

The vast majority of people in our two countries are convinced of the wisdom of our system of free enterprise. We believe that, wherever possible, each citizen should be left free to work out his own well-being. But in a complex modern industrial society there are inevitable imbalances and inequalities against which individual initiative and enterprise cannot always prevail unaided. Thus, there are areas of human need that call for some organized system of community or government action.

The object of government social measures is to minimize to some extent the inequalities of our system without, at the same time, unsettling its complex and finely-balanced pattern of initiatives and incentives. Social legislation and public welfare services are more than organized charity; they are an integral part of a satisfactory social structure. They present a positive and orderly means by which a nation's people can provide collectively against the major hazards of life.

In Canada, we believe that our approach to social security has been responsible and sensible, for it represents a middle-of-the road system. Fifteen years ago government health and welfare expenditures totalled some \$340,000,000 - or about 8.4 per cent of our net national income. By 1952, expenditures by Canada's governments in these two fields had increased to about \$1,500,000,000, but, in terms of net national income, they represented 8.5 per cent - an increase of only one tenth of one per cent!

While Canada is now spending 8.5 per cent of its net national income on social security, the \$14,800,000,000 spent on social measures in the United States represents only 5 per cent of your net national income. In the light of these facts, it is perhaps an exaggeration to suggest, as some people do, that this country is plunging headlong into the morass of the so-called "welfare state".

In a memorable editorial, that great paper of this city, The New York Times, said that "the 'welfare state' has an ominous sound for some people, who fear that the emphasis would be on the 'state' rather than on the 'welfare'". It continued:

"Democracy as we have known it certainly is not consistent with any situation under which most of the national income goes to governments and is paid out in benefits by governments. On the other hand, the impersonal cruelty which thrusts millions of people into poverty is not democratic either. Welfare legislation must go far enough to make sure that no one suffers for lack of the necessities of life and that no one who does his best within his abilities and opportunities is humiliated when he is sick or old. We want a free society and a free market within that society, but we must have a humane and neighbourly society too."

It is for the American people to judge whether or not it is in their interest and within the capacity of the United States to invest five cents on the dollar for human welfare.