, childless couples and families of different sizes would come up with the same standard of living if they had the same prosperity number. To arrive at a more accurate measuring scale the family size equalizer point system as devised by

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⁶ Figures refer to the Census of 1961.
the Special Senate Committee on Poverty has been introduced. Under this system families of different sizes are allotted "points", that is to say, if 3 of these points are assigned to unattached persons, then families of two are given 5 points, families of three, 6 points and families of four and five, 7 and 8 points respectively. These numbers are for notational convenience only.

These points will then have to be translated into dollar terms. They indicate that for every 3 dollars required by an unattached person to maintain a given standard of living, a family of two requires 5 dollars and a family of three 6 dollars and so on.

Another technical difficulty is the lack of an official definition of poverty. It has to be kept in mind that all attempts at defining the poverty level are to a certain extent subjective value-judgements. By poverty level it is generally understood that only an existence around the minimum subsistence level is possible. The poverty level, also called the poverty standard is given a prosperity number of unity by Wynn. A prosperity number less than unity indicates different degrees of poverty. The modest-but-adequate level has a prosperity number of 2, as its standard is defined as being twice the income of that received by families at the poverty level. The phrase, a modest-but-adequate standard, was first used by the City Workers' Family Budget of the United States Bureau of Labour in 1946 and was revised in 1960 as well as in 1966.

Wynn describes the fundamental differences between poverty and
modest-but-adequate levels as follows:

The modest-but-adequate level should be such that a child's education is not seriously prejudiced by those difficulties of the home environment that depend upon family income. The poverty standard, only providing just enough means to avoid malnutrition, still leaves many homes deficient in space or fuel or household equipment or pocket money, deficiencies that will isolate a family from the main-stream of life and prejudice a child's upbringing. At the modest-but-adequate level of housing for example, an adolescent should have to share a room with at most one other family member of the same sex, or have a room of his own. This is usually impossible at the poverty level. At the modest-but-adequate level a family should be able to afford a modest holiday every year; the poor family hardly ever takes a holiday away from home.7

The affluence level is set at a prosperity number of five because it is claimed that an income of five times that at the poverty level for families of the same size and composition will allow for an existence free from the economic constraints of even the modest-but-adequate level.

As we have seen earlier, the Special Senate Committee on Poverty in Canada set their income guarantee level for a family of four, two adults and two children at 3,500 dollars per year. Families of four they assigned 7 points. The value of a single point is then derived by dividing the recommended basic level of 3,500 dollars by 7. The result is 500 dollars. Levels for other family units are calculated by multiplying the number of points allotted to that particular family by the value of one such point, 500 dollars.

7 Wynn, op. cit., p. 35.
### Income Guarantee Levels by Family Unit Size, 1969

<table>
<thead>
<tr>
<th>Family unit size</th>
<th>Family Size Equalizer Points</th>
<th>Family Size equivalent</th>
<th>Income guarantee level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>3\times500</td>
<td>$1,500</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>5\times500</td>
<td>2,500</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
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</tr>
<tr>
<td>6</td>
<td>9</td>
<td>9\times500</td>
<td>4,500</td>
</tr>
<tr>
<td>7</td>
<td>10</td>
<td>10\times500</td>
<td>5,000</td>
</tr>
<tr>
<td>10</td>
<td>13</td>
<td>13\times500</td>
<td>6,500</td>
</tr>
</tbody>
</table>

Definitions of family units are limited to the number of persons in the family unit. Potentially contingent variables such as age and sex of family members, which certainly influence the relationship between standard of living and family income, have been excluded for the time being. They will be examined later on.

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8 Canada, Senate, A Report of the Special Senate Committee: Poverty in Canada, p. 211.
The Prosperity number scale measuring the standard of living

7 -------
6 -------  
5 ------------------ Affluence level
4 -------
3 -------  
2 ------------------ Modest-but-adequate Level
1 ------------------ Income guarantee Level
0 -------

If the income levels set out by the Special Senate Committee on Poverty in Canada are applied to the above scale, we shall have to multiply the basic income of all family units in order to reach the modest-but-adequate level, which would be 7,000 dollars for a family of four, 8,000 dollars and 9,000 dollars for a family of five and six members respectively. This would mean 3,500 dollars more for a family of four, 4,000 dollars more for a family of 5 and 4,500 dollars more for a family of 6 than the Senate Committee had reckoned to be adequate to ensure a "decent" standard of living.

However, if we compare these figures now with the median family income of the province of Ontario, which had the highest median family income of all provinces, of 5,306 and the median family income for the whole of Canada of 4,882 dollars in 1961, it is easy to realize how big is the gap between socially desirable norms and social
In order to achieve the affluence level families of four, five and six members would require incomes of 17,500, 20,000 and 22,500 respectively.

If these figures appear unnecessarily high and therefore unrealistic, it will have to be pointed out that they are by no means utopian in relation to the accumulated wealth of Canadians. Richard Titmus defined income as command over resources over time. We may consider 7,000 dollars for a family of four as far too big a goal, one that we cannot possibly achieve in the near future. This may, of course, very well be the case. S. M. Miller, Martin Rein, Pamela Roby and Bertram M. Gross, for instance, have argued that we have to move away from the budget-oriented approach to poverty as this approach will continue to be inadequate because of the deep political implications which each upward adjustment would involve. Thus they say:

Although budget based poverty line may rapidly fall further behind the rising standard of living enjoyed by the rest of the population, it will not be adjusted upward until that change appears politically feasible.  

Miller and his co-authors see poverty in the affluent society mainly as a political problem, and argue for a change of emphasis from

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poverty to inequality. If we look at the distribution of incomes in Canada comparatively we shall be doing precisely this. The proportion of income going to the specific income quintiles will tell us how far the problem of inequality read poverty has decreased or increased. This type of approach also allows for a more gradual reform which would meet Miller's criterion of being politically more realistic. Adequacy levels could be set in relation to mean or median family income. In this way the lowest income quintile would not fall any further behind the rest of society nor could those groups who are living now around the modest-but-adequate level object to bringing the lowest income group up to their level if this was done by increased minimum wage levels and by a complete restructuring of the tax system, possibly along those lines outlined in the Carter Report.

Being poor and being on welfare has often been assumed to be the same thing. The Special Senate Committee on Poverty in Canada states:

Of the 832,000 families who, in 1967, fell below the Economic Council's poverty line, 525,000 heads of families were in the labour force -- working for what can be called poverty wages. 11

The problem of income inequality is very closely connected to that of inadequacy of wage-levels. The plight of the working-poor is a

real one that is even further aggravated by their family responsibilities. This is not to imply that the larger the family the lower the standard of living. Although there exists undoubtedly a very close correlation between those factors, they can by no means be assumed to be axiomatic. With the decline of the birth-rate this will become less and less true.

Studies in Western Europe, one in Bavaria, West Germany, in 1955 and another in Britain entitled *Circumstances of Families* (1967), demonstrated that the largest number of poor children were to be found in families with three dependent children (Bavaria) and in two- and three-child families (Britain).\(^{12}\)

For the effective application of family allowances towards an equitable distribution of life chances for all children these are very important factors. It is simply a delusion to argue that if poor families had less children the core problem contributing to poverty would be overcome. A conceptualization of the problem of this kind ignores the very real needs of children. Titmus states that young married couples with two or more children and only one wage-earner, and old people living on retirement pensions, are the two groups where responsibilities and needs are greatest. He also argues that these two groups are less favoured by social policy.\(^{13}\)

But what are the exact effects of child-raising costs on a family's standard of living? There seems to be general agreement


between the public and policy-makers that the arrival of children
definitely reduces the standard of living the family previously
enjoyed. The Castonguay Report stated that only for incomes over
10,000 dollars did the standard of living not fall as quickly with
the arrival of children. We shall, therefore, look at the influence
of family responsibilities on the standard of living during the
various stages of the life cycle.
CHAPTER VI
THE COST OF PARENTHOOD

Parenthood is expensive and automatically reduces the family's standard of living regardless of income. The Commission of Inquiry on Health and Social Welfare in Quebec argued that it was only for income groups over 10,000 dollars a year that the standard of living did not fall quickly on the arrival of children. They went on to say that the presence of one child between four to six would reduce the standard of living by 20 per cent; the addition of two children, one between four and six and the other between seven and nine, would lead to a reduction of 35 per cent and with the arrival of a third child between 10 and 13 the standard would fall to 50 per cent and the fourth child would make the level sink to almost 60 per cent of the standard before parenthood.¹

It was one of the progressive aspects of the Marsh Report that it recognized that the costs of child support varied considerably according to the age of the child concerned. The Beveridge Report in Britain settled for minimum standard amounts. More recently, the importance of the age factor has been recognized by both the Commission of Inquiry on Health and Social Welfare in Quebec as well as the Canadian Council on Social Development in their comments and recommendations on the federal government's family income security

plan, generally known as F.I.S.P.. It has been estimated that, if the child is the first one in the family the minimum cost of support will increase by 50 per cent from the ages of one to ten. Costs increase slightly less for children of subsequent rank. It seems certainly true to argue that costs drop initially for the second and third child, but increase again for the fourth and further child; however these variations are small indeed. The data collected by the Montreal Diet Dispensary study shows that age is undoubtedly the most important factor to be taken into account when determining the expenditure involved in child-raising. ²

Furthermore industrial wages, when skill levels are taken into account, may run contrary to social needs. It is fairly common for an industrial worker, particularly one in the most unskilled category, to reach his wage peak between the ages of 21 and 25. Child-raising costs, on the other hand, climb with the advancing age of children. In this respect the teenage-cost-peak falls into a period of the average wage-earner's life when he has long passed his earning peak. Titmuss speaks of the new periods in the life-cycle which have appeared in which economic responsibilities are slight in the late teens and early twenties and again in the fifties and sixties. He charges that "the present distribution of social and economic rewards is tending to get out of balance with the changed pattern of needs.

