

## The Canadian Concept of Social Security

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### Résumé de l'article

The author, instead of concentrating on the crystallization into legislation of the Canadian concept of social security, analyzes the present pattern of social measures administered on the local, provincial and federal levels; he studies the principles on which the programmes are based and to which they must conform. In order to establish such programmes it is necessary to take into account historical factors, deep-seated religious convictions, the experience of older societies and geographic and cultural patterns. To the State belongs the responsibility of helping individuals to provide more adequately for their security and welfare; the State must not be omnipotent and destroy all private or collective initiative in this direction. On each level of government, the Canadian public administrations contribute in a vital way to social welfare.

# INDUSTRIAL RELATIONS

## The Canadian Concept of Social Security

**Paul Martin**

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Ever since Leo XIII brought to this subject the breadth of his comprehension and the distinction of his leadership in social action, the Church has been most energetic in its advocacy of measures to protect the individual against the insecurity accompanying many of the massive changes that have taken place in social organization over the past century.

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Canadian Minister of National Health  
and Welfare, since 1946. First Canadian  
Representative in Economic and  
Social Council, 1946; Chairman, United  
Nations Commission of Refugees.

## Our Debt to History

Three centuries ago Thomas Fuller said this of history:

*"History maketh a young man to be old without either wrinkles or gray hairs; privileging him with the experience of age, without either the infirmities or inconveniences thereof. Yea, it not only maketh things past, present; but enableth one to make a rational conjecture of things to come."*

In no field of human interest is it more important than in that of social welfare to shape present programs in the light of past experience. At the same time we must take into account our own particular Canadian geographic and cultural patterns and those deep-seated religious convictions with which all programs affecting the daily lives of our people should be in harmony.

By the very nature of our position in the world in this young and yet progressive nation, we can learn much from older and more settled societies. From studying the development of their social legislation and from their experience in this field, we can learn to avoid their errors and to give surer, more positive direction to Canadian programs. My study today, however, will be less about the history of the crystallization into legislation of the Canadian concept of social security than about our present pattern of social measures and the wide area of agreement on the principles on which they are based and to which we should resolutely make all our programs conform.

I shall have to limit my remarks to organized social measures administered by government agencies at the various levels — local, provincial and federal. Time will not permit me to deal with the laudable activities of voluntary organizations, the charitable acts of welfare service at the parish level or the good works of our devoted religious orders that have been an inspiration to social progress since the very beginnings of Christianity.

While voluntary expenditures may be small when contrasted against those involved in governmental programs, there is a quality in voluntary service of this kind that is beyond price. The personal interest in the individual and the intimate knowledge of his exact circumstances and needs that exist at the community and parish level is something that cannot be duplicated by any public agency.

## **Government Interest in Social Action**

The provision of adequate health and welfare services is now recognized as one of the major functions of the modern democratic state. A quarter of a century ago there was not in Canada a single full-time provincial or federal department of health and welfare. Today, the Federal Government regards social security as being fully as important as its other long-standing responsibilities in such fields as agriculture, labour, finance and public works. Moreover, each of the ten provinces now has its own full-time Department of Health and Welfare.

The welfare work of government should colour its thinking in all matters affecting the well-being of the individual citizen. To take away this responsibility would be to deprive the state of an honourable service to its citizens. This governmental activity intimately affects the lives of individual men and women and children by helping to provide better for their security and welfare.

One of the principal features of government social action in Canada today is that there is no single unit of government, large or small, which does not have some important share of responsibility. We have built our social welfare services from the bottom up, establishing them first on the local community level, then moving on to the establishment of services on the provincial level, and, finally, bringing the great weight of the resources of the Federal Government to bear on problems of national concern.

There are some who suggest that all responsibility for social security should be centralized or concentrated on one level of government. This, of course, would be entirely out of keeping with our traditional division of powers and respect for provincial and local rights. But more than that, it is a wholesome thing for any government to have some share of the responsibility for meeting the social needs of its people. I am convinced that no one in Canada — and no government in Canada — has any desire to say: "The welfare of the people is no concern of ours".

