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Appendix C

Summary of the Report on Social Security for Canada as prepared by Dr. Leonard C. Marsh, Research Adviser to the Advisory Committee on Reconstruction, and presented before the Special House of Commons Committee on Social Security.

**Report on
Social
Security
for Canada**

The Report sets out:

- (a) The main features of relevant social legislation already existing in Canada;
- (b) The methods by which these provisions may be improved or reformed particularly by transformation of the coverage and technique to a contributory social insurance basis; and
- (c) The principles which should be considered if the construction of a comprehensive social security system is to be undertaken in the most fruitful and effective manner.

It is emphasized that the Report is not a compendium of draft measures, but that public discussion is necessary before the "blueprints" are drawn up.

On the constitutional issue, the Report emphasizes that proper integration and administration of a comprehensive scheme will not be possible unless the federal and provincial governments work out a clear understanding as to their respective responsibilities.

Another fundamental point emphasized is that social security legislation, like any other elements in post-war policy, depends on the size and the maintenance of the national income. As the Report suggests at one point, social security expenditures may be one of the "strategic factors" in post-war economic policy: "One of the necessities for economic stability is the maintenance of the flow of purchasing-power at the time when munitions and other factories are closing down and war activity in many other spheres is being liquidated. Sound social insurance, which is a form of investment in physical health, morale, educational opportunities for children, family stability, is both a desirable and a comparatively easy vehicle of expenditure. It is not only an eminently appropriate peacetime alternative for expenditures now being devoted to destruction. It is also a form of using some of the deferred backlog of consumer expenditure to which reference is so often made only in terms of radios, refrigerators, and other tangible consumers' goods."

Following are summarized the elements of the comprehensive scheme suggested as suitable for Canada:

**Universal
Risks**

Benefits payable principally at standard rate rather than dependent on past income or wages or actual amount of premium or contribution.

(A) All Insurable Population:

1. Medical Care: (services, contributory, with Dominion-provincial co-operation in administration of the contributions, provincial administration of the services, and appropriate techniques for provincial co-ordination) - subsidy, according to capacity to pay, at contribution end; neither limited nor graduated benefit, but distribution according to need for medical services made available.
2. Child Maintenance: (allowances, tax revenue, Dominion administration) - rates not settled, but it is suggested that they vary according to age of child, averaging about \$7.50 a month. An even lower figure would be acceptable if necessary to ensure the inauguration of the important principle of children's allowances paid on a universal basis.