² Quebec, op. cit., p. 103.
and dependencies. Among many workers at most income levels, the relatively privileged groups are young men and women, young married couples without children and parents in late middle life whose children have grown up. "3 Arguing along these lines, it can be said that the present wage-system favours the childless groups and undermines the family. This affects the wage-earner as well as the salary-earner. For while the former reaches his income peak early in life the latter who ascends on a rising scale does not reach his earning peak until late middle life when his family responsibilities have already been diminished.

S. B. Rowntree, one of the first scientific students of poverty in Britain, pointed out this discrepancy between income and the life-cycle of family needs as early as 1901. He wrote:

The life of a labourer is marked by five alternating periods of want and comparative plenty. During early childhood, unless his father is a skilled worker, he probably will be in poverty; this will last until he, or some of his brothers and sisters, begin to earn money and thus augment their father's wages sufficiently to raise the family above the poverty line. Then follows a period during which he is earning money and living under the parents' roof; for some portion of this period he will be earning more money than is required for lodging, food and clothes. This is his chance to save money. If he has saved enough to pay for furnishing a cottage this period of comparative prosperity may continue after marriage until he has two or three children, when poverty will again overtake him. This period of poverty will last perhaps for ten years, i.e. until the first child is fourteen years old and begins to earn wages; but if there are more than three children it may last longer. While the children are earning, and before they

3 Titmuss, op. cit., p. 30.
leave the home to marry, the man enjoys another period of prosperity — possibly, however, only to sink back again into poverty when his children have married and left him and he himself is too old to work, for his income has never permitted him to save enough for him and his wife to live upon for more than a very short time.

It is a well established fact that family income is very often only raised above the poverty level by the number of wage-earners within the family group. Wives are often enough forced to go out and work in order to supplement the meagre wages of the main bread winner. In the case of children it encourages them to leave school at an early stage to contribute to family expenses. It is not unheard that older brothers and sisters help financing the education of a younger promising child thus imposing considerable hardship and strain on themselves and the younger sibling who will probably never repay them for their sacrifices.

Eleanor Rathbone for her part had warned that the period of relative prosperity in a young man's life when he lives at home and has only himself to worry about, leads to the acquisition of expensive spending habits which will prove to be later on detrimental to the well-being of his family. The growing divorce and desertion rate of younger men may very well be connected with the fact that children very often turn out to be a kind of economic straight-jacket whose pressure a man who finds himself in a dead-end job simply cannot tolerate any longer. Children who had originally been regarded as

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blessings will then be seen as burdens.

In these terms one can only share Titmuss' concern for a new economic equilibrium for the family whose real needs have to be recognized by the general public and by decision-makers in particular. Traditionally minimum levels of child support have been made up by the minimal requirements for food, clothing and personal expenditure. Some countries, like Sweden for instance, use a more sophisticated approach. They include such items as education, personal care, recreation, light, heat, washing and ironing, cleaning of household, family holidays and family excursions.\(^5\) The Montreal Diet Dispensary study proposed four variables for the setting up of minimum budgets: (1) the age of children, (2) their sex, (3) the size of family group and (4) the status of the parents. This study claims that "according to the size of the family, the additional cost each child represents for his family, taking his \textit{age and rank} into account, is determined for food, clothing, personal care and maintenance of home". Thus, so the study claims, it is possible to calculate the marginal cost of the child's support, that is, it measures the additional expenditures caused by the presence of another child of a given age and rank.\(^6\) The Report of the Commission of Inquiry on Health and Social Welfare in Quebec concluded that the "minimum cost of child support is situated, on the average at about 400 dollars per year,

\(^{5}\) Wynn, \textit{op. cit.}, p. 57.

\(^{6}\) Quebec, \textit{op. cit.}, p. 100.
excluding housing, and at 500 dollars when housing is included". This estimate referred to the year 1967. It has to be assumed that for 1973 with the constant increase in the cost of living and continuing inflation the amount will have to be somewhat higher.

The assessment of individual maintenance costs is an intricate and complex task. Yet the relevance of family allowance benefits can only be judged in relation to the costs of child-raising. As this would, however, involve a complete study of its own, only an approximate picture of child support costs can be given here. It is felt that this will serve the purpose of demonstrating that the setting of allowance rates will have to be dependent on child maintenance costs, if they are to constitute a direct cash support towards this expenditure. Ernst Engel advocated the value of studying the costs of children in the following way:

The study of the "cost of a man" should enable us to reply to the following questions: What is the level and what are the costs of consumption of persons living and growing from one year to the next in the bosom of the family . . . in relation to the various professional, social, local and other conditions in which the family lives.7

The value and importance of these questions are undeniable for the policy-maker, for estimates of need obtained from minimum budget requirements provide the foundation for all kinds of legislative, social and economic programmes.

A significant factor in the fixing of family allowance rates is

7 Wynn, op. cit., p. 52.
the availability of a scale which would allow for the comparison of needs of children of different ages, and of adults and elderly persons. In Germany and the United States this has been made possible since the 1880's by the use of the concept of the "reference man".

The needs of the reference man are set at 100 points and the needs of other persons are then equal to, or more than, or less than this. The needs of other persons are, therefore, in effect expressed as percentages of the needs of the reference man, who is generally assumed to be an average adult man.\(^8\)

The reference man is merely a statistical figure and not a man of flesh and blood. Statistically it is assumed that he only consumes his fair share of the costs of a household.

Margaret Wynn states that:

The reference man may be used for comparing the cost of a child of any age in terms of the total cost of maintenance of subsistence, or in terms of the partial cost, for example of food, or for comparison of the energy or protein requirements of child and adult measured in calories or grammes.\(^9\)

The table on the following page, also taken from Margaret Wynn's book, demonstrates how food costs of children can be compared with those of the reference man.

\(^8\) Wynn, op. cit., p. 58.

\(^9\) Ibid., p. 56; see also: McKenzie, J. C., "Poverty: Food and Nutrition Indices", in Townsend, op. cit., p. 54.
### Comparative Food Costs of Child and Adult: United States Department of Agriculture

<table>
<thead>
<tr>
<th>Age of children</th>
<th>Boy</th>
<th>Girl</th>
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<tr>
<td>16-19</td>
<td>125</td>
<td>101</td>
</tr>
<tr>
<td>13-15</td>
<td>106</td>
<td>100</td>
</tr>
<tr>
<td>10-12</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>7-9</td>
<td>81</td>
<td></td>
</tr>
<tr>
<td>4-6</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>1-3</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Under 1 year</td>
<td>47</td>
<td></td>
</tr>
</tbody>
</table>

United States Department of Agriculture (1962) Family Food Plans, using the Economy Food Plan. The "economy" and "low cost" plans give a higher proportion to children, thus introducing a factor of safety at low income levels.  

It has to be pointed out that the cost points used here can only have a relative value. The absolute cost of food depends on the price of protein and carbohydrates in a particular area. Moreover, what people eat is determined by what is acceptable according to custom and habit.

Most significant is the fact that the minimum subsistence costs for a boy from 13 to 19 are higher than those of an adult male. The

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10 Wynn, op. cit., p. 58.
same phenomenon applies even so in a more limited way to the adolescent girl versus the grown woman.

The same can be said of clothing requirements. American estimates state that the needs of children reach adult level at the age of about 12. German estimates gave a somewhat later age, 14-15. At this age when particularly feet grow very rapidly, it has been reckoned that the footwear needs of children increase at about 4.5 points a year from 41 points at the age of one to 100 points at age 14. The reality of the teenage-peak costs has in fact been recognized in the various budget estimates of welfare departments throughout the country. The Toronto Welfare Council (1944) granted a food allowance of 13.00 dollars to an adult male, but 13.55 to a male youth between the age of 13 to 18. The food allowance per month for the province of Alberta in 1966 reflected the growing awareness of the teenage-peak by allowing 28.30 dollars to a male adult living with others compared to 33.30 dollars to a male youth between 16 and 20. The City of Vancouver changed its allowance rates from 33.02 dollars for youths between 13 and 18 in November 1971 to 36.00 dollars per month for January 1973. It is of some interest in this context to notice that the figures quoted by the department of Welfare and Rehabilitation of the City of Vancouver do not make any differences in sex. The Welfare departments of the cities of Dartmouth and Halifax estimate varying food and clothing costs for youths of different sex. Thus the monthly food and clothing allowance for an
18-year old male was 30.95 and 8.73 respectively. The food allowance for a girl of the same age was 26.32, but her clothing allowance was somewhat higher, namely 9.63 dollars.\textsuperscript{11}

The food and clothing allowance for pre-school children was 22.60 dollars in Alberta in 1968, 18.49 dollars in Nova Scotia in 1966 and 22.63 dollars in B.C. in 1971. B.C. rates are currently under discussion and will probably be raised. The city of Vancouver has proposed to increase benefits for pre-schoolers to 27.50 dollars per month.\textsuperscript{12}

The comparative figures for the age group between 12 and 15 are as follows: 30.10 dollars for food and clothing in Alberta (1968), 25.76 for Nova Scotia (1966) and 32.58 dollars for the city of Vancouver (1971). Although regional differences are undoubtedly a significant factor in the setting of minimum rates the lagging behind of allowances in Nova Scotia of almost 5.00 dollars is by no means negligible. It is particularly noteworthy to see that the benefits for the older teenage group is slightly higher, 39.69 in Nova Scotia compared to 37.30 dollars in Alberta.