## **The Search for Security**

The search for security is as old as any other human aspiration and surely as honourable. Security is one of the most fundamental needs of mankind — individual economic security, collective social security and national and international security. Even in these times



of world tension, the hazards to security within the nation may be just as damaging to family and national life as those dangers from without.

Just as collective security has become the key to our international policy, so too domestic hazards must be met by the collective action of the entire community and nation. The fact that Unemployment Insurance and Family Allowances were introduced in wartime and the National Health Program and our new plan for Old Age Security during a period of stress in world affairs, reveals the subtle psychological link between national security on the one hand and social security on the other.

### **The Welfare State Bogey**

Before going any further, let me clear up certain misconceptions about the nature and purpose of social security measures. The whole history of social progress is obscured by arguments based on prejudice. Even in this enlightened day we hear words bandied about recklessly to stem the tide of popular insistence on action to correct the injustices of our industrial system. The most notorious example is the use of the term, "the welfare state".

To some, the term "welfare state" has a sinister note, for they fear that the emphasis will be on the *state* rather than on the *welfare*. My conception of democracy has never envisaged a condition where the fruits of industry are dutifully laid out at the feet of an omnipotent state to be doled out to a servile and dependent people. But to hold millions in the yoke of poverty is not democratic either. We must strike a balance. We must keep a free and enterprising society, but we must make sure that no one who makes the best use of his abilities and opportunities is debarred from a decent standard of life.

The opponents of the welfare state are articulate and powerful. In education and influence, they represent, for the most part, those who because of special opportunity, privilege or ability have risen above the average level so that the hazards and insecurity of everyday life are less evident to them and seldom sharply felt in their own persons or families.

In any country many will need little special assistance because of their ability to provide for their own security. But social legislation must take account not of special cases only but also of the ordinary men and women and children who compose a country and whose hands

and minds must provide its present character and strength and mould its future.

The object of all social security measures is the correction of those basic inherent inequalities of our system without unsettling its complex and finely-balanced pattern of initiatives and incentives. The whole nature of welfare is to look beyond the national average to the individual — beyond the nation's total population to any age or other group within it that is in need of help.

### **The Need for Security**

In the earliest forms of society of course, the family provided its own security. When its resources failed, it looked to the clan or community to which it belonged. This simple pattern held until the Middle Ages, although with the rise of nations, the individual within the family, the family within the community, and the community itself, could to some extent rely on assistance in time of need from other communities or from the resources of the entire national group.

Provision for its poor and unfortunate is a mark of any civilized society in ancient or in modern days. But the need for such assistance became much more evident early in the nineteenth century with the spread of the Industrial Revolution. As the industrial wage became the chief or only source of family income, family security became more and more dependent on the uncertain fortunes of industry. With industrialization came the modern phenomenon of "unemployment".

An industry is usually able to sustain short periods of depressed conditions, but until recent years its employees were generally unable to withstand even limited loss of work without severe suffering. The industrial wage, for the majority of workers, was not sufficiently high in earning periods to provide a cushion against unemployment. It was also evident that the wage was seldom sufficient to cover all the essential needs of the larger families even in time of full employment.

This does not mean that unemployment today can be borne for sustained periods without outside assistance to maintain the worker and his family. Social measures now in existence in Canada such as Family Allowances and Unemployment Insurance, are designed to meet lapses in employment. But it becomes increasingly clear to me that if a community provides available manpower to an industry, that industry has an obligation in periods of unemployment to do more than

it now does in providing for the economic sustenance of its unemployed workers.

We talk of the partnership of industry as Management, Labour and the Community. This partnership must envisage not only privileges but obligations as well. It may be, and for some time now I have thought this to be a solution — I am speaking personally now — that large employers of labour, especially where they enjoy a reasonably stable demand for their products, will have to provide for annual wages if they expect always to have at their disposal an adequate labour supply.

### **Origins of Canada's Social Legislation**

In Canada, in the last century, there was less need for social security measures because of the predominantly rural character of the country. But, with our rapid industrialization, the need became increasingly evident. And now, if I may be permitted, I should like to outline the historical origins of social legislation in Canada.

In considering the historical origins of our Canadian concept of social security we must take account of this country's geographic distribution and its constitutional development. Social welfare administration in Canada is a co-operative effort of religious groups, voluntary organizations, and of the three levels of government. The role of each government is determined largely by four factors:

- tradition;
- the British North America Act;
- public opinion;
- special legislative enactments dealing with individual social welfare programs.

