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Family Allowances in Various Countries

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Letter of Transmittal

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The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on family allowances in various countries. It is only in recent years that there has been any widespread discussion of this subject in the United States, but long before the present war, systems of family allowances had been in operation in some foreign countries. This bulletin gives the latest available information on family allowances, other than those for armed forces, in the various countries.

This report was prepared by Mary T. Waggaman, under the supervision of Hugh S. Hanna, chief of the Bureau's Editorial and Research Division.

A. F. HINRICHS,
Acting Commissioner.

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Secretary of Labor.

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Family Allowances in Various Countries

IN PRACTICALLY all industrialized countries serious consideration has been given for a number of years to the problem of adequately providing for large families in the case of wage earners and lower-salaried employees. It is now generally agreed that the remuneration of such workers should be sufficient to provide for the maintenance of a family at a minimum standard of health and decency. However, an income which will provide such a standard for a married man with a small family may well be insufficient in the case of a large number of dependents.

It is only in recent years that there has been any widespread discussion of this problem in the United States, but in various foreign countries concrete proposals for meeting it have been made in responsible quarters and in a considerable number such proposals have been put into practice.

In France and Belgium, for instance, long before the present war there was in effect an extensive system of "family allowances" by which extra payments to wage earners with dependents were made from a "pool" supported by the employers in a particular group. In New Zealand and Australia a different approach was taken, payments to families with more than a specified number of children being made directly by the State. This system is referred to as one of "child endowment." Moreover, in the case of many foreign countries, the salaries of civil servants were increased in the case of larger families. The same principle is also recognized in many social-insurance schemes, where the benefits are adjusted to the number of dependents.

Certain other factors have entered the situation. One is the desire of various countries, both as a military and as an industrial measure, to encourage an increase in population, or at least a maintenance of the present population. Another factor is the fear that in a post-war devastated world, wages and living levels may be forced down; under such conditions a system of family allowances or child endowment may permit a more equitable distribution of a limited national income.

Experiments with family-allowance schemes, exclusive of those for mobilized men, have been made in at least 38 countries, including practically all the countries of Europe, Australia, New Zealand, 4 of the South American countries, and the United States. The schemes vary greatly in importance, some being simple local ventures, as in this country; others compulsory nation-wide systems. Their common function, however, is the granting of allowances—usually in cash—to families to supplement their regular income from wages, salaries, or

other sources, to enable breadwinners to meet more adequately expenses incurred in the maintenance of dependents. Despite the difficulty of holding family allowances within the boundary lines of definition, it would seem that, in general, such allocations are considered a right or privilege and not a dole.

In this article the attempt is made to give a brief review of the latest available information on family allowances other than those for armed forces, with such references to earlier history as are necessary to give a reasonably clear picture of the existing situation.

Types of Family-Allowance Systems

Family-allowance schemes are of 3 major types:

- (1) Those confined to public services, including the armed forces.
- (2) Those financed by private industry; jointly by the State and private industry; or by the State, private industry, and the workers. These may be either voluntary or compulsory.
- (3) Those involving direct family endowment by the State.

Methods of Paying Family Allowances

In provisions for allocations for family responsibilities, the word "children" is frequently interpreted to mean not only legitimate children but also legitimized and illegitimate, adopted and foster children, and stepchildren. Wives also may be included in benefits, and in some instances even common-law wives and divorced wives. The number of children for whom benefits may be paid varies as to their ages for eligibility. Even children in the higher age groups are included under specified circumstances. In some instances only workers in the lower income brackets are covered, but other schemes extend these benefits to all with family responsibilities, regardless of income level.

Payment may be made on an hourly, daily, weekly, monthly, or annual basis. The grant may be a percentage of salary or may take the form of a higher wage. In some cases the allowance has no connection with the wage or salary.

Family-Allowance Funds

The cost of benefits naturally varies considerably from company to company and group to group, according to the relative number of dependents for whom grants must be made. To meet this situation "compensation funds" have been created in some countries, notably Belgium and France. These funds, operating over a considerably wider field than that presented by the industrial firm, serve to spread the risk and to equalize the cost of benefits among the employers.

The membership of these funds may include all employers in the area, or may be confined to specified industries or trades. The employers affiliate with the appropriate fund, making their contributions to it. Such contributions are calculated in various ways—on the basis of number of days worked, total number of workers employed, total wage bill, etc. The contributions of some agricultural funds have been based on the amount of ground under cultivation by affiliated members.

In some cases employers with large numbers of young workers without dependents pay smaller contributions.

The advantage of the compensation funds is that by spreading the cost over a larger group of employers, they prevent the penalizing of those who have hired workers with large numbers of dependents, and thus also forestall the discrimination against such workers that would result if an individual employer had to be responsible personally for the payments of benefits to his force.

Developments, 1939-43

During the period 1939-43 there were developments of more or less importance in the family-allowance field in at least 24 countries.

The Australian Child Endowment Act, assented to April 7, 1941, provides that 5s. per week be paid for each child under 16 years of age in excess of 1 child in each family, regardless of the income of the parents.

The family-allowance provisions in the New Zealand Security Act were liberalized by 1941 and 1942 legislation.

In Great Britain the growing interest in child endowment has been manifested by increasing discussions on the subject and numerous recommendations for the inauguration of such endowment from British churchmen, members of Parliament, industrialists, and other influential groups. In March 1942, after years of opposition to family allowances, the British Trades Union Congress, through its general council, reversed its attitude and agreed with the Labor Party on the need for a national scheme of child endowment which should be a charge on the State. In June 1942, the British Chancellor of the Exchequer issued a memorandum, published as a "white paper," estimating the cost of a national system of child endowment under different types of schemes. Late in the same year the British economist Sir William Beveridge recommended children's allowances in his report on social security.

A Canadian report, proposing children's allowances for the Dominion of Canada, was also submitted in March 1943 to the Canadian House of Commons Committee on Social Security.

In the United States, the publication by the National Education Association, in the latter part of 1941, of the results of an examination of public-school salary schedules disclosed provisions for financial supplements for family responsibilities for teachers in public-school systems in 75 cities and towns.

The Federal Social Security Board, after referring to the existing scheme of Federal grants to States under the Social Security Act for dependent children, makes the following statement in its seventh annual report (1942):

Consideration should be given also to extending the scope of the program by including children whose need is due to causes other than those now specified, i. e., the parent's death, incapacity, or absence from home. It has been suggested, for example, that Federal matching grants should be available for approved State plans which furnish aid to any child whose family resources are insufficient to insure healthful growth and development.

In Latin America several acts have been passed and legislative proposals made concerning family allowances, since the adoption of a

resolution on such allowances at the Eighth International Conference of American States held at Lima, Peru, toward the close of 1938.

In Hungary, an act establishing a new family-allowance system became operative on January 1, 1939, covering manual workers in the larger mining, industrial, and commercial enterprises.

Under the nation-wide family allowance system instituted in Spain in 1938, the amounts of allowances were doubled in 1939.

On July 29, 1939, the Family Code, which provided for unifying into one general system the French family-allowance schemes, was adopted in the form of a decree, the provisions of which were to become effective by degrees in 1940. The French Labor Charter promulgated October 4, 1941, gave family allowances a prominent place in the sections dealing with wage determination.

The act providing for a general family-allowance scheme in the Netherlands, to be financed entirely by employers, was promulgated December 23, 1939. No data are available as to the fate of the system since the Nazi invasion.

By an act of August 6, 1940, the Italian Government announced the discontinuance of its contribution to the family-allowance system and gave legal confirmation to the previous abrogation of the workers' obligation to contribute.

In 1942, family-allowance laws were enacted in both Bulgaria and Portugal.

In 1943 provisions for family allowances were liberalized in Yugoslavia (Croatia).

Family Allowances in Private Employment

In the field of family allowances in private industry the most important countries are Belgium, France, and Italy. In the first two of these the progress of the family-allowance movement has been notable. Initiated by private employers, the systems in both countries have since been made compulsory and nation-wide. A recent signal development is the inclusion in these systems of the children of employers and independent workers.

The trend in the French movement has been toward more and more Governmental management and financing. The family-allowance system was made general in Italy by a decree of June 17, 1937, which effected very important changes in the internal organization of the previous restricted scheme; later measures expanded the coverage of the system, raised the amount of the allowances, and placed the cost of these benefits wholly upon the employer.

SCOPE OF FAMILY-ALLOWANCE PLANS

Belgium.—As early as 1915 family allowances were being paid in the coal-mining industry in Belgium.

A law making family allowances compulsory in private industry in that country was passed August 4, 1930. An act of June 10, 1937, extending the scope of family allowances to the children of employers and independent workers, became effective by degrees from January 1, 1938. At least 2 years after the German invasion these grants were still being paid.

Bulgaria.—A family-allowance scheme was established in Bulgaria under regulations issued by the Council of Ministers on August 4, 1942. The system was made retroactive from the first of the preceding month. All workers of Bulgarian nationality, covered by social insurance and employed in private industry, are included in the scheme.

France.—It was not until 1932 that a law was enacted in France making the payment of family allowances compulsory for all employers, although allowances had been granted voluntarily and extensively by private employers years before, and by certain mine operators even before the first World War. Two decrees in 1938 so extended the system of family allowances in agriculture as to benefit practically all the rural population.

The numerous schemes for family allowances established in France under the act of 1932 varied appreciably in form and advantages. This was also true of arrangements for these grants for officials and employees of the Government, the personnel of local communities, and public services under State, departmental, communal, and other concessions.

These schemes were absorbed and unified in a new nation-wide system by a decree of the President of the French Republic, July 29, 1939. This so-called Family Code provided family allowances for the heads of families throughout the country not only in the wage-earning and salaried groups but also for employers and independent workers. The essential purpose of the code was "to provide legislative foundation for a social reform, the application of which, it is hoped, may bring about an increase in the country's birth rate, and in general ameliorate the material well-being of French family units to such an extent as to make the raising of large families possible."

As already stated, family allowances were provided for in the French Labor Charter that was promulgated October 4, 1941. Whether and in what way the established family-allowance system has been affected by the charter is not known.

Great Britain.—It has long been a practice of the Methodist, Presbyterian, and Baptist churches in England to grant family allowances to their ministers, and limited family-allowance schemes are in operation in some of the dioceses of the English Established Church. The London School of Economics has for many years been paying such benefits to its staff.

According to reports published in 1940, 1941, and 1942, there are at least 35 industrial establishments paying family allowances in Great Britain. Two or more of these adopted the practice in 1917, but the great majority of the schemes were started in the period 1938-42.

Germany.—In Germany during the past few years there has been a revival of interest in the subject of family allowances. In 1941, allowances paid by private enterprises were provided for in certain collective agreements. Also, supplements for children were still being granted by insurance funds for medical, dental, and pharmaceutical care.

Hungary.—A new family-allowance scheme was instituted in Hungary under an act promulgated on December 28, 1938, which became operative January 1, 1939.

The act is applicable to all mining, industrial, and commercial enterprises which employ on an average over 20 workers. Only manual workers are covered.

Italy.—In Italy a royal decree-law of August 21, 1936, made the family-allowance system obligatory for all industrial workers with dependent children, regardless of the number of hours worked per week. Under this law collective contracts have also been made in other branches of business (as in finance and commerce) which are extending the coverage of the system. Under the act of June 17, 1937, and the decree of July 21, 1937, the family-allowance system was still further extended, the payment of family allowances being made compulsory to wage-earner heads of families, regardless of age, sex, or nationality.

Recent legal regulations provide that family allowances in agriculture shall be restricted to persons registered on the list of agricultural workers.

Latvia.—The Latvian law instituting family allowances in agriculture was amended on May 4, 1939, to expand the coverage of the system. A decree of the Ministry of Social Welfare, of December 30, 1939, provided for additional subsidies for rural workers with dependents.

Netherlands.—Family allowances were quite common in the Netherlands even before December 23, 1939, when the act providing for a compulsory family-allowance scheme covering the wage earners on the pay rolls of all employers was promulgated.

Portugal.—A family-allowance scheme was introduced by the Portuguese Government by a legislative decree of August 13, 1942, in accordance with the principles set forth in articles 11 and 15 of the constitution of March 9, 1933. The decree is applicable to family wage earners of Portuguese nationality working for an employer in industry, commerce, the liberal professions, or corporative bodies or organizations for economic coordination, provided such wage earners are domiciled in Portugal. Brazilian and Spanish workers, and nationals of other countries which grant reciprocal treatment to Portuguese wage earners, are also covered.

Spain.—In 1938 a law was enacted in Spain instituting a compulsory centralized system of family allowances for wage and salaried workers in private employment.

Application to agriculture of the compulsory family-allowance system provided for in Spain under the act of July 18, 1938, and a decree of October 20, 1938, was so difficult that it became necessary to issue special regulations. These were included in an act of September 1, 1939, in regulations issued the following month, and in an order of January 17, 1940.

South America.—An Argentine act of September 4, 1940, provides that banks shall pay family allowances. Among other private establishments and organizations listed as making these grants in that country in 1942 were the Argentine Electric Co., Flandria Cotton Mill Co., Michelin Tire Co., Noel & Co. Candy Manufacturers; Printing Office of Louis Gotelli, Argentine Model School, Central Board of Catholic Action of Argentina, Federation of Catholic Workers' Clubs, and Workers' Club of Rosario.

In Chile, in accordance with an act of February 5, 1937, and later decrees, and an amending act of September 12, 1941, salaried employees of private establishments and semiofficial institutions have been granted family allowances.

United States.—Family-allowance schemes in private employment in the United States at present are so few in number as to be negligible. The Salvation Army makes such grants to its officers. The principles of the basic wage and dependency allotments have been used as a guide in certain higher educational institutions in fixing salaries and determining increases in pay.

Other countries.—In view of the increase in the cost of living, the institution of a system of family allowances for low-paid workers was decided upon by the Japanese Cabinet on February 16, 1940. Manual workers, salaried employees, and public and municipal officials were included in the scheme. The purpose of the measure was to cushion the effects of the imperial orders of October 16, 1939, concerning the regulation of wages. On February 16, 1940, the Minister of Social Welfare sent a circular to the prefects and chiefs of the mines-inspection offices, which defined the methods of application of the new plan.

Prior to May 1937 a large number of factories in Japan had raised their wage rates, because of the upward trend in prices, and labor organizations had started a campaign for pay increases. In this connection several companies in the textile industry introduced a new system of family allowances.

Shortly before the outbreak of the present war, family allowances were being paid in private industry to some extent in Czechoslovakia, Estonia, Greece, Luxemburg, the Principality of Monaco, Poland, and Yugoslavia.

DEPENDENT BENEFICIARIES AND ALLOWANCE RATES

Provisions concerning dependents show extreme variation in regard to the number and relationship of the beneficiaries, and allowance rates. Among the more common regulations were the restriction of the allowances to children below the 14-16 age group, unless they were continuing their education or training, and the granting of allowances for an indefinite period to children physically or mentally incapable of earning their living.

Belgium.—In Belgium in 1938 allowances were being paid for children up to 18 years of age, except in the case of children going to work after reaching 14 years of age. Children mentally or physically defective were eligible for allowances indefinitely. The minimum allowances as reported in April 1938, ranged from 20.64 francs per month for the first child to 124.00 francs per month for the fifth and each subsequent child.

Bulgaria.—The children dependent on mothers, fathers, sisters, or brothers in Bulgaria are granted allowances up to 21 years of age, provided these children are not at work. The monthly allowance rate is 100 leva for the first child and 200 leva for the other children.

France.—Instead of the previous allowance for the first child, the Family Code provided that a sum ranging from 2,000 to 3,000 francs was to be paid for a first-born legitimate child under specified conditions.

All workers, including employers, in agriculture, industry, commerce, and the professions, with two or more children, were declared eligible for family allowances for children under 14 years of age (or under 17 years of age if they were continuing their education or were apprenticed).

It was provided that the rate of the allocation for the second child should be at least 10 percent of the average salary common to the locality in which the allocatee resided, and 20 percent for the third and each subsequent child. Moreover, an additional allocation of 10 percent was to be granted as an assistance to the mother, when the family depended upon a single income which was not paid during holidays or for other reasons.

A decree of December 16, 1939, laid down the manner in which the Family Code was to be applied under war conditions.

Great Britain.—The London School of Economics, according to a report published in 1940, was paying £30 per annum for each child under 13 years of age and £60 per annum for each child between 13 and 23 years of age receiving a full-time education. The Association of University Teachers approved the extension of this experiment, but without practical results.

In the industrial establishments which have adopted family-allowance schemes, the weekly allowance per child ranges from 1s. to as high as 5s. The wage limit for receiving allowances also varies, for example, being only £5 per week in the establishment of N. Kilvert & Sons, Ltd., and as much as £400 per annum for the staff of Pilkington Brothers, Ltd. Cadbury Brothers, Ltd., grants a weekly supplement of 5s. for each child after the second, regardless of the father's salary. J. Bibby & Sons, Ltd., pays allowances when the total income going into the home is below a certain base which varies, however, with the number of children under 16 years of age in the family. Brittain's, Ltd., pays £10 a year for a child until it leaves school, for members of the staff whose income is not over £400 per annum.

Hungary.—Legitimate, adopted, or recognized illegitimate children, under 14 years of age, dependent on a manual worker, are eligible for family allowances. The rate of allowance is set at 5 pengös per month, and the grants are paid through equalization funds.

At the close of 1939, an allowance of from 70 to 80 pengös was granted to each large family having children under 12 years of age among the agricultural workers of the County of Hejer employed by the members of the National Union of Agricultural Employers.

Italy.—In 1940, increases were granted in the family-allowance rates for the dependent children of workers in industry, commerce, and agriculture. As established in that year the allowances for the first child ranged from 0.45 lira per day for agricultural wage earners to 100.00 lire for employees in banks; for the fourth and subsequent children the allowances ranged from 0.90 lira per day to 135.00 lire per month in the same classifications. Allowances were also provided for the wives and parents of these workers and for the wives and parents of ship's officers and seamen.

Latvia.—An amendment of May 4, 1939, to the law instituting family allowances in agriculture in Latvia extended the age limit for children's allowances up to 11 years. The previous law specified 10 years as the age limit and 5 children as the maximum number to receive allowances.

Netherlands.—The Netherlands act of December 23, 1939, made every wage earner employed by a private enterprise or by a community eligible for a family allowance for each child under 15 years of age, beginning with the third. The allowance varied according to the

wage, the minimum being 10 cents and the maximum being 25 cents per day.

Portugal.—In 1942 the breadwinners' dependents included those whose individual means were not sufficient to maintain them and who relied for their support, clothing, and education on the family breadwinner. The amount of the allowance is computed on the number of days worked, in accordance with the rates published in a schedule to the decree.

Spain.—More substantial family allowances, together with marriage loans and prizes, were provided for by a Spanish decree of February 22, 1941. The new family-allowance rates, which were 100 percent above those provided for in the compulsory family-allowance act of July 18, 1938, ranged from 30 pesetas per month for 2 children to 290 pesetas per month for 12 children.

South America.—An act of September 4, 1940, provided that the employees in Argentine banks must be paid an allowance of 5 pesos per month for each dependent child under 16 years of age. The Central Bank of the Republic of Argentina has been paying family allowances of 10 pesos per month per child under 15 years of age to all staff members earning salaries up to 350 pesos per month.

A law of September 12, 1941 (No. 7064), of Chile amended the law of February 5, 1937 (No. 6020), which provided for family allowances for salaried employees in private establishments and semiofficial institutions. These amendments included certain regulations relative to fixing the amounts of family allowances.

According to the Foreign Commerce Weekly of February 6, 1943 (U. S. Bureau of Foreign and Domestic Commerce), the dependents of workers jointly contributing with employers to a Public Assistance Fund established by the Chilean Government were receiving 50 pesos for each child under 16 years of age or dependent relative.

