

REFERENCE PAPERS

WARTIME INFORMATION BOARD, OTTAWA

No. 11

July 26, 1943.

SOCIAL INSURANCE AND THE WAR

Four years of war have traced an indelible mark on the lives of Canadian men and women, and have brought into focus the changing pattern of their social needs. The growing strength of Canada in the family of nations and the interchange of experience resulting from that association, the nature of the struggle against the Axis powers, and the expansion of her industrial economy to the point where she stands as fourth among the United Nations in the production of war materials and supplies, have given a profound impetus to the social consciousness within Canada, which, in its turn, is clearly manifest in the new emphasis upon social planning and personal security for all.

The tremendous increase in Canada's productive output has been accompanied by the elimination of mass unemployment as a social factor. Such unemployment as still exists is confined almost exclusively within the category of special problems, including the period of transference between jobs, production stoppages in industrial units, and certain other types of interruption of working time of a similar nature. With the exception of those who, through physical or mental infirmity, are unable to perform useful labor, the great majority of those without employment at any one moment may look forward to the definite prospect of further employment.

Despite the increased burden of taxation placed upon the wage-earner for the financing of the national war effort, consumer incomes and purchasing power have been increased among several sections of the population, and the gross earnings of many family groups are now substantially higher than their pre-war levels. This condition has been attained through more

The War and
Social Con-
sciousness

Elimina-
tion of
Mass Unem-
ployment

July 26, 1943

No. 11

SOCIAL INSURANCE AND THE WAR

Four years of war have changed the conditions on the lives of Canadian men and women, and have brought into focus the changing pattern of their social needs. The changing strength of Canada in the family of nations and the increase of experience resulting from that association, the nature of the struggle against the Axis powers, and the expansion of her industrial economy to the point where she stands as fourth among the United Nations in the production of raw materials and supplies, have given a profound impetus to the social consciousness within Canada, which, in its turn, is clearly manifest in the new emphasis upon social planning and social security for all.

The tremendous increase in Canada's productive output has been accompanied by the elimination of mass unemployment as a social factor. Such unemployment as still exists is confined almost exclusively within the category of social problems, including the period of transition between jobs, production stoppages in industrial units, and certain other types of inactivity of working time of a similar nature. With the exception of those who, through physical or mental infirmity, are unable to perform useful labor, the great majority of those without employment at any one moment may look forward by the definite prospect of further employment.

Despite the increased burden of taxation placed upon the wage-earner for the financing of the national war effort, consumer incomes and purchasing power have been increased through several sources of the population, and the gross output of many family groups are now substantially higher than their pre-war levels. This condition has had a stabilizing effect upon

of War and
Civil Con-
ditions

of
of
of
of
of

remunerative or more regular work among wage-earners, the employment of additional members of the family, and in some instances through the receipt of state allowances for those now serving with the armed forces.

On the other hand, the war has brought social problems of increasing magnitude and impact, necessitating study and enactment on a correspondingly broad scale. Problems of personal distress have been heightened by the mounting numbers of war bereavements, and the family structure has been altered in many instances through enrolment of its members in the fighting services or in the industrial army of the nation, frequently involving absence from the home during extended periods.

Extensive research into the basic problems confronted under existing social insurance provisions in Canada has been undertaken, both by governmental and private agencies, with a view to the lessons that may be acquired for future action, and already there exists a considerable measure of wartime enactment. Within this latter field may be cited the Unemployment Insurance Act, 1940, which provides for compulsory contributions among those employed in several specified insurable occupations, their employers, and the public authority, with administrative costs borne by the federal government, and corresponding benefits during periods of enforced idleness; and the Physical Fitness Bill, 1943, which provides for co-operative action in the upbuilding of the physical health of Canadians, with governmental subsidies on the part of both federal and provincial authorities extended to agencies associated with the program.

Two other suggested programs, both in the form of submissions before a special committee of the federal House of Commons studying problems of social security within the nation, may also be cited for their relative importance. The Marsh Report, 1943, is a comprehensive survey detailing existing statutory provisions, together with suggested methods and

The Social
Problems
of War

Wartime
Enactments

Suggested
Programs

remuneration or more regular work among wage-earners, the employ-
ment of additional members of the family, and in some instances
through the receipt of state allowances for those now serving with
the armed forces.

the Social
problems
of War

On the other hand, the war has brought social problems
of increasing magnitude and impact, necessitating study and effort
to meet on a correspondingly broad scale. Problems of personal dis-
tress have been heightened by the mounting numbers of war veterans-
ments, and the family structure has been altered in many instances
through enrollment of its members in the fighting services or in the
industrial army of the nation, frequently involving absence from
the home during extended periods.