Traditionally and historically in Canada, health and welfare services have developed as a local rather than as a national responsibility. This is in keeping with the weight of Canadian public opinion which has always favoured the principles set out by Pope Pius XI that responsibility for social action should be maintained on the level of organization closest to the individual. What the individual can best do for himself should not be undertaken by the community. The federal government should not attempt to do anything that can be done more directly and more effectively by the provincial or local authorities.

The British North America Act reflected this traditional emphasis on local responsibility. Of course, when this Act was passed in 1867, there were no social welfare services in the modern sense. It was not strange, therefore, that no clear statement in the Act placed social welfare under the jurisdiction of the provincial or the federal government. However, in the health field, apart from certain specific but limited responsibilities delegated to the Federal Government, the responsibility for health services was clearly placed in the hands of the provincial authorities.

Local responsibility for welfare services, thus established by history and tradition and confirmed in some degree by our Constitution, prevailed without question until about the time of the First World War. Then the third controlling factor, public opinion, began slowly to assert itself in favour of a certain measure of national responsibility for social welfare services.

It did not, for example, seem appropriate that the families of soldiers who went overseas to fight for all of Canada should be left as a social welfare responsibility of the provincial and local community. Consequently, a national patriotic fund was established, heavily supported by financial contributions from the Federal Government as well as by voluntary contributions. This was perhaps the first sign in Canada of a slowly emerging sense of national responsibility for social welfare.

Even at the end of World War I and into the early Twenties, the provinces and municipalities were still regarded as being the only governmental authorities with any responsibility, constitutionally or otherwise, in the welfare field. But this time, however, the growing burden of costs for these services was beginning to make the provinces and municipalities uneasy about their ability to find the necessary funds. Public opinion increasingly shared this view and the first pressure began to develop for the Federal Government to assume more definite responsibility in this field.

Developments over the past quarter century have been rapid and have seen the Federal Government increasingly entering the social welfare field.

### **Growth of Federal Responsibility for Social Action**

The depression which began in 1929 made it necessary to develop widespread measures for dealing with unemployment and the relief of

need in the families of the unemployed. Again, the federal Government, through conditional grants in aid, assisted with this problem. The Government passed various pieces of legislation to underwrite from one-third to forty per cent of the total costs of provincially-administered relief. Pensions for the blind were added in 1936 to pensions for the aged.

It is clear, then, that in the Thirties the accepted pattern for social and welfare services was one of federal grants-in-aid, supervision and control, on the one hand, with provincial administration on the other.

In 1935, the first federal legislative attempts to provide insurance against unemployment were rejected by the courts on the ground that contributory social insurance of all kinds fell within the provincial field of property and civil rights. Finally, in 1940, with the consent of all nine provinces, the Federal Government obtained an amendment to the B.N.A. Act, formally transferring jurisdiction for unemployment insurance to the federal authority. This made possible the Unemployment Insurance Act, with its added provision for a National Employment Service.

By this time Canada was engaged in the Second World War. Public opinion was again strongly in favour of a national approach to social welfare and social security.

In 1944, therefore, the Federal Government enacted the Family Allowances Act, to pay cash benefits on a non-contributory, non-means test basis, for almost all the children in Canada. This was the third type of federal action in the social welfare field. In the same year, the federal Department of National Health and Welfare was established, thus crystallizing the Canadian concept of social well-being by indicating acceptance of the principle that various related programs should be coordinated at the federal level.

I might point out in passing, that family allowances, which increased opportunity for more than 4,000,000 Canadian children at an annual cost of more than \$315,000,000, provide a fine illustration of the unmistakable influence of the church on Canada's social progress. As long as 25 years ago, Father Leon Lebel of the Society of Jesus, pioneered in advocating the enactment of family allowances. Father Lebel found in this measure fulfilment of principles set out by Pope Pius XI in his Encyclicals.

My own experience, as head of a Department responsible for so many social measures is that, generally speaking, in a federal state, it

is unwise to centralize policy and administration in these matters. History seems to indicate that it is much better to have participation in these essential measures by all levels of government. Examples of such co-operation are seen in the existing and future programs for Old Age Security.