Japan.—Under regulations issued in 1940 by the Japanese Government, all workers whose earnings per month were not over 70 yen and who had one or more dependent children under 14 years of age were to be eligible for family allowances. The average monthly allowance rate was set at 2 yen per worker. Each establishment was to be permitted to determine the conditions under which the allowances were to be granted and to increase the amount according to the number of the worker's dependents.

FINANCIAL CONTRIBUTIONS AND EQUALIZATION FUNDS

The tendency in many countries in which family-allowance schemes have been established in private industry is to organize central funds from which the payments are made. This equalizes the cost for employers and prevents discrimination against workers with heavy family responsibilities, as the contributions of individual employing companies are assessed in such a way as to make it a matter of indifference to them how many dependents their workers have. In England, however, the industrial establishments that have adopted family-allowance schemes make the payments directly to their workers.

In France and Belgium the equalization funds have been multiplied and elaborated. As already noted, the purpose of the French Family Code of 1939 was to unify a highly complex system. In Italy in

1937 four separate funds were replaced by a single one. The Bulgarian law of August 4, 1942, provided for one autonomous fund. Various funds were provided, however, by the 1939 family-allowance legislation in Hungary and the Portuguese decree of August 13, 1942.

Belgium.—In 1938 all employers were required to become members of a family-allowance fund. The funds are of several types, based on the period at which the members were affiliated, the character of the industry carried on, etc. A National Equalization Fund has also been established.

Belgian employers' contributions to the funds vary according to the cost-of-living index and have been increased or decreased by royal decree. In April 1938 the daily rates were 1.10 francs for each man and 0.60 franc for each woman employed. If at least 23 days are worked in the month, the employer makes a monthly lump-sum contribution which is also based on the cost-of-living index. The monthly contributions in April 1938 were at the rate of 27.50 francs for a man and 15 francs for a woman, this difference, it was explained, being due to the fact that few women were supporting families and that in practically all cases they gave up work when they acquired a family. The funds may also claim a small additional contribution for administrative expenses.

Bulgaria.—The Family Allowance Act of 1942 required private enterprises to contribute 10 percent of their wage and salary bills to an autonomous fund attached to the Directorate of Labor which administers the system.

France.—In 1940 it was compulsory for employers to become affiliated personally with the equalization fund to which their personnel was already affiliated. Independent workers were to affiliate with a special family-allowance fund or with a special section established in an ordinary equalization fund as an independent financial unit; this system has since been changed with a view to improving its operation. Under an act of November 18, 1940, provision was made for the financing of these funds.

The Family Code called for a State expenditure of 1,450,000,000 francs, to be raised by contributions from employers and the taxation of citizens according to the family responsibilities of the taxpayers.

Netherlands.—Family allowances and their administration are financed entirely by the employers. Their contributions are fixed each year for the following 12 months, on the basis of, and in proportion to, each employer's total wage bill. It is estimated that the allowances represent approximately 1 percent of the combined wages paid, or approximately 18,000,000 florins per annum.

Hungary.—Except for the expenses of administration of the central fund, which the Government meets, employers are responsible for all expenditures connected with the payment of family allowances, including the organization and administration of the various equalization funds. For the first year the contribution was 48 pengös per male worker and 32 pengös per female worker. Organization and administration costs are fixed at 5 percent of the income resulting from the assessments levied upon employers.

Eight equalization funds have been established for the various branches of mining, industry, and commerce, each fund having country-wide jurisdiction. The central fund is under the general

direction of the Ministry of Industry, and its operations are supervised by a committee on which both workers and employers have representation.

Italy.—From the financial viewpoint, the present organization of family allowances is based principally on a single fund (created in 1937), which replaces the four separate funds previously existing.

By a law of August 6, 1940, the Italian Government announced the discontinuance of its contribution to the family-allowance system and gave legal confirmation to the previous abrogation of the workers' obligation to contribute. It also extended the system to employees of State administrations and public establishments insofar as they were not already receiving family aid.

Portugal.—Family-allowance funds collect the money for the system and distribute them to the allocatees. It is compulsory for every worker and every enterprise to become a member of a family-allowance fund as soon as one has been established for the occupation or industry. The finances of the funds are furnished through contributions from both the workers and the establishments concerned, payments by the National Family Allowances Fund, interest and other revenue, grants, gifts, and legacies.

The legislative decree of August 13, 1942, also created a national fund attached to the National Labor and Welfare Institute to balance the receipts and expenditures of the regional funds, and to assist them in carrying out their functions.

Spain.—Under 1939 and 1940 legislation, agricultural employers in Spain must bear the entire cost of financing the allowances, their contributions being based in part on the assessed land value and in part on their wages bill. In case of land held on lease or cultivated on shares, landlords may require their leaseholders or tenants to refund the contributions paid. The amount of the allowance is based on a monthly schedule, regardless of the number of days the recipient has been employed.

Family Allowances in Public Employment

Based on information for 1937 or 1938, family allowances were being paid in the State civil service of at least 19 foreign countries—Australia, Belgium, Czechoslovakia, Denmark, Estonia, Finland, France, Germany, Hungary, Irish Free State, Italy, Latvia, Lithuania, Luxemburg, the Netherlands, Norway, Rumania, Switzerland, and Yugoslavia. Furthermore, grants of this kind were being made in certain State mines in Hungary, in the public service of the municipality of Buenos Aires, Argentina, in certain communal agencies in Chile, and to the Peruvian police force.

Later reports indicate that many of these public services are still paying family allowances and that such benefits are now, or were, just preceding the war, granted more or less in public employment in Bohemia-Moravia, Bulgaria, French Equatorial Africa, Palestine, Poland, and South America—in Argentina in various public administrations, in Chile, and in Peru to teachers. As previously stated, in 1941, salary differentials for family responsibilities were reported for the school systems of 75 communities in the United States.

South America.—An order of December 23, 1937, provided that beginning with May 1, 1938, the municipality of Buenos Aires should add to the monthly remuneration of its salaried and wage-earning employees receiving up to 300 pesos per month, an allowance of 5 pesos for each child under 15 years of age wholly dependent upon the head of the family.

Family allowances were being voluntarily granted in various public administrative and official and mixed institutions in Argentina, according to the February 1943 issue of *Revista de Economía Argentina*.

Among the public administrations are those of the Provinces of Catamarca, Córdoba, and Santa Fe, and the municipalities of Leones and General Pico.

Family Endowment by the State

Although the term "family endowment" is sometimes used interchangeably for "family allowances," as used in this section it refers to a grant for family responsibilities made directly by the State, not as an emergency relief measure but as a regular cash supplement based on the fact that the budgets of larger families call for greater expenditures. The inclusion and liberalizing of the long-existing system of child endowment under the provisions of the New Zealand Social Security Act, which became effective April 1, 1939, and the Australian Commonwealth Child Endowment Act of April 1941, are conspicuous evidences of an accelerated trend towards greater economic security for the family. Both these systems are country-wide in their scope, as is also the German child-endowment system under the ordinance of December 9, 1940, which became operative January 1, 1941. The New Zealand act fixes an income limit for benefiting families, but the Australian and German schemes disregard the matter of income.

The age limit for child beneficiaries except in specified circumstances is under 16 in the New Zealand and Australian acts.

The Finance Act of New Zealand, effective September 1, 1941, provided that a family allowance of 4s. be payable for the first child, the rate being adjusted so that the average weekly income of the parents and children under 16 years of age, exclusive of the allowance, should not exceed £5. In 1942, in accordance with an amendment to the Social Security Act, family allowances were increased 50 per cent and the family-income limit was raised to £5, 5s.

In Australia the sum of 5s. per week is provided for all children under 16 years of age, in excess of one per family.

The German legislation provides that an allowance be granted to a family for children under 21 years of age if there are 3 or more children under that age in the family.

Under the new constitution of the United States of Brazil, large families are entitled to allowances according to the number of their dependent children. Needy parents have the right to apply to the State for assistance and protection in order to secure the maintenance and education of their children.

The Public Health Act of Turkey gives an important place to the assistance of large families—always with the objective of reducing infant mortality but with the further purpose of assisting mothers and giving needed help in homes where there are many children.

Development of Family Allowances in Individual Countries

ARGENTINA

Prior to 1939, family allowances were being paid in the public service of the municipality of Buenos Aires, and in a few private enterprises in Argentina and had been officially recommended for employees of the postal and telegraph services of that country. The establishments in which family-allowance schemes were in force were listed in a report on family allowances published by the National Civil Retirement and Pension Fund of the Argentine Treasury Department, 1939, as follows:

Official and mixed institutions.—Government oil fields; Municipality of Buenos Aires; Municipal Loan Bank; Central Bank of the Republic of Argentina; National Bank of Argentina; and Bank of the Province of Buenos Aires.

Private employment.—Journal "El Pueblo"; German Bank of South America; German Transatlantic Bank; Flandria Cotton Mill Co.; and Michelin Tire Co. of Argentina.

An act of September 4, 1940, provided that the employees in Argentine banks must be paid an allowance of 5 pesos per month for each dependent child under 16 years of age.¹ Family allowances of 10 pesos per month per child under 15 years of age were paid by the Central Bank of the Republic of Argentina to all staff members earning salaries up to 350 pesos per month. In December 1940,² 115 employees benefited by these allowances; the cost for the month was 1,910 pesos.

In 1941, the Central Board of Argentine Catholic Action petitioned the Chamber of Deputies to include in pending social legislation Government subsidies for the families of wage earners having children under 14 years of age and with income not exceeding 300 pesos per month. It was suggested that such provision would benefit over 1,000,000 homes.³

Among the provisions of the workers' social insurance bill, introduced in the National Congress of Argentina on September 2, 1941, was one for a family-allowance scheme which may be initiated before the insurance scheme proper, as facilities already exist and experience has been gained along these lines in certain industrial undertakings. The proposal was made that family allowances should be paid to married wage earners and salaried employees with at least 6 months' service and wage or salary not over 250 pesos per month. The rate suggested was 5 pesos per month for each child under 18 years of age who continued his or her secondary education or vocational training. The cost of these grants would be met by employers' contributions at the rate of 2 percent of the wages of employees earning up to 250 pesos per month.⁴ From July 1, 1943, cost-of-living bonuses in the Argentine public administrative services will cover 185,000 workers whose wage or salary per month is not over 250 pesos. The bonus is 10 percent of the remuneration for married men and widowers with children and 5 percent for single men.^{4a}

¹ International Labor Review (Montreal), April 1941 (p. 437).

² Annual report of Banco Central de la Republica Argentina, 1940, Buenos Aires, 1941 (pp. 48-49).

³ Catholic Charities Review (Washington), November 1941 (p. 263).

⁴ International Labor Review (Montreal), March 1942 (pp. 342 and 344). Torcuato Di Tella: Dos Temas de Legislación del Trabajo. Proyectos de ley de Seguro Social obrero y asignaciones familiares, Buenos Aires, 1941.

^{4a} International Labor Review (Montreal), September 1943 (p. 380).

AUSTRALIA

The Australian Commonwealth Child Endowment Act of April 7, 1941, provides for an allowance of 5 shillings per week for each child under 16 years of age in excess of one child in each family, regardless of the income of the parents.⁵ It was explained that the basic wage (according to the findings of the Arbitration Court of the Commonwealth) was adequate for a man, wife, and one child, and that malnutrition existed to a serious extent only in families with a large number of children.

The endowment is to be granted for all children for whom special allowances were being paid at the time the law became effective, for example, the children of soldiers and war pensioners. Children in private institutions also come under the act, but children in State institutions are excluded. British subjects from overseas will be covered by the endowment provisions after a 12-month residence. Aliens' children born in the Commonwealth will receive the endowment (being citizens of Australia), as will also children of aliens from the time the parents are naturalized. It was also proposed to include in the endowment scheme the children of aborigines and half-castes when their living standard is comparable to that of white Australians.

The number of children in Australia under 16 years of age was said to be approximately 1,830,000, of whom about 1,000,000 were members of families with more than 1 dependent child. The annual cost of the endowment for children above the first in the family was estimated as £13,000,000. Including all children, an additional £11,000,000 per annum would be necessary.

The funds for meeting the expenditures under the new act are to be raised by a pay-roll tax of 2½ percent on amounts exceeding £20 per week, or £1,040 per annum. The estimated amount from this source is £9,000,000. It is expected that an additional £2,000,000 will be raised through extra income tax as a result of the discontinuance of the income-tax deductions for each child after the first.

The New South Wales endowment scheme was discontinued upon the inauguration of the Commonwealth plan.⁶

At the close of July 1941, claims for endowment had been received for an average of 2 children in each of 440,921 families. On July 29, 1941, the benefits paid aggregated £900,000.⁷

An interim report of September 9, 1941, of the Joint Parliamentary Committee, appointed to study ways and means of improving Australian social and living conditions, urged the adoption of a Commonwealth Social Security Act in order to insure the progress of social services of Australia in accordance with an organized plan.⁸ The committee also recommended the employment of trained social workers in connection with the administration of child endowment.⁹ In November 1941, the Minister for Health and Social Services

⁵ Industrial Gazette (New South Wales Department of Labor and Industry and Social Services, Sydney), April 1941. At the meeting of the Australasian Council of Trade Unions in Melbourne, early in June 1941, it was decided to ask the Government to increase the child-endowment payment to 12s. 6d. for each child, because of the continued rise in the cost of living. (International Labor Review (Montreal), October 1941, p. 461.)

⁶ Report from American Consul Lacey C. Zapf at Sydney, Australia, April 17, 1941.

⁷ International Labor Review (Montreal), October 1941 (p. 406).

⁸ Idem, April 1942 (p. 458).

⁹ Industrial Gazette (New South Wales Department of Labor, Industry and Social Services, Sydney), October 1941 (pp. 51-53).

stated that the Government hoped to introduce amendments to the Child Endowment Act, providing for children of parents who were not living together and for widows' children under 16 years of age.¹⁰

Employees in the public service of Australia had been receiving family allowances since 1920 and a State government child-endowment scheme had been in operation in New South Wales about 14 years.¹¹

Attitude of labor.—For some years prior to the passage of the Australian Child Endowment Act, the Labor Party had included such endowment in its platform.

In 1940 at a meeting in Sydney, New South Wales, the Council of the Australian Railways Union urged the establishment of a noncontributory scheme of child endowment, emphasizing that the scheme should not be financed from the tax on wages, nor "be considered in any arbitration court proceedings for the purpose of cutting down wages or be limited by the wage rates."¹²

BELGIUM

Both public and private employees in Belgium received family allowances before the outbreak of the present war. Family allowances were made compulsory in private industry in Belgium by a law passed August 4, 1930. A royal decree law of March 30, 1936, modified this act and coordinated previous royal decrees on the subject. An act of June 10, 1937, extending the scope of family allowances to include children of employers and independent workers, became effective by degrees from January 1, 1938,¹³ the cost being met by the persons covered.¹⁴ Detailed regulations for the application of the act were set forth in an order on December 22, 1938.¹⁵ A royal decree of May 16, 1939, approved the modification of the regulation of certain Belgian family allowance funds.¹⁶

An examination of the legislative record in those numbers of the *Revue du Travail* that have been received by the United States Department of Labor Library since the German invasion of Belgium, discloses that other decrees have been issued concerning the administration of the Belgian family-allowance system.

An order of August 1, 1940, prescribes a number of measures for the purpose of stabilizing Belgian wages and salaries "in the interest of national economy." These provisions are modeled chiefly on those previously adopted in Germany. The order prohibits any advance in the rates of wages and salaries in force on May 10, 1940—the date the country was invaded. Moreover, the ban is also applicable to all customary allowances and bonuses, and also affects the payment of new allowances and bonuses, either regular or exceptional: "Only increases arising out of the application of legislation are excluded."¹⁷

From April 30 to May 31, 1941, inclusive, five decrees were issued regulating or readjusting the rates of contribution of employers in connection with the payment of family allowances.¹⁸

¹⁰ *Idem*, December 1941 (p. 540).

¹¹ *Monthly Labor Review* May 1939 (pp. 1039-40, 1042-43).

¹² *International Transport Workers' Federation*, Press Report No. 24, November 11, 1940 (p. 80).

¹³ *Monthly Labor Review*, May 1939 (p. 1029).

¹⁴ *Recent Developments in Family Allowances*, by Clare Hoffner. In *International Labor Review* (Montreal), April 1940 (pp. 341-342).

¹⁵ *Revue du Travail* (Brussels), September 1939 (p. 1437).

¹⁶ *Idem*, July 1939 (p. 1133).

¹⁷ *International Labor Review* (Montreal), March 1941 (p. 335).

¹⁸ *Revue du Travail* (Brussels), July 1941 (pp. 570-576).

BOHEMIA-MORAVIA

An allowance of 200 crowns for unmarried and 300 crowns for married civil servants, whose basic salaries did not exceed 9,000 crowns a year, was provided for by a legislative decree of May 25, 1939, effective July 10, 1939, in Bohemia-Moravia (formerly a part of Czechoslovakia). In addition, married officials were to receive 50 crowns for each dependent child. These sums were provided as an indemnity for salary decreases made in 1928.¹⁹

"Adequate" family allowances were provided for persons with family responsibilities who were subject to the system of forced labor inaugurated in Bohemia-Moravia by the Protectorate decree of July 25, 1939.²⁰ Under the decree all male citizens between the ages of 16 and 25 were made liable for forced civil labor service for 1 to 2 years. A decree of August 24, 1939, provided among other things that the forced service could be required on work of all kinds.

BRAZIL

The 1937 Constitution of Brazil contained a clause providing for grants to large families according to the number of their children. A national commission for family protection was appointed under a decree of November 10, 1939. This body was charged with the duty of drafting legislation for family protection. Among the provisions to be included were marriage loans, family bonuses, and other special benefits in favor of large families.²¹

A family code (decree-law No. 3200) was signed April 19, 1941. This measure, while maintaining the characteristics of preceding legislation on marriage, contained provisions designed to promote the growth of families.²² Outstanding among these provisions was the imposing of additional taxation on the incomes of bachelors and childless couples. Registration taxes in normal, secondary, and technical schools, either official or Government-supervised, and any Federal taxes on the school activities of the students were to be subject to the following reductions: 20 percent for families with more than 1 child; a reduction of 40 percent for a third child; and a reduction of 60 percent for the fourth and all subsequent children. Further, under the decree, any Federal, State, or municipal official permanently commissioned but temporarily inactive or retired, or any military officer (active, reserve, on leave, or retired), who is the head of a large family and whose full or partial pay per month is under 500 milreis, receives a monthly family bonus of 20 milreis per child. If the income is more than 500 milreis but less than a conto (1,000 milreis) per month, the bonus for each child is 10 milreis.

According to decree-law No. 3284 of May 19, 1941, the order of preference among candidates for Government positions obtainable through competitive examinations and for promotion, favors the married candidate with the greatest number of children, other qualifications being equal. In cases of promotion by merit, even a married man without children is to be preferred to a bachelor whose public service

¹⁹ Industrial and Labor Information (Montreal), August 21, 1939 (pp. 266-267).

²⁰ Monthly Labor Review, December 1939 (p. 1406).

²¹ Report from Jefferson Caffery, American Ambassador Extraordinary and Plenipotentiary to Brazil, Rio de Janeiro, November 17, 1939.

²² Brazilian Information Bureau, Brazil Today (New York), June-August 1941 (p. 10).

is longer, provided other qualifications are equal. The unmarried candidate with recognized children also has a preferential status.

A decree of April 22, 1943, contains regulations with reference to the provisions of the decree of April 19, 1941, and reads in part as follows:

All the heads of large families defined as those having 8 or more dependent children under 18 years of age and of Brazilian nationality, are entitled to receive family allowances if their income is not sufficient for their essential minimum needs. The family allowance amounts to 100 cruzeiros^{22a} per month for the first 8 children plus 20 cruzeiros for each additional child. The application for allowance must be prescribed to the regional delegate of the Ministry of Labor or the office representing that Ministry.