the
problems
of War

Extensive research into the basic problems contained
under existing social insurance provisions in Canada has been under-
taken, both by governmental and private agencies, with a view to
the lessons that may be sought for future action, and already
there exists a considerable measure of wartime enactment. Within
this latter field may be cited the Unemployment Insurance Act, 1940,
which provides for compulsory contributions among those employed
in several specified insurable occupations, their employers, and
the public authority, with administrative costs borne by the
federal government, and corresponding benefits during periods of
enforced idleness; and the Physical Fitness Bill, 1943, which
provides for co-operative action in the subsidizing of the physical
health of Canadians, with governmental expenditure on the part of
both federal and provincial authorities extended to agencies as-
sociated with the program.

the
problems
of War

Two other suggested programs, both in the form of sub-
missions before a special committee of the Federal House of
Commons studying problems of social security within the nation,
may also be cited for their relative importance. The March
Report, 1943, is a comprehensive survey detailing existing
statutory provisions, together with suggested methods and

principles by which these may be extended and improved in the construction of a truly Canadian plan of social security, and the report of the Advisory Committee on Health Insurance, 1943, presented in the form of a draft bill for national health insurance, has been based on studies of the plans of other countries and particularly on health problems relating to Canada.

Post-
Discharge
Rehabili-
tation

In no field of social insurance has recent study and enactment in Canada been of more far-reaching extent than in that dealing with the problems of post-discharge rehabilitation among members of the armed forces. The measures already enacted in this regard may be summarized as follows:

Clothing Allowances: Over six months' service, \$35; under six months' service, \$27 in winter, \$17 in summer.

Rehabilitation Grant: Grant of 39 days' pay and dependents' allowances to those with more than 183 days' continuous service.

Transportation: Transportation with travelling expenses provided to point of enlistment, or to place of bona fide residence at time of enlistment, or to any other point in Canada that can be reached without additional expenditure.

Medical Treatment: Free treatment with allowances for family is available as a permanent right at any time in hospitals of the Pensions Department for conditions related to service. Free hospital treatment is also available, with family allowances, for any remediable condition, with one or two exceptions, for a period equal to length of service, with a maximum of one year for conditions not related to service.

principles by which these may be extended and improved in the construction of a strictly Canadian plan of social security, and the report of the Advisory Committee on Health Insurance, 1942, presented in the form of a draft bill for national health insurance, has been based on studies of the plans of other countries and particularly on health problems relating to Canada.

In no field of social insurance has recent study and enactment in Canada been of more far-reaching extent than in that dealing with the problem of post-discharge rehabilitation among members of the armed forces. The measures already enacted in this regard may be summarized as follows:

Clothing Allowance: Over six months' service, \$30; under six months' service, \$25 in winter, \$15 in summer.

Rehabilitation Grants: Grant of 30 days' pay and expenditure allowance to those with more than 183 days' continuous service.

Transportation: Transportation with travelling expenses provided to point of enlistment, or to place of previous residence at time of enlistment, or to any other point in Canada that can be reached without additional expenditure.

Medical Treatment: Free treatment with allowances for family is available as a permanent right of service in hospitals of the Post-war Department for conditions related to service. Free hospital treatment is also available, with family allowances, for any remediable condition with one or two exceptions, for a period equal to length of service, with a maximum of one year for conditions not related to service.

Post-Discharge Rehabilitation Section

Compulsory Re-employment: Subject to certain reasonable safeguards, employers are required, with respect to those who have left their employment to enlist in the armed forces, to reinstate them in employment under conditions not less favorable than those which would have been applicable had enlistment not taken place.

Unemployment Insurance: Discharged persons who enter insurable employment are entitled, after 15 weeks of such employment, assuming that they have made the contributions required of them, to be credited with the time they spent in the armed forces since July 1, 1941, the date at which the Unemployment Insurance Act became effective, without the necessity of making contributions to the unemployment insurance fund for such period of service with the forces.

Out-of-Work Benefits: Benefits similar to unemployment insurance benefits are payable to discharged persons who are capable of employment, but for whom no work is available, for a period not exceeding their length of service, with a maximum of 12 months.

Temporary Incapacitation: Benefits similar to those payable under the provisions for out-of-work benefits may be paid to discharged persons who are temporarily incapacitated.

Vocational Training: Vocational training is available to all discharged persons who have no trade or who need a brush-up course in their trade. Maintenance benefits on married and single scale may be paid during such training.

Unemployment Insurance: Subject to certain reasonable conditions, employers are required with respect to those who have left their employment to contribute in the same manner to the fund as the employees under conditions not less favorable than those which would have been applicable had the employee not taken leave.