\textsuperscript{11} Department of Public Health and Welfare, City of Halifax and City of Dartmouth, \textit{Family Budgeting}, August, 1966, p. 36.

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\textsuperscript{11} Department of Public Health and Welfare, City of Halifax and City of Dartmouth, \textit{Family Budgeting}, August, 1966, p. 36.

### Monthly Welfare Rate Scales for Children and Youth

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<th>Item</th>
<th>Age</th>
<th>Amount</th>
<th>Age</th>
<th>Amount</th>
<th>Age</th>
<th>Amount</th>
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<td>1-3</td>
<td>14.10</td>
<td>2-6</td>
<td>14.75</td>
<td>0-5</td>
<td>19.00</td>
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<td></td>
<td>6-12 mths</td>
<td>5.70</td>
<td>4-6</td>
<td>15.00</td>
<td>7-11</td>
<td>21.50</td>
<td>6-12</td>
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<tr>
<td></td>
<td>1-3 yrs</td>
<td>6.90</td>
<td>7-9</td>
<td>20.10</td>
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<td>30.95</td>
<td>13-18</td>
<td>36.00</td>
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<td>7-9</td>
<td>9.40</td>
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<tr>
<td><strong>Clothing</strong></td>
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<td>1.00</td>
<td>Under one</td>
<td>M. 13.60 F. 13.60</td>
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If we now take the proposed figures of the Department of Welfare and Rehabilitation in the city of Vancouver for food and clothing; 27.50 dollars per month for the 0 - 5 years old; 36.50 for children between 6 - 12, and 50.00 dollars for those between 13 and 18, and apply these proposals to the prosperity number scale we shall arrive at the following picture. For convenience, figures are raised to the next dollar. The modest-but-adequate level for pre-schoolers is reached at an expense of 56.00 dollars a month and the affluence level at 140.00 dollars. For the primary school years the figures are 74.00 and 185.00 dollars respectively and for the teenage group parental expenses would be 100.00 for the modest-but-adequate level and 250.00 at the affluence level. It has to be pointed out that these amounts refer only to food and clothing expenses. From lack of information on the costs of recreation, personal care, school expenses etc. these figures have had to be ignored. However, the recreation rates for the city of Vancouver are 1.25 for 6 to 12 year olds. Considering that a cinema ticket costs 0.75, and also that children require some kind of transportation to get to the cinema, this amount seems far from generous. It certainly precludes the average amenities of middle-class childhood experiences such as piano lessons, swimming, skating or skiing. Pre-school children require paper, pencil crayons, paste and books for their social and intellectual development. The 1.25 recreation allowance will not go very far even for this particular age group.
Calculations of this kind further ignore a child's share of the family's heating, lighting and other household operation expenses and they fail to take account of the most costly item of all, namely rent. These items usually known as overheads represent 26.5 per cent of all family expenditures for the average family. The very poorest American families, with incomes of less than $3,000 dollars per annum spend over 40 per cent of their budgets on overheads.\(^{13}\)

The American Institute of Life Insurance has estimated that the median-income family must spend $30,000 dollars raising one child until the age of eighteen.\(^{14}\) This is a substantial amount for most income groups except, of course, the very highest ones. Children can be regarded as luxuries in those terms because no return on the investment can be anticipated or even expected by the parents. In this way if man were truly an economic man as our obsolete economic and psychological cultural heritage insists he is, mankind would long have ceased to exist for economically speaking children are a liability for their parents. They are, however, an investment for society as a whole.

As society needs men and women who are willing to act uneconomically by having children, and for its survival, governments cannot eschew its responsibility towards children. The family as such, alone and without support, cannot do the job.

\(^{13}\) Wynn, _op. cit._, p. 119.

\(^{14}\) Quoted by North, D. C. & R. Leroy Miller, _The Economics of Public Issues._
CHAPTER VII
FAMILY INCOME SECURITY PLAN

The White Paper on Income Security For Canadians (1970) stated that the government's main thrust for the years to come were to develop guaranteed income techniques in order to eradicate poverty. Canada declared its own war on poverty, a highly worthy and commendable enterprise surely, but why was the scheme so unpopular not only with MPs, who defeated the bill, but also with the general public?

FISP was borne from the federal government's wish to discriminate positively in favour of those families in the lower income groups who had the greatest needs. The government felt that there should be a cut-off level at an income of 10,000 dollars for it was felt that once a family had reached this particular income threshold a monthly cheque to meet the specific needs of children was no longer necessary as the benefits would not make any significant difference in their standard of living. Furthermore, it was argued that in the income groups of over 10,000 dollars the allowance tended not to be spent on the needs of children. Women would regard them as rightfully belonging to them, and might spend the money on hairdoses and other similar flippancies.

Critics and supporters of FISP agreed that family allowance benefits had lost their purchasing power over the years. Mr. P. B. Reynard, MP for Simcoe North, reminded the House that the consumer
price index had more than doubled between 1945 and 1971, and had reached the figure 230.7 in March 1972. He argued therefore, that if the family allowance benefits had kept pace with this rise payments for a child of 11 would have risen from seven dollars a month in 1945 to 16.50 dollars in September 1971. The proposed benefits for FISP were a long way from bringing back allowances to their 1945 level. The White Paper had even ignored the importance of age of a child in its determination of benefit levels. The awareness of the importance of age differentials in child-rearing expenses had been one of the most progressive and outstanding features of the Canadian scheme. In the White Paper the whole emphasis was on income, and monthly benefits were to decline on a graduated scale in the following way:

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<tr>
<th>Income Level</th>
<th>Monthly Benefit</th>
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<td>4,501-5,000</td>
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<td>7,001-7,500</td>
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1 Canada, House of Commons, Official Report of Debates (hereinafter referred to as Hansard), March 24th, 1972, p. 1136.
7,501-8,000  9.00
8,001-8,500  8.00
8,501-9,000  7.00
9,001-9,500  6.00
9,501-10,000  5.00
10,000 and over  0.00  2

The government felt that this was "a major anti-poverty initiative". The country did not share this opinion. Under the storm of protest the age factor in the determination of allowances was reintroduced; following the example of Quebec family allowances and youth allowances were combined, the proposed maximum benefits were to be 15.00 dollars per month for children under 12, and 20.00 dollars for youths under 18. The revised amounts were indeed a considerable improvement on the proposal laid out in the White Paper inasmuch as they expressed some dawning realization of the greater maintenance costs of adolescents. But they were still regressive on balance compared to the Marsh Report. One of the most outstanding failures of the proposed plan was its omission of family size as a decisive factor in the standard of living a family can enjoy. Some countries, such as West Germany for instance, pay higher family allowances for the third and any subsequent child.

The revised Family Income Security Programme as it was tabled

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in the House on November 30th, 1971, estimated to eliminate payments for 1,059,000 families. 2,457,000 families were to retain benefits. It was believed that about 35 per cent of all Canadian families were going to receive the maximum benefit of 15.00 dollars for younger children, and the maximum for adolescents of 20.00 dollars a month. About 17 per cent of families were to get partial allowances but would have still got more than under the present system. Another 17 per cent were to have less than they are receiving now and about 30 per cent would go without any benefits whatsoever.

The government stuck to its plan to make family allowances dependent on the combined family income. But it had the gross family income in mind rather than the net income. Mr. Henri Latulippe, MP for Compton, pointed out the fact in the debate on the revised bill, that according to the Income Tax Act, "family income" did not exist; it had to be left separate for tax purposes. FISP, however, was going to make havoc of this arrangement for, in order to apply, husband and wife had to pool their incomes.3 In this respect it can be said that FISP punishes the working mother by basing the cut-off levels on the gross family income. Her earnings might either greatly reduce or altogether eliminate the family's share of family allowance benefits. Thus the mother is penalized for working.

One of the most attractive aspects of family allowances as a way of providing direct help to families with children was the fact that

3 Hansard, March 28th, 1972, p. 1236.
it was completely unrelated to whether the parents worked or not. Family allowances could never have been considered a work disincentive for any family. If FISP had passed, this most valuable aspect would have been forfeited. This was made even clearer by the provisions for the reduction of benefits with increasing income levels. Mr. Munroe said in the House, when he outlined the details of the revised scheme on March 24th, 1972:

Benefits are reduced for families with one child above an income of 4,500 and for a two child family with an income above 5,000 dollars a year. The income floor rises by 500 dollars for each extra child. The plan introduces a reduction rate of 33 cents per child per month for each extra 100 dollars of income, or 1,65 dollars for each 500 dollars above the floor set for families of that size.

The maximum income in one-child families beyond which no benefits are paid is 10,560 dollars per annum if the child is between 12 and 17 and 9,045 if the child is younger than 12. In the case of two-child families the figures are 11,060 and 9,545. For three-child families if the children are between 12 and 17 and there is a mixture here between 12 and 17 and under 12 the figures are 11,560 and 10,045 and so on by 500 dollar intervals.4

This is really rather confusing to say the least, and far from equitable, as Mr. Reynard, the member from Simcoe North had no difficulties in pointing out.

