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Canada. Parliament. House of
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SESSION 1929
HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

INDUSTRIAL AND INTERNATIONAL RELATIONS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1—FEBRUARY 26, 1929

WITNESS:

Reverend Father Leon Lebel, S.J.

EXHIBITS FILED

No. 1: Copy of letter sent to all the provinces of Canada regarding Un-employment Sickness and Invalidity Insurance and the replies which have been received in return from eight of the nine provinces communicated with.

MEMBERS OF COMMITTEE

McINTOSH, C.R. (*Chairman*)

Messieurs

Bell (St. John-Albert)
Bissett
Black (Halifax)
Bourassa
Chevrier
Church
Cowan
Deslauriers
Ferland
Gervais
Grimmer
Hall
Heenan
Howard
Jenkins
Johnston
(Cape Breton-North Victoria)

Messieurs

Letellier
Miss Macphail
Macdougall
McGibbon
McMillan
Malcolm
Morin (St. Hyacinthe-Rouville)
Neill
Perley (Sir George)
Plunkett
Prévost
Stinson
St. Père
Thorson
Veniot
White (Mount Royal)
Woodsworth
Young (Toronto-Northeast)—35

(Quorum 10)

Attest

WALTER HILL,
Clerk of Committee.

ORDER OF REFERENCE

HOUSE OF COMMONS,

FRIDAY, 15th February, 1929.

Resolved: That the following members do compose the Select Standing Committee on Industrial and International Relations:—

Messieurs: Bell (St. John-Albert); Bissett; Black (Halifax); Bourassa; Chevrier; Church; Cowan; Deslauriers; Ferland; Gervais; Grimmer; Hall; Heenan; Howard; Jenkins; Johnstone (Cape Breton North-Victoria); Letellier; Macphail (Miss); McGibbon; McIntosh; McMillan; Malcolm; Morin (St. Hyacinthe-Rouville); Neill; Perley (Sir George); Plunkett; Prevost; Rennie; Stinson; St. Père; Thorson; Veniot; White (Mount Royal); Woodsworth; Young (Toronto-Northeast)—35. (Quorum 10).

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

Ordered: That the Select Standing Committee on Industrial and International Relations be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with powers to send for persons, papers and records.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

WEDNESDAY, 13th February, 1929.

Ordered: That the question of granting family allowances should be studied, taking into consideration the respective jurisdiction of both Federal and Provincial Parliaments in the matter, and that the said question should be referred to the Committee on Industrial and International Relations, with instructions to inquire into and make report.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

THURSDAY, 14th February, 1929.

Ordered: That the Committee on Industrial and International Relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

MINUTES OF PROCEEDINGS

WEDNESDAY, February 20th, 1929.

The Select Standing Committee on Industrial and International Relations met this day at 11 a.m.

Mr. McIntosh (Chairman), presiding.

Present: Messieurs Bourassa, Deslauriers, Bell, Heenan, Jenkins, Letellier, McIntosh, McMillan, Morin (St. Hyacinthe), Plunkett, Prevost, Rennie, St. Père and Woodsworth—14.

The Chairman read the Order of Reference and pointed out to the Committee that the subjects referred might be taken up concurrently, or in the order the Committee desired.

On motion of Mr. Letellier:

Resolved, that the Rev. Father Leon Lebel, S.J., of Montreal, be heard on the subject of Family Allowances at the next meeting of the Committee.

On motion of Mr. Woodsworth, the Committee extended to Mr. Heaps, M.P., who is not a member of the Committee, the same privileges as granted to him last year.

On motion of Mr. Woodsworth:

Resolved, that a representative of the Dominion Insurance Department be requested to attend before this Committee to give such actuarial information as may be available in the Insurance Department on this subject.

On motion of Mr. Letellier:

Resolved, that the clerk obtain the services of a French reporter for this Committee.

The Chairman informed the Committee that he had a previous appointment and requested Mr. St. Père to take the chair.

Mr. St. Père then took the chair.

