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CANADA'S EXPERIMENTS IN SOCIAL LEGISLATION

Excerpts from an address by the Minister of National Health and Welfare, Mr. Paul Martin, delivered at the University of Rochester, Rochester, New York, on February 28, 1952.

...My talk today is about Canada's approach to the problem of social need. At the outset, I want to emphasize this basic principle: The course of all security lies in production. Much has been done in Canada to counter insecurity and to provide equality of opportunity. But there is no magic formula for social security. It can be provided only through work.

The money to be spent on social security this year by all governments in Canada, and by the voluntary agencies, will total \$1 1/3 billions. By itself this seems an impressive figure, but the reasonable level of social expenditures in Canada is indicated by the fact that they have never exceeded 5 per cent of our gross national product.

While Canada's great period of social progress has been over the past dozen years, it has been a story of steady, unspectacular development of measures responsibly conceived and unhurriedly brought into effect. From 1939 to 1951 the percentage of Canada's gross national product devoted to voluntary and governmental health and welfare expenditures increased by less than one-half of one per cent -- from 4.3 per cent to 4.7 per cent.

Need For Social Assistance

Long ago, in the simpler forms of society, when the family or clan or small rural community was more or less sufficient to itself, the individual who fell sick, who was unable to work, or who suffered any one of the many everyday hazards of life, could receive assistance on an informal basis from the group of which he was a member.

Even within our memory, the rural family had its own security. There was a place by the fire and at the table for the dependent relative. The security of each family was reinforced by the friendly and charitable sharing of risks throughout the small rural parish or community.

It is clear, then, that in our highly industrialized society there is need for substantial, organized welfare measures -- in addition to all that can be done through voluntary individual or group effort. Since we accept the tremendous advantages of the free enterprise system, we must also accept the responsibility of seeing that no one suffers because of this system's shortcomings.

The United States and Canada are, beyond question, among the most fortunate of nations -- and not only in terms of material achievement but also in appreciation of cultural and spiritual values. Our two countries have shown that national progress and national development side by side are not incompatible with international understanding. Our friendship is firmly based on tolerance, understanding and good faith. Our two countries have a common purpose in building on this continent an unrivalled way of life in which security buttresses freedom.

We have this common objective: to build a wholesome, satisfying and secure family life in a free society. To achieve this, we have kept abreast of industrial progress, while recognizing the part that social measures should play in protecting the individual citizen from the injustices and inequalities.

Basic Principles Of Canada's Social Programme

Canada's approach to social security recognizes certain basic principles:

(a) The Source of all Security Lies in Production: Social security must be paid for out of production. We know that it is the people themselves who -- through their hard work -- give governments the financial resources to maintain these social services.

(b) Responsible Social Measures Reinforce Prosperity: Social security is not an end in itself -- neither is it a dead-end. In Canada, our experience shows that social payments help to stabilize income and employment at high levels.

(c) Over-Emphasis on Social Measures can Strain the Nation's Economy: Each proposed new social measure should be designed to meet an evident need. The cost of such a measure should bear a close relationship to the significance of the service to be performed. For countries, as for individuals, there are impossible, crippling burdens.

(d) Social Measures Should be Kept Close to the People: It is better, when this is possible, to avoid centralization of social services. In Canada, it is our view that the Federal Government should undertake no health or welfare measure that a province could do better; and the province should leave to the municipality, and the municipality to the family or the individual citizen, whatever can best be done on their level.

Gradual Growth Of Social Legislation In Canada

Social measures in Canada have steadily developed on foundations laid by pioneers in the voluntary agencies, and by early pathfinders in the municipal and provincial public services. To keep pace with recognized need, municipal welfare programmes gradually expanded; the provinces then took measures to protect the health and well-being of their citizens; and, finally, the magnitude of the problem led to action by the Federal Government.

In 1913, the total amount of money spent on public health and welfare measures in Canada was \$15 millions. Five-sixths of this expenditure was provincial and municipal; only one-sixth was federal. Today, however, provincial and municipal welfare expenditures represent only about

one-quarter of all governmental expenditures in this field, although they are twelve to fifteen times as great as they were before the First World War.

Canada's Federal Measures

In Canada, besides what is done by voluntary agencies and by the provincial and municipal governments, the Federal Government has its own comprehensive social programme. On the federal level, besides support for housing, aid to farmers and fishermen, care of Indians and Eskimos, and a number of other public health and welfare programmes, there are five major measures. These are Canada's pillars of social justice.