A man receives a rise of 1,000 dollars. He pays taxes, unemployment insurance and pension contributions. The single man earning 7,000 dollars would lose 33 per cent of that raise in taxes; the man with a wife and four

4 Mr. Munro, Hansard, March 24th, 1972, p. 1133.
children earning the same salary would lose 47 per cent; and the man with a wife and four children earning 11,000 dollars would lose 33 per cent.¹

One really cannot call this kind of approach a "major anti-poverty initiative" for it blatantly ignores the needs of families and particularly the needs of the lower income classes. The federal government by setting the cut-off point for maximum benefits at 4,500 dollars showed itself to be even less generous than the province of Quebec which set the floor at 5,000 dollars.

Mr. Munro had denied that it was realistic even to contemplate doubling allowances on a universal basis. He had argued that this would be too expensive a plan as benefits would then be payable to seven million children. This assumption was quite rightly challenged by Mr. Henri Latulippe in the House, who argued that in 1944 when the gross national product had only been 12 billion dollars compared to 92 billion in 1970 and 95 billion in 1971, and a projection of over 100 billion for the fiscal year 1972-73, the Mackenzie King government had done more for the children of Canada than the much wealthier Trudeau government was prepared to do. The estimated costs for FISP were 820 million dollars. The government had proudly stated that this was after all an increase of 170 million from the previous 650 million of the family allowance expenditure. Mr. Latulippe was quick to point out that an expenditure of 820 million dollars out of a GNP of 100 billion did not even represent one per cent. Could this be an

¹ Mr. Reynard, Hansard, March 28th, 1972, p. 1138.
indication of the government's concern and interest in the children of the nation? The FISP proposal betrayed a heavy parsimonious hand of a government unwilling to spend.

Mr. Latulippe accused the government of taking a different attitude when it was "a matter of doubling, or tripling the income of corporations, banks and big institutions,

there is no limit to our ambitions, skills and possibilities. Crown corporations are easily created with stock amounting to 2 billion dollars. A bill is merely brought forward in the House of Commons and everything runs smoothly, but when it is a matter of the children of the country, the Minister of Health and Welfare talks about prohibitive expenses. 6

Mr. Monro defended himself and FISP by pointing out that if present benefits were doubled on a universal basis this would involve an additional expenditure of something like 700 million dollars, and he challenged those who were opposing the programme to find the necessary funds for this extra expense. He went on to cite an article in the Toronto Sun by Douglas Fisher which had stated that only 11 per cent of Canadians enjoyed incomes of 10,000 dollars and more, so that only a very limited number of taxpayers fell into the 35 per cent tax bracket.

Mr. Arnold Peters (Timiskaming) countered that the government had been talking about something like one billion dollars to "sell the various government departments like the Department of Health and

6 Mr. Latulippe, Hansard, March 28th, p. 1372.
Welfare etc., and Information Canada only a couple of weeks ago.7

At the core of the opposition to FISP were the three following factors. Firstly, its lack of universality; secondly the inadequacies of the benefits, and thirdly its administrative labyrinth. The conceptual levels of adequacy have been dealt with in the previous chapter. In their terms the FISP benefits, although an improvement on the present benefits, cannot be regarded as generous even with the very lowest definitions of adequacy levels. A little more concern on the issue of adequacy on the part of those who had designed FISP, and a little less worry about the extra costs of the programme might at least have indicated that the government had firstly and primarily the well-being of Canadian children at heart. Further the proposed benefits made a farce of the government's claim that FISP was a major anti-poverty measure. It was precisely this attitude of parsimony with the public purse vis-à-vis children that prevented the programme from being passed in the House. Mr. Hellyer, whose tactics of spinning out the debate on the bill did more than anything to obstruct the bill's third reading and a vote on it, summarized the feelings of discontent with the inadequacies of the provisions very well, when he stated:

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7 Hansard, June 29th, 1972, p. 3876.
Mr. Speaker, the time for private members' business has arrived and this government could have done much better for the poor people of Canada. Perhaps the next government will.

Opponents of FISP believed it might become an election issue; they were, however, mistaken in this assumption. The well-being of the children was lost among such issues as unemployment, bilingualism and the immigration policy.

However, to return to our three points, it can be argued that the most serious factor counting against FISP was its lack of universality. The government seemed genuinely surprised that the opposition parties made so much of this issue. Is selectivity not more truly egalitarian than universality? Is it not true that to offer equal benefits to people in unequal situations is merely to underwrite their existing relative inequality, for to counter inequality one must act unequally? Does it not stand to reason that the poor need more and the rich need less than equal shares?

The NDP admitted that it had considerable difficulties in accepting the selective elements in the Old Age Supplementation programme, and had only agreed to it after a certain time of reflection on the grounds that it represented a selective approach within a universal programme. But the NDP made it abundantly clear that they believed in universality over selectivity. They argued that selectivism in a family allowance programme was a break with the

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8 *Hansard*, July 7th, 1972, p. 3284.
principles laid out in the Family Allowance Act of 1945, that guaranteed payments to families on account of children and not of poverty. We have seen that all families regardless of their socio-economic position have to accept a reduction in their standard of living once they have children for child-raising is expensive. The new minister of Health and Welfare, Mr. Lalonde, acknowledged this in his first speech to the House when he said: "Families whose breadwinner is employed need allowances because their salary does not take account of their dependents". It is too early to speculate whether this is a return to the principle of universality by the Liberal government.

The notion of relating benefits to needs enjoys a certain amount of popularity. But provision of needs, as the sad experience of welfare benefits makes abundantly clear, is often steeped in mean-minded marketeerism as it begrudges benefits to anyone who can demonstrate needs. A second drawback is, of course, that generally speaking the extent or degree of a need is almost impossible to measure. Further, who decides how great or how urgent a need really is?

The universalists argue that universality is truly egalitarian for it emphasizes social unity rather than social division. People have no hesitations in applying for universal benefits as they are offered to all without any discriminations. It is more redistributive

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for the rich pay more towards its financing than the poor and gain proportionally less than their share would entitle them to. But to look at universality versus selectivity in these very general terms does not take us to the crux of the issue. It has been pointed out that with the same mechanism men can do many things:

intentions, not just the limitations of the mechanism govern what is achieved. The universal system may be universally mean, the selective system may be selectively generous or selectively mean. For instance, if public expenditure is envisaged as a burden, a millstone about the nation's neck, then universalist or selectivist will seek to diminish it. We can legitimately claim that much selectivity to date has worked to favour the rich rather than the poor; that the rich man's use of the tax system has distributed a greater largess than the poor man's means-tests. Selectivity both takes and gives; to the poor it has frequently given in short measure.\(^\text{10}\)

Selectivity has to transmute its historical connotations of discrimination and stigmatization which will be a difficult task to accomplish in a social system that is divided into the "haves", the "have-nots" and the "have-a-little-want-mores", to use Saul Alinsky's terminology.

The selectivist approach in the devising of a family allowance programme is most certainly out of place, for the criterion here is the presence of children in a family and not the presence of poverty. This is not to imply that a family allowance programme as a method of providing direct help to families with children has to ignore the

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10 Reddin, Mike, "Universality versus Selectivity", in Robson, W. A. & B. Crick, Future of the Social Services, p. 28.
very real needs of the lower-income groups and of families with a large number of children, but help will have to be given in a non-discriminatory fashion. Little is done for the progress of social unity when a mother cashes her family allowance cheque in the drug-store or the grocery-store that others will immediately know that their family income is around the 10,000 dollar level or that anyone who actually gets to look at the cheque can work out from the amounts the precise family income. This is a gross interference in someone's privacy. It may also prevent a number of families from applying for the benefits as the negative experience of the British income supplement benefits seems to indicate. The prejudices and negative attitudes from the early days of the welfare states are still very much part of our lives, and the feeling that social security programmes are mainly for those who take from the larger society more than they contribute is still a reality. Why should a woman whose husband earns between 5,000 and 6,000 dollars a year on which they might have to support two or three children forego her pride and allow herself to be put into the category of those who have to ask for help. Moreover, such a policy could very well have serious disincentive effects on the working poor, whose sense of self-esteem and self-worth rests on the fact that although they are poor they have never begged for anything. Any government policy that aims at an abolition of the differences between the working poor and the poor on relief is psychologically damaging to the working poor. The German sociologist
Georg Simmel in his famous essay "The Poor" (1908) analysed this phenomenon tersely and convincingly. His arguments are worth looking at and should be a guiding line to all those in the field of policy-making.  

Mr. Knowles, M.P. for Winnipeg North Centre, who was in the House when the Family Allowance Act was passed in 1945, expressed his view on the question of universal versus selective family allowance benefits in the following way:

I think it is good that old age security was universally applied. It is also excellent that family allowances have been universally paid to all families in the community. But once you get to the point where certain families draw family allowances and other families do not, if that continues it means the children of those families will be recipients of family allowances, and they will be the next generation's have-nots.