The Federal Government now, by way of specific legislative enactment, operates certain services directly; for example, Unemployment Insurance, Family Allowances and benefits for war veterans. In other areas, through the device of conditional grants-in-aid, it offers financial assistance for provincially administered programs, as for example, through the National Health Program. Then there are a number of important and long-standing welfare services that are entirely provincial such as mothers' allowances and workmen's compensation. In this manner, each level of government in Canada makes its own contribution to social welfare.

### **The Changing Pattern of Welfare Expenditures**

Over the past quarter of a century, there has been a very marked shift in the pattern of health and welfare expenditures of the municipal, provincial, and federal governments. While municipal expenditures were increasing from \$21,000,000 in 1926 to \$72,000,000 in 1950, provincial expenditures rose from \$17,000,000 to \$238,000,000. During the same period however, federal expenditures advanced from \$50,000,000 to \$723,000,000.

The greatly-increased federal expenditures for social security are mainly accounted for by such major programs as that for Family Allowances, Old Age Pensions, the National Health Program, Unemployment Insurance and the Veterans Charter.

The interesting point to note in this comparison is what might be called the upward thrust in responsibility for health and welfare services from the municipal to the federal level. By this I do not mean that provincial or municipal expenditures have not very considerably increased, but rather that the weight of responsibility has grown financially so heavy that more and more of it proportionately has had to be carried at the higher levels of government.

At the time of Confederation, federal grants for philanthropy and reform — the term "social security" had yet to be invented — amounted to only half a million dollars. This year, Canada will spend more than \$1 billion on health and social security. In spite of such a vast increase

in health and welfare activities we have come to this high level of public and voluntary deliberation of each new measure adopted. No one need fear that to spend one dollar in twenty of our gross national income for such purposes is either beyond this country's capacity or beyond our people's needs.

No social measure has been initiated without long study of the experience with similar measures in other countries. Our new program for old age security, for example, under which 860,000 Canadians will benefit at an annual cost of over \$400,000,000, will be the product of almost half a century's experience and study. In bringing each new measure into effect only after careful assessment of the need for it and of the costs involved, government budgets generally have been able to bear each additional burden without a sign of undue strain.

But, we must not expect magic from governments — that they should distribute more than they receive. In paying the high cost of social measures, Canadians know that social security *for* the people comes *from* the people. When we think of *social security* we should always think also of *work*. To lighten the load of those in need, we must be careful not to over-burden the men and women on whose efforts all our wealth depends.

In deciding how far we can go towards meeting the needs of our citizens, I do not define the limit — no one can. For countries, as for individuals, there are impossible tasks.

In all these things there is a balance — difficult although it is to define. The need to keep our economy buoyant, the need to conserve the nation's human resources, the place of any new act in our total pattern of welfare measures — all these factors complicate the legislator's problem. In approaching each new act to lessen human insecurity and suffering, there is no place for recklessness. Neither is there for pessimism.

### **Positive Nature of Canadian Social Measures**

In thus extending the reach of social justice in Canada we recognize the historical fact that no country can enjoy prosperity and stability over long periods if the welfare of any considerable group of its citizens is neglected.

But not everyone has learned this lesson from history — that what serves humanity, is also good business. It is well to reiterate this

practical argument for social action because some people wrongly feel that money spent by the community of citizens for the health and well-being of some of its members is a drain on the national production. True, all money spent on social measures is paid for by those who work and represents time contributed for the common good. But national production is so intricately related to the morale, health and training of the producer that anything that conserves human resources and productive energy increases the prosperity and potential of the nation.

Many of the lessons of history are written in languages to which we have no key. But our social and economic records — the experience of our own lifetime even — show how the gradual raising of the material level of life in Canada has been closely allied with a developing pattern of measures for the welfare of the people on whom prosperity depends.

### **Social Progress and Future Prosperity**

In the light of our own experience, there are, broadly speaking, two schools of thought about our country's future development. One group, by far the greater and the one to which I give allegiance, believes that unless world events unsettle our national security, the long-term rising curve of production and the steady improvement of measures for more widespread and equitable participation in it will bring a better level of life to all Canadians.