On motion of Mr. Neill:

Resolved, that your Committee do report and recommend that 750 copies in English and 250 copies in French of the evidence to be taken and of papers and records to be incorporated with such evidence be printed, and that Standing Order No. 64 be suspended in relation thereto.

The Committee then adjourned to the call of the Chair.

WALTER HILL,
Clerk of Committee.

TUESDAY, February 26, 1929.

Pursuant to adjournment, and notice, the Select Standing Committee on Industrial and International Relations met this day at 11 a.m.

The Chairman (Mr. McIntosh) presiding.

Present: Messieurs Bell (St. John-Albert), Bourassa, Church, Grimmer, Hall, Heenan, Howard, Jenkins, Johnstone (Cape Breton North-Victoria), Letellier, McIntosh, McMillan, Neil, Perley (Sir George), Plunkett, Stinson, St. Père, and Woodsworth.—18.

Minutes of meeting of February 20th read and approved.

Hon. Peter Heenan, Minister of Labour, informed the committee of the measures he had taken regarding the recommendations made in paragraphs 4, 5 and 6 of their final report to the House on Friday, June 1, 1928.

He also filed, as exhibit No. 1, copy of letter sent to all the provinces of Canada regarding unemployment, sickness and invalidity insurance, and the replies which had been received in return from eight of the nine provinces communicated with.

Reverend Father Léon Lebel, S. J., Teacher of Philosophy of the Immaculate Conception (Montreal) called, sworn and heard, on the subject of family allowances.

On motion of Mr. Letellier:

Resolved, that the committee do now adjourn and that the same witness continue at 11 a.m. to-morrow, Wednesday, February 27, 1929.

Witness instructed by the committee to return at 11 a.m. to-morrow, Wednesday, February 27th, to complete his testimony and for examination in relation thereto.

The committee adjourned until 11 a.m., February 27, 1929.

All of which is respectfully submitted.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

ROOM 425, HOUSE OF COMMONS,

TUESDAY, February 26, 1929.

The Select Standing Committee on Industrial and International Relations meet at 11 o'clock a.m., Mr. C. R. McIntosh, the Chairman, presiding.

HON. MR. HEENAN: Mr. Chairman, Rev. Father and gentlemen, as a result of your deliberations last session, some substantial benefits have accrued, growing out of Mr. Woodsworth's bill and the deliberations of the committee upon it. One result is that a National Civil Service Council is being established, and is fairly under way at the present time. The organizations have selected their members to draft a constitution, and the Cabinet is now considering other portions of it. The order in council is now before the Cabinet.

As directed by the committee, we corresponded with the various provinces in regard to insurance against unemployment, sickness and invalidity, and we have received a reply, or an acknowledgment, from eight of the provinces—from all but Prince Edward Island. That correspondence will be placed before you, if you have not already seen it. The attitude of the provinces has not been very enthusiastic in connection with the unemployment, sickness, and invalidity scheme. Some of the provinces, being faced with old age pensions, and not knowing how far that provision will take them in a financial way, hesitate to embark on any new scheme. As I say, I have the answers from the provinces, but I think probably we had better leave them for the members to read, as I could only give you a very brief synopsis of them.

MR. BOURASSA: Will those replies be printed?

HON. MR. HEENAN: That depends on the wish of the committee.

MR. BOURASSA: I think it would be better.

HON. MR. HEENAN: Yes, I think so. I might say that I travelled throughout the country a great deal and met a number of members from the different provinces, and in discussing this situation with them, the thought they left with me was that they did not think they would be able to get their people to go along with them until they had the old age pensions scheme established and under way, to see what it would cost and how it would work out. While I was in England this past year I gave a great deal of study to the system there, although I had a fair knowledge of it. I entered into what might be termed negotiations to bring an expert over here in conformity with the recommendation of this committee, a man who had spent a great deal of time on these problems and who is a very prominent man in the labour movement over there. As a result of our discussions we felt that unless there was some tentative plan set up which would be considered feasible for the Dominion of Canada, it would be almost impossible to estimate the cost of any scheme. He thought it would be far better to first lay out a tentative plan, and then, if it was thought desirable, he, or someone else equally informed, would be glad to come over and discuss it with you. His thought in the matter was—and I confess I am disposed to agree with him—that if we wanted any information it would be better to send someone from Canada over there to study the situation, who, upon his return, would be with us continually and be able to recommend a policy for Canada. He thought that would be better than to have a man come in from another country to recommend a policy for this Dominion.