Mr. Knowles mentioned a number of times the difference between the debate in 1945 and 1972. He pointed out that members then had the feeling that they were on the threshold of introducing a bill which in its universal aspect encompassed the children of the country as a whole. Further the emphasis was on breaking up intergenerational poverty cycles. Perhaps the lesson from the harsh experience of the depression had been that poverty could happen to everyone. We live in a day and age which pays considerable lip service to equal rights

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12 Hansard, March 27th, 1972, p. 1142.
and equal opportunities for men and women and their children. A return to means-tests, even when they are introduced with the very best intentions, have to be looked upon as regressive steps, for benefits or services, whatever the case may be, are not granted as entitlements or rights but by the discretion of the self-appointed judges of needs. This does not preclude a possible change of policy towards selectivity at another point in our socio-historical development, but recognizes the very real dangers of social discrimination. Neither does this imply that nothing can be done to improve the lot in life of people with the greatest needs. It can be done and it should be done, but it should be done differently, as, for instance, by relating family allowances to the tax system. To quote Mr. Knowles once more:

I am not worried about wealthy people having to declare their wealth for the payment of income tax, but I am annoyed that poor people have to declare their poverty in order to get what is their right.\textsuperscript{13}


In our view, the family allowance plan must preserve its universal character. In keeping with our objectives, a form of partial or total recuperation of the family

\textsuperscript{13} *Hansard*, June 29th, 1972.
allowances must be provided for in the case where the economic situation of the family does not require financial support for the maintenance of the child.\textsuperscript{14}

Objections to the recouping of benefits through the tax system have been raised on the grounds that it would be absurd on the part of government to give with one hand and recoup with another; moreover husbands are supposed to resent payments to their wives which they have to repay at the end of the tax year. It may very well prevent a number of parents who are inclined to think in this way from applying for the allowance; the point, however, is that this should be their own decision and that they should be given the right to apply in the interest of social cohesion and harmony.

Moreover, the universal character of the family allowance makes it possible to reach those families whose resources would be sufficient, if it were not for their number of children. Their needs are the result of their family responsibilities and not of poverty \textit{per se}.

If we still insist on arguing in favour of selectivity in the paying of family allowances we shall also have to demand a selective approach in the field of education and health, if only to be consequential in argumentation. It is without doubt an attitude the supporters of independent schools use when they ask for public funding for these schools. In our present social security system we have both universal and selective programmes. In fact unemployment

\textsuperscript{14} Quebec, \textit{op. cit.}, vol. II, p. 134.
insurance, health insurances, old age pensions etc. are selective because recipients have to be unemployed, sick, or aged 65 in order to get them. On the other hand child allowances should be universal, firstly because all children cost money, and secondly, because selective procedures introduce administrative complications. We also claim that as a society we are moving slowly and painfully towards a comprehensive and integral social security system and can therefore no longer afford to back-pedal with such regressive programmes as FISP. For the aged we did not insist on introducing a cut-off point for the rich. Why should we do it then in the case of children?

Opposition speaker after opposition speaker stressed the administrative jungle the designers of FISP had succeeded in creating. A number of speakers even had the gumption to confess that they had experienced considerable difficulties in understanding under what circumstances parents could or could not apply for payments. Clause 8 demanded a statement of the income of a child's family for a year. Parents who are only intermittently employed naturally have great difficulties in anticipating their income for the following year. There was also a provision whereby parents could base their income declaration on a projected average monthly income. "Options will be permitted allowing the substitution of an estimated income in the calendar year of 12 times the average monthly income in the remainder of the current calendar year instead of being based on the previous
year's income as it is the usual case. In addition there was the usual confusion as to what constitutes income. Mr. Munro outlined the following items: any income subject to tax, plus unemployment insurance, scholarships and bursaries, adult training allowances and the Canada Pension Plan and the Quebec Pension Plan, orphans and dependent children benefits. Social allowance benefits based on an income or means test were not included.

It is easy to realize how real the dangers of underpaying or overpaying benefits were according to the above terms. Take the simple incidence of a man who is in and out of jobs, who gains an adult training allowance for the last part of the fiscal year etc. Theoretically he may have been on welfare when he applied for FISP, then got a job for ten weeks, went on unemployment insurance for a while and was later on accepted for some up- or re-training. One can see what kind of administrative nightmare it is to work out FISP payments for a person like him who is moving in and out of poverty.

Another negative aspect of the administrative complications of FISP was its high cost. It is estimated that presently only nine cents out of every dollar go to the person who needs social assistance. This is an extremely inefficient state of affairs to say the least. It was therefore felt that the administrative expenditure of FISP

15 Hansard, March 24th, 1972, p. 1213.
16 Hansard, March 24th, 1972, p. 1136.
17 Ibid. The member for York East, Mr. Otto, claimed the correct figure was 10 cents instead of 9 cents.
would impair this said situation even further. The present universal family allowance scheme is administratively very simple to operate. The current costs are around 11.6 or 12 million dollars which represent about 1.8 per cent of total payments.\textsuperscript{18}

Furthermore as the granting of FISP benefits was related to declarations of income the bill had recommended a free exchange of information on the question of income declarations between the department of Health and Welfare and the Department of National Revenue. This, of course, would have meant an infringement on Canadians' rights for privacy and confidentiality, and a serious break with the democratic tradition.

FISP was also proposing to limit benefits to children in care, who were to get only one half of the maximum amounts, because the maintenance of such children is being shared under the Canada Assistance Plan. This would have meant that already disadvantaged children would have been even further disadvantaged by a programme which claimed to aim at those sections of our society who are thought to have the greatest needs.

Under FISP there also existed the possibility for the provinces to develop their own family allowance system with a scale the provinces would regard as sufficient to meet the needs of families within their own jurisdiction. There was a feeling that this was a concession on the part of the federal government to the province of

\textsuperscript{18} Hansard, March 24\textsuperscript{th}, 1972, p. 1142.
Quebec. It is often argued that the provinces are the best judges of their particular needs; although one may be allowed to doubt it, because variations in the social security system from province to province destroy any sense of community and equality for Canadians from coast to coast. Moreover, certain provinces favour particular categories of needs. British Columbia gave the needs of senior citizens priority whilst Quebec looked after the interests of families with children on a more comprehensive basis than any other province in the country. In these terms one can say it is better to be old in British Columbia and to be young in Quebec!

The federal government did certainly not encourage the provinces to opt out of the federal programme. The escape clause had financial strings attached to it. The family allowance scheme could only be altered by the provinces provided the provinces did not claim more federal money than would have been otherwise available. A further condition was that the provinces in order to do this would have to spend an amount equal to 15 per cent of the total amount spent in this area.19

The Quebec Family Allowance bill (Bill 286) which was passed in September 1971 to be enacted on the 1st of May 1972 is a combination of a federal-provincial agreement "to make up monthly lump payments". The act outlines the following provisions:

The amount of such allowance will vary with the age and the number of children, the Pension Index and the family income of the person who receives the allowance and of his consort. Such amounts will be established as follows:

(1) 15 dollars per month for each child less than 12 years old and 20 dollars per month for each child at least 12 years old and not more than 17 years old; 14 dollars is added to this amount for each child in addition to the third.

(2) benefits are to be reviewed annually in the same way as under the Quebec Pension Plan. The maximum increase is limited to 3 per cent for family allowances compared to 2 per cent under the Pension Plan.

The third stipulation provides for a basic exemption of 4,000 dollars for a man and a woman who receive the allowance plus an exemption of 500 dollars for each child in the family. Family allowances are reduced "by one-twelfth of 10 per cent of the excess of the family income over that exemption".  

How does this work in detail? — Father and mother are allowed an exemption of 4,000 dollars plus 1,000 dollars for two children. If their family income is 10,000 dollars their income exceeds the exemption by 5,000 dollars. 10 per cent of 5,000 dollars is 500 dollars, and 1/12 of 500 dollars is 41 dollars. The family therefore has its exemption reduced by 41 dollars to 4,959 dollars per year. Every increase of 5,000 dollars reduces the exemption by 41 dollars, so that the loss of exemption with an income of 20,000 dollars is

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20 National Assembly of Quebec, Bill 286, Quebec Family Allowances Plan, Second Session, Twenty-Ninth Legislature, First Reading, 1971.
going to be 164 dollars.

What is original about this scheme is the fact that the higher income groups receive less support, though admittedly not much less support, in the raising of children than do the lower-income groups, and that this is done through a reduction of the families' basic exemptions. No other existing or proposed family allowance programme has developed such a scheme. The Quebec plan preserves its universal application but is also selective. It takes account of both income level and number of children in the family. In this respect it discriminates positively on behalf of the children of lower income groups, but it would still have to face the problematic estimations of anticipated annual earnings which made FISP such an unattractive programme, or benefits would have to be based on previous incomes which may, however, no longer be relevant. Furthermore the actual payments are not in any way even near to meeting the minimum costs of child-raising. This is not to imply that benefits can never be related to income but that it will have to be done in a somewhat more efficient way.
CHAPTER VIII
A NEW FAMILY INCOME SECURITY PLAN

There are four criteria, according to Harvey E. Brazer, which any scheme that is designed to serve all or part of the needs of a segment of the poor population should meet: 1. It should not carry the stigma associated with a "dole" and its accompanying means test. 2. It should not discourage efforts to earn income. 3. It should be efficient, in the sense that the portion of the cost attributable to benefits realized by the nonpoor is zero or as near to zero as is compatible with the first two criteria. 4. It should be susceptible to being administered in a manner that involves neither continued or frequently repeated questioning of the right of recipients to benefits, nor excessive costs.¹

The difficulty here lies in the problem of defining who are the poor. Poverty is a relative term. Debates in the House centred around the point that today we may call an income of 5,000 dollars for a family of four members a minimum level, but in two years' time we may be forced to adjust our thinking to a 10,000 dollar level. With increasingly rising expectations families in income brackets which have hitherto considered themselves and which have certainly been considered by others to be fairly well-to-do, will think of themselves as "poor".