Unemployment Insurance: Discharged persons who enter insurable employment are entitled, after 12 weeks of such employment, assuming that they have made the contributions required of them, to be credited with the time they spent in the armed forces since July 1, 1941, the date at which the Unemployment Insurance Act became effective, without the necessity of making contributions to the unemployment insurance fund for such period of service with the forces.

Out-of-work Benefits: Benefits similar to unemployment insurance benefits are payable to discharged persons who are capable of employment, but for whom no work is available, for a period not exceeding their length of service, with a maximum of 12 months.

Temporary Unemployment: Benefits similar to those payable under the provisions for out-of-work benefits may be paid to discharged persons who are temporarily incapacitated.

Vocational Training: Vocational training is available to all discharged persons who have no trade or who need a brush-up course in their trade. Unemployment benefits are payable on a weekly basis while they are being such training.

Farmers and Others Awaiting Returns: Benefits similar to out-of-work benefits and subject to similar limitations may be paid to those engaged in farming or other business on their own account while awaiting returns from their enterprise.

Educational Benefits: Maintenance benefits and student fees may be paid to those who resume education interrupted by their enlistment. Students are required to enter a university within 15 months after discharge, and the period for which benefits may be paid is determined by the length of service of the student.

Post-Graduate Courses: Post-graduate courses may be given, with maintenance, in approved cases.

Pensions: Any disability arising or heightened during service is pensionable if the applicant saw service in a theatre of actual war, and any disability arising as a direct result of service is pensionable regardless of where the applicant served. Advocates are provided to assist pensioners in presenting their claims.

Employment Service: Under the Unemployment Insurance Act a Dominion Government employment service has been instituted with employment offices in all main centres across Canada.

Preference in Employment: Preference in employment is provided in all war contracts to those who have served in the armed forces.

Termers and Others awaiting Returns: Benefits
 similar to out-of-work benefits and subject to
 similar limitations may be paid to those en-
 gaged in farming or other business on their own
 account while awaiting returns from their
 enterprises.

Educational Benefits: Maintenance benefits and
 student fees may be paid to those who resume
 education interrupted by their enlistment.
 Students are required to enter a university
 within 12 months after discharge, and the period
 for which benefits may be paid is determined by
 the length of service of the student.

Post-Graduate Courses: Post-graduate courses
 may be given, with maintenance, in approved
 cases.

Pensioners: Any disability arising or aggravated
 during service is pensionable if the applicant
 saw service in a theatre of actual war, and any
 disability arising as a direct result of service
 is pensionable regardless of where the appli-
 cant served. Advantages are provided to assist
 pensioners in procuring their claims.

Employment Service: Under the Unemployment Insur-
 ance Act a Dominion Government employment ser-
 vice has been instituted with employment offices in
 all main centres across Canada.

Preference in Employment: Preference in employ-
 ment is provided in all war contracts to those
 who have served in the armed forces.

Preference in the Public Service: Preference in respect of appointments to the public service has been accorded to certain categories of veterans since the end of World War I. This preference has been extended to include veterans of the present war and is a definite statutory provision within the terms of the Civil Service Act.

Veterans' Land Act: Subject to reasonable conditions this Act provides for loans up to \$4,800; \$3,600 is the maximum for land and buildings, of which a 10% deposit by the settler is required; \$1,200 is the maximum for chattels, with no deposit required. The interest rate is $3\frac{1}{2}\%$. Three main types of assistance provide for: (a) full time farming for qualified farmers; (b) small holdings coupled with a wide range of employment; (c) small holdings coupled with commercial fishing. A substantial rebate in the cost of land and chattels may be granted after fulfilment of contract for a given period.

Welfare Division: A welfare division of the Department of Pensions and National Health has been established with welfare officers stationed at all main centres throughout the Dominion to assist former members of the forces in becoming re-established and advise them on legislation affecting discharged persons and also with respect to their individual problems. These welfare officers are stationed in the following offices of the Unemployment Insurance Commission: Halifax, Saint John, Charlottetown, Quebec,

Provisions in the Public Service Act - Provisions in respect of appointments to the public service has been amended to certain categories of vacancies since the end of World War I. This provision has been extended to include veterans of the present war and is a statutory provision within the terms of the Civil Service Act.

Veterans' Land Act - Subject to reasonable conditions this Act provides for loan up to \$4,000; \$2,500 is the maximum for land and buildings, of which a 10% deposit by the settler is required; \$1,500 is the maximum for chattels with no deposit required. The interest rate is 3%. Three main types of assistance provide for:

- (a) Full time farming (or similar) business;
- (b) Small holdings coupled with a wide range of employment;
- (c) Small holdings coupled with commercial fishing.

A substantial rebate in the cost of land and chattels may be granted after fulfillment of contract for a given period.

