

it publishes instructions in the magazine *Ensemble*, another educational organ of Quebec co-operators.

But however effective an instrument of co-ordination may be in itself, it can give full results only through education of its members. Of the nine resolutions adopted by the convention, six were on education for co-operation—a sign that Quebec realizes the importance of adult education and is aiming at the goal through co-operation.

It is as much as to say that Quebec is making use of co-operation to take stock of her democratic assets. The last twenty-five years have totally disillusioned observant citizens as to a democracy that rests solely upon election majorities and political machinery. In

the light of the long depression which has aggravated the problem of the family, the province realizes that democracy must be considered as a moral principle first if it is to produce a maximum of justice and welfare. Democratic peace is a goal that can be reached only down the path of long years given to family, professional, social and civic duties.

There seems no doubt but that co-operation is a reliable means towards that moral rejuvenation of the democratic principle. The moral reform it calls for develops the spirit of unselfishness, the social function of property, and that unceasing appeal to charity without which a nation cannot long live in happiness or peace.

Family Allowances in Great Britain

By EVA M. HUBBACK

The Economic Position of the Family

Distribution of Income

THE case for Family Allowances is based on the principle that the economic structure of society should include some direct provision for the needs of the rising generation. Economists tell us that the national income can be pictured as a continual stream of goods and services flowing through channels of wages, profits, interest and rent to those who, by work or ownership, have established a claim upon it. But this picture of distribution is incomplete as it accounts only for that half of the population which can fit itself into the productive system of the price economy. There remain outside married women working in their own homes, and their children. These can claim no spending power in their own right. They are provided for after a fashion out of the

share of the national income which goes to their husbands or fathers. This share, however, is no larger when it has to be redistributed among half a dozen people than when it is destined for a single one.

At 21 an unskilled labourer may be earning as high a wage as he will ever get. If unmarried he will have a margin above bare needs to spend on sport or hobbies. It is on this margin that we expect him to maintain a wife and family. After he marries the coming of each child means that life becomes more and more of a struggle and that there will be less food, less houseroom, fewer clothes, for the children already there.

It is on the wage-earning classes that the burden of child dependency falls most harshly, but even in middle-class homes, educational and other expenses of child-rearing are a heavy burden on the family budget. In all classes there is the same struggle to fit an expenditure, temporarily swollen by the obligations of parenthood, into an inelastic income. Whether, therefore, we are thinking of

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University lecturers or dockers, of clergymen or coalminers, the disparity in the standard of living attainable by parents and non-parents is felt as a hardship.

A Recent Problem

This financial burden which child dependency puts upon parents is a comparatively new thing in social history. When children worked alongside their parents, first in the fields and their own homes and later factories, the old saying that "With every mouth is born a pair of hands" had some meaning. Factory laws and Education Acts in putting an end to the horrors of child labour also took away from parents the earning power of their children so that the income going into the home has ceased to bear any relation to the number of people who have to live on it.

The Consequences

Poverty and Malnutrition

Under a flat rate wage system, when every additional child is equivalent to a drop in income, the sharpest edge of poverty inevitably falls upon the child population. In every social survey made since the Great War, it has been found that the proportion of children living below the poverty line is considerably greater than the proportion of adults. Whether the survey was taken in the north of England, in the west or in the south, whether it refers to town or rural population, these same conclusions have been drawn—that one-quarter to one-fifth of the children come from homes where the income is inadequate to provide the bare minimum standard and where, in particular, it is impossible to satisfy adequate nutritional needs. It is now generally recognised that defective feeding, especially in the tender years, causes damage to health and physique which is irreparable.

Moreover a bias in favour of the trades supplying luxury goods is given to production by the failure of the wage system to provide for family needs. In England and Wales there are 17½ million "unoccupied" wives and children who have no purchasing power behind them and who represent a vast unsatisfied demand mainly for the primary necessities—

food, clothing, houseroom and warmth. Thus a country in which a quarter of the children are living in families spending only 4s. per head per week on food, spent in 1937 £106,000,000 on motoring, £154,000,000 on tobacco, £200,000,000 on sport and entertainment, and £247,000,000 on drink.

Maladjustment Between Unemployment Pay and Wages

The weekly sums paid under the Unemployment Insurance Acts for unemployed men and their families are lower in many cases than the requirements for healthy living. But it is administratively almost impossible to raise these at present, in view of the fact that, as unemployment benefit is paid in proportion to the number of children and wages take no account of family responsibilities, unemployment benefit would frequently be higher than wages in the lower-paid industries,¹ were it not for the rule that allowances must in no case exceed the applicant's normal wage. The problem should not be solved as at present by the unjust and inhuman device of keeping down unemployment pay, but should be tackled from the wages end.