¹ Brazer, H., "Tax policy and Children's Allowances", in Burns, op. cit., p. 141.
As it is almost impossible to put a halt on those rising expectations and as they are largely the source of our current wealth they are a reality of our present day economic system. In these terms family allowance benefits should be generous as they are a means to the goal of making rising expectations an actuality rather than a remote possibility. Previous family allowance proposals have been far from sufficient and have not had a significant impact on the standard of living of the lower-income groups with children. It is therefore suggested that payments should at least meet the minimum standard for children of different age groups set by the Welfare and Rehabilitation Department of the city of Vancouver. These amounts would guarantee children with a provision of bare necessaries, and thus remove a substantial number from the sad experience of a childhood characterized by poverty and deprivation. The minimum benefits have been rounded off to the next ten for reasons of convenience.

<table>
<thead>
<tr>
<th>Age</th>
<th>Monthly Benefits</th>
<th>Annual Benefits</th>
<th>No. of Children in Canada (Census, 1961)</th>
<th>Cost per Age group</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>30.00</td>
<td>360.00</td>
<td>2,672,305</td>
<td>817,725,500</td>
</tr>
<tr>
<td>6-12</td>
<td>40.00</td>
<td>480.00</td>
<td>2,777,216</td>
<td>1,333,059,200</td>
</tr>
<tr>
<td>13-18</td>
<td>50.00</td>
<td>600.00</td>
<td>1,888,448</td>
<td>1,133,068,800</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td>7,337,969</td>
<td>3,283,853,500</td>
</tr>
</tbody>
</table>
Universal benefits to children according to their 1961 number would be 3,283,853,500 dollars. It has to be pointed out that this is only a very rough figure as the Census does not break up the number of children in the three age groups used above. To reach the modest-but-adequate level all figures will have to be doubled.

### Modest-but-adequate Family Allowance Benefits

<table>
<thead>
<tr>
<th>Age</th>
<th>Monthly Benefits</th>
<th>Annual Benefits</th>
<th>No. of Children (1961 Census)</th>
<th>Cost per Age Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>60.00</td>
<td>720.00</td>
<td>2,672,305</td>
<td>1,625,451,000</td>
</tr>
<tr>
<td>6-12</td>
<td>80.00</td>
<td>960.00</td>
<td>2,777,216</td>
<td>2,666,125,560</td>
</tr>
<tr>
<td>13-18</td>
<td>100.00</td>
<td>1,200.00</td>
<td>1,888,448</td>
<td>2,266,137,600</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td>7,337,969</td>
<td>6,567,707,000</td>
</tr>
</tbody>
</table>

Minimum costs represent about 3 per cent of the 1972-73 GNP of one hundred billion dollars, and costs for the modest-but-adequate level would take up 6 per cent of the GNP. Ideally one would want to aim for the modest-but-adequate level but it may be more realistic to concentrate on the minimum level for the time being. It is not asking government too much to expect it to spend 3 per cent of the GNP on one-third of the population. The scraping of the current family allowance programme, plus the possible recoupment of about one-fifth of the new programme through the income revenue, as benefits would be taxable, would somewhat reduce the expense. FISP was going to cost about 820 million, if we estimate a tax return of about 646,200,000
dollars out of 3,283,853,500 dollars. This would mean 1,466,200,000 would be available straight away for the new programme. This is about half of its costs.

In order to raise the rest of the money government would have to increase its tax-base by one and a half percent, or even that may not need to be done considering that social allowance rates, workmen's compensation rates or any other programme that includes special provisions for children can be abolished. In this way government will save in one programme what it then can spend in another. This approach would be very much in the tradition of what Dr. Marsh had in mind when he argued: "that by limiting any further necessity for considering varying numbers of extra dependents, they permit, e.g., unemployment benefits to be geared to the need of the individual worker as such, a widow's pension to be designed for the widow as such, etc.". Moreover, the whole scheme could be regarded as a kind of guaranteed income for children which embodies all the advantages of a universal demogrant with none of its disadvantages, such as stigmatization and work disincentives.

A family allowance programme of such a scale can best be compared to the Canada Pension Plan. We have seen that the needs of teenagers are greater than those of adults in relation to the "reference man". As it is assumed that children and youth live in a family situation until the age of 18, and that therefore such expenses as rent, heat and light are shared among the various family members,
it can be argued that family allowances should be somewhat less than the basic old age pension. In this the plan is more supportive than total in its scope as well as in its aim. The Quebec scheme was designed to cover about 70 per cent of the costs of child-raising. It was the desire of the province of Quebec to develop a three-tiered income security system which would consist of a general social allowance (G.S.A.P.) which could be used to supplement incomes of low wage-earners. However, as it is unwise to forget the lessons learnt from the Speenhamland experiment it may be more appropriate to use the negative income tax to bring people up to a certain floor below which nobody in a wealthy society like Canada should be allowed to fall. It is to be understood that such an arrangement can only be considered after the minimum wage has been increased to prevent employers from having their labour costs subsidized from the public purse.

Family allowances should be taxable either on a special rate or be included in the present income tax system so that their universal character can be preserved. Whether exemptions for children should be abolished or not depends on whether tax-payers without children should be made to shoulder a certain part of the burden of child-raising costs as they have a vested interest in the future generation. Admittedly exemptions benefit the higher income groups more than those who earn too little as to make use of the exemptions. Under a negative income tax scheme these people could be paid out the exemptions they were not able to gain from any other source.
It is a well established fact that no child tax exemption or family allowance system or family service in kind like free school meals go more than a small way to compensate parents for the economic costs of bringing up children. A Swedish estimate reckoned that about 77 per cent of the costs of bringing up children was carried by the parents. This does not include the time and trouble parents invest in their children. Of course, it is not even possible to put a price-ticket on those efforts. Parents go uncompensated by the rest of society for their psychological investment in their children. The least that could be done for them is to share more of their economic expenses on a broader basis. Alva Myrdal said in 1940: "Adding the costs of child raising to taxation would be daring. People have become accustomed to think in such ways when it is a question of war and national defense but not as yet in connection with the national improvement of social conditions." It should be hoped, however, that in the 1970's this idea appears less daring.

Income redistribution cannot, however, be limited to families with children, so that the wealthier parents help the poorer parents without taking into account those sections of society who are, as we have seen, generally better off than any parents. In these terms a "vanishing allowance", to use Harvey E. Brazer's term, would represent a further anti-natalist measure, and can therefore not be recommended by those who profess to be concerned about the welfare of all children.

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2 Myrdal, Alva, *Nation and Family*, p. 140.
Furthermore, as long as all income groups with family responsibilities are guaranteed the same exemptions, the mechanism of the corporate and personal income tax which is after all the most progressive tax can be used to recoup allowances from the higher income groups. In order to do this effectively an increase in the personal income tax may be necessary. This would most certainly be an unpopular step as it is contrary to the common view that a cut in the personal income tax, as exemplified in the federal budget, February 19th 1973, will successfully curb the vicious conjuncture of high unemployment and high inflation. John Kenneth Galbraith has been scathingly critical of this approach for he argues that tax cuts will certainly not improve the current inflationary trend. He says:

Inflation -- persistently rising prices -- is obviously a phenomenon of comparatively high production. It can occur only when the demands on the economy are somewhere near the capacity of the plant and available labour force to supply them . . . . If production is at capacity, increased output will naturally require an increase in capacity. The increased investment that this implies will, in the form of wages, payments for materials, returns to capital and profits, add to purchasing power and the current demand for goods. It does so before the added capacity resulting from the investment is in place to meet the demand. Thus the effort to increase production adds to the pressure on current capacity -- and to the prospect for inflationary price increases. A cat chasing its own tail may, by an extraordinary act of feline dexterity, on occasion succeed in catching it. To overcome inflation by increasing production, while superficially similar, will not so often be successful. 3

Galbraith urges for a considerable increase in the spending on

public services. "The solution", as Galbraith sees it, "is a system of taxation which automatically makes a pro rata share of increasing income available to public authorities for public purposes. The task of public authority, like that of private individuals, will be to distribute this increase in accordance with relative needs."\(^4\) A generous family allowance programme related to a truly progressive income tax system would do precisely this. A decisive step towards a society which offered equal opportunity and equal outcome to all sections of society would mean that the investment in children in all families throughout the country would be more or less the same. Good schools, properly enforced school attendance, an effective health system, sufficient recreational opportunities, a fair chance for those who qualify for higher education regardless of their financial means in conjunction with a liberal provision of material needs could make a significant impact on the elimination of poverty. This would certainly require temporary sacrifices on the part of those who have hitherto exclusively preserved all these advantages to themselves.

Such an approach compares well with the traditions of liberal philosophy, the principal thesis of which is "that the individual finds his own good in the common good". This common or general good, or the total social welfare, ought to be the object and goal of social policy. An equitable and sufficient family allowance programme is a commitment to invest in people and therefore fulfills this goal.

CHAPTER IX
THE NEED FOR FAMILY POLICY

The family as a social institution is a universal social phenomenon. Robert H. Lowie in *Primitive Society* stated:

It does not matter whether marital relations are permanent or temporary; whether there is polygyny or polyandry or sexual licence; whether conditions are complicated by the addition of members not included in our family circle; the one fact stands out beyond all others that everywhere the husband, wife and immature children constitute a unit apart from the remainder of the community.

