

particular advantages in the circumstances of war. Within this agreement, there was an opinion on the part of some that any such proposal should be subjected to extended study.

Beyond the limits of these agreements, however, there was a divergence of view similar to that as to the probable results of a revised wage control policy.

The view of the first group can best be expressed as follows:

The present Income Tax Act provides the equivalent of children's allowances (in tax credits) for those with incomes of more than \$1,200 a year (or approximately 50 cents an hour). The taxpayer with children is in this much better position than the taxpayer without children. There is a strong element of inequity in a system which makes this distinction but does not alleviate the position of a non-taxable person with children.

The total effect of war with its restrictions and arbitrary direction, on the population includes a multiplication of minor injustices no one of which is of crucial importance but the steadily increasing sum of which bears hardly on lower income groups and particularly on those in these groups who have families. There is a justification, therefore, particularly strong as the circumstances of war create some of the conditions of a siege economy, for a broad social policy, over-riding the particular effects of individual restrictions and controls, and contributing to a more equitable and tolerable distribution of income.

No social policy would so nearly meet this need as a system of family allowances. What could be contemplated would be a system providing monthly allowances of about \$9 per child decreasing with the age of the child and probably limited to a maximum of five or six children in a family. This would be equal to the income tax credits and would approximate to the Beveridge proposal of 8 shillings a week. The absence of any means test would greatly simplify administration.

It is believed that there would be great advantages in undertaking such a bold measure at this time and in present

circumstances