The Dilemma of Equal Pay Between Men and Women

Women in most industries and professions are offered a lower rate of pay than their male colleagues for the same work. They are refused equal pay on the ground that men have families to support, while women as a rule have not. Broadly speaking, this is true but the sex differentiation is a clumsy and unfair means of meeting the cost of child dependency. It is quite insufficient for the needs of those men who actually have families to support, while giving favoured terms to a whole sex on grounds which at any one time apply only to a small minority. Men teachers, for instance, receive a fifth higher pay than women, but out of every 100 of them, 66 have no

(1) It is unlikely that the problem will arise in Canada under the new Unemployment Insurance Act. While England has flat benefit rates and provides for family allowances according to the number of children, benefits in Canada will be graded according to wages and the allowances for persons with dependents though higher than the benefits for single persons will not depend upon the size of family.—(Editor's Note)

dependent children and only 17 have more than one child.

A Dwindling Population

To a considerable extent parents are finding their own solution to the difficulties of bringing up a family by refusing to have children. Married couples are realising that only by restricting the size of their families can they give a proper start in life to the children they already have. The fertility rate is already over 20% below replacement level and is 50% below replacement in that part of the population whose incomes are over £300 a year. Up to now the effect of the decline in births on the total size of the population has been masked by the bulge in the higher age groups caused by the high birth rates of a generation ago and by the fall in the death rate. When the people who are now middle-aged grow old and die, the results of the past decline in births will become apparent in a progressively diminishing population. Even if the fall in fertility were arrested at its present level, a decline in population is now inevitable and this will inevitably be accelerated by the War. It has been reckoned that as a result of the Great War there were 500,000 fewer births than would otherwise have taken place. The problem is whether anything can be done to check its anticipated rate.

The economic effects of a declining population cannot be foretold with any certainty, but there are some results which appear probable. First, the productive system will have to carry a much larger proportion of non-producers among the aged and infirm. More will have to be spent on pensions, less on education. Not only will there be shifts in demand but also a total decline in the demand for goods, unless it is accompanied by a very rapid increase in individual purchasing power. Production of many commodities will in any case have to be adjusted to a fall in numbers in the home market of 25% in every generation. At the same time the industrial structure will become less flexible because the proportion of new entrants to industry will decline.

Needless to say, the economic motive for family limitation is by no means the only one; psychological and social factors of the insecurity arising from the war are perhaps even more important; but it is of very great importance and possibly the factor most within our immediate control. The economic handicap caused by a family will not disappear however great the increase in general prosperity. The differential birth-rate which exists in this country as in others, whereby the better-off classes have fewer children than the under-privileged, is surely evidence that a general increase in prosperity, in any one class or in the country as a whole, would not *ipso facto* be marked by a rise in the birth-rate. It is sometimes argued that what is necessary is a change in the economic system. This is also irrelevant. The economic disparity between the man with a family and the man without will remain, and the economic steps which can be taken to encourage the birth-rate will be equally necessary under any system.

The Solution Offered by Family Allowances

We have shown that our system of distribution, by its failure to provide for the costs of family maintenance, thrusts the heaviest incidence of poverty on the child population, that it contributes to a decline in the population, that it obstructs the attainment of equal pay for men and women, and that in all income grades it produces friction and discontent by imposing a lower standard of living on parents than on non-parents.

The establishment of cash Family Allowances would, we believe, bring each of these problems nearer to solution.

The opponents of Family Allowances sometimes argue that every worker is entitled to a living wage, and that how he spends it is no man's concern but his own. As one of them puts it: "One man keeps a motor-cycle; another likes his beer; yet another keeps a family." To regard a child simply as a substitute for a motor-cycle is to deny his importance as a separate personality and his potential value to the community. It is assumed,

however, that if a man chooses to have a family he should be able to provide for it, and the minimum wage must, therefore, be sufficient for family needs. If, however, this indirect form of provision is to be adequate, all wages must all the time be sufficient to cover the needs of the largest families. Most advocates of the living wage have evaded that fantastic conclusion by limiting their demand to a wage sufficient for a man, wife and three children. But this would involve, *ex hypothesi*, the acceptance of a wage too low for a family of more than three children. In no country, however, and certainly not in Great Britain, could a minimum wage be paid sufficient to cover the needs of a 5-member family, which it has been reckoned would at present prices be more than £3. Even if this became possible it would still leave those families where there are more than three children on short rations.