Until the system becomes more definitely established, payments will be made out of funds supplied by the Federal Government and by the State and municipality in which the family lives, the share of these agencies in the expenditure being respectively 50, 40, and 10 percent.²³

BULGARIA

A family-allowance scheme was established in Bulgaria under regulations issued by the Council of Ministers on August 4, 1942, and was retroactive from July 1, 1942. Employers in public and private enterprises pay the cost of the system.

Family allowances are payable to all workers of Bulgarian nationality or origin who are covered by social insurance and are employed in private industrial undertakings, tobacco factories, mines, and electric-power stations, and to workers and employees in public, communal, or autonomous institutions, undertakings, and estates.

In addition to the father or mother, a sister or brother who supports minor children may be regarded as the head of the family. The allowance is payable up to the age of 21 years provided that the child does not work.²⁴

The Directorate of Labor administers the system, a special section and an autonomous fund having been attached to this office to carry out the new system.

Private enterprises pay contributions amounting to 10 percent of the wages and salaries paid by them. Special appropriations in the budgets of public agencies and institutions cover their 10-percent contributions.

The monthly allowance rate is 100 leva for the first child and 200 leva for subsequent children. Applicants receive their allowances upon the presentation of their social-insurance cards and certificates attesting their civil condition.

CANADA

The question of family allowances has been studied officially in the Dominion at different periods. Thus, such allocations were included with the subjects designated for study in 1929 by the Select Standing Committee on Industrial and International Relations appointed in the House of Commons. The pros and cons presented in the testimony at the hearings of this Committee showed a wide variety of opinion on the matter ranging from condemnation to endorsement.²⁵

^{22a} Effective from November 1, 1942, the monetary unit cruzeiros is equivalent to the Brazilian milreis.

²³ International Labor Review (Montreal), September 1943 (pp. 348-349).

²⁴ *Idem*, April 1943 (p. 529).

²⁵ Canada. House of Commons. Select Standing Committee on Industrial and International Relations. Minutes of Proceedings and Evidence, February 26, 1929 (p. 11) and April 30, 1929 (pp. 112-114).

The Committee's report, June 6, 1929, stated that more careful consideration was needed and no immediate action would be recommended.²⁶

The Quebec Provincial Social Insurance Commission, appointed in 1930, was of the unanimous opinion that at that time there was no opportunity for the legal institution of such allowances in Quebec. Furthermore, the commission held that "it would be impossible and dangerous to extend family allowances to the whole population and to make them a State institution."²⁷

It is suggested in an article in the Canadian Forum of February 1943 that family allowances be granted under a food-stamp plan, which in the United States was originally instituted to provide extra food for those in the low-income brackets and to assist farmers by establishing a larger outlet for their products, particularly their surplus output.

The establishment of allowances for all children was recommended in a Social Security Plan for Canada submitted on March 16, 1943, in a report of the House of Commons Social Security Committee by the Minister of Pensions. The report was prepared by the research advisers to the Advisory Committee on Reconstruction. The fixing of a basic minimum standard of income was also recommended. Among the benefits under the proposed scheme are allowances for all children under 16 years of age, regardless of parents' income. The suggested monthly grants range from \$5 for a child under 4 years of age to \$12.50 for a child between 15 and 16. No premiums were to be paid for these allowances. However, it is proposed that the present income-tax deduction for children be abolished.^{27a}

The Quebec Plan

The Quebec Collective Agreement Act has now been amended "to add family allowances to the provisions of a collective agreement which may be made binding on employers and employees who were within the scope of the voluntary agreement and on all those to whom it was extended by order-in-council." A brief analysis of this new legislation is given in the July 1943 issue of the Canadian Labor Gazette (pp. 1026-27).

When each provision for family allowances is made, the joint committee charged with the responsibility of enforcing the agreement may perform the following functions: "Collect contributions, pay the allowances either directly or indirectly through the employer, and verify the existence of the dependents for whom the allowances are payable * * * determine the person to whom the allowance is to be paid."

It will be recalled that the Quebec Collective Agreement Act provides that when an organization of employees and one or more employers or an association of employers enter into a collective agreement, either party to the agreement may apply to the Minister of Labor of Quebec to have the terms of the agreement which relate to wages, working hours, apprenticeship, and certain other matters "made binding throughout the Province or within a certain district on all employers and employees in the trade or industry covered by the agreement."

According to America, issue of August 14, 1943, the Minister of Labor who sponsored the bill for family allowances considers this

²⁶ Monthly Labor Review, September 1930 (p. 91).

²⁷ Canadian Labor Gazette (Ottawa), August 1932 (p. 861).

^{27a} Montreal Gazette, March 17, 1943 (p. 1).

recent amendment to the Collective Agreement Act as "merely a strategic starting point"; there was no intention that these allocations should be restricted to the workers at present covered. "Social legislation," he holds "must progress by evolution and not revolution. When public opinion has been sufficiently prepared for a general system of family allowances it will be very easy to extend it."

Attitude of Labor Organizations

From time to time the matter of establishing a family-allowance scheme in the Dominion has been taken up by trade-union federations. The Trades and Labor Congress of Canada in 1929 opposed a proposal for the introduction of such a scheme,²⁸ while the All-Canadian Congress of Labor in the same year went on record as favoring State provision for family allowances to wage earners.²⁹ At the 1940 annual convention of the Trades and Labor Congress, the executive council, after reviewing the origin and purpose of family-allowance legislation in other countries "where it had had the effect of preventing wage increases to meet the requirements of workers," recommended that "the policy of the Congress be one of opposition to the introduction of such legislation in Canada." The basis of this recommendation was that "there was no evidence of the legislation having resulted favorably to the workers generally."³⁰

The Canadian Federation of Catholic Workers has been especially interested in family allowances. On December 20, 1939, it submitted a memorandum to the Quebec Government, recommending a system of family allowances.³¹ However, in 1941, the president of the federation in addressing the annual convention, contended that to grant family allowances to workers in low-wage industries would make it impossible for them to get fair wages on a family basis for the future. Consequently, his organization was in favor of the payment of family allowances only in such industries as provided wages ample enough for an average household's normal needs.³² At its annual meeting with the Quebec Government on January 29, 1942, the federation suggested a study of the whole subject of family allowances.³³

CHILE

An act of 1937, establishing minimum rates of pay for salaried employees in private industry and semiofficial institutions, also provided for an extra allowance for each dependent under 18 years of age. In 1939 the allowance in the case of journalists was raised for 1939 to 23 pesos per month (the 1938 rate was only 19.40 pesos).³⁴ The question of increases was also among the subjects discussed at the national convention of the organization of salaried employees in private industry in September 1939.³⁵ In the same year the Chilean Department of Social Insurance drafted a bill providing for family allowances for workers covered by the compulsory social-

²⁸ Monthly Labor Review, November 1929 (p. 66).

²⁹ Canadian Labor Gazette (Ottawa), December 1929 (p. 1364).

³⁰ Canadian Congress Journal (Montreal), October 1940 (p. 11).

³¹ Canadian Labor Gazette (Ottawa), January 1940 (p. 18).

³² Idem, October 1941 (p. 1252).

³³ Idem, February 1942 (p. 182).

³⁴ Chile, Departamento de Previsión Social. Previsión Social (Santiago), November and December 1938 (p. 275).

³⁵ Industrial and Labor Information (Montreal), December 11, 1939 (p. 306).

insurance system.³⁶ This measure would have provided for allowances for all children under 14 years of age, at a rate beginning at 20 pesos per month per child; the rate would, however, be revised each year. The system was to be financed by the employers by a contribution amounting to 12 percent of pay roll. As far as is known, no action was taken on this proposal.

CZECHOSLOVAKIA

A legislative decree of December 30, 1938 (No. 380), provided that the special allowances for married employees in the Czechoslovakian public service should be reduced by 28 percent and in some cases by 35 percent.³⁷

FINLAND

A committee on population, appointed by the Government of Finland, in 1941 submitted a report on family allowances. After calling attention to the decline in the natural increase of the population and to the duty of the State to eliminate, if possible, any economic causes of this trend, the committee proposed the payment of State family allowances to needy families having three or more children under 15 years of age.

A needy family, according to the committee's definition, would be one whose annual income for taxation purposes is not more than 12,000 markkaa in localities where the cost of living is lowest and not over 24,000 markkaa in places where the cost of living is highest. The suggested family allowances would be 450, 550, 650, and 750 markkaa a year, in accordance with the cost of living in the locality, for each child eligible for these grants. Only families with at least 4 children would be paid an allowance for each child. In families with three children, allowances would be paid for only two of these dependents. The total proposed allowances range from 900 markkaa for a family with three children and an income of 12,000 markkaa to 5,250 markkaa for a family with seven children and an income of 24,000 markkaa.

It was estimated by the committee that at the time the report was made the number of eligible children in Finland approximated 400,000. The cost of the proposed scheme was estimated as 150,000,000 markkaa. To meet the expenditure the committee proposed a so-called population levy in addition to local taxes, such levy being expected to yield approximately 130,000,000 markkaa. This would be supplemented by the so-called "bachelor tax," payable by those who have no family responsibilities and estimated at 25,000,000 markkaa per annum, which would complete the amount required for family allowances.

The committee also took into account the special difficulties of wage earners whose wages had not risen in proportion to the cost of living, and proposed that a somewhat larger family allowance should be granted. This would be financed by an employers' contribution at the rate of one-half percent of the workers' pay. It was estimated that this would provide an allowance 50 percent higher than the ordinary rates.

On February 20, 1941, at a conference of representatives of the central organizations of employers and workers in Finland, the Minis-

³⁶ Industrial and Labor Information (Montreal), May 15, 1939 (p. 637).

³⁷ *Ibid.*, February 6, 1939 (pp. 179-181).

ter of Social Affairs explained the Government's attitude on wage and employment questions. It was the first time a conference of this kind had been held in that country under official auspices. Among the subjects taken up was the possibility of establishing wage boards and a family-allowance system.³⁸

FRANCE

In 1932 a law was enacted in France making the payment of family allowances compulsory for all employers, although allowances had been granted voluntarily and extensively by private employers years before, and by certain mine operators even before the first World War. Two decrees in 1938 so extended the system of family allowances in agriculture as to benefit practically all the rural population.

The numerous schemes for family allowances established in France under the act of 1932 varied appreciably in form and advantages. This was also true of arrangements for these grants for officials and employees of the Government, the personnel of local communities, and public services under State, departmental, communal, and other concessions.

By a decree of January 14, 1939, annual rates of family allowances for civil-service employees were increased beginning with the second child; the resultant scale was 660 francs for the first child, 1,200 francs for the second, 2,500 francs for the third, and 3,000 francs for the fourth.³⁹ Three French decrees of June 19, 22, and 24, 1939, respectively, extended and improved the family-allowance system, especially for agricultural wage earners, small farmers, and rural artisans.⁴⁰

These schemes were absorbed and unified in a new nation-wide system by a decree of the President of the French Republic, July 29, 1939. This so-called Family Code provided family allowances for the heads of families throughout the country not only in the wage-earning and salaried groups but also for employers and independent workers. The essential purpose of the code was "to provide legislative foundation for a social reform, the application of which, it is hoped, may bring about an increase in the country's birth rate, and in general ameliorate the material well-being of French family units to such an extent as to make the raising of large families possible."

This measure was drafted by the Minister of Labor in collaboration with the Minister of the Interior and of Finance, and was reported to be the outcome of a careful study of many proposals presented to the French High Committee on Population. This measure extended a social policy which has been followed over a considerable period, notably by employers in France, who paid family allowances voluntarily before they were made compulsory in 1932. With this long experience as a basis for planning more extensive assistance, the French Government needed only to elaborate and perfect an undertaking which to a large extent it already had in operation, and to incorporate only such new proposals as the application of a more comprehensive policy demanded.

³⁸ *Arbetsbladet, Helsingfors*, February 21 and 25, 1941, quoted in *International Labor Review* (Montreal), July 1941 (p. 62).

³⁹ *International Labor Office, The International Labor Office Year-Book* (Montreal), 1938-39 (p. 226).

⁴⁰ Report of United States Consul Benjamin M. Hulley, Paris, June 27, 1939.

The French Labor Charter of October 4, 1941, provided for sweeping changes in industrial and labor relations. In the analysis of the charter given to the press, it is explained that "where an existing organization can adjust itself to the new provisions its representatives will not be systematically eliminated when the charter is applied."⁴¹ Family allowances were provided for in the charter as indicated later on in this article.

*Provisions of Family Code*⁴²

Instead of the previous allowance for the first child, the Family Code provided that from 2,000 to 3,000 francs were to be paid for a first-born legitimate child—one-half of the amount at birth and the remainder after 6 months, provided the infant was alive, of French nationality, and born within 2 years after the parents' marriage. The second half of the bonus was payable on condition that the child was under the care of its parents. A legitimate child born of aliens in France was not eligible for the premium unless its French nationality was irrevocably assured within 6 months of its birth, under articles 2, 3, and 5 of the act of August 10, 1927.

All workers, including employers, in agriculture, industry, commerce, and the professions, with two or more children, were declared eligible for family allowances for children under 14 years of age (or under 17 years of age if the latter were continuing their education or were apprenticed).

The decree stipulated that the rate of the allocation for the second child should be at least 10 percent of the average salary common to the locality in which the allocattee resided, and 20 percent for the third and each subsequent child. Moreover, an additional allocation of 10 percent was to be granted as an assistance to the mother, when the family depended upon a single income which was not paid during holidays or for other reasons.

Employers in industrial and commercial enterprises and in the liberal professions and independent workers in an industrial or commercial occupation or liberal profession are entitled to receive family allowances. Employers must affiliate with the equalization fund to which their personnel is already affiliated; and independent workers should affiliate with a special family-allowance fund or a special section established in an ordinary equalization fund as an independent financial unit.⁴³

Provisions for farm households.—For the maintenance of farmers' families, and to encourage a return to the land, loans of from 5,000 to 20,000 francs were made obtainable, for investment in livestock, implements, building, etc., to French male citizens over 21 and under 30 years of age,⁴⁴ single or widowed. The borrower, however, must be about to marry a single or widowed woman at least 18 and not over 28 years of age. Furthermore, the prospective groom must have worked at least 5 years in an agricultural institution of instruction, an agricultural undertaking, or at the house of a rural artisan. The couple must agree that for at least 10 consecutive years from the celebration of their marriage they will continue in agricultural or rural work.

⁴¹ International Labor Review (Montreal), March 1942.

⁴² Data are from report of Robert D. Murphy, counselor of American Embassy at Paris, dated August 9, 1939; Journal Officiel (Paris), July 30, 1939; and International Labor Office Year-Book, 1939-40 (pp. 193-194).

⁴³ Journal Officiel, July 30, 1939, quoted in Industrial and Labor Information (Montreal), November 6, 1939 (pp. 155-156).

⁴⁴ For the first 2 years after the enactment of the code, the age was to be extended to 32 years.

The loan thus made was to be repaid in 20 semiannual installments, including interest at $4\frac{1}{4}$ percent, the first installment becoming due 2 years after the celebration of the marriage of the borrower. Following the birth of each child, the installments still due were to be reduced according to the following scale: Half of 1 percent of the amount of the initial loan for the first child, and $1\frac{1}{2}$ percent, 3 percent, and 5 percent for the second, third, and fourth child, respectively; and when a fifth child is born the remaining debt was to be canceled.

The funds required to finance this assistance to farm households were to be loaned by the State to the National Agricultural Credit Fund.

The children of a farmer cultivating land on his own account, who were over 18 years of age, and who worked for him without cash wages, might be credited under a labor contract with deferred wages equal to half of the annual wage of an agricultural worker or farm servant with lodging and meals. The deferred wages were cumulative for not more than 10 years and were available for the children upon the death of their parents.

Family protection.—Provision was made for State protection of mothers, children, and the race, the basic principle governing this protection being the furthering of the development of family units. Especially favorable consideration was given to large families in "an effort to combat the prevalent tendency in France of one-child families, which has even threatened to develop in late years into families of no children."

To prevent violations of the code and to aid in furthering its objectives, provision was made for the establishment of a special service to reduce infant mortality, adopted children were granted the same rights as legitimate children, and certain establishments were to be designated in each Department of France which would be obliged to admit without formality women of 7 months' pregnancy and mothers with newborn children.

Fiscal provisions.—The decree provided that funds necessary for the application of the code, including administration, should be raised by taxation. Inheritance taxes were cut in favor of heirs with three or more children, but special inheritance taxes were required of persons who at the age of 30 were without children when an estate was divided.

Single, divorced, and widowed persons over 30 years of age with no children and families with no children were made liable to a heavier family-compensation tax, which was to be substituted for the special income tax to which these classes of taxpayers were previously subject. For single persons this new tax would run from 3 percent of a taxable income of 50,000 francs to 20 percent of a taxable income above 800,000 francs. For families with no children, the range was from 2 percent to 14 percent of the taxable income. Provision was also made that an indirect tax be applied as a surtax of 300 francs on every hectoliter of pure alcohol used in manufacturing aniseed beverages which contain less than 400 grams of sugar per liter, and in general on aperitifs with a wine or alcoholic base.

It was further provided under the decree of July 29, 1939, that State officials and staff should be paid allowances under the same

conditions as other beneficiaries covered by the legislation. However, the application of this particular decree to families with at least two dependent children born before January 1, 1940, might in no instance reduce the total allowance previously paid for these children, due consideration being given, when necessary, to the new allowance for mothers in the home. It was also provided that the allowance rate formerly paid to families with one child would be continued until January 1, 1941.⁴⁵

A decree of December 16, 1939, laid down the manner in which the Family Code was to be applied under war conditions. Some provisions, for instance the first birth bonuses, were to go into effect on the date originally set—January 1, 1940. The operation of other provisions was to be postponed in accordance with circumstances, until April 1 and July 1, 1940.⁴⁶

An act of November 18, 1940, amended the Family Code, mainly in regard to the computation of wages on which allowances were based and the allowance rates. The amending measure provided that two monthly average wages be fixed by orders in each department—one for urban and the other for rural districts. These orders must be signed by the Ministers and Secretaries of State for Industrial Production and Labor, Agriculture, and Finance after consultation with the competent authorities.

For workers regularly employed by the same employer and working the full weekly hours when the establishment was actually in operation "the number of daily allowances corresponding to a week's work may not be less than the number of working days in a week."

The allowances for mothers in the home were granted to wage-earning families with at least one dependent child, when the earned income was derived from only one source—the work of the father, or the mother, or from the work of a grandparent if he supported the child. The amount of allowance was 10 percent of the average departmental wage for urban communes. For an only child, the allowance was payable until the child had completed its fifth year. Where there was more than one child, the grant was made until the youngest was 14 years old. The allowances were continued until the youngest was 17 if the mother or wage-earning parent or grandparent responsible for the child's support assumed the entire responsibility for such support.⁴⁷

The system of equalization funds for independent workers was also changed with a view to improving its operation. Under another act of November 18, 1940, provision was made for the financing of these funds.⁴⁷

A decree of March 29, 1941, provided for a new allowance to be paid to families whose income is derived from the wage or salary of a single breadwinner who supports the children eligible for such allowance. This new grant is substituted for the allowance for the mother-in-the-home and is computed as a percentage of the average departmental wage or salary of the worker on which other family allowances properly so-called are based. The rates are 20 percent for 1 child up to 5 years of age, 10 percent for one child over 5 years of age, 25 percent for 2 dependent children, and 30 percent for more than 2 dependent chil-

⁴⁵ *Journal Officiel*, July 30, 1939, quoted in *Industrial and Labor Information* (Montreal), November 6, 1939 (p. 156).

