

The allowances are reduced after the fourth child as follows: one dollar reduction for the fifth child, two dollars each for the sixth and seventh child and three dollars for each additional child.

The Family Allowances administration is highly decentralized. Reporting to the National Director at Ottawa are Regional Directors in each of the provincial capitals and a Regional Director for the Northwest Territories and Yukon. Each regional office is divided into two main sections—the administrative, which carries out all matters of policy, and the treasury division, which devotes itself exclusively to the issuance of the monthly cheques. The Regional Treasury Officers report to the Chief Treasury Officer of the Department of National Health and Welfare.

Each regional office has a Supervisor of Welfare Services who acts as adviser to the Regional Director in social welfare matters and directs the staff of the Welfare Section. On the Dominion level, similarly, a Chief Supervisor of Welfare Services acts as adviser to the National Director.

Study of the statistics (p. 213) reveals a steady increase in the number of children in receipt of allowances, accounted for in large part by the fact that the number of children reaching age 16, and thus becoming ineligible, was more than offset by the number of births. The lower average age of the children, which has resulted from this change in distribution by age, is reflected in a reduced average allowance per child. In addition, the number of new one-child families coming into the plan together with the retirement of elder children reaching age 16 proved sufficient to reduce the average number of children per family. Average allowance per family has, therefore, decreased. It may be noted, however, that continuance of this trend depends on the effect that further shifts in the age distribution of the children may have on average allowance per child and size of average family.

It will be noted that between December, 1946, and March, 1947, there was a sharp increase in the number of families to whom allowances were paid. This is explained by an amendment to the Income War Tax Act effective Jan. 1, 1947. Prior to that date, through income tax adjustment, the Government recovered on a sliding scale a proportion of the allowance actually received. In 1946, 100 p.c. recovery was reached at an income level of \$3,600. Hence, many in the upper income brackets did not apply for the allowance. Under the amended Act, it was to their advantage to apply because the amount deductible from taxable income is the same for all children who are eligible to receive the allowance irrespective of registration under the Act.

Unemployment Insurance.—In 1940, by an amendment to the British North America Act, the Dominion Government was given complete jurisdiction in the field of unemployment insurance and since that time a national system of unemployment insurance administered by the Unemployment Insurance Commission has been in operation. (See Chapter XX on Labour.)

National Physical Fitness Program.—Under the Physical Fitness Act, which came into force on Oct. 1, 1943, the Dominion Government provides financial assistance to those provinces desiring to promote and carry out physical fitness and recreational projects. This subject is dealt with under Section 3, pp. 232-233.

Veterans Allowances.—In addition to war pensions, allowances are paid to certain non-pensionable veterans at 60 years of age, or earlier if the veteran is permanently unemployable or to eligible veterans who, having served in a theatre of actual war, are incapable and unlikely to become capable of maintaining themselves because of economic handicaps combined with disabilities. These allowances are dealt with in Chapter XXX on Veterans Affairs.