Consequently, every adult, once married, with children, belongs to at least two nuclear families, a "family of orientation" in which he was born and reared, and a "family of procreation" which he establishes by marriage. The family of procreation is in turn his children's family of orientation and so on. The family performs four essential and indispensable functions within the social system -- the sexual, the economic, the reproductive and the educational. Kingsley Davis insisted on a distinction between the psychological and the social functions of the nuclear family. The psychological functions are mainly the personal satisfaction of the marriage partners with each other, and the meeting of the needs for affection and security for the children. The social functions are firstly the maintenance of immature children who are unable to fend for themselves and

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secondly the socialization process by which the parents pass on the beliefs, values and attitudes of society. In this sense the family can be seen as the guardian of cultural heritage, and still plays a vital part in individual and social development.

There is hardly any factor in the course of social development that does not affect the family in one way or another. Economic development influences the material well-being of families. Changes in family law or the moral climate of the country lead to an increase in one-parent families with their very special problems of very low income and lack of role model of the partner who has left the family for whatever reason. Families headed by women are a particularly high risk group as the likelihood of such a family's being poor is considerably greater than that of families headed by men.

Western history of charity and welfare measures was marked by individualism. Help was given to the individual but not to the family. In fact the poor were denied a family life. The Poor Law in Britain purposely broke up families on entering the Poor House. Men, women and children all lived in different quarters and were often quite unable even to see each other. Richard Titmuss points out that it took the British government forty years to recognize that sick workers might have families to support on their sickness benefits. When the recognition finally came it was again only a partial recognition. Titmuss goes on to point out that this kind of approach to social problems influenced the total development of the social service sector.
He writes:

The way in which the social services developed and the extent to which they detached the needs of the individual from the needs of the family, partly explains the ad hoc and fragmentary growth of the social services. From these beginnings the new services were developed, in no coherent order to cater for certain categories of individual need; for certain special needs of special groups. Classes of persons in need and categories of diseases were treated, but not families and social groups in distress.  

In the tradition of Western thought the family is regarded by most Canadians and by their government as a private venture for the sake of personal satisfaction. This tradition seems to be more entrenched in Anglo-Saxon countries than in the countries of the European continent. Five countries within the European community have family ministries and so have two of the Scandinavian countries. The Family Ministers are given the task of looking after the interests of the family. In France and Germany any project for legislation or regulations that might affect families in any way are submitted to the Family Minister for consideration. The Family Ministers are especially charged with watching tax policy, social security measures and education, in short all projects that are intended to benefit children or the family. Since the inauguration of the European Community the Family Organizations of Europe have emerged as a powerful pressure group in the formulating of family policy. The Belgian Family Organizations are particularly strong. They represent

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2 Titmuss, op. cit., p. 20.
nearly one quarter of the Belgian population and have gained substantial political influence.³

Professor Pierre de Bie, president of the Family Council of Belgium, contrasted governmental approaches to families in Europe and the United States at a conference in New York. What he had to say about the United States applies also to Canada when we examine the topics of discussion of the Canadian Conference on the Family in Ottawa.

In old Europe, the problem of the economic foundations of family security has for many long years been in the forefront of discussion at congresses, conferences and commissions; it figures increasingly in the programmes and movements of the large social organizations. The principle of economic security for the family is penetrating slowly but surely the policies of governments.

The contrast with the U.S.A. is startling; the American specialists and research workers in family problems are above all preoccupied with the relations between members of the family, the reciprocal adaptation of spouses to each other or between parents and children, the psychological processes that lead to the internalization of the roles of the spouses, of father, mother and child within the nuclear family; study the preparation for and phases of adaptation to married life, analyse the contribution of socio-cultural factors on the reciprocal adaptation, the marital happiness and stability of the family ties; in contrast to Europe the problem of the foundations of family security figure only as a secondary problem or remain largely neglected.⁴

The Canadian interest in guaranteed annual incomes is more the result of the general dissatisfaction with the existing welfare

³ Wynn, op. cit., p. 254.
⁴ Ibid., p. 255.
allowances than a real concern with family income security. Canada seems still a long way from the realization that the psychological climate of a family situation is the reflection of the family's socio-economic position. The happy family who manages to weather the storms of family relations on an income below or just above the poverty level without any serious difficulties exists only in fiction or social work case work texts, but rarely in reality.

In the meantime politicians, clergymen, doctors, teachers, trade unions etc. reiterate their belief in the social importance of the family, as being at the heart of society, the mainspring of civilization and other equally vague but high-minded phrases.

Yet a comprehensive family policy is vital not only in the interest of children but also in the interest of their parents. Alvin Schorr sees family policy as a consensus "on a core of family goals, towards the realization of which the nation deliberately shapes its programmes and policies". In *Income Security for Canadians* (1970) the federal government, although it did not outline a national family policy, recognized its obligations for a sense of direction not only to deprived families but to all Canadian families. The report lists the many dimensions that encompass family policy but only elaborates very briefly on its first dimension "income levels" which it recognizes as the most complicated problem to be solved in the area of family policy. On the other hand the rest of the dimensions such as

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housing, education, health services, welfare services, work, leisure, consumer information, population growth and family laws are of equal importance in working out a comprehensive approach in the field of family policy. Surely all these factors affect family well-being in one way or another?

It is significant that one of the items not listed is the tax system. Taxes affect families more than they affect individual taxpayers. Research results from various countries on how families spend their incomes have indicated that children are the first to benefit by increases of family incomes.

The Statistical Office of the German Government undertook a budget survey of 1950-1 of 10,600 families that included a study of the allocation of expenditure within the family to the different members. This study showed that the actual expenditure attributable to a child of a particular age was approximately proportional to income over the modest range of incomes covered by the study. If the total family income doubled, then the expenditure on a child almost doubled too. If the total family income halved, then the expenditure on a child almost halved too. If a child was added to a family, he was paid for by a proportionate economy in the expenditure on behalf of all the other members.6

Those who oppose the raising of family allowance benefits on the grounds that it would provide improvident parents with the opportunity to live off the money that was meant to meet the needs of their children, may find the outcome of the above study some kind of reassurance.

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6 Wynn, op. cit., p. 147.
Furthermore, the Canadian experience with family allowances which have been sent out for almost twenty-eight years now represents a positive reaction on the part of parents to the cash subsidy. David Parkinson, for instance, reported that the greatest number of alleged abuses of allowances which had been reported to the regional offices dealing with the allowances had been ill-founded when investigated. The number of parents on whose behalf some social agency had to administer the allowances to the advantage of their children has been absolutely minimal since the inception of the programme. This justifies the confidence shown by Dr. George F. Davidson, former Deputy Minister in the Department of Health and Welfare, who stated:

All services in kind have to be administered through some social agency. Some, of course, like health care, can only be provided through some special form of communal organizations, but the essential needs of childhood, the basic needs, are not so complicated at all. They are the basic needs of decent food, clothing, shelter, in short a decent level of economic subsistence, adequate for reasonably healthy day-to-day living. We believe that in our country the "agencies" which are in the best position to supply these basic needs of childhood, provided they have the economic resources to make them available are the Canadian fathers and mothers. Family allowances recognize these agencies as responsible ones, interested in the children of the nation because they are its own children. While providing alternative methods of administration in cases where the parents fail to justify our confidence, family allowances express our trust in the overwhelming majority of Canadian parents, our confidence that they will provide those basic needs in a responsible fashion, if enabled to do so.7

7 Vadakin, op. cit., p. 88-89.
Dr. Davidson touched on a crucial point in his speech, when he said that parents will provide for their children "if enabled to do so". Very often circumstances out of their control will interfere with this wish. The impact of industrialization and urbanization destroyed the family as a viable economic unit. Our present day wage system ignores the needs of the family in its pursuit of equal pay for equal work. Earning peaks do not coincide with times of intense family responsibilities. Parents suffer a considerable decline in their standard of living compared to non-parents in the same income group. Work hours fail to recognize family responsibilities and thus tie mothers of young children to the house, although their earning capacity might raise the family above the poverty threshold. The list could be continued to point out how Canadian society, along with other highly industrialized nations, is prejudiced against the family!

In these terms the need for a comprehensive family policy becomes obvious. Governments have a moral obligation inspired by a commitment to a vision of justice to secure the family a parity standing vis-à-vis unattached individuals. Our present day antinatalist attitude should not blind us to this obligation. No level of government should be indifferent to the fact that a father's or mother's earnings after taxation are used to raise a family whilst the earnings of an unattached individual are spent in the maintenance of a bachelor establishment. Local property taxes make no distinction
in their tax assessments whether a room is used as a spare room or
whether it is occupied by a child, or whether it is used as a hobby
room for an adult or set aside for a child to do his or her homework
quietly away from the rest of the family. For our anti-natalist tax
system a room is a room regardless of its purpose, and earnings are
earnings regardless of what kind of use is made of them.

Family policy is concerned with the educational opportunities
and employment chances for women. There can be little doubt that
better educated girls make better mothers. Moreover, the demands made
on the working mother, who is after all doing two jobs, are very often
quite exceptional, and require therefore greater skills, efficiency
and knowledge from her if the family is not to suffer. If the raising
of children could once be considered to be a full lifetime occupation
for a girl, this nowadays is no longer the case. The average woman
has her children in a contracted period of time. Young people marry
in their early twenties, leaving them free of family responsibilities
in their middle forties. In this respect occupational or professional
careers for girls assumethe same importance under those changed social
conditions as they have for boys. For those who take time off from
the labour force there should be the possibility of being involved in
one way or another, so that the young mother does not lose her
previously acquired skills. Education considerably reduces a girl's
chances of becoming poor even when she is the sole breadwinner for the
family.
Education for women is beneficial for men too. As marriage is increasingly becoming an arrangement for the sexual and emotional satisfaction of two equal partners the woman can no longer be allowed to be in a vulnerable position economically. David Riesman, for instance, criticised the common phenomenon of undergraduate or graduate marriages, where the girl very often forsakes her own education by leaving the university to get a job in order to put her husband through a complete university education. It is not only she herself who suffers in the long run but society at large. Riesman suggested that governments should make it possible for both to complete their education.