⁴⁶ *International Labor Office. International Labor Year-Book, 1939-40* (Montreal), 1940 (p. 194).

⁴⁷ *Journal Officiel*, quoted in *International Labor Review* (Montreal), May 1941 (pp. 593-594).

dren.^{47a} This single wage or salary allowance is paid in addition to other family allowances.

An act of September 9, 1942, extended family allowances and also the new single wage or salary allowance to widows with family responsibilities who are not wage earners.⁴⁸

Labor Charter

As already stated, family allowances were provided for in the new French Labor Charter, promulgated October 4, 1941, which sets forth the following four general principles for the determination of wages:⁴⁹

(1) The minimum living wage, fixed for each region, department, or locality on the recommendation of a higher wage committee, is deemed to be the remuneration for a person without family responsibilities or occupational skill. It varies with the place of employment and the local cost of living.

(2) The occupational remuneration corresponding to a particular degree of occupational skill varies according to the occupation and the place of employment. It is fixed in the form of a coefficient applied to the minimum living wage to which it forms a supplement.

(3) Bonuses may be paid for the purpose of taking into account the vocational aptitude of the person concerned, his output, conditions of employment, etc.

(4) Allowances and bonuses for dependents which are payable by law or under special regulations are added to wages.

The occupational families may make agreements with each other which are to be approved by the public authorities and may establish equalization funds to facilitate the applications of the wage principles. If necessary, the State will make a financial contribution to meet the expenses involved in the application of the above program, in order to aid in the initial operation of the equalization funds or in case of exceptional conditions.

FRENCH EQUATORIAL AFRICA

Data on the initial social-welfare measures adopted by the administration of French Equatorial Africa and the Mandated Territory of French Cameroons indicate that the family-allowance system has been improved.⁵⁰ Formerly, the mothers of four children had been exempt from all taxation. An order of December 13, 1940, also exempted the fathers of families with not less than four children. Under an order of November 6, 1940, indigenous officials were granted a considerable increase in allowances for their dependents. The rates for French civil and military officials were also advanced.

At the time the report was made the administration was urging commercial and industrial companies to introduce similar allowances for their employees.

GERMANY

The family-allowance system in Germany was modified by an ordinance of December 9, 1940, which went into effect January 1, 1941. From that date it was provided that a monthly allowance of 10 reichs-

^{47a} Journal Officiel (Vichy), April 11, 1941 (pp. 1554-1555).

⁴⁸ Idem, September 15, 1942 (pp. 3138-3139).

⁴⁹ International Labor Review (Montreal), March 1942 (p. 278).

⁵⁰ Idem, October 1941.

marks should be paid to all German heads of families residing in the "Grand-Reich" who have at least three children under 21 years of age.

According to *Soziale Praxis* (Berlin) of March 15, 1941,^{50a} in making these grants the objective of the State is to develop the number of "healthy families worthy of the German community." Consequently, those entitled to family allowances are the heads of families of German nationality who submit themselves unrestrictedly to taxation, have their domicile or their habitual residence in the parts of the Reich where the fiscal law is applicable (for German nationals residing in the Protectorate, for example, special provisions exist), and whose families include three children or more under 21 years of age. Under "children" are included not only legitimate children but stepchildren, and adopted children (of German or related blood, that is to say, in general, of European origin except Jews and Spanish gypsies).

The allowance is granted regardless of the income or the financial circumstances of the parents and the children. Furthermore, the State allowance may be paid even when the family is in receipt of other family allowances. On the other hand, subordinate administrative authorities, especially sanitary officers and the regional directors of the German Workers National Socialist Party, may protest the payment of these allowances, with a view to assuring the purity of blood in numerous and politically irreproachable families.

The allowance may be granted starting with the first child when the head of the family is stricken with a disability of at least 85 percent incapacity for work, or when he receives a sick benefit; when the head of the family is a single woman; or in the case of a single woman with children; or when the children are complete orphans. When children are those of an unmarried mother, the father must be known. Italians are treated as Germans, by virtue of a reciprocal agreement. The nationals of other countries may receive family allowances under an exception if the subordinate administrative authorities and the National Socialist Party consent.

In order to obtain a family allowance the request must be made to the Finance Administration. After examination by that office the request is transmitted to the subordinate administrative authorities and to the National Socialist Party.

An allowance is not subject to seizure. The State, however, may divert such benefit to meet an obligation to the State—for example, the payment of taxes—when such action does not imperil the maintenance of the children. Persons entitled to family allowances may request that the taxes they owe the State be deducted from the amount of their allowances.

The new regulation reduced, from 20 to 10 reichsmarks, the amount of the allowance previously granted for the fifth and subsequent children. However, this reduction was offset by the extension of the age limits. In future the allowance is to be paid up to 21 years of age instead of up to 16.

The family allowances are the responsibility of the State. However, allowances paid by private enterprises are provided for in certain collective agreements. Also, supplements for children are granted by insurance funds for medical, dental, and pharmaceutical care. Officials, agents, and persons working for public administrative agencies

^{50a} Quoted in *Revue du Travail* (Belgium, Ministère du Travail et de la Prévoyance Sociale, Brussels), March 1941.

receive allowances for children. These allowances are not uniform, their amounts often vary with the number of dependent children, as was the case for family allowances to officials and employees of public administrations (the allowance has since been fixed uniformly at 20 reichsmarks per child). Sometimes this allowance is paid for the first child, at other times it begins only with the fourth or fifth child. The age limit is sometimes 16 and sometimes 21 years.

In all cases the new regulation was a step toward the integration of family allowances into the German salary and tax system.

During a period of about the first 2 months in 1941, a total of 2 million families had received 50,000,000 reichsmarks in family allowances.

GREAT BRITAIN

Except in the armed forces, so-called family-allowance systems have shown little progress in Great Britain, although State aid has been given to the children of war pensioners, civilian widows, the unemployed, the indigent, and the relatively well-to-do—the last mentioned through income-tax exemptions. Child evacuees have recently been added to the persons receiving Government assistance.⁵¹

At the opening of the present war, grants had been made for over 150 years for the children of Methodist ministers in England. The latest available report on this subject gives 8 guineas per annum as the allowance for each child up to 18 years and an additional 12 guineas per annum for the child during its last 6 years of education. The Presbyterian Church in England also grants ministers whose stipends are under £400 per annum £15 a year for each child and a supplement of £15 per annum during the years of education. The Baptist denomination gives allowances of £10 for each child in certain of its churches. Limited family-allowance schemes are in operation in some of the dioceses of the English Established Church.

The London School of Economics, according to a report published in 1940, was paying £30 per annum for each child under 13 years of age and £60 per annum for each child between 13 and 23 years of age receiving a full-time education. The Association of University Teachers has approved the extension of this experiment but without practical results.

Family Allowances in Private Industry

Data from available sources indicate at least 35 industrial establishments paying family allowances in Great Britain. Two of these firms had been experimenting with these grants approximately 25 years. In a few cases the employers had only recently started paying such benefits. The following list of these companies shows the wide variety of industries they cover:⁵²

⁵¹ The Case for Family Allowances, by Eleanor F. Rathbone, M. P. Hammondsorth, Middlesex, England, 1940.

⁵² Data are from *Industrial Welfare and Personnel Management* (London), July 1941 (p. 143), October 1941 (p. 214), December 1941 (p. 247); *The Case for Family Allowances*, by Eleanor F. Rathbone, M. P., Hammondsorth, Middlesex, England, 1940 (pp. 116–118); *Central-Blatt and Social Justice* (St. Louis, Mo.), March 1940 (p. 380); *Social Justice Review* (St. Louis, Mo.), April 1940 (p. 19); and *Monthly Labor Review*, April 1940 (p. 368).

	<i>Year scheme was inau- gurated</i>
E. S. & A. Robinson, Ltd. (printers and manufacturers of paper and card-board products), Bristol.....	1917
Brittains, Ltd. (paper manufacturers), Cheddleton.....	1917
J. Bibby & Sons, Ltd. (oil manufacturers), Liverpool.....	1923
John Thompson Engineering Co., Ltd., Wolverhampton.....	1926
Pilkington Bros. Ltd. (glass manufacturing), St. Helens.....	1938
Tootal, Broadhurst, Lee Co., Ltd. (cotton spinners and manufacturers), Ltd., Manchester.....	1938
Maclean's Ltd. (manufacturing chemists), Brentford.....	1938
Barlock Typewriter Co., Nottingham.....	1938
Rowntree & Co., Ltd., York.....	(1)
Newton Mill, Ltd. (envelope makers and stationers), Hyde.....	1938
Bentall's (department store), Kingston-on-Thames.....	1938
Cadbury Bros., Ltd. (cocoa and chocolate manufacturers), Bourneville.....	1939
N. Kilvert & Sons, Ltd. (refiners), Manchester.....	1939
Midland Counties Dairy, Ltd., Birmingham.....	(1)
H. P. Bulmer & Co. (cider manufacturers), Hereford.....	1939
Robinson & Sons, Ltd. (manufacturers of surgical dressings), Chesterfield.....	1939
Clark, Son & Morland, Ltd., Glastonbury.....	1939
H. Young & Co., Ltd., Nine Elms (steelworkers, structural engineers), London.....	1939
C. & J. Clark, Ltd., Street Somerset.....	1939
The Horsehay Co., Ltd. (bridge builders), Wellington, Salop.....	1939
Power's & Deane Ransomes, Ltd. (structural engineers), Bridge Steel-works, London.....	1939
Ford Motor Co., in Great Britain.....	1940
William Brake, Ltd. (retail and wholesale merchants), Taunton.....	1940
British Xylonite Co., Ltd.....	(1)
Midland Electric Co., Ltd.....	(1)
C. H. Elkes & Sons, Ltd.....	(1)
The Anglo-Swiss Screw Co., Ltd.....	1942
Tempered Spring Co., Sheffield.....	(1)

¹ Not reported.

The family allowance scheme of E. S. & A. Robinson is reported as having been applied to 10 or more other firms engaged in paper making and allied business.⁵¹

The Anglo-Swiss Screw Co.'s plan provides 5 shillings per child per week for employees with three or more children under school age or being given a full-time education at a recognized educational institution. The experiments in other firms vary considerably. For example, several establishments grant allowances for the third and each subsequent child, but Brittains, Ltd., and John Thompson Engineering Co., Ltd., grant an allowance for each child, while the employees of Pilkington Bros., Ltd., are eligible for allowances only when they have four or more children. Ordinarily, allowances are not paid for children after they complete their fourteenth year. Some exceptions are made for school attendance.

Allowance rates.—The weekly allowance per child in some establishments is as low as 1s., in others as high as 5s. The wage limit for receiving allowances also varies, for example, being only £5 per week in the establishment of N. Kilvert & Sons, Ltd., and as much as £400 per annum for the staff of Pilkington Bros., Ltd. Cadbury Bros., Ltd., grants a weekly supplement of 5s. for each child after the second, regardless of the father's salary. J. Bibby & Sons, Ltd., pay allowances when the total income going into the home is below a certain base which varies, however, with the number of children under 16

⁵¹ The Case for Family Allowances, by Eleanor F. Rathbone, M. P., Hammonds-worth, Middlesex, England, 1940.

years of age in the family. Brittain's, Ltd., pays £10 a year for a child until it leaves school, for members of the staff whose income is not over £400 per annum.

Very few employees, however, actually benefit by the schemes under which allowances are paid except when there are 3 or more eligible children in the family. Some years ago J. Bibby & Sons, Ltd., had 1,900 married workers on their pay roll, and only 130 were eligible for the grants, and E. S. & A. Robinson, Ltd., with a staff of 250 boys and men paid allowances for only 7 children.

Not only are the various family-allowance schemes in private industry of social and economic interest as offsetting the financial hardships of large families in the very restricted fields in which they have been tried out, but these experiments seem to be a prelude to more constructive and comprehensive measures in behalf of those with heavy family responsibilities and low incomes.

Attitude of Various Groups

The slowness of the movement for family allowances in Great Britain seems out of proportion to the amount of discussion which has arisen on this question for the last two decades. The Family Endowment Society has kept the subject before the public for 20 years. The war crisis has now brought the problem to the fore.

Churchmen.—The late Cardinal Hinsley, Archbishop of Westminster, expressed the opinion that family allowances are more necessary for national welfare than old-age pensions. "The children are vital, the aged have done their day's work. Both provisions are a call on the Nation, but begin with the most needy." He added that mothers with big families take employment "in order to eke out the family budget. They are overworked and undernourished and as a consequence the children suffer. So I consider that family allowances should come earlier in our program for social improvement. For moral reasons more than for economic reasons let us get on with this job of providing the means of rearing good healthy families; so we shall remove the reproach of great poverty side by side with wealth. From the sound family will spring a strong people."⁵³

Early in 1941 the Bishop of Winchester introduced a resolution into the House of Lords, commending the institution of a national system of family allowances. The proposal was rejected by the Government on the ground of public expense.

In order that "every child should find itself a member of a family housed with decency and dignity so that it may grow up unspoiled by underfeeding or overcrowding by dirty and drab surroundings or monotony of environment," the Archbishop of Canterbury suggested family allowances—perhaps in the form of food and clothes coupons with a money value—paid by the State to the mother of every child except the first two. Wages should be sufficient for a family of four.⁵⁴

The Archbishop of Birmingham is also an advocate of family allowances.⁵⁵

Early in the fall of 1941 an all-denominational meeting sponsored by the Catholic Young Men's Society of Birmingham adopted a resolution

⁵³ *Yorkshire (England) Post*, quoted in *Catholic Charities Review* (Washington), January 1, 1942; and *The Survey*, Midmonthly (New York), April, 1942.

⁵⁴ *Canadian Congress Journal* (Montreal), April 1942 (p. 37).

⁵⁵ *Social Justice Review* (St. Louis, Mo.), February 1942 (p. 348).

recommending family allowances "as an overdue measure of social justice to the most poorly paid section of the community."

Later the salaries, wages, and labor committee of the City Council of Birmingham recommended that the council grant half a crown per week to the city's employees for each child of school age, in order to lessen the strain of family responsibilities; it was considered that such allowances would be fairer than a general increase for both married and unmarried.⁵⁶

Employers.—Among employers advocating family allowances is B. Seeborn Rowntree. In discussing the problem of wages in wartime in *Labor Management* (the official organ of the Institute of Labor Management) of April 1941, he stated that "it would be difficult to exaggerate the seriousness of the fact that more than half of the children of the employed wage earners live in poverty for many years."⁵⁷ Holding that it would be impracticable at present to pay every male adult enough to support three children above the poverty line, he urged the introduction of a family-allowance system at once. He estimated that to pay every working-class child under 14 years would cost about £63,000,000 per annum and £30,000,000 per annum if the first child under that age were excluded.

L. J. Cadbury, managing director of Cadbury Bros., Ltd., suggested payment of a flat weekly rate of 5s. per week per child for families with incomes of £400 or of at least £250 per annum.⁵⁸

Writers.—John Maynard Keynes the British economist, in his book *How to Pay for the War* (London, 1940, p. 11), recommended among other provisions the protection from any reductions in current consumption those whose standard of living offers no adequate margin. This, he stated, should be put into effect through an exempt minimum, a sharply rising scale, and a family-allowance system. He estimated the net cost of such a system at £100,000,000 per annum (p. 87).

Stephen King-Hall, a retired naval officer, in his book *Total Victory* (London, 1941; p. 226) referring to the haphazard and chaotic manner in which the British social services have come into existence, declared: "We must have a Ministry of Social Services and clean up this mess. A minimum wage and family allowances are two essential reforms." And again: "Family allowances are a desirable peacetime arrangement; they are needed in war in order to check indiscriminate wage increases. Introduce them now."

Another wartime publication of interest in connection with planning for peace is *The Case for Family Allowances*, by Eleanor F. Rathbone, M. P.

Labor groups.—The report of the national executive committee of the British Labor Party to the annual conference in 1941 included an appendix memorandum on family allowances, prepared for use in joint discussion with the general council of the Trades Union Congress.⁵⁹ The report reviewed the existing social services and insurances which do much to soften the harshest effects of poverty, but pointed out that they tend to distinguish between "necessitous" and "nonnecessitous" children, whereas social services should apply equally to all children. The memorandum recommends a system of

⁵⁶ *Social Justice Review* (St. Louis, Mo.), December 1941 (p. 276).

⁵⁷ *Labor Management* (London), June 1941 (p. 79).

⁵⁸ *Idem*, April 1940 (p. 52).

⁵⁹ *Labor Woman* (London), June 1941.

children's allowances, financed wholly by the Exchequer, and paying a flat rate of 5s. per week for every child from birth until it leaves school. This allowance would be substituted for the first 5s. of other children's allowances under public schemes, and the income-tax allowances for children would be abolished.

The Interim Report of the Central Reconstruction Committee of the British Labor Party, as given in the April 1942 number of the *International Labor Review* (p. 421), recommends the raising of the school-leaving age to 15 years immediately and to 16 within 3 years after the end of the war, with maintenance allowances to be paid to the parents of children retained in school, whenever this involves hardship.

In March 1942, after years of opposition to family allowances, the British Trades Union Congress, through its general council, reversed its attitude and agreed with the Labor Party on the need for a national scheme of child endowment which should be a charge on the State.⁶⁰

Government officials.—Not long after the outbreak of the war a memorandum was submitted to the Chancellor of the Exchequer, on behalf of a group of members of Parliament, asking for the adoption at once of family allowances.⁶¹ The members were of the opinion that such a system, if of sufficient scope, would attain, without the risk of a "vicious spiral" and subsequent inflation, the following wartime objectives:

1. The prevention of further malnutrition, overcrowding, and other unsanitary conditions resulting from poverty accentuated by high prices.

2. The prevention of discontent arising from (1) the belief that the sacrifices called for by heavier taxation and restricted supplies are not fairly shared between the rich and the poor, and (2) the wide variations between the children's allowances already being paid to different groups—servicemen, evacuees, the jobless, widows, and those on public assistance.

3. The prevention of a greater decline in the low birth rate and the reduction of mortality and sickness rates.

4. The prevention of the overlapping between wages and unemployment benefit and assistance, which results from taking into consideration family responsibilities in the former but not in the latter.

In May 1942, the Chancellor of the Exchequer presented to Parliament a memorandum on family allowances in which he gave estimates of the cost of such grants at 5 shillings per week per child under 15 years, under several child-endowment proposals. These estimates ranged from £18,000,000 to £132,000,000 per annum, according to whether the scheme was noncontributory or contributory, providing for all children under 15 years of age in the population or excluding the first or the first two eligible children, taking or not taking into account the family income, and deducting or not deducting the savings to be made by discontinuance of certain allocations or benefits already granted for children under insurance or pension systems or other forms of social assistance. The Chancellor, however,

⁶¹ The Case for Family Allowances, by Eleanor F. Rathbone, M. P., Hammondswoth, Middlesex, England, 1940.