Mr. McMILLAN: Why could we not have that gentleman's name?

Hon. Mr. HEENAN: Because he will be in politics within the next few months.

I also discussed this matter with many prominent men, including members of the British cabinet, and those who may become members of the British cabinet, and when I outlined the conditions in Canada to them they found that our problem was not so easy as to enable them to recommend a particular scheme. For instance—and I am digressing for a moment—if a man is a machinist and goes on the employment list, he is registered, and is expected to go to any part of the country where he can secure employment as a machinist. In Canada, as you know, conditions are a little different. A man may be employed on a railway and be out of employment for two or three months, and he will then go into the bush, or elsewhere, and do other work; he might run a boat on the Lake of the Woods, or drive an automobile, or something of that nature. The difference in the conditions made it difficult for the prominent men in the British labour movement, with whom I discussed the question, to say just what would be the best system for a country like ours. That, gentlemen, is a brief outline of what we have done since we last met. I think perhaps the committee might give some further consideration to this question, as has been requested by some of the provinces, and perhaps form a tentative plan that would appear feasible for Canada. Then we might get an estimate of just what it would cost the country and the provinces. There is one important thing in connection with this question, and in connection with any plan you recommend—if you do recommend one—and that is, you must endeavour to formulate a plan that will carry the provinces with you, because this is not like the old age pensions. You cannot have a system which would permit one province to accept unemployment insurance, and another to reject it. It will have to be a Dominion-wide affair; every province will have to go into it, or it will not work out as well as we would like. I think that is all I have to say, except to assure you that if at any time you desire any officials of our department to appear before you, they will be glad to do so, and give you any information you may require. Personally, I may say that I will try to attend the sittings of your committee much more regularly than I have done.

Mr. BOURASSA: Mr. Chairman, I am sure we are very thankful to the Minister for his illuminating explanation of his trip both through Canada and abroad, and without passing comment which might be too eulogistic for the Minister at the present time, it seems to me the first thing we should do is to have these communications from the provinces printed and distributed, not only to the members of the committee, but to the members of the House, after which we can probably take up this question more intelligently.

Mr. McMILLAN: I second that suggestion.

Carried.

The CHAIRMAN: I am sure I am expressing the sentiments of all the members present when I say that we would like to see the Minister here as often as possible.

Mr. BOURASSA: And, if possible, have him stay all the time.

The CHAIRMAN: Yes. We will ask him for a one hundred per cent attendance.

We have Father Lebel with us this morning. I would ask him to come forward now, and we will get his evidence on the reference before the Committee. I do not think it is necessary for me to read the reference again.

FATHER LEON LABEL, S. J. called and sworn.

By the Chairman:

Q. What is your name in full, Father?—A. Léon Label, S. J.

Q. What position do you occupy at the present time, Father?—A. I am teacher of Philosophy at the Immaculate Conception, Montreal.

Q. You understand the reference before the committee, Father, and we would ask you to unfold that reference in your own way as fully as possible. We will later, or perhaps throughout your address, ask a question or two on the subject you are dealing with.—A. Mr. Chairman and members of the Committee, I am very grateful to the Committee for giving me this opportunity to speak my mind on the subject, a subject in which I am very interested, and one which should interest legislators.

According to the words of the Minister of Labour, our present government seems to be interested in social questions, such as insurance, with which family allowance is also connected. I must apologize to the Committee for speaking in English. I am afraid my English is rather poor, but I will do my best in order to be understood.