- (a) Unemployment Insurance
- (b) The Veterans' Charter
- (c) Family Allowances
- (d) The National Health Programme
- (e) The Old Age Security Programme

(a) Unemployment Insurance

Canada's system of Unemployment Insurance is the cornerstone of economic security for our wage-earning population. Under this act, passed in 1940, a substantial measure of protection is provided for nearly 3,000,000 Canadian workers and their families. Regular insurance contributions, graded according to earnings, are paid by employers and employees, and supplemented by a large federal contribution.

Since the inauguration of this measure, benefits amounting to about \$400,000,000 have been paid out to Canadian workers and their families during periods of enforced idleness, and large reserves have been accumulated to provide against unemployment in the future.

(b) The Veterans' Charter

The Veterans' Charter includes a series of enactments during the years 1943-46, which probably have not been excelled anywhere. Like its American counterpart, it provides a wide range of services, including cash gratuities on discharge, credits to help veterans re-establish themselves in civilian life, assistance in land settlement and priorities in housing, university education and vocational training, and special life insurance. There are also federal hospitals and health services for veterans.

(c) Family Allowances

Under the Family Allowances Act of 1944, payments ranging from \$5.00 to \$8.00 a month are made to Canadian parents for each child under 16. Allowances are currently being paid for 4,500,000 children in 2,000,000 Canadian families, at an annual cost of \$325,000,000.

These allowances are designed to help correct the inflexibility of the industrial wage system which makes no provision for variations in family size. Since our children, as builders of the nation's future, are in a very real sense national resources, we believe that through this measure some of the responsibility for their maintenance and training should be borne by the whole nation.

(d) The National Health Programme

The National Health Programme, inaugurated four years ago, is the most important contribution of the Federal Government in the health field. In its development, it followed an older but less extensive United States programme. Federal grants of more than \$35,000,000 a year are made available to the provinces to help them survey their health needs, build hospitals, train and employ health personnel, and strengthen their campaigns against such major health problems as cancer, tuberculosis, mental illness and crippling conditions in children.

These federal health grants have encouraged the construction of additional hospital accommodation totalling 36,000 beds. They have notably improved health facilities and services in all parts of Canada. Thirty-five hundred health workers have been trained and an even larger number employed on provincial public health staffs. The grants have helped bring Canada's health standards to record levels, while building firm foundations for any further extension of hospital and medical care insurance.

(e) The Old Age Security Programme

The Old Age Security Programme is the latest of Canada's major social measures. Assistance is available for those in the 65-69 age group who can prove need, and a universal pension is paid to everyone aged 70 and over who has lived a certain number of years in Canada. The universal pension which provides \$40 a month for single persons -- or \$80 for a married couple, when both are 70 -- is supplemented in some provinces by an additional pension or by free health services. This double programme, which got underway last month, currently benefits about 700,000 persons at an annual cost rising from \$330,000,000.

Characteristics Of Canadian Measures

The old age security measure can serve to illustrate four main characteristics of Canada's social legislation:

- (a) It is gradual in development
- (b) It builds on the experience of other countries
- (c) It is at times original in concept and wide in coverage
- (d) It is within the nation's capacity

(a) Canada's social legislation is gradual in development: Canada's first measure for old age security was the provision of Government Annuities in 1908. Nineteen years later a limited system of old age pensions was established, but it took nine years for it to be adopted in every province. Another fifteen years passed before the present system finally evolved.

(b) Canada's social legislation builds on the experience of other countries: Each of Canada's social measures has been shaped up only after careful study of the history of similar measures in other progressive countries. For example, old age pensions had been paid in Europe for more than a quarter of a century before Canada established its first measure. Our new programme for old age security was adopted after exhaustive review of similar programmes in the United States.

(c) Canada's social legislation is at times original in concept and wide in coverage: While Canadian programmes are built on the experience of other countries, they at times provide greater benefits and cover a larger segment of the population. For example, in its total expenditures and in the proportion of our older citizens benefitted, Canada's new programme for old age security is in the forefront of all such measures.

(d) Canada's social legislation is within the capacity of the nation: Over the past dozen years, which have witnessed most of Canada's major advances in the field of social legislation, at no time has more than one out of every twenty dollars of the nation's total expenditures been devoted to social security.

Social Action Counters Communism

The great question of today is not how many square miles or millions of people have been conquered by Communist armies or terrified by threat of Communist force, but rather how many human minds and hearts have fallen captive to its philosophy. In the United States and Canada, in our experiments with social legislation, we are moulding a society that is not only prosperous but humane and neighbourly as well.

For the first time in human history we are within reach of satisfying man's material needs, while respecting human rights and aspirations. The success of our democratic society has confirmed our own peoples' belief in it. More important still, our example has strengthened the faith of ordinary men and women in many lands in the future that lies open only to those who keep in their own hands the direction of their destinies. ...

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