⁶⁰ *New Statesman and Nation* (London), September 20, 1941 (pp. 270, 271).

stated that no deductions in the estimated costs were made because of separation allowances for the armed forces, although it would seem that this might constitute a very considerable saving in the estimates for the children of civilians.⁶¹

The Beveridge Report

In December 1942, the Beveridge Report recommended a unified system of social insurance for Great Britain, to provide its people with greater economic security from birth to death. This report also recommended children's allowances at an average of 8s. per week per child up to the age of 15-16, regardless of family income. Such grants would be payable out of taxation. The document declares:

No satisfactory scheme of social security can be devised except on the following assumptions: (a) Children's allowances for children up to the age of 15 or if in full-time education up to the age of 16; (b) comprehensive health and rehabilitation services for prevention and cure of disease and restoration of capacity for work, available to all members of the community; (c) maintenance of employment, that is to say, avoidance of mass unemployment.⁶²

Sir William Beveridge the author of the plan urges the preparation of the necessary detailed legislation before the war ends.⁶³

Assurance has been given of labor's support. At the meeting of the nineteenth annual conference of British Trades Councils, held at Nottingham on May 29, 1943, the Beveridge Report was one of the chief subjects of discussion. A composite resolution was carried, pledging the active backing of every trades council to the general council in the additional measures which the Trades Union Congress was taking to bring about the Government's acceptance of the vital principles of the Beveridge Plan.⁶⁴

HUNGARY

General System for Industry and Commerce

A new system of family allowances was instituted in Hungary under an act promulgated on December 28, 1938, which became operative January 1, 1939.⁶⁵ The act is applicable to all mining, industrial, and commercial enterprises which employ on an average over 20 workers. Only manual workers are covered, but at the time the report was prepared, the Government was making a study of the possibility of extending the act to small enterprises and to workers in general, when economic conditions should warrant such action.

Beneficiaries and benefits.—Legitimate, adopted, or recognized illegitimate children under 14 years of age, dependent on a manual worker, are eligible for family allowances. These benefits are also granted to grandparents for grandchildren maintained by them. A worker, however, is not entitled to these grants unless he has been employed for at least 15 days in the month or for at least 3 days per week for a 4-week period.

The rate of allowance is set at 5 pengös per month, and the grants are paid through equalization funds. Upon the death of a worker, the

⁶¹ Great Britain. Family Allowances (Memorandum by the Chancellor of the Exchequer). London, 1942.

⁶² Bulletin of the Commission to Study the Organization of Peace, New York, May-June 1943.

⁶³ British Labor and the Beveridge Plan, by Frederick J. Scheu, New York, 1943.

⁶⁴ Labor (Official Organ of the British Trades Union Congress, London), June 1943.

⁶⁵ Industrial and Labor Information (Montreal), October 30, 1939 (pp. 125-126).

benefit is continued for 6 months, and in case of involuntary unemployment, sickness, accident, or military service, for 3 months.

At the close of the first quarter of 1939, the number of adults in receipt of allowances totaled 125,009, the number of child beneficiaries represented by such grants being 225,826. It was thought probable that the total expenditure for these benefits per annum will amount to approximately 14 million pengös.

Contributions.—Except for the expenses of administration of the central fund, which the State meets, employers are responsible for all expenditures connected with the payment of family allowances, including the organization and administration of the various equalization funds.

The contribution of the employer for each worker is to be fixed each year by the competent minister, in order that the contribution not only may offset the sum paid out in allowances but may be sufficient to maintain a reserve. For the first year the contribution was 48 pengös per male worker and 32 pengös per female worker. Organization and administration costs are fixed at 5 percent of the income resulting from the assessments levied upon employers.

Equalization funds.—Eight equalization funds have been established for the various branches of mining, industry, and commerce, each fund having country-wide jurisdiction. Operations are equalized at first in the respective individual funds, and subsequently among the different funds, through the central equalization fund. If any individual equalization fund shows a profit after family allowances are paid, this profit must be transferred to the central fund, which uses the money to make up any deficit that may be shown by other equalization funds.

Administration.—The central fund is under the general direction of the Ministry of Industry and its operations are supervised by a committee on which both workers and employers have representation.

Family Allowances in Agriculture

The National Union of Agricultural Employers in the County of Fejer instituted the first family-allowance system applicable to agricultural workers in Hungary.⁶⁶ The members of the organization contribute 5 pengös for each family of agricultural workers employed by them. At the close of the year the total contributions are divided among the families of workers in which there are children under 12 years of age. At the end of 1939 each large family received an allowance of from 70 to 80 pengös.

The employers' organization administers the fund on the basis of information collected from its own members.

Allowances in Public Service

On May 1, 1941, a salary increase averaging 5.5 percent became effective for Hungarian civil servants,⁶⁷ who were also granted higher family allowances. According to the International Labor Review of October 1943, additional salary increases have been granted, and civil servants and retired civil servants who have adopted a war orphan will in future be entitled to the normal family allowance. War

⁶⁶ Industrial and Labor Information (Montreal), March 11, 1940.

⁶⁷ Budapesti Közlöny, April 22 and May 15, 1941, quoted in International Labor Review (Montreal), August 1941 (p. 227).

orphans whose father was a civil servant will be entitled to an allowance one and a half times the normal rate, or twice the normal rate in case of orphans who have lost both parents.

ITALY

The family-allowance system was made general in Italy by the decree of June 17, 1937,⁶⁸ which effected very important changes in the internal organization of the previous system. This decree simplified procedure, increased the allowances and the State's subsidies, and strengthened the administration in the sectors of industry and of agriculture. A special fund was created for workers in each of four groups—industry, commerce, banks and insurance establishments, and agriculture. These four funds were administered by the National Institute of Social Insurance. By a collective agreement of August 3, 1937, these allowances were extended to workers in the liberal professions.

For some years following 1929, by virtue of collective agreements, the total cost of allowances had been met by the employers in industry, commerce, and agriculture; this had already been the case for employers in the credit and insurance field. The purpose of the 1937 provisions would seem to be the avoidance in a difficult period of a general increase in wages, while at the same time ameliorating the situation of workers with family responsibilities. Furthermore, it served to emphasize the fact that family allowances constituted an integral part of the general wage policy of the Italian Government, according to the *Revue du Travail* (Brussels) of March 1941.

On November 8, 1939, the Fascist Confederation of Industrialists and Fascist Confederation of Industrial Workers signed an agreement, effective the following month, which extended the right to family allowances to the wife and parents dependent upon the working head of the family. Consequently, in addition to working or employee family heads having dependent children under 14 or 18 years of age, respectively, married couples with no children or no dependent children are now eligible for allowances. Moreover, unmarried workers with dependent parents also benefit under this agreement.⁶⁹ The new contribution, including the 4.5 percent paid under the royal decree-law of June 17, 1937, was fixed at 8 percent of the pay received. This entire assessment is paid by the employer.

On December 1, 1939, an announcement was made by the Italian Minister of Corporations that, in view of the workers' needs and the favorable position of the family-allowance fund, the family-allowance rates would be raised for the children under 14 or 18 years of age of wage earners and office employees, respectively, in industry and commerce, without increasing the contributions.⁷⁰

According to an interconfederal agreement, effective December 1, 1939, ship's officers and seamen were to receive allowances for wives and dependent parents in addition to allowances already provided by law for children. The extended allowances were to be paid by the em-

⁶⁸ Monthly Labor Review (Washington), January 1938 (pp. 184-185), and May 1939 (pp. 1036-1037).

⁶⁹ Italy, Istituto Nazionale Fascista della Previdenza Sociale, Les assurances sociales, Supplement de la revue "Le assicurazioni sociali," Rome, November-December 1939 (pp. 816-817); and British Ministry of Labor Gazette, London, January (p. 15) and February (p. 48) 1940.

⁷⁰ Monthly Labor Review (Washington), May 1940.

ployers, who also assumed the responsibility of paying the men's share of the cost of the ordinary family allowances.⁷⁰

A syndical agreement of December 25, 1939, effective January 1, 1940, signed by two Fascist confederations of commerce, regulated certain aspects of labor relations involving the commercial classes. In this agreement family allowances were extended to include the dependent wife and parents of the family head and the contribution of 1 percent in connection with the allowance (previously paid by the worker) was to be met by the employer.⁷⁰

Under the agricultural agreement, effective January 1, 1940, increasing the allowances for children, grants were also provided for the worker's wife and his parents if they were living with him. The expenses resulting from the higher allowances for children and the new allowances for wives and parents under this agreement were to be offset by raising the total contribution from 0.50 lira to 1.50 lire for each day's work of manual laborers and from 4½ to 8 percent of the gross compensation of nonmanual workers. This assessment was to be paid entirely by the employers, including the contribution for which the workers were legally responsible.⁷⁰

The confederations of credit and insurance enterprises also increased and extended family allowances under a special national collective agreement, effective January 1, 1940, the contributions being paid entirely by the employing establishments (formerly the workers also were assessed).

By a law of August 6, 1940, the Italian Government announced the discontinuance of its contribution to the family-allowance system and gave legal confirmation to the previous abrogation of the workers' obligation to contribute. It also extended the system to employees of State administrations and public establishments insofar as they were not already receiving family aid. The law stated that "surplus resources should be utilized for the financing of courses in vocational education and for promoting the development of the family spirit."⁷¹

The law regulated family allowances in agriculture. Only workers registered on the list of agricultural workers had the right to family allowances. These grants were made only on the basis of days of actual work, the number of days not to exceed 26 per month for permanent workers. For workers not permanently employed, the allowances were fixed for each Province in accordance with the presumed number of days of work, regular, occasional, or exceptional. The rate of allowance was fixed at 1.50 lire per day, but pending the establishment of the total amount that could be paid, according to the contributions, the rate of 0.50 lira was to be maintained and would be increased gradually to 1.50 lire. Temporarily, the allowance was no longer paid in its entirety.⁷¹

The family-allowance scheme for the agents of administrations and public institutions was also regulated. In general, for this class of workers their family situation was taken into account in their salaries. They received either supplements for their wives and dependent children or special cost-of-living bonuses. The law relates only to the few agents who have not been receiving these benefits.⁷¹

⁷⁰ Monthly Labor Review (Washington), May 1940.

⁷¹ Revue du Travail (Brussels, Belgium, Ministère du Travail), March 1941.

*Amount and Cost of Family Allowances*⁷¹

From the financial viewpoint, the present (before the invasion of Italy by the United Nations) organization of family allowances is based principally upon the creation of a single fund, which replaces the four separate funds previously existing. This single fund was operated by the National Fascist Institute of Social Insurance. It assures reimbursement for the industrial branches where there is a deficit. Separate accounts are kept for each of the four groups—industry, commerce, credit and insurance, and agriculture—but a part of the total resources is allocated to reserves with which to meet any deficits. At the end of each fiscal period, each section establishes the balance between total contributions and the amount of allowances paid, including the expenses of administration and control. If there is a deficit in one section it is covered by the surplus of other sections.

The financial contributions of the different groups have made unnecessary any assistance by the State, such as was provided for industry and commerce in the decree of June 17, 1937.

Funds for the payment of allowances come from employers' contributions, based upon their gross pay rolls, as follows:

	<i>Percent of gross pay roll</i>
Industry.....	8. 00
Commerce.....	6. 25
Liberal and artistic professions.....	6. 25
Credit and insurance establishments:	
Public banks.....	12. 75
Other banks, brokers' offices, etc.....	9. 25
Insurance establishments.....	8. 20
Insurance agents.....	9. 70
Agriculture:	
Employees.....	8. 00
	<i>Lire</i>
Laborers.....per day..	1. 50

The percentages are so computed as to equalize in each branch of industry the contributions and dues to cover the expenses of administration and control and to assure a surplus sufficient for the realization of the other objectives.

The amounts of the family allowances in 1940 were as follows:

TABLE 1.—*Amounts of Family Allowances in Italy, 1940*

Employment group	Amount of allowances for—				
	1 child	2 or 3 children	4 or more children	Wife	Each parent
Agriculture:	<i>Lire</i>	<i>Lire</i>	<i>Lire</i>	<i>Lire</i>	<i>Lire</i>
Workers.....per day..	0. 45	0. 70	0. 90	1. 10	0. 60
Employees.....do....	1. 10	1. 45	1. 75	1. 70	1. 10
Industry:					
Workers.....per week..	4. 20	6. 00	7. 00	7. 00	4. 20
Employees.....do....	6. 60	8. 70	10. 50	10. 20	6. 60
Commerce:					
Workers.....per month..	16. 80	24. 00	31. 20	25. 20	14. 40
Employees.....do....	26. 40	34. 80	42. 00	36. 00	21. 60
Credit and insurance establishments:					
Workers.....per month..	40. 00	45. 00	50. 00	50. 00	30. 00
Employees in banks.....do....	100. 00	105. 00	135. 00	110. 00	70. 00
Liberal professions:					
Workers.....do....	16. 80	24. 00	31. 20	25. 20	14. 40
Employees.....do....	26. 40	34. 80	42. 00	36. 00	21. 60

⁷¹ Revue du Travail (Brussels, Belgium, Ministère du Travail), March 1941.

During the period from December 15, 1934, to December 31, 1939, the total amount of allowances paid increased to the sum of approximately 2,500,000,000 lire, including 1,915,000,000 for industry, 144,000,000 lire for commerce, 268,000,000 lire for agriculture, and 40,000,000 lire for credit and insurance.

It was estimated that the cost of allowances in 1940 would reach 1,500,000,000 lire.

The Minister of Corporations ruled that Italian workers repatriated from Germany as a result of sickness or accident might be granted family allowances for the period for which they are paid benefits up to a maximum of 3 months. Previously the regulations relating to the payment of family allowances to Italian workers transferred to Germany applied only to those recruited collectively. The new provision includes workers transferred by individual contracts.⁷²

JAPAN⁷³

In view of the increase in the cost of living, a system of family allowances for low-paid workers was decided upon by the Japanese Cabinet on February 16, 1940. Manual workers, salaried employees, and public and municipal officials were included in the scheme.

In the manual-worker group, all workers whose earnings per month are not over 70 yen and who have one or more dependent children under 14 years of age were eligible for the allowances. The average monthly rate was fixed at 2 yen per worker. Each establishment was permitted to determine the conditions under which the allowances were granted and to increase the amount according to the number of the worker's dependents. Local administrative authorities were urged to advise employers to establish, as far as possible, systems of benefits in kind "involving distribution of the kinds of provisions most commonly consumed, as this form of benefit corresponds most closely to the Government's object in establishing family allowances."

The number of manual workers in private enterprises and State establishments who were scheduled to receive family allowances under the reported scheme was estimated early in 1940 as 1,600,000.

LATVIA

During 1938-39, approximately 54,000 agricultural workers' families with a total of 10,400 children received family allowances. This involved considerable expenditure by the Government.

An amendment of May 4, 1939,⁷⁴ to the law instituting family allowances in agriculture provided that these allocations should be granted to all children of agricultural workers up to 11 years of age. The previous law specified 10 years as the age limit and 5 children as the maximum number to receive allowances. In May 1939, the number of children receiving allowances rose to 11,800, as compared with 10,400 during the preceding month. The increase was expected to be still greater in subsequent months. Agricultural workers were also granted 6 lats per month for relatives for whose support they are responsible.

⁷² International Labor Review (Montreal), May 1941 (p. 585).

⁷³ Industrial and Labor Information (Montreal), May 13, 1940 (pp. 138-139).

⁷⁴ Law of May 9, 1939, amending the law instituting a system of family allowances for agricultural workers (Valdības Vestnesis, No. 103, May 8, 1939).

A decree of the Ministry of Social Welfare, published on December 30, 1939, provides that any urban worker with a dependent family who took employment for at least 12 months as an agricultural worker, with part of his wages being paid in kind, might borrow 150 to 300 lats upon application to the Ministry of Social Welfare through the local office. These interest-free loans were to be repayable after 5 years. After 12 months' employment the workers were also to be entitled to subsidies of 25 lats for each family member settled with them in the countryside and supported by them. Under certain specified conditions this subsidy could be increased by 50 lats.⁷⁵

LEBANON

A Lebanese decree, issued on May 12, 1943, provided for very substantial wage and salary increases based on salaries and wages paid on December 31, 1939, as reported by the United States commercial attaché at Beirut, Lebanon. The decree also provided for family allowances as follows:

	<i>Lebanese pounds</i>
Wife.....	10. 00
1 minor child.....	10. 00
2 minor children.....	17. 50
3 minor children.....	25. 00
4 minor children.....	30. 00
5 minor children.....	35. 00

MONACO

In December 1938 an interoccupational fund for family allowances was constituted by approximately 200 employers in the Principality of Monaco.⁷⁶

NETHERLANDS ⁷⁷

Even before the enactment of the December 23, 1939, law, providing for a general family-allowance scheme in the Netherlands, family allowances were quite common. Such grants were made to Government officials and employees and to school teachers, and also, by private arrangement or collective agreements, to some workers in private industry.⁷⁸ In 1936 the total number of persons receiving these allocations was estimated at 300,000.

The act of December 23, 1939, makes it compulsory for every employer having one or more wage earners on his pay roll to become a member of a family-allowance fund. Every wage earner employed by an enterprise or by a community is eligible for a family allowance for each child under 15 years of age, beginning with the third. Exception is made in the case of those wage earners who have "advantages at least equivalent to those provided by the act under special recognized family-allowance schemes set up by a community, the Netherlands Railway Co., or other undertakings."

Benefits.—The allowance varies according to the wage, the minimum being 10 cents a day for workers earning 100 florins or less per month,

⁷⁵ Industrial and Labor Information (Montreal), April 8, 1940 (p. 38).

⁷⁶ International Labor Office, ILO Year-Book, 1938-39 (Montreal, 1939), p. 227.

⁷⁷ Industrial and Labor Information (Montreal), May 13, 1940.

⁷⁸ According to a report by the Centraal Bureau voor de Statistiek (Collectieve Arbeidsovereenkomsten in Nederland op 1 Juni 1939, published in 1940), family allowances were provided in 204 agreements covering 27 percent of the workers. Among the industries in specified localities in which these benefits were paid were the leather, shoe, textile, woolen, and artificial-silk industries, the baking industry, the wholesale grocery trade, slaughtering, cigar manufacturing, bulb growing, agriculture, horticulture, and gardening.

24 florins or less per week, or 4 florins or less per day, and the maximum being 25 cents per day for workers earning over 200 florins per month, 48 florins per week, or 8 florins per day. Under section 73 of the act, the family allowance received by a wage earner is considered a part of his wages.

Financial provisions.—Family allowances and their administration are to be financed entirely by the employers. Their contributions are fixed each year for the following 12 months, on the basis of, and in proportion to, each employer's total wage bill. It is estimated that the allowances represent approximately 1 percent of the combined wages paid, or approximately 18 million florins per annum.

Family-allowance and equalization funds.—Family-allowance funds, according to provisions of the law, may be organized (1) by industrial councils (joint advisory bodies established under a special act); (2) by occupational associations, recognized under the Sickness Insurance Act and having a managing committee with equal numbers of employers and workers. When, however, an industrial council has been constituted for a specified industry or branch of industry, any other fund formed by a recognized occupational association is to discontinue its functions, which will thereafter be performed only by the industrial council's fund. The Minister responsible for the enforcement of the act must approve any exception to this rule. Employers who are not members of either an allowance fund established by a works council or one formed by a recognized occupational association will be affiliated automatically with the National Family Allowance Fund.

The act establishes a family-allowance equalization fund, separately administered by the State Insurance Bank, which already has the responsibility of administering accident, invalidity, and old-age insurance. At the close of the fiscal year, the family-allowance funds in which the contributions received are greater than the amount of the allowances granted will transfer the available surplus to the National Family Allowance Equalization Fund, which in turn will make up the deficit of those family-allowance funds "which have received contributions lower in amount than that of the allowances paid." When the resources of the National Equalization Fund are inadequate, it may borrow (paying interest) from the Invalidity and Old-Age Fund.

Supervision and penalties.—The Supervisory College provided for under section 20 of the Sickness Insurance Act is entrusted with the supervision and enforcement of the Family Allowance Act.

Persons included under section 141 of the Penal Code, and State and communal police officers, members of the State Insurance Bank's board of directors, chairmen of labor councils, etc., are charged with the duty of seeing that the act is applied and of inquiring into any infringements, for which various penalties are imposed.

Details of application are to be set forth in a number of public administrative regulations. Similar provisions, based on the principle of reciprocity in the legislation of other national governments, may make it possible for wage earners not domiciled in the Netherlands to benefit under family-allowance schemes.