Welfare Division - A welfare division of the Department of Pensions and National Health has been established with welfare officers attached at all main centres throughout the Dominion to assist former members of the forces in becoming re-established and advise them on legislation affecting disabled persons and also with regard to their individual problems. These welfare officers are stationed in the following offices of the Unemployment Insurance Commission:

Hairfax, Saint John, Charlottetown, Moncton,

Montreal, Ottawa, Toronto, Hamilton, London
Windsor, Winnipeg, Regina, Saskatoon, Calgary,
Edmonton, Vancouver and Victoria.

Citizens' Committees: Citizens' committees

have been established in most centres in the Dominion to co-operate with welfare officers in assisting discharged persons in their re-establishment problems.

Program for
the Peace

The Right Hon. W. L. Mackenzie King, Prime Minister of Canada, has given concise and fitting words to the spirit of social planning in Canada. Addressing a gathering of the American Federation of Labor in October, 1942, he said:

Before the war, we talked about the conservation of natural resources. Unhappily, we heard much less about the conservation of human resources - the lives and health and happiness of men and women and children. Today, our aim is total mobilization of resources and of manpower for the waging of total war. When the war is over, we must seek, above all else, to use our natural and material resources to conserve human resources - to promote the health and happiness of all the people. Our resources of land, of sea, of forest, and of mines, were given to man by the Creator for the preservation, and not for the destruction of life. The people of no country can be made happy, contented and prosperous except by safeguarding the lives and welfare of the many, and by protecting from injustice and misfortune the homes of the humble in the land.

The fear of unemployment which arises where, despite a willingness to work, work is not to be had, is only one of many fears which arise out of a sense of insecurity to haunt the minds of the workers. These fears arise where, through inadequate compensation, sickness, invalidity or accident, the capacity to earn is gradually, if not wholly, lost. Fears arise where extra outlays to meet the most immediate of family needs result in extra privation. Fear is ever present at the mere thought of age being confronted with the alternative of poverty or dependence. Until these fears have been eliminated, the war for freedom will not be won.

The background of economic and social insecurity during the early years of the last decade has given a new emphasis, when placed in contract with today's position of relatively full

Montreal, Ottawa, Toronto, Hamilton, London
Windsor, Winnipeg, Regina, Saskatoon, Calgary
Edmonton, Vancouver and Victoria.

Citizens' Committee: Ottawa

have been established in most centers in the
Dominion to co-operate with welfare officers in
assisting discharged persons in their re-estab-

lishment problems.

The Right Hon. W. L. Mackenzie King, Prime Minister of

Canada, has given concrete and fitting words to the spirit of so-
cial planning in Canada, addressing a gathering of the American

Federation of Labor in October, 1942, he said:

Before the war, we talked about the conservation of
natural resources. Unhappily, we heard much less about
the conservation of human resources - the lives and
health and happiness of men and women and children.
Today, our attention is concentrated on production and of
manpower for the fighting of total war. When the war is
over, we must look, above all else, to use our natural
and material resources to conserve human resources - to
promote the health and happiness of all the people. Our
resources of land, of sea, of forest, and of mines, were
given to man by the Creator for the protection, and not
for the destruction of life. The people of no country
can be made happy, contented and prosperous except by
safeguarding the lives and welfare of the many, and by
protecting from injustice and starvation the poorest of
the people in the land.

The fear of unemployment which distresses people despite a
willingness to work is not to be met by its only
one of many forms which arises out of a sense of in-
security to find the work of the workers. These
fears arise through industrial expansion,
illness, invalidity or retirement, the capacity to earn
is gradually, if not wholly, lost. These fears arise
extra outlets to keep the most valuable of our
people from being discarded. Fear is ever present
at the very thought of age being connected with the
alternative of poverty or dependence. Until these
fears have been eliminated, the war for freedom will
not be permanent.

The background of economic and social insecurity during
the early years of the last decade has given a new emphasis
when placed in contrast with today's position of relatively full

Program for
Peace

employment and higher earnings, to the study of social security problems now being carried out in Canada, in order that these former conditions of national life may be averted in the coming years of peace.

FOURTH PLANNING
IN CANADA - 1941

INTERNATIONAL COMMISSIONS

- I. Cabinet Committee on Demobilization and Re-employment.
- II. General Advisory Committee on Demobilization and Re-employment.
- III. Special House of Commons Committee on Demobilization and Re-employment.
- IV. Special House of Commons Committee on Social Security.
- V. Social Senate Committee on Demobilization and Social Security.
- VI. Advisory Committee on Reconstruction.
- VII. Advisory Committee on Economic Policy.
- VIII. Interdepartmental Committee on All Transport Policy.
- IX. Special Section, Joint Economic Committee.

employment and higher earnings, to the study of social secu-
rity problems now being carried out in Canada, in order that
these former conditions of national life may be averted in
the coming years of peace.