But there is another school of thought that sees the rising curve of welfare expenditures as cancelling out economic progress, as stifling initiative, as softening our fibre by debilitating dependence, and as leading this nation into the morass of economic ruin and political serfdom in a vain and mistaken search for economic freedom.

The very term "welfare state" is meant by its inventors to suggest a sorry sort of lotus land in which as many people as possible will be parasites on the state, barely subsisting in utter languor and sloth on the shared scarcity of a state bled white. But there are in the human heart aspirations that have carried us, since this land was first peopled, beyond the shores to the rich inland and then on to the hopes of the horizon. These instincts and human urges are everywhere evident and will not lessen if the young are assisted, the sick healed, the workless fed, the old and disabled cared for by the generosity — and far-sighted self-interest — of those still able-bodied and at work.

Those of us who have experienced the misery and despair of the hungry Thirties know from bitter experience the fallacy of the theory



that poverty automatically builds character and moral strength. We know too well how thoroughly it can degrade and crush the human spirit.

To those secure and privileged individuals who deride each progressive measure to give some semblance of security to their less-fortunate fellows; who question whether all this security is a good thing for the Canadian people; who talk of weakening the moral fibre of the nation and breeding an indolent and dependent people — I would only say this. Let them look at the record !

It is surely no coincidence that in the past eleven years, during which our five greatest federal social measures have been introduced — Unemployment Insurance, Family Allowances, the Veterans Charter, the National Health Program and the new Old Age Security Program — a greater proportion of Canadians have taken up job opportunities than ever before. The productivity of the individual worker has increased steadily year after year to make Canada's rate of industrial progress the highest in the world. And all this while bearing the heavy burden of a great war and of the reconstruction that followed.

### **The Century of Social Security**

Speaking last year, at the mid-century conference of Canadian Social Workers in Vancouver, I said that I thought this might well be known, in later years, as "the Century of Social Security". Certainly no change in the thinking of people in the progressive nations holds more hope for mankind — and better combines practical Christianity and good business — than the changeover in approach to poverty and the under-privileged.

As this century dawned a new conviction was coming to be accepted — that a nation, for all its complexity, had a common purpose in prosperity. To tolerate misery and want in any part of the nation, or for any part of the people, was finally realized to be the same as ignoring in a living body an infection that would endanger its health and waste its strength.

In the human welfare state, the emphasis, as far as I am concerned is on *welfare* and not on the state. This makes all the difference in the world. We all realize the dangers of an over-powerful state. Providing for Old Age Pensions, Family Allowances and Unemployment Insurance do not add to the power of the state. These social measures

add to nothing but the orderly and sensible arrangement by the community for providing necessary welfare services.

It should not be necessary to explain one's point of view in this regard, but, because of the attacks that are sometimes made on such programs as Family Allowances, I have to do so from time to time. It is not to be understood, of course, that there is any failure to appreciate the importance of the balance between freedom and security. Certainly, in this country, at this time, this balance is being maintained. The Canadian pattern is clear — that the state exists for the individual, and not the individual for the state.

Once it was realized that the united action of organized society to give help to some of its members could be helpful to all, the old negative approach to social action began, decade by decade, to die away. Such myths as that of the "welfare state" bogey are but a memory of mankind's fevered past, in which wealth and want, hope and despair, privilege and oppression were all curiously, terribly confused together, and it was honestly believed that any effort to distribute wealth and equalize opportunity would bring the whole sorry edifice into ruins.

But with the increasing weight of the people's hand on the helm of public affairs, the need for social measures became more and more supported by the demand for them. And then, after compensation for injured workmen and pensions for the aged, and insurance against sickness — after Daniel Legrand and Robert Owen, after Thomas Chalmers, after Disraeli, Lloyd George, Mackenzie King, and all the others who took the first cautious, courageous steps — the edifice stood, not in ruins, but stronger, sturdier than ever. And millions of the ordinary, unremarkable, patient and plodding people of the world came to their tasks with faith renewed, with fear subdued, with new courage for themselves and a new vision for the future. \*

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\* An address by the Hon. Paul Martin to the Annual Conference of the Canadian Catholic Historical Association, Assumption College, Windsor, Ontario, September 12, 1951.