

the family allowances program, the old age security program and the federal aspects of old age assistance, allowances for blind and disabled persons and of the new program of unemployment assistance. Grants to the provinces to promote physical fitness were introduced in 1943 but the Act providing for them was repealed in June 1954. The Department continues to provide physical fitness and recreation consultative services.

Unemployment insurance is administered by the Unemployment Insurance Commission; welfare and health services for veterans by the Department of Veterans Affairs; the welfare of Indians by the Department of Citizenship and Immigration and the welfare of Eskimos by the Department of Northern Affairs and National Resources.

Administration and financial responsibility in other fields of welfare such as mothers' allowances, child protection, services for older persons, community services and general assistance or relief are provided by the provinces and their local subdivisions.

Section 1.—Federal Government Programs

Subsection 1.—Family Allowances

The Family Allowances Act of 1944 is designed to assist in providing equal opportunity for all Canadian children. The allowances involve no 'means test' and are paid entirely from the Federal Consolidated Revenue Fund. They do not constitute taxable income but there is a smaller income tax exemption for children eligible for allowances.

Allowances are payable in respect of every child under the age of 16 years who was born in Canada, or who has been a resident of the country for one year, or whose father or mother was domiciled in Canada for three years immediately prior to the birth of the child. Payment is made each month, normally to the mother, although any person who substantially maintains the child may be paid the allowance on his behalf. Allowances are paid at the monthly rate of \$6 for each child under 10 years and \$8 for each child 10 or over but under 16 years. (Prior to September 1957 the rates were \$5 for each child under 6 years, \$6 for each child from 6 to 9 years, \$7 for each child from 10 to 12 years, and \$8 for each child 13 or over but under 16 years.) The allowances are paid by cheque, except for some Eskimo and Indian children in remote areas for whom payment is made largely in kind because of lack of exchange facilities and the desirability for education in the use of nutritive foods.

If the allowances are not spent for the purposes outlined in the Act payment may be discontinued or made to some other person or agency on behalf of the child. Allowances are not payable for any child who fails to comply with provincial school regulations or on behalf of a girl who is married and under 16 years of age.

The program is administered by the Family Allowances and Old Age Security Division of the Department of National Health and Welfare, through regional offices located in each provincial capital. A welfare section in each regional office deals with welfare questions arising from administration of the allowances. A Supervisor of Welfare Services advises each Regional Director and reports through him to the Chief Supervisor of Welfare Services, who acts in a similar advisory capacity to the National Director. The actual preparing and issuing of the cheques is the responsibility of the treasury division of each regional office which reports to the Chief Treasury Officer of the Department of Finance attached to the Department of National Health and Welfare. The Regional Director for the Yukon and Northwest Territories, located in Ottawa, is responsible for payments to families in those areas.