All sound economists and legislators agree that the family is the fundamental unit of society. From families society draws its substance and without them it could not subsist, so that the strength of any nation and the degree of its true civilization, depend in great part on the vitality of its fundamental unit just as the strength of a living body depends on the health and vigor of the cells which compose it. Hence, a state which pretends to progressive organization should attend, in its legislation, to the means of facilitating the existence and well-being of the family; and supposing that a change in social conditions renders the economic organization unfavourable to it, it is an essential duty of the state to modify economics in order to readapt them to family needs.

Moreover, in order that a nation may continue in existence it is necessary that it contain a certain proportion of what economists call large families. By large families I do not mean the family of twenty, nor the family of fifteen, nor yet the family of twelve. What economists call large families are families of four or more. A nation should contain a certain proportion of those large families if it wants to continue in existence. This is common sense. Suppose for a moment that a society is composed only of bachelors, or of childless families, it would not take an oracle to tell what would happen after one generation. With families of one child society would rapidly disappear from the face of the earth; even families of two children could not maintain their number in the course of generations unless both children came to maturity and each founded a family, whereas it often happens that one or the other dies prematurely or remains unmarried.

Economists maintain that a family must number at least three children in order that it shall not dwindle from one generation to another. It is, therefore, families of four or more children which make up for the celibates, for the childless and small families, and, consequently, a nation which does not contain a certain proportion of large families is doomed to more or less rapid extinction.

The importance of large families is even greater in a country like Canada, which possess immense territories and innumerable resources to be exploited, a country which is burdened by debt weighing heavily on a small disseminated population, and stands close to a nation which exercises a strong hold on our countrymen, due to the higher standard of living and milder climate prevailing there; so much so, that, despite the efforts of our governmental and national societies, we are facing this abnormal situation, namely: Canada an exceedingly

rich and prosperous country with an underpopulated territory, with immense stretches of land waiting only for men to turn into money the riches of its soil, suffering yearly an emigration proportionately greater than an overpopulated country.

Everybody knows that from 1900 to 1921, 2,000,000 men disappeared from Canada. During the following five years, from 1921 to 1926, according to official statistics, 675,000 left Canada, so that our net increase during this period was only 600,000, whereas we received during that time 608,000 immigrants. Australia, with a smaller population and a lesser number of immigrants, enjoyed an increase of 750,000 during the same period.

Mr. BOURASSA: If you will allow me to interrupt, Father, just for the sake of accuracy, you mean people, not men?

The WITNESS: People, yes. Australia with a smaller population and a lesser number of immigrants, enjoyed an increase of 750,000 during the same period. If Canada continues to increase at the same yearly rate as it has done from 1921, that is, 120,000, the Canadian population would be less than 13,000,000 in 1950, which is far from the 23,000,000 predicted by the Premier of one of the provinces some months ago.

Many would perhaps suggest intensifying immigration as a means of filling the gap. But that remedy does not seem to be a very happy one. Immigrants are costly; they must not be too numerous for assimilation, especially those from foreign countries. On the other hand, we know the difficulties encountered in immigration from the British Isles. Farmers will not come to Canada; they are not numerous enough in England; good workers will not easily agree to emigrate, because they do not find in Canada the benefits of those social insurances against sickness, invalidity, enforced idleness and so on, which they actually enjoy in their own country. This statement was confirmed by Mr. Falk, an Englishman who resided in Canada for twenty years. Comparing the situation of the Canadian and the English worker, from many points of view, the situation of the English worker is more secure.

Moreover, as the years run on, England will be less and less in a position to send us immigrants, for since the end of the World War, the birthrate in England has become lower than in France. For the first three months of 1927, according to Henry Somerville, the number of deaths in Great Britain and Wales exceeded that of births, and on August 9, 1928, Herbert Bailey, a correspondent of the British United Press, was compelled to write the following:

A new angle to the problem of British emigration to Canada is being stressed to-day by the newspapers, which are pointing out that the fall in the British birthrate and the readjustment of British industries are certain within a decade to make Britain cease to be a "population exporting" country. Hence the Dominions will then be unable to secure British stock for their empty lands.

This means a danger for the future of Canada as a British country, the more so because a similar decrease is being registered in the birthrate of all the Canadian provinces.

Hence it follows