How then does the real burden of dependency fall? The following table is based on the 1921 Census, the latest available figures:

Of every 100 men over 20 in England and Wales,

- 60.6 were bachelors or married with no dependent children under 16.
- 16 had one dependent child.
- 10.5 had 2 dependent children.
- 6.2 had 3 dependent children.
- 6.7 had 4 or more dependent children.

The last two classes according to our most recent figures only now together amount to 9%. At that time a wage based on the 5-member family would have provided for 16 million non-existent children (under 14 years of age) in the wage-earning classes, while leaving 3½ million real children in families with more than three inadequately provided for.

The necessity for Family Allowances does not depend upon the fact that wages in some industries are low or that some people have more children than others. If every couple had exactly the same number of children it would still be necessary to devise some way of fitting the family income into the waxing and

waning cycle of necessary expenditure. Nor is it any good saving in middle-age, when saving is most possible, for an emergency which is already past.

Possible Schemes

How is the cost of Family Allowances to be met? There are, broadly, three possibilities: one, a State scheme, paid for by general taxation; two, a Social Insurance scheme; and, three, a scheme financed by employers as part of their labour costs.

Whichever method is adopted, it is very desirable that the mother should normally be the recipient of the allowance. This gives greater assurance that the money will be spent on the child and it emphasises the distinction between allowances which represent a recognition of the social function of parenthood, and wages proper which represent payment for work done.

A State scheme paid for out of taxation would cost, at the rate of 5/- per week per child, about £100,000,000 a year; or about half this sum if the first child were omitted on the ground that it could usually be supported out of its parent's wages. This cost could be reduced, of course, by the payment of a smaller allowance or by the scheme starting only with the third child.

If Family Allowances were paid as part of the social insurance system of the country, the burden of only a third of the sum required would fall on the State, the rest being provided out of weekly contributions. If all children were included at 5/- a week these would amount to about 1/- each for adult male workers and employers respectively.

For the industrial scheme—that is, where Family Allowances are paid by employing bodies only—some pooling system is necessary to ensure that it is not financially a disadvantage to any one employer to engage men with families. In France and Belgium, where this system is compulsory and universal, a number of firms form a fund for the payment of allowances in respect of the children of their workers. The assess-

ment of each employer may be based on a percentage of his wages bill or on the number of workers employed.

Family Allowances in Practice

In Great Britain

Support for Family Allowances in Great Britain is rapidly increasing. The only opposition, in fact, arises from certain sections of the Labour Movement which fear that if children are provided for outside the wages system, one of the psychological factors in collective bargaining may, from their point of view, be reduced. Others, on the other hand, feel it may be increased owing to the children being placed "au dessus de la Bataille."

Since this War, the need for Family Allowances has been accentuated both on account of the many categories of children—such as the children of men serving with the Forces, or of widows, evacuated children and others—who already receive allowances of very varied amount from the State. Income tax payers also receive rebates on account of their children and many municipalities allow children's rent rebates off the rents of municipal houses. There is, moreover, a stern resolution among responsible members of the community of every political party, to prevent if possible the "vicious spiral" of high wages following increased prices. If, however, wartime consumption is to be limited and wage increases are to be minimised without the children of the workers suffering, it is

necessary that the latter should be safeguarded by some general system of Family Allowances.

Opinion in this country is hardening in favour of a national scheme. The support of the next generation is looked upon as a general rather than as an industrial liability, and there is pronounced feeling against an industrial scheme on the grounds that it puts too much power in the hands of the employers.

In several parts of the British Empire, as in Australia and New Zealand, Family Allowances have been paid by the State for some years. In New South Wales, for example, a payment of 5/- a week is paid in respect of all children except the first, up to school-leaving age, in cases where the family income does not exceed the basic wage, which is about £4 a week, plus the value of the allowances. In New Zealand, the Social Security Act of 1938 extended the system which had been in force since 1926 and allowances are paid at the rate of 4/- a week in respect of each child under 16 years from the third onwards in families whose income does not exceed £5 a week plus the allowances.

In Germany, U.S.S.R., Italy and many other countries, various schemes, for the most part financed by the State, are widespread. There appears to be little doubt to the present writer that within the next year or two, Great Britain will no longer be lagging behind these many other countries in her sense of responsibility to the children of the nation.

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