NEW ZEALAND

Weekly grants under the New Zealand Family Allowances Act of 1926 were at the rate of 2s. per child under 15 years of age, beginning

with the third child, with a family-income limit of £4 per week. The Social Security Act of 1938, effective April 1, 1939, increased the allowance rate to 4s. per week per child under 16 years, beginning with the third, and raised the weekly family-income limit to £5; an amendment in 1940 made the 4s. benefit payable for each child beginning with the second.

Under this legislation the number of children receiving family allowances and the cost of these benefits have increased enormously, as is indicated by the accompanying statement showing family allowances for the 3 years ending March 31, 1941:⁷⁹

Year ending March 31—	Number of benefits	Total payments made
1941-----	16, 626	£411, 811
1940-----	11, 053	252, 562
1939-----	5, 606	84, 436

The Finance Act of New Zealand, effective September 1, 1941, provided that a family allowance be payable for the first child. The rate, however, was left at 4s. per child and adjusted so that the average weekly income of the parents and children under 16 years of age, exclusive of the allowance, would not exceed £5.⁸⁰

The commissioners may also grant allowances for a child over 16 years of age if wholly incapacitated physically or mentally and unable to earn a living.⁸¹

In accordance with an amendment to the New Zealand Social Security Act (Serial No. 1942/145), family allowances were increased 50 percent, the weekly benefit for each child under 16 years of age being raised from 4s. to 6s. The limit of the family weekly maximum income, exclusive of allowances, has been raised from £5 to £5 5s.

NICARAGUA

Article 82 of the 1939 constitution of Nicaragua provides that the State shall attempt to secure special aid for large families.⁸²

NORWAY

In connection with a 1938 report to the Ministry of Social Affairs on the feasibility of family allowances, a general system was recommended. A draft bill was submitted, providing for a State system, supported by taxation.⁸³ A minority report, by one member of the committee, proposed a new system of remuneration which would provide the payment of wages proportionate to the value of the work and to the worker's family responsibilities, regardless of sex. The report also suggested the creation of an insurance fund for family allowances, to be attached to one of the present social-insurance institutions, to which all wage earners with annual income of not less than 2,500 nor more than 15,000 kroner would be required to belong and to pay contributions averaging 8-10 percent of their wages. Every year the fund would fix for each of eight wage classes the amount of the monthly or quarterly family allowances payable out of the fund so collected, after taking the

⁷⁹ New Zealand Social Security Department, Annual reports for the years ending March 31, 1940 (p. 3), and March 31, 1941 (p. 2).

⁸⁰ International Labor Review (Montreal), November 1941 (p. 591), and Official Year-Book (New Zealand, Census and Statistics Department), 1941 (p. 550).

⁸¹ Social Security Bulletin (Washington), May 1939 (p. 7).

⁸² Nicaragua, Constitución Política y leyes constitutivas, Managua, D. N. (Nicaragua, 1939), p. 30.

⁸³ International Labor Review (Montreal), July 1939 (pp. 56-63).

cost of administration into account. Allowances would be due to members of the fund in respect of each child under 15 years of age for which they are responsible. The members' contributions would thus restore to the community the so-called 'family increment' in wages which is wrongly paid to persons who have no children, and the amount would be shared in each wage class among the wage earners with family responsibilities. Both the contribution and the allowance would be proportionate to the basic wage in each class."

Subsequently, the Minister of Social Welfare requested various national associations likely to be interested in the subject of inquiry to submit their views. After making criticisms of the proposals of both the majority and minority of the committee, certain organizations presented entirely different recommendations for the relief of large families, especially measures for relief in kind (with additional cash grants in some cases) along the lines advocated by the Swedish Population Commission which had concluded its survey at the close of 1938.⁸⁴ Some of the replies of the Norwegian associations suggested that a new committee be created to reconsider the problem in the light of the opinions expressed by the consultants.

PALESTINE

Allowances were being paid to Government employees upon all basic salaries up to 16 Palestine pounds per month, according to a report of the Government Wage Committee published in 1943. The amounts of the allowances paid were as follows:

	<i>Palestine pounds</i>
Wife	1. 500
First and second child, each.....	. 500
Third and subsequent children, each.....	. 250

As an example of schemes established by private employers, the scale below for two important banks, effective January 1, 1943, was also presented in the above-mentioned report.

	<i>Per year (Palestine pounds)</i>
Cost-of-living allowance to bank officers—	
Irrespective of salary if unmarried.....	40
If married.....	90
For the first child.....	20
For the second and third child, each.....	10
The maximum allowance.....	130
Allowances payable on salaries up to.....	1, 000
Cost-of-living allowance to bank servants, irrespective of salary—	
Unmarried.....	40
If married.....	60
First, second, and third child, each.....	8
Maximum total allowance.....	84

Proposed Family-Allowance Scheme

The family-allowance principle embodied in a number of provisions for salaried workers makes it possible for the total amount paid in cost-of-living allowances to be allocated in such a way as to meet budget requirements where they are heaviest. According to the Government Wage Committee's report, the restoration of the purchasing power of salaried workers was considered impracticable except for those in the lower-income brackets.

⁸⁴ International Labor Review (Montreal), June 1939.

The Committee held that family-allowance schemes are practicable if the employers' competitive position is not at the time menaced by additional labor costs and employment may reasonably be considered permanent.

However, a family-allowance scheme makes it imperative for the employer to investigate the family responsibilities of the worker, and such investigation is impracticable when the personnel is large and the turnover is heavy.

The Committee stated that—

The above considerations would seem to exclude the whole of industry, as regards both monthly and daily paid employees, from a family-allowance scheme. They would also exclude employment by the armed forces and temporary employment by the Government. We have been impressed with the difficulty pointed out by the general manager of the Palestine Railways of paying a large labor force according to family responsibilities.

In addition, therefore, to the industrial workers' scheme of cost-of-living allowances, the Wage Committee recommended another scheme embodying the family-allowance principle. It is proposed under this scheme to use 10 Palestine pounds per month as the salary upon which the maximum allowance is to be based, with the following supplements:

Supplement to allowance for—	Percent of rise in cost-of-living index
Individual employee.....	50
Wife.....	10
Children under 15 years of age:	
First and second, each.....	10
Third and fourth, each.....	5

The cost-of-living allowance for the individual man should be raised in proportion to his basic salary up to 10 Palestine pounds, but family allowances should always be based on a salary of 10 Palestine pounds, irrespective of the salary of the head of the household. The cost-of-living allowance for the individual employee should be paid on all basic salaries over 10 and up to 32 Palestine pounds. "On higher salaries it should be paid only to such an extent that the employee should not receive less in total emoluments than if his salary had been 32 Palestine pounds."

The Committee considers the above family-allowance plan as applicable to Government and possibly municipal employees.

With reference to the cost-of-living index for the determination of allowance rates, the Committee suggests that the Government Statistician be requested to compile a special monthly index to be designated the Wage Committee Index.

PERU

The President of Peru on taking office on December 9, 1939, included in his social and economic program the establishment of a minimum wage and family allowances.⁸⁵

POLAND

For the Polish territory seized by Germany, rules were issued by the German Labor Trustee for Public Services on March 3, 1941. These regulations deprived all Polish workers in such services of the right to certain allowances (including children's allowances) ordinarily ac-

⁸⁵ Industrial and Labor Information (Montreal), March 4, 1940 (p. 214).

corded to German workers. The decree further stated that Polish workers could claim the right to present their cases to the courts.⁸⁶

PORTUGAL

A family-allowance scheme was introduced by the Government by legislative decree No. 32192 of August 13, 1942, in accordance with the principles set forth in articles 11 and 15 of the Portuguese Constitution of March 19, 1933.⁸⁷

This decree is applicable to well-behaved family wage earners of Portuguese nationality working for an employer in industry, commerce, or the liberal professions or corporative bodies or organizations for economic coordination, provided such wage earners are domiciled in Portugal. Brazilian and Spanish workers and nationals of other countries which grant reciprocal treatment to Portuguese wage earners are also covered. Agricultural workers living in their employer's household and Government employees and officials are at present not eligible for family allowances.

The term "family breadwinners" includes a married worker with a legitimate family which lives with him or is under his control; an unmarried, widowed, divorced, or separated worker who has dependents; a married woman with a husband who is an invalid, involuntarily out of work or legally prevented from maintaining his family; and the parents of a single woman.

Dependents include those whose individual means are not sufficient to maintain them and who rely for their support, clothing, and education on the family breadwinner. Among such dependents are legitimate or legitimated children up to 14 years of age of both the worker or his wife, and his grandchildren and ascendants if they are not in gainful employment and live within the national frontiers.

Administration and Financing

The legislative decree of August 13, 1942, also set up a National Fund attached to the National Labor and Welfare Institute to balance the receipts and expenditure of the regional funds, and to assist them in carrying out their functions.

This fund is financed by such part of the balances held by the funds as may be determined by the National Labor and Welfare Institute; a specified percentage of the balances held by the corporative bodies and economic coordination organizations; a contribution from the Unemployment Fund; half the 50-percent increase on normal rates paid for night work, except where performed by regular shifts, and overtime, and of the increase of 100 percent paid for work on Sundays and holidays, in accordance with the provisions of decree No. 24402 of August 24, 1934, regulating hours of work in industrial and commercial establishments, these payments being made by the undertakings; fines imposed for breach of the provisions of the legislative decree or of the rules of the funds; gifts from public or private institutions; interest on investments; and all other revenue, gifts, or grants authorized by the law.

The National Family Allowances Fund is managed by a committee which includes the secretary of the National Labor and Welfare Institute as chairman and representatives of the Ministries of the Interior, Finance, Public Works and Communications, and National Economy.

The decree lays down penalties for breaches of its provisions and prescribes that existing institutions which granted family allowances must be incorporated in the new system within 60 days of the publication of the decree.

⁸⁶ Reichsgesetzblatt (Berlin), April 3, 1941, quoted in *International Labor Review* (Montreal), November 1941 (p. 591).

⁸⁷ *International Labor Review* (Montreal), March 1943 (pp. 393-394).

Local family-allowance funds.—Family-allowance funds collect the moneys for the system and distribute them to the allocatées. These funds are legally constituted bodies and wherever possible are established on a regional basis upon the request of the interested workers or representative organizations or upon the initiative of the National Labor and Welfare Institute. Several industries or occupations may be covered by a fund, but it may not begin operations until its rules have the approval of the Under-Secretary of State for Corporations and Social Welfare. The functions of family-allowance funds may also be performed by pension and welfare funds, corporative bodies, and groups of enterprises.

It is compulsory for every worker and every establishment to become a member of a family-allowance fund as soon as one has been established for the occupation or industry.

The management of each fund is in the hands of a committee of three members. The chairman is nominated by the Under-Secretary of State for Corporations and Social Welfare; the other two members are elected, one by the employers and the other by the workers.

Each fund is obliged to maintain a reserve fund into which it must place 25 percent of its yearly balance up to a maximum of 10 percent of the value of allowances granted during the preceding 12 months. The reserves must consist of cash, bonds issued or backed by the Government, and buildings for the housing of the fund or the promotion of its objectives.

Contributions

The finances of the funds are furnished through contributions from both the workers and employers, payments from the National Family Allowances Fund, interest and other revenue, grants, gifts, and legacies.

Each fund may choose whether its member establishments shall base their contributions on the total wages paid or on the number of its workers and salaried employees; and the workers' contributions are either a percentage on wages or a flat rate for each wage group.

Employees' contributions are deducted from their pay.

An order issued by the Under-Secretary for Corporations and Social Welfare explained that the extension of normal working hours recommended for economic reasons would necessitate higher basic rates of wages. A legislative decree of August 13, 1942 (No. 32193), stipulated that from September 1, 1942, the employer should retain one-half of such higher rates for overtime and pay it into the National Family Allowances Fund within the first 8 days of the next month.

Benefits

The amount of the allowance is computed on the number of days worked, in accordance with the rates published in a schedule to the decree. Consideration is given to the requirements of different occupations and to the living conditions of the beneficiaries. The scales may be revised at the discretion of the Under-Secretary for Corporations and Social Welfare.

Furthermore, a fund may also provide marriage, birth, and nursing bonuses, and vouchers for meals and clothing up to 10 percent of its receipts.

The workers are eligible for allowances as long as they are receiving wages or salaries. Thus, allowances are payable in case of sickness, accident, maternity leave, military service, etc. However, no double allowances are granted.

RUMANIA

It was reported on April 1, 1943, that Rumanian factories must pay workers a 500-lei allowance each month for every child they have under 14 years of age. It is further alleged that workers' children physically unfit or who attend school would entitle their parents to the same allotment until the children reach the age of 16.⁸⁸

SOVIET UNION

The provisional results of the 1933-37 Five-Year Plan of the Soviet Union and the leading principles of the 1938-42 Five-Year Plan were reported at the Eighteenth Congress of the Communist Party of the Soviet Union, which met in Moscow in March 1939. The latter plan provided for a notable increase in various social services, among which were allowances to mothers with large families.⁸⁹

SPAIN

General System

A July 19, 1938, decree of the Franco Government instituted a compulsory centralized system of family allowances, to which the Government, employers, and wage and salaried workers were to contribute. These contributions were to be fixed by administrative regulation.

The Institute of Social Insurance was required to organize a national fund to cover all employers and their workers, except the personnel of the State, Provincial, and municipal administrations, certain other public bodies, and cities of less than 20,000 residents; the excepted administrations may affiliate voluntarily with the national fund.

The resources of the national fund, were to be made up of a grant of 5 million pesetas from the State, the contributions of employers, and a 10-percent tax on such part of dividends as exceeds 6 percent.

System for Agriculture

Application of the compulsory family-allowance system to agriculture proved to be so difficult that it became necessary to issue special regulations for agriculture. These were covered in an act of September 1, 1939, regulations dated October 6, 1939, and an order of January 17, 1940. A summary of the principal provisions thereof is given below.⁹⁰

The right of family allowances is extended to agricultural workers employed by another person, and also to proprietors, cultivators, leaseholders, share farmers, etc., who are directly engaged in farming without the aid of permanent workers or domestic assistants. The names of the persons entitled to family allowances must be entered in a local register of such persons, which must be kept up to date by the family-allowance committee for the locality.

⁸⁸ Report from American Consulate General, Istanbul, Turkey, May 31, 1943.

⁸⁹ International Labor Review (Montreal), February 1940 (p. 199).

⁹⁰ Industrial and Labor Information (Montreal), April 29, 1940.

Employers must bear the entire cost of financing the allowances, their contributions being based in part on the assessed land value and in part on their wage bill. In case of land held on lease or cultivated on shares, landlords may require their leaseholders or tenants to refund the contributions paid. The allowance is based on a monthly schedule, regardless of the number of days the recipient has been employed.

Because of the inability of the local committees to prepare the registers of eligibles within the time fixed, and the failure of the minister to fix the amount to be contributed by employers, the coming into operation of the special family-allowance system in agriculture was suspended indefinitely.

In the meantime agricultural workers and stock raisers were still included in the general provisions for family allowances in the legislation of 1938, and these benefits were paid only to those workers whose names appeared on the employers' lists. The workers also continued to share in the contributions to the family-allowance fund. The employers make such payments on the basis of 6 percent of the wage, 1 percent representing the contribution of the workers.

DECREE OF FEBRUARY 22, 1941

A decree of February 22, 1941, doubled the allowance rates and provided marriage loans and prizes. The rates were as follows:⁹¹

Allowance on account of—	Based on monthly wage (pesetas)	Based on daily wage (pesetas)
2 children.....	30	1. 20
3 children.....	45	1. 80
4 children.....	60	2. 40
5 children.....	80	3. 20
6 children.....	100	4. 00
7 children.....	120	4. 80
8 children.....	150	6. 00
9 children.....	180	7. 20
10 children.....	210	8. 40
11 children.....	250	10. 00
12 children.....	290	11. 60

The monthly allowance was raised by an additional 50 pesetas for each child after the twelfth, and the daily allowance was raised in the same proportion. Each family was to be paid a lump sum equal to 50 percent of the total allowances received from the date upon which the scheme was introduced up to March 31, 1941.

Under the system of marriage loans, a couple may borrow 2,500 pesetas, repayable, without interest, at 1 percent per month. The loan may be 5,000 pesetas if an insured woman worker gives up her employment and refrains from entering employment as long as her husband is employed or capable of work.

The marriage loan is repayable without interest at 1 percent per month. The amount to be returned is reduced at the birth of each child. Annual provincial prizes totaling 1,000 pesetas and a national prize of 5,000 pesetas are to be granted to the families "which have had the largest number of children, and prizes to the same amount to the families which have the largest number of living children."

By a decree of November 10, 1942, family allowances were provided for home workers who had been provisionally excluded from these benefits under the decree of October 20, 1938.

⁹¹ International Labor Review (Montreal), May 1941.

Under the new decree, home workers and persons in a similar position and their employers are compulsorily included in the family-allowance system.

Under an act of February 10, 1943, the Spanish Government prescribed rules for the application of compulsory family-allowance provisions in rural areas.^{91a}

SWEDEN

The final report of the Swedish Population Commission appointed in 1935 was dated December 18, 1938. This report emphasized that a part of the economic responsibility of bringing up children must be transferred from the family to the community.⁹² Indeed, the major tenet of the commission was the equal distribution of the maintenance costs of children. "It should not be possible for those who have no children to avoid contributing to the necessary investment in the future generation." The commission, however, preferred allowances in kind rather than cash benefits for large families, following "the pattern of a cooperative economy in which large schemes for providing free goods and services for children are sustained by the community on the grounds of rational organization, expediency, and social equity."

The commission's four main reasons for favoring assistance in kind were (1) better guarantees that the children will actually receive the benefits; (2) the direct economic advantages obtainable through mass administration of some types of consumption; (3) the possible improvement of consumption habits; and (4) the practically prohibitive cost of adequate cash allowances for children. However, exceptions might be permitted; as for example, in the case of incidental expenses at childbirth, also in the matter of indirect cash equalization through tax exemptions.

In the opinion of the commission, benefits should be available for all children regardless of social class; the middle-class family as well as the working-class family must have this aid. "No social stigma should be attached to those who need assistance from the community in contributing to its continued existence."

SWITZERLAND

On March 10, 1939, a wage settlement between the Swiss Government and the Swiss Federal Alliance of Public Servants (which includes the Swiss Railwaymen's Union) provided for a marriage allowance to be granted in such a way that two increments in wages would be given, with adjustments when increments would otherwise be due, or alternatively a lump-sum allowance of 1 month's wages, subject to a maximum of 500 francs. The allowance for children was raised from 120 to 130 francs.⁹³

A meeting of firms in the Swiss watch industry in 1939 decided to recommend a system of family allowances. The organization of an equalization fund was accepted as a necessary step toward realization of the plan; the employers would make contributions to the equalization fund, based on a percentage of wages and salaries paid. The meeting instructed the Swiss Chamber of the Watch Industry to bring

^{91a} International Labor Review (Montreal), August 1943 (p. 253).

⁹² *Idem*, June 1939.

⁹³ International Transportworkers Federation (Amsterdam). Press report No. 7, March 27, 1939.

about affiliation of all employers' associations and groups with the fund.⁹⁴

Family allowances constituted one of the major subjects of discussion at the annual conference of the Swiss Trade Union Federation, which met at Berne, May 16, 1941.⁹⁵ The resolution finally adopted declared that the Swiss trade-unions had always favored provisions for family protection, but experience had indicated that family allowances generally tended to be a drag on wages and made it more difficult to adjust wages to increases in the cost of living. As a consequence, family allowances could not be considered as desirable for counteracting the declining birth rate or insuring the permanent welfare of large families. The threat of war and economic insecurity and its consequences "were much more powerful influences than the measures proposed to counteract the fall in the birth rate." The conference contended that larger families should be granted various benefits, such as tax abatements, and that single workers should be paid a wage which would make it possible for them to establish homes for themselves while they were still young.