Anti-natalists should pay heed to findings that show a close relation between women's educational level and the number of children they have. The more qualified a woman is the more interested she is in limiting her family in order to participate in the outside world. The same applies to men too. A London Family Service Unit worker summarized his experience on why people had large families they could ill afford in the following way:

The fathers took pride in the size of their families and some spoke openly of this as an indication of their potency and superiority over others. In general the men neither took steps to limit their families nor approved of their wives doing so . . . . The women, too, were unsure of themselves. In general, worth seemed to be associated with motherhood and here they seemed to find some reassurance about themselves. With the baby the mother seemed to find some reassurance that she can love and give to others and that she has something good within her. She seemed quite
satisfied when she had a young child with her and any discussion of the problems created by repeated pregnancies need to take this into account. Family limitation is unlikely to be accepted by these families until they can come to feel that they have more value in other areas of their lives, but in general they do not seem to feel this. 8

In short children are often used as compensations for real or imagined personal shortcomings and failures. Children tend to become a kind of escapism from the harsh reality of the market economy where the unskilled and undereducated person finds less and less opportunities. Any effective population policy has to take notice of the feelings of those living on the margin of the greater society, and if it truly wishes to change their situation will have to place itself within the framework of a comprehensive family policy.

Present day social life is organized in such a way that it is hostile to the family. Our tax system favours non-parents over parents, builders construct houses that ignore the needs of the family. Houses are very often simply too small to allow for each child to have its own room or at least to share it only with one sibling of the same sex. Walls are often so flimsily built that any kind of true privacy for family members from each other is impossible. Local councils pass building proposals that fail to take the needs of children into account. Gardens, playgrounds, sporting fields, swimming pools and woods to roam about are necessities for the development of children as volumes of child development literature

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8 Wynn, op. cit., p. 280.
clearly indicate. Clean air to breathe and unpolluted rivers and lakes to swim in are part of the responsibility of family policy to preserve for the future generations of Canadians.

The organization of the working day is also anti-family oriented. Fathers leave early in the morning before the children have to get up to go to school. In many cases due to contracted living quarters the children are woken up and deprived of necessary sleep. When the mother is working too, children have to rise early and be rushed off to some day-care centre, when they are lucky enough to have one available, or they are entirely without any adult supervision when mother has left before school starts. The situation is the same after school. Day-care for pre-schoolers, even infants and toddlers as well as after school supervision for the younger schoolchild are pressing problems for the family.

The situation for the poor family is even grimmer. Children grow up deprived and angry in the middle of such abundance and affluence. Canada has yet to come up with its Child Poverty Action Group, which has done much in Britain to reduce the plight of children in poor families. Voluntary organizations as the Big Brothers and the Big Sisters are examples of our society's acceptance of responsibility towards children. But as yet no political party has identified itself with the social and economic interest of the family. And until now we have approached family problems in a very piecemeal fashion.
The Marsh Report 50 years ago pointed to the obstacles "which would be left on the path of progress if a piecemeal approach is adopted". 9

A ministry of family affairs could fit together all the various branches of needs and interest that affect the life of families in Canadian society today. A comprehensive family policy will not only concern itself with the material well-being of children in the ways of family allowances but will aim at the equal provision of life chances to all Canadian children. It is recognized that this will only be possible through a redistribution of the national wealth and income in favour of children. Family policy will provide the country with a goal, with a sense of direction in what is required to ensure the children from all economic backgrounds a better future.

The provincial government in British Columbia has in 1972 guaranteed senior citizens an income of $200.00 dollars a month. The children of British Columbia as yet have had nothing. Are they less important than the old people? This is not meant to begrudge senior citizens this right, but it could also be a right for children.

Senior citizens ran a well organized pressure group in the last federal and provincial elections. Parents may very well have to do the same in order to secure the same advantages for their children. Mr. Arnold Peters, MP for Timiskaming, emphasized this point in the House of Commons debate on family income security when he said: "If

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children had the franchise, then every time we had an election during the last fifteen years there would have been an increase in family allowances to match the increases in old age pensions".\textsuperscript{10}

Since the beginning of social life the family has been its lynchpin, and probably always will be. The economic development since the Industrial Revolution has seriously undermined the family as a viable institution where children can find material and emotional security. A Canadian family policy would be a positive step in redressing this situation. Children are the most valuable and at the same time the most vulnerable group in society, and therefore need an institution like a Ministry of Family Affairs that protects their interests and those of their parents. The economic position of parents will have to be equalized with that of non-parents. This implies, of course, the socialization of child-raising expenses. It will have to be realized that children are entitled to be regarded as a privileged group for they are the guarantors of the future.

Evelyn Burns in the concluding speech of the conference on Children's Allowances spoke on the issue "whether the country would favour or would be ready for a certain programme or policy of social security". She pointed out that participants at the conference had warned that:

\textsuperscript{10} Hansard, March 28th, 1972, p. 1232.
too many expert groups called together to consider what might be desirable policies fell into the trap of dismissing certain alternatives, not because their effects were believed to be undesirable but because individual members felt that these programmes were not saleable .... The consequences of the assumption of a political role by experts was, it was suggested (at the conference), that the political leaders are never made aware of the full range of possible effective policies among which it should be their job to choose.¹¹

Sociological insight does not necessarily make men wiser, but it can draw the attention of the concerned public and of the politicians to the implications of certain policy proposals like, for instance, family allowances. Robert Merton summed this up succinctly when he said:

By discovering the latent consequences of accepted practices and proposed programmes and by making these known, the sociologist engaged in the study of social problems provides a basis for substantial reappraisals of these practices and policies in the long run, if not necessarily at once.¹²


CHAPTER X
RECOMMENDATIONS FOR A FAMILY ALLOWANCE PROGRAMME

1 Assumptions on which the recommendations are based

The current wage-system ignores the family responsibilities of the wage-earner, who earns an industrial rather than a social wage. The needs of children could be met effectively through family allowance benefits which are generous enough to cover the minimum costs of child-rearing. The same applies to special provisions for children under the presently existing social security programmes.

2 Outline of the plan

To assure every child an equal chance of opportunity benefits should be high enough to cover subsistence levels. It is, therefore, suggested that the benefits should meet the standards for children of different age groups as set by the Department of Welfare and Rehabilitation of the City of Vancouver.

a) Minimum Benefits for a Family Allowance Programme covering Subsistence

<table>
<thead>
<tr>
<th>Age</th>
<th>Monthly Benefits</th>
<th>Annual Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>30.00</td>
<td>360.00</td>
</tr>
<tr>
<td>6-12</td>
<td>40.00</td>
<td>480.00</td>
</tr>
<tr>
<td>13-18</td>
<td>50.00</td>
<td>600.00</td>
</tr>
</tbody>
</table>
b) Family Allowance and Youth Allowances should become part of a single programme.

c) The programme should be a flat rate universal allowance to all families with children.

d) There should be an additional payment of 10 dollars for the third and any subsequent child. This additional benefit should also be related to age and should be increased to 20 dollars a month once the child reaches the age of 13.

e) All allowances should be taxable either in accordance with a special tax rate or the income tax system.

f) The present inflationary trend will make the annual review of family allowances a necessity if the benefits are to preserve their value in relation to the rise in the cost of living.

g) In the interest of the socialization of child-raising costs, the tax exemptions for children will have to remain in force in order to avoid a mere transference of money from the well-to-do parents to poor parents. The childless section of society will have to accept their part of the expenditure on children not only in the educational system but also in maintaining their material well-being.

h) Exemptions for a couple should be as recommended by the Quebec Commission of Inquiry on Health and Social Welfare, 4,000 dollars plus 500 dollars for each child. Anyone not earning or not receiving sufficient income through other transfer payments should receive the benefits of the exemptions through some form of a negative income tax.
i) A family allowance programme of this kind can be regarded as a guaranteed income to all children regardless of the socio-economic situation of their parents. In this sense the programme is in principle the same as the Canada Pension Plan.

j) A family allowance programme of such a scope would fit logically and systematically into the range of a comprehensive social security system as it would do away with the special provisions for dependent children for such programmes as unemployment insurance, sickness benefits, widow's pensions etc.. These programmes would be free to concentrate on the individual needs of recipients and thus guarantee them a greater degree of security. Allowances for children would no longer be part of other social security programmes but complement them.

k) Such an approach to a comprehensive social security system has its historical roots in the Marsh Report on Social Security for Canada (1943).

NEED FOR A DEPARTMENT OF FAMILY AFFAIRS

The interest of the family will be served best by a special ministry which is solely concerned with the social and economic well-being of the family. There is hardly any social issue that does not affect the family in one way or another, thus before governments plan new legislations and policies their influence on the family should be
most carefully examined. Who could do this better than a Ministry of Family Affairs? A minister and a department would give Canada an effective family policy which could lead to an improvement in the quality of life for all Canadians.
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