The program adopted February 11, 1939, by the Committee of Management of the Federation of Swiss Associations of Salaried Employees included a demand for "the adaptation of salaries to the employee's qualifications, length of service, age, and family responsibilities and to the cost of living."⁹⁶ In Berne, Basel, and Zurich in 1940 and 1941 family responsibilities were to some extent taken into account in wage rates for certain occupations.⁹⁷

TURKEY

The Public Health Act of Turkey gives an important place to the assistance of large families, with the objective of reducing infant mortality but with the further purpose of encouraging mothers and giving help to large families. In accordance with this law needy families with more than six children receive cash allowances from the Government; families in easy circumstances receive medals instead of money.⁹⁸

UNION OF SOUTH AFRICA

The Prime Minister of South Africa in reviewing the economic and social achievements of the Government since 1939, and outlining plans for post-war reconstruction, before the annual congress of the United Party of the Union of South Africa, stated that "as soon as finances allow, a minimum standard wage, providing for family allowances, will be introduced."⁹⁹

UNITED STATES

The idea of family allowances is in embryo in the United States. However, the family-allowance principle is recognized in State and Federal income-tax laws by exemptions for dependents. Family re-

⁹⁴ Social Justice Review (St. Louis), April 1942 (p. 19); also source in footnote 93.

⁹⁵ International Labor Review (Montreal), September 1941 (p. 348).

⁹⁶ Industrial and Labor Information (Montreal), April 24, 1939 (p. 541).

⁹⁷ La Vie Économique, (Berne, Switzerland, Federal Department of Public Economy), 1941 (pp. 296-301).

⁹⁸ La sante publique et l'assistance sociale en Turquie. (Matbuat umum Müdürlüğü, Ankara, Turkey), 1941 (p. 95).

⁹⁹ International Labor Review (Montreal), March 1942 (p. 302)

sponsibilities have also been taken into consideration in the compensation of officers in the Army, Navy, Marine Corps, Coast Guard, and in some cases in the Public Health Service. For example, Army officers from the rank of second lieutenant to that of brigadier general are entitled to different amounts of subsistence and rent, according to whether or not they have dependents.¹ Separation allowances for the dependents of mobilized men were paid during the last war and in the present war.

The Salvation Army makes family-allowance grants to its officers. The principle of the basic wage and dependency allotments have been used as a guide in Bennington College (Bennington, Vt.) in fixing salaries and determining increases in pay.

*Family Allowances for Public School Teachers*²

The successful demands of women teachers for equal pay for equal work and the claims of male teachers who are heads of families for adequate support of their dependents have in recent years brought to the front the question of the so-called "social wage" in the formation of teachers' salary schedules.

While the very vigorous controversies on the subject stretch over a considerable period, they have a close tie-up with the recent hearings on separation allowances for married men in the armed forces and with the wartime rise in the cost of living, which affects so acutely wage earners who have family responsibilities.

Family allowances or closely allied salary differentials for married public school teachers were provided in 75 communities of from 2,504 to 149,554 in population, according to a study made in 1941 by the National Education Association involving the examination of the salary schedules of 1,315 city public-school systems.^{2a}

Although the amounts of the allowances do not cover the full maintenance of dependents, these grants suggest a practical way of securing a more adequate standard of living for the families of married educators. Some phases of the problem involved in providing for the so-called "family wage" are indicated in the conflicting viewpoints on the question at issue.

Since 1914 the National Education Association has expressed itself officially in favor of the equal-pay principal, namely, that teachers of equivalent preparation, experience, and teaching load should receive equal pay regardless of sex. In 10 States the law forbids salary discrimination against women teachers. However, women teachers' salaries continue to be below those of men. According to the report from which the data in this section were taken, this situation may be explained partly by the failure of both educators and laymen to study the changing conditions which have outmoded the traditional practice of sex discrimination and partly by "the belief that the law of supply and demand requires the payment of higher salaries to men."

However, the proportion of male teachers in the United States has been constantly increasing since 1919-20. In that year men consti-

¹ A personnel program for the Federal Civil Service. Washington (United States House of Representatives, H. Doc. 773), 1931 (p. 69). (Referred to in Report of the Salaries of Teachers and Other Employees in the Greenwich School System, by Willard S. Elsbree.)

² National Education Association, Report of the Committee on Salaries, for presentation to the representative assembly at Milwaukee, June 30-July 4, 1940.

^{2a} Family allowances for public school teachers and differentials for married men in 1940-41. Washington, National Education Association, September 1941. (Processed.) In some cases the latest available schedules were for earlier years.

tuted 14.1 percent of the teachers; in 1937-38 the proportion had risen to 21.1 percent, and this in spite of an important gain in the extension of the principle of equal pay for equal work.³

Another and graver consideration relative to salary discrimination, the report declares, is the heavier economic burden of married men. The seeming justice of a salary differential for married men has influenced numerous boards of education to adopt this practice and often extend it to include all men, without reference to marital status. The basis for such extension has never been fully explained. At times it is argued that the scale is devised to "make marriage attractive and possible for all men teachers and to offer unmarried men an opportunity for reasonable savings in anticipation of the future costs of maintaining homes." Those who are not in favor of higher salaries for men have emphasized that the average dependency load of women teachers is considerable and that single men teachers should not be selected for preferential treatment. Others hold that the family responsibilities of the individual teacher should have no place in the establishment of salary schedules; that rewards should be linked up with the kind of service performed, should be sufficient to attract persons with the requisite qualifications, and should include provisions for the average family responsibilities of all teachers rather than for those of individuals.

Despite the objections noted above, the public-school systems in various localities are, as already stated, now making provisions for the extra financial burdens of married men or heads of families. These experiments, the National Education Association's Committee on Salaries suggests, afford an opportunity for study and research in the quest for a better solution of the problem.

The accompanying table, based on the findings of the National Education Association's inquiry, shows that 75 public-school systems in 1940-41 provided additional remuneration for married male teachers. The annual salary differentials for married men range from the lowest minimum of \$50 in Elgin, Ill., to the maximum of \$1,000 in Wellesley, Mass. Of the seven cities in which specific grants are made for a wife, four—Springfield, Mass., Superior, Wis., Lead, S. Dak., and Gooding, Idaho—provided an annual differential of \$100. Three cities—Palmerton, Pa., Cheyenne, Wyo., and Garden City, N. Y.—paid respectively, \$50, \$120, and \$300. In nine cities in which specific grants were made for dependent children, the yearly allowance for a child ranged from \$10 in Palmerton to \$120 in Cheyenne, the latter grant being for the first child if there are only child dependents. In Cheyenne the school board may approve allowances for dependents other than wives and children.

In Rock Island and Superior, a child must be under 21 years of age to receive an allowance; in Palmerton and Garden City, under 18.

A woman teacher may also receive a differential for dependents, in Emporia and Lawrence, Kans., if she is the head of a family; in Grand Island, Nebr., Garden City, N. Y., and Ely, Minn., if she is a widow; in Beloit, Wis., and Washington County (including St. George), Utah, if she has dependents, and in East Grand Rapids, Mich., if she has financial responsibilities equivalent to those of men.

³ In 1939-40 only 12 of the 87 cities in the United States having over 100,000 population made any distinction in the salaries established by schedule for men and women teachers.

In 25 cities single men are reported as receiving a differential which, however, in practically all cases, is considerably below that for married men. For example, in Elgin the maximum differential for single men is \$250 compared with \$500 for married men; in Racine, \$200 for single men and \$500 for married men; and in Winnetka, \$244 for single men and \$851 for married men.

TABLE 2.—Annual Allowances for Public School Teachers for Family Responsibilities, United States, 1940-41¹

City and population group	Population	Annual allowance for married men			Remarks
		Salary differential	For wife	For each dependent child	
<i>Over 100,000</i>					
Massachusetts: Springfield.....	149, 554		\$100	\$50	Total maximum allowance, \$200. Recommended that grants be made only to men 45 years of age or younger and no allowance granted when both husband and wife are employed.
<i>50,000-100,000</i>					
Illinois: Elgin.....	38, 333	\$50-\$500			Differential for single men, \$50 to \$250. When wife or husband not regularly employed. Child beneficiaries must be under 21. Maximum allowance \$500.
Rock Island.....	42, 775			100	
Iowa: Cedar Rapids.....	62, 120	72-360			Beginning salary for married man, \$1, 500 (minimum for women and single men, \$1,140 and \$1,428, according to training). No differential in maximum salaries. Minimum for married high-school teachers. No differential between married and single men in highest salary group. Maximum differential for all men, \$474.96 above that for women.
Council Bluffs.....	41, 439	237.48			
Michigan: Dearborn (Fordson District).....	63, 584	100			If wife has no regular paying position.
Mississippi: Jackson.....	67, 107	(²)			Differential for single men, 25 percent.
Missouri: Joplin.....	37, 144	\$ 10			Above schedule. Minimum salary for married men, \$1,350; for women and single men, \$950 to \$1,400, according to training.
St. Joseph.....	75, 711	400			
Oklahoma: Muskogee.....	32, 332	100			\$50 above schedule for single men.
Wisconsin: Green Bay.....	46, 235	300			Differential for single men, \$200.
Oshkosh.....	39, 089	400			
Racine.....	67, 195	500			
Sheboygan.....	40, 638	300			
Superior.....	35, 136		100	100	Differential for single men, \$100. For dependent husband or wife and for 1 or more other total dependents under 21 years of age.
<i>10,000-50,000</i>					
Colorado: Grand Junction.....	12, 479	90			
Illinois: Winnetka.....	12, 430	851			Differential for single men, \$244.
Iowa: Fort Madison.....	14, 063	200			Annual maximum salary for married men, \$200 above that for women.
Newton.....	10, 462	185			Above salary of single men and women, in high school.

¹ Data taken from available schedules which in some cases were for earlier years.

² 40 percent.

³ Per month.

TABLE 2.—Annual Allowances for Public School Teachers for Family Responsibilities, United States, 1940-41—Continued

City and population group	Population	Annual allowance for married men			Remarks
		Salary differential	For wife	For each dependent child	
<i>10,000-50,000—Con.</i>					
Kansas:					
Emporia.....	13,188	\$200	-----	-----	Any teacher who is head of a family, according to article 7 of Kansas "Income Tax Laws" and regulation 33. Heads of families shall be advanced at least \$75-\$100 per annum until they receive \$1,500, except those without an A. B. degree who will be limited to \$1,250.
Lawrence.....	14,390	75-100	-----	-----	
Massachusetts:					
Wellesley.....	15,127	700-1,000	-----	-----	Lower differential for regular minimum salary. Higher differential for regular maximum salary.
Michigan:					
Ironwood.....	13,369	430	-----	-----	Above lowest regular minimum schedule. No scheduled differential at maximum salary.
Minnesota:					
Virginia.....	12,264	300	-----	-----	Above that for women and single men. Maximum salary not to exceed \$2,100.
Winona.....	22,490	200	-----	-----	
Nebraska:					
Grand Island.....	19,130	100	-----	\$50	Classroom teacher. Widows also eligible for grant for each minor child in immediate family.
New Mexico:					
Roswell.....	13,482	100	-----	-----	In addition to normal scheduled salary.
New York:					
Garden City.....	11,223	-----	\$300	100	Classroom or special teachers. Allowances for children up to 18 years of age. Widows eligible for children's allowances.
Oklahoma:					
Bartlesville.....	16,267	100	-----	-----	Other things being equal, single men also receive \$100 above women. However, when latter have children in school, differential is paid.
Pennsylvania:					
Beaver Falls.....	17,098	100	-----	-----	If wife is not in gainful employment.
South Dakota:					
Rapid City.....	13,844	120	-----	-----	Single men, \$60 above basic schedule.
Wisconsin:					
Beaver Dam.....	10,356	250	-----	-----	Single men, \$150 in addition to regular salary.
Beloit.....	25,365	400	-----	-----	Single men, \$200 above basic salary. Women with dependents may be placed in same schedule as men.
Cudahy.....	10,561	200	-----	-----	Differential for single men, \$200. Men are not considered as included in regular schedule. Extra pay offered to married men.
Fond du Lac.....	27,209	400	-----	-----	
Janesville.....	22,992	-----	-----	-----	
Neenah.....	10,645	400	-----	-----	Differential for single men, \$200.
Two Rivers.....	10,302	400	-----	-----	Do.
Wyoming:					
Cheyenne.....	22,474	-----	120	30-60	\$120 paid for first dependent; \$60 for second; and \$30 for third and subsequent dependents. School board may approve of allowances for dependents other than wives and children.
<i>5,000-10,000</i>					
Connecticut:					
Putnam.....	8,602	150	-----	-----	In high school.
Illinois:					
Naperville.....	5,272	400	-----	-----	Differential for single men, \$200.
Riverside.....	7,935	452	-----	-----	Single men may receive as much as \$26 per month above schedule.
Minnesota:					
Columbia Heights.....	6,035	100	-----	-----	Widows with dependents also eligible.
Ely.....	5,970	200	-----	-----	
Eveleth.....	6,887	200	-----	-----	As compared with women. Differential for single men, \$150. Effective school year after marriage.
Owatonna.....	8,694	300-500	-----	-----	
St. Louis Park.....	7,737	300	-----	-----	
Willmar.....	7,623	200	-----	-----	

* Per month; maximum.

TABLE 2.—Annual Allowances for Public School Teachers for Family Responsibilities, United States, 1940-41—Continued

City and population group	Population	Annual allowance for married men			Remarks
		Salary differential	For wife	For each dependent child	
5,000-10,000—Con. Montana: Bozeman.....	8,665	\$150-\$300			Higher allowance is for the minimum salary; lower, for the maximum.
Nebraska: Kearney.....	9,643	96			
York.....	5,383	200			
North Dakota: Devils Lake.....	6,204	300			Differential for single men, \$100.
Jamestown.....	8,790	250			
Ohio: Defiance.....	9,744	300			Maximum differential. No differential at minimum, but automatic salary increases for married men amount to \$100 or double those for single men and women.
Pennsylvania: Palmerton.....	7,475		50	10	Also an additional \$50 after 6 years of local service as a married male teacher. Allowance for dependent children under 18.
South Dakota: Lead.....	7,520		100	100	Allowance for legal dependents only. Total maximum, \$400.
2,500-5,000 Idaho: Gooding.....	2,568		100	50	
Illinois: Faxon.....	3,106	350			Differential for single men, \$200.
Shelbyville.....	4,062	100			
Sycamore.....	4,702	600			For maximum. Minimum and automatic salary increases the same for both sexes.
Iowa: West Des Moines.....	4,252				
Junior high school		90-115			For minimum salaries.
Senior high school		100-215			For maximum salaries.
Michigan: Bessemer.....	4,080	100			Above salary schedule.
East Grand Rapids.....	4,899	200			Above salary for women. Women who have financial responsibilities equivalent to men may receive differential by vote of board of education. Automatic salary increases the same for both sexes.
Wayne.....	4,223	300			
Minnesota: Gilbert.....	2,504	100			Must have been married by opening of school year.
Hopkins.....	4,100				
2-year degrees		504-540			High-school teachers. Lower differentials are for those receiving higher salaries. Differentials also provided for single men.
4-year degrees		300-324			
Hutchinson.....	3,887	288			Above the schedule for women. Single men also receive a differential.
Litchfield.....	3,920	200			
Northfield.....	4,533	300			Differential for single men, \$100.
North St. Paul.....	3,135	180			Differential for single men, \$45.
Waseca.....	4,270				
2 years training		270-450			High-school teachers. Single men also receive differentials.
4 years training		360-450			
Ohio: Perrysburg.....	3,457				Extra allowance for married men. Amount not specified.
Utah: Washington County, including St. George.	3,591	120			Widowers and widows with dependent children also receive this differential.
Wisconsin: Algoma.....	2,852	190			High-school teachers only. Differential for single men, \$95.
Waupaca.....	3,458	200			Differential for single men, \$100.

A superintendent of schools in a letter to the Bureau of Labor Statistics stated that the extra allowance for children to public schools teachers is "an attempt to compensate in part for the contribution that teachers with children are making in addition to their teaching service. We believe that it is right, that it is based on social justice and fair play." He added that they pay single men more than women "for an entirely different reason. We are forced to do this in order to compete with the many vocations that attract the best men as contrasted with the limited number of vocations open for women. * * * We have to pay more to get a man as good as a woman teacher we can employ for less money, and we need some men and want good ones. The men soon marry and start families anyway and then they need the extra money for the support of the family."

In 1941 it was reported that for the most part the attitude of the teachers in the public schools of Winnetka, Ill., toward bonuses for family responsibilities was "satisfactory." However, some adverse feeling existed among women teachers, especially those having dependents, against extra allowances for male teachers, who are bachelors. The tax limitations in the town make it impossible to pay all teachers salaries as high as those which include the supplementary payments, but in order to obtain some men for the staff it has been necessary to institute these differentials.

According to the superintendent of the Garden City public schools, the teachers, the school administration, and the community in 1941 were all heartily in favor of the family allowances. "Each year at the hearing of the budget, some one, a newcomer, asks a question about family allowances and I have never heard a dissenting voice after the matter is fully explained. We feel that such a scheme enables us to retain many teachers who otherwise would be attracted to administrative positions at higher salaries. The family allowance enables us to pay salaries comparable with those of many administrative positions and enables the teacher to stay in teaching work if he or she prefers to do so."

The only adverse comments on salary differentials for married male teachers in Palmerton, Pa., the local superintendent of schools reports, were from a few women teachers who were property owners and who considered that their responsibilities were as great as those of family men.

Arguments for and Against Family Allowances for School Teachers

An analysis of the pros and cons of family allowances for teachers indicates that the basic objections to these grants are that married men would find it increasingly difficult to secure employment in competition with single men and unmarried women equally well equipped as teachers; that teachers should be paid according to their ability, not extraneous circumstances; and that the problem of encouraging large families is not one for the school but for society at large.

Among the major arguments for the institution in question are equalization of the economic burden resulting from family responsibilities; encouragement of the home; that teachers supporting several people on their income cannot enjoy the same cultural advantages and give as much attention to progressive professional activities as single teachers having the same salary; and the reasonableness of compen-

sating couples who are making a contribution to the perpetuation of society.

Provisions for equal pay for teachers, enforced by law in various States and reported for the greater number of communities in which teachers' salary schedules are operated in accordance with the rules and regulations of boards of education, are not without draw-backs. It is alleged that not only do such provisions "ignore the fact that the relationship of wage conditions outside of the public service to teachers' salaries has a profound effect upon the supply and demand of male teachers, but it overlooks entirely the economic problem confronting married men, especially those with dependent children."⁴ A professor of education at Teachers College, Columbia University, an expert on salary schedules for teachers, declares that "equal pay legislation is desirable and justifiable only when it is accompanied by a system of family allowances."

The Seventh International Congress on Public Education, held in 1938, in its recommendations concerning the salaries of elementary school teachers, stated: "It is desirable that a special allowance, proportional to their expenses, should be made to teachers having family responsibilities."⁵

Positions taken by some of the opponents to these grants for dependents are reported below:

The Final Report of the New York City Citizens Committee on Teachers' Salaries, published in 1927 by the Bureau of Publications, Teachers College, Columbia University, New York, rejected the proposal for the inclusion in the salary schedule of the "family wage" or higher remuneration for teachers having heavier family responsibilities.

To allow differentials in salary on account of varying numbers of dependents would most certainly defeat the very purpose which the proponents of the plan hope to achieve. * * * Under such conditions married men with children would find it increasingly difficult to secure employment in competition with young men and unmarried women who are equally qualified to do the actual job of teaching.

The direct argument against the family wage is just as important. Teachers should be paid upon the basis of their teaching ability, measured as objectively as can be done, and not on the basis that boards of education are charitable institutions or in some peculiar way to be held responsible for administering the State's obligation to provide for its own progress and perpetuity.

Ward G. Reeder, in his volume on *The Fundamentals of Public School Administration*, declares:

Granted that qualifications and services are equal, women teachers should receive the same pay as men. Right and justice demand this parity. A different schedule for the two sexes brings never-ending trouble with both the women teachers and the public. If to secure a larger number of male teachers it is deemed expedient to pay them larger salaries, let the extra pay be given them for special duties, such as administering a department.

An excerpt from the Survey Report of the Cincinnati Public School, Cincinnati, Ohio,⁶ reads as follows: "On the basis of the information now at hand, the survey staff does not feel justified in recommending a salary differential on the basis of sex. Rather the staff reaffirms the principle that equal pay should be given for equal qualifications and services."

⁴ *The American Teacher*, by Willard S. Elsbree. New York, American Book Co., 1939.

⁵ International Bureau of Education. Bulletin No. 48 (Geneva), 3d quarter, 1938 (pp. 107-10). For article on family allowances for teachers in certain foreign countries, see *Monthly Labor Review*, December 1932 (pp. 1355-1357).

⁶ Cincinnati Bureau of Government Research (Cincinnati), Report No. 64, 1935 (p. 254).

The following arguments against salary differentials for men and women are cited in the National Education Association Research Bulletin for March 1936:

1. Equal pay for equal work is a growing practice and is fundamentally sound.
2. Salaries should be based on service rendered and not on extraneous questions, such as sex.
3. The assumptions that men are the only ones who carry the burden of dependents is fallacious.
4. Women are rapidly attaining equality with men in other occupations and in other aspects of life.

The dilemma occasioned by this stand is also outlined in the same issue of the bulletin:

1. If salaries of women teachers are raised to the level of those paid men teachers, great increases in taxes will be necessary.
2. On the other hand, if salaries of men teachers are reduced to equal those of women, many capable men teachers will leave school work for other occupations.
3. Our public schools are already suffering from overfeminization. Growing children should have contacts with both men and women teachers.
4. The supply of men teachers is limited; higher salaries must therefore be paid to secure their services.

Number of dependents as a basis for differentials in the salaries of teachers is very graphically objected to by J. R. McGaughy in his book, *An Evaluation of the Elementary School*. He holds that such a system would defeat the purpose of securing more male teachers, and points out that it is not the responsibility of schools to wrestle with the problem of encouraging large families, but that the problem should be taken up by society at large.

Dr. Paul Popenoe, however, strongly approves of family allowances. In an article entitled "Can We Afford Children?" in the *Forum*, December 1937, he wrote: "Any solution of the population problem must therefore involve, at the outset, some equalization of the economic burdens of childbearing." He stressed especially the problem as related to educated people who want their children to have all possible advantages; "the 2-child family is now virtually standardized in this class, producing about half enough children to replace its own numbers." He holds that an allowance of 15 percent of the annual income for each child would not be an incentive for "an educated couple to try to produce babies for revenue only." The bonus would merely offset the parents' actual expenditure for each child.

To prevent discrimination against the employment of married teachers, Dr. Popenoe suggested the establishment of an equalization fund, for example, among 100 high schools of Massachusetts, who would pay their principals \$2,000 per annum with 15 percent additional for a wife and each child, the payment of salaries and bonuses to be made from the pooled funds and not directly by the local boards of education.

Yet another argument for additional remuneration to men with family responsibilities was advanced by Douglas E. Scates in a paper presented before the city directors of research of the American Educational Research Association in Washington, February 20, 1932, as follows: "The psychological justification for such a differential in salaries is equally, if not more, significant. The teacher with several people living on one income cannot enjoy the same degree of culture and cannot give the same amount of attention to developing leadership as can the teacher who has only himself or herself to think of."⁷

⁷ National Education Association, Research Bulletin (Washington), October 26, 1932.

William C. Morrison, of the Beverly Hills High School, California, in an article, *Higher Salaries for Married Men*,⁸ makes the following recommendation for overcoming what he regards as existing injustices:

1. One job to one family.
2. Single teachers paid the present salary wage.
3. Married men paid 15 percent above the present salary wage and 15 percent additional for each child up to and including three.

It is time that something definite be done to counteract the suppression of the family, something definite be done to encourage, rather than discourage, the home. Here is an opportunity for boards of education to put into practice a sound economic principle.

In *Administering the Teaching Personnel*, by Dennis H. Cooke, professor of school administration at the George Peabody College for Teachers, Nashville, Tenn., the author recommends a salary allowance of \$300 per annum for a man teacher with a dependent wife and a family allowance (to be paid to women also) of \$100 for each minor child up to and including five children.

Dr. E. R. Enlow, director of statistics and special services, public schools, Atlanta, Ga., proposes that the persistent puzzle of differentials for married men teachers should be dealt with "by means of a scientifically derived formula." The differential he suggests "should probably be based on the typical male and the typical female." Suppose, for example, that the model male teacher were found to be possessed of a wife and two children; the salary differential would then be based on the ratio between the cost of living for such a man and that of a single woman.⁹

According to E. H. Hanson, superintendent of schools, Rock Island, Ill., this proposition, should be modified for the following reasons: (1) The proposal to pay all men teachers higher salaries because the typical man is married and has two children is not reasonable since many teachers are bachelors and "do not deserve the differential." (2) The suggested plan is not just, because under it families with one child would be overcompensated and those with more than two children would be undercompensated. (3) The suggested scheme is indefensible from the social viewpoint because it rewards couples without children to the same extent that it compensates parents with family responsibilities. (4) The formula proposed by Dr. Enlow does not take into consideration widows or wives of men who have become crippled—women who must bear the burden of supporting their families. It is simple to provide an allowance on the basis of the number of dependent children. Mr. Hanson referred to the Rock Island differential which, he states, has been working successfully for 5 years in a city of 40,000 population and part of a metropolitan area with 170,000 population. This differential is on a basis which he considers desirable. He admits that the differential is inadequate but adds that when funds are available this situation would be corrected by increasing the allowance for each child.¹⁰

In the report of the National Education Association's Committee on the Economic Status of the Teacher, *The Teacher's Economic Position: Facts and Recommendations*, published in 1935, proposing a hypothetical salary schedule, the committee made this comment concerning its application to men and women: "One such schedule

⁸ California Society of Secondary Education, *California Journal of Secondary Education* (Santa Monica, Calif.), February 1936.

⁹ *American School Board Journal* (Milwaukee, Wis.), February 1940.

¹⁰ *Ibid.*, March 1940.

might be used for women, and a different one for men, or the same one might be used for both men and women. In the latter case, the necessities used as a basis for the minimum salary should be those of the single women without dependents and not maintaining a home, while the necessities used as a basis for the maximum salary should be those of the married man maintaining a home and supporting dependents."

Other Discussions and Recommendations on Family Allowances

While the subject of family allowances has received scant attention in the United States from the majority of economists, sociologists, and labor experts, a few outstanding persons in these professional groups have, however, considered favorably the possibility of instituting such grants in this country.

Family allowances were on the program of the Catholic Conference on Industrial Problems, held in Detroit in 1927, and of the annual meeting of National Conference of Catholic Charities, held in New Orleans in 1929. Two papers regarding such grants were presented to the National Conference on Social Work, the later contribution being made in May 1942 by F. E. Andrews, manager of the publication department of the Russell Sage Foundation. In closing his address, Mr. Andrews said:

Family allowances may be coming sooner than we dream. If they come, social work needs to be in a position to direct this social force, which may prove an addition to social security only less important than that act itself in its influence on living conditions in America.¹¹

Even in the United States family allowances have not been without their special pleaders. Indeed, almost 30 years ago Mary E. Richmond in *The Survey* of February 15, 1913, said: "We must give attention to this endowment of motherhood idea—it concerns all social work."

Over 20 years ago Paul H. Douglas began writing on and making recommendations for family allowances not only in his book "Wage and the Family," but in various articles and addresses.

The late Ethelbert Stewart, Commissioner of Labor Statistics, 1920–32, while "unalterably opposed to a difference in industrial wage rates as between the married and the unmarried" favored a "social allowance by which our political and social institutions will pay for the replacement of the race to those who are replacing the race. There is no reason," he contended, "* * * why the man who is keeping up our social structure, our very civilization itself, should be penalized for his loyalty to the race and for his willingness to shoulder the burdens which others shirk."¹²

In the judgment of Barbara Nachtrieb Armstrong in "Insuring the Essentials" (1932), family endowment does not seem at the present to find a place in a practical program of legal minimum wage. The device of family allowances, however, is peculiarly adapted to the designs of social insurance.

Dr. John A. Ryan, Director of the Social Action Department of the National Catholic Welfare Conference, at the second meeting of

¹¹ Proceedings of the National Conference of Social Work, New Orleans, May 10–16, 1942 (New York, 1942).

¹² A family wage-rate vs. family social-endowment fund, by Ethelbert Stewart. (In *Social Forces* (Chapel Hill, University of North Carolina), September 1927, p. 120.)

the International Conference on Social Work, at Frankfurt-am-Main, recommended family allowances,¹³ and he includes some discussion of these subsidies in the revised edition of his "Distributive Justice" (1942).

In addressing the American Public Welfare Association at its conjoint meeting with the National Conference on Social Work at Indianapolis in May 1937, Harry Hopkins, then Works Progress Administrator, urged a general broadening of social-security legislation. He said in part:

Children in poverty are perhaps the greatest single groups with which we must deal, and the Social Security Act might well be extended to touch every child dwelling in a home where poverty exists. They, too, should be given pensions for a long or short period of time—aid similar to the widows' pensions in many States. They have a right to a fair start in life. While other types of benefits, such as unemployment insurance, will help diminish the need among children, much will remain; and this type of assistance must be very broad in its terms.¹⁴

Referring to the social-security work for dependent children, already reaching 360,000 at the time of his address, Mr. Hopkins said that in this vast country that was a small number indeed and the amount of these benefits was far too meager in many States. "This year [1937] their benefits will total nearly \$4,000,000."

In February 1942, 954,863 dependent children in 396,417 families were receiving public aid under the Social Security Act in States with plans approved by the Social Security Board. The amount of such aid aggregated \$13,511,395.¹⁵

In his address, Mr. Hopkins also said:

The question which we are really discussing here tonight is whether or not it is possible, under our form of government, for each family in the United States to have security and to be freed from poverty and want. We, as a people, have faith that this can be done by patient, persistent effort—by the democratic forces.

In the seventh annual report of the Social Security Board, 1942, after a reference to the existing scheme of making Federal grants to States under the Social Security Act for dependent children, the following statement is made:

Consideration should be given also to extending the scope of the program by including children whose need is due to causes other than those now specified, i. e., the parent's death, incapacity, or absence from home. It has been suggested, for example, that Federal matching grants should be available for approved State plans which furnish aid to any child whose family resources are insufficient to insure healthful growth and development.

Dr. Edgar Schmiedler, O. S. B., Director of the Family Life Bureau of the National Catholic Welfare Conference, stated his views as follows:

We hear much today about the living wage. In the case of the adult male the term should really be the "family" living wage. The term means, of course, that a wage-earning man should get an income at least sufficient to support himself and his family in frugal comfort. He has a specific right to that. It is a right flowing from the fundamental human right that the individual has to marry and rear a family, and upon the fact that the wage which a worker gets in return for his labor is commonly the only source of income which he has for the support of himself and his family.

But, in spite of all that has been said on the subject, in spite even of the Federal minimum-wage law, great numbers of workmen ordinarily are not receiving a family minimum wage. Neither the automatic forces of competition nor

¹³ Proceedings. Karlsruhe (Baden), 1933.

¹⁴ New York Times (New York), May 23, 1937.

¹⁵ United States Social Security Board. Social Security Bulletin (Washington), April 1942 (p. 32).

the benevolence of employers has enabled a host of adult male workers to command the means necessary to rear a family in accordance with reasonable standards. * * *

Family allowances aim to provide increased income in view of increased family burdens. They provide for a basic wage for all male workers, whether married or unmarried, in an industry, and then for a supplementary allowance to heads of families, the amount commonly being based on the number of children in a family.

Family-allowance systems, as now functioning, may not be ideal. But the defects in them are not irremediable. Allowances have become fairly common in Europe and have done much good. They are now being used extensively in this country in the case of dependents of men in the armed forces.

In the 1938 edition of his comprehensive volume, *Insecurity—A Challenge to America*, the late Abraham Epstein declares that—

The value of a system of family allowances cannot be questioned. No one can deny the injustice now imposed upon parents who have to raise a large family on wages which are frequently insufficient for the parents, let alone the children.

The adoption of family allowances would prove beneficial from every point of view. It would relieve much of the anxiety and poverty which now confronts many parents. It would bring about great efficiency and reduce labor turnover. It would distribute among all employers the burden of relief which a few humane employers now carry on account of the larger family needs of some of their workers. From the point of view of society it is the surest and cheapest way of promoting health and raising the standard of the race both physically and morally. It is the easiest way of preventing the stunted growth of children and is the least expensive method of reducing infant mortality.

In the report of the National Resources Planning Board "*After the War—Full Employment*" (1942), Dr. Alvin H. Hansen presented certain income models as aids to analysis and formulation of policy. He thinks that among the post-war policies suggested by these models is an expansion of public-welfare expenditures, including family allowances.

Proposals Suggestive of Child Endowment

Under the section on "*Post War Planning for Children and Youth*," in the National Resources Development Report of 1942 (p. 113), the National Resources Planning Board states that—

for any view that looks to the post-war period, children and youth are the most significant among human beings.

We as a people cannot afford to cheapen the civilization we are defending by neglecting the quality of the generation for which we hold it in trust. There is no reasonable alternative to doing all in our power to insure young people the opportunity to grow into the best men and women they are capable of becoming.

Even under the most favorable economic conditions yet experienced there have remained numerous families who needed assistance to carry on the normal functions of the home. The question of any major reduction of the social services other than unemployment relief is therefore largely academic, at least for the present. We need to strengthen them, to maintain the channels through which they are administered, to create new channels. It is especially important to increase the social services intended specifically to benefit children and youth.¹⁶

The Board also called attention to the fact that it is not generally recognized how very many young persons live in families so poor that opportunities for normal growth and development are drastically limited. While data on this problem are not complete, it is known that in general there is a concentration of large families in the low-income groups. While large families are very obviously in the minority they include a heavy proportion of the children.

Nearly half of all white American children are in families that when completed will have had five or more children, and approximately a quarter are in families

¹⁶ National Resources Planning Board: *National Resources Development Report, 1942* (Washington, 1942), p. 113.

of seven or more children. This fact alone suggests the magnitude of the problem created by the impact of poverty upon the growing child. It is likely that some of the social-service programs now being conducted for needy families in general should be pointed more particularly toward families with dependent children.

It is suggested in the report under review that the food-stamp plan might be amended by the inclusion of a special provision for families with children. Its objective would then be to enable each member of the family to have a well-balanced diet rather than primarily to utilize surplus crops. A start has already been made by the extension of the stamp plan to clothing. The clothing-stamp plan should be made more comprehensive and might include provisions for a wider distribution of children's clothing. Moreover, on public housing projects it would be well to make special provision for families having several children. "Home or family security is essential and it is proper for society to insure it."

In brief, social services for children and youth "should insure in adequate measure to all children and youth the advantages provided by a good home." Provisions for reaching this goal should "strengthen the ability of the family to perform its normal functions toward young people by adopting all practicable measures to stabilize and increase family income." Where necessary, special measures should be taken "to enable the family to provide adequate food, housing, and clothing for children."¹⁷

A reiteration of this viewpoint is found in the following pronouncement in the major recommendations of the American Youth Commission's report, *Youth and the Future* (1942):

It is essential that steps be taken to relieve the difficult situation of families with large numbers of children. Suggested steps include public housing on a subsidized basis; health and medical service with special emphasis on maternal and child care; an extension of the food-stamp plan whereby free stamps sufficient for an adequate minimum diet for children would be made available upon purchase of stamps for an adequate minimum diet for the adult members of the family; and use of special clothing stamps negotiable only for children's clothing.

Among those holding that it is imperative to reduce the economic handicaps resulting from family responsibilities but who favor some other way of meeting the problem than by cash family allowances are Frank Lorimer, Ellen Winston, and Louise K. Kiser. They advocate, in their book, *Foundations of American Population Policy*,¹⁸ various other forms of Government aid for mothers and children. On the ground of benefits provided by the plan recommended, these authors hold that the expense to the State or other economic undertakings is not so great. They concede, however, that such a system would not bring about a proportional reduction of expenditures for children in all income groups but only in the case of the basic requirements for which it provided. "Finally, it would represent a concrete expression of public interest in parenthood and child life." The volume here referred to states that the philosophy back of the Swedish population program has been formulated along these lines. That program includes "proportionate rent allowances for low and medium rental homes for families with three or more children; public nursery-school provisions for children, public medical services for mothers and children, free nutritious lunches for primary-school children, and other provisions for maternal and child welfare."

¹⁷ National Resources Planning Board: *National Resources Development Report*, 1942 (Washington, 1942), pp. 119 and 129.

¹⁸ Prepared for the Committee on Population Studies and Social Planning of the National Economic and Social Planning Association.

A statement of the National Citizens Committee of the 1940 White House Conference on Children in a Democracy, based on recommendations of that conference which are vital to the protection and welfare of children in wartime, includes the following lines:

In a democracy the child receives shelter, food, clothing, early training, and preparation for effective citizenship as a member of a family. * * *

The family in order to serve the child must have an income to provide the essentials of food, clothing, shelter, and health.¹⁹

In the declaration of opportunities in the Final Act of the Eighth Pan American Child Congress, Washington, D. C., May 2-9, 1942, that organization held that two of the essentials for the creation of a family atmosphere suitable for child development were "that every child should live in a family having an adequate standard of living and a stable economic foundation" and that "the State should take measures to assure the economic stability of the family."²⁰

This Congress also recommended that the American International Institute for the Protection of Childhood be the permanent agency of the child congresses for carrying out so far as possible their resolutions and recommendations and should be officially recognized by the American Republics as the central body for scientific study and cooperative action relative to matters which affect the welfare of children.

Among many matters of immediate importance specified for consideration by the institute was a study of family-allowance systems.

URUGUAY

Some industries in Uruguay pay family allowances to their employees. Also, a decree of the President of the Republic of Uruguay authorized the National Board of Fuel, Alcohol, and Portland Cement (*Administracion Nacional de Combustibles, Alcohol y Portland*) to include in its budget 27,500 pesos for family allowances for its manual and nonmanual personnel from July 1938.²¹

YUGOSLAVIA (CROATIA)²²

In Croatia State, employees with monthly incomes of 6,000 kunas or over had not been granted family allowances, but under a new regulation effective retroactively to April 1, 1943, that figure was raised to 12,000 kunas. Formerly an employee was not entitled to an allowance for his family if his wife received more than 450 kunas per month from her work or from private income. As of April 1, 1943, this figure was advanced to 1,000 kunas. Effective on that date the family allowance was raised from 105 to 150 kunas monthly for each member of the family. Also, in the future, family allowances were to be paid in full without any deductions for such items as social insurance and the employment tax.²³

¹⁹ U. S. Children's Bureau. Children in the democracy for which we strive. Washington, March 16, 1942. Mimeographed.

²⁰ Pan American Union, Washington, D. C.

²¹ International Labor Office Year-Book, 1938-39 (Geneva), 1939 (p. 228).

²² As a result of the Nazi conquest, Croatia was set up as a separate kingdom.

²³ American consular report from Istanbul, June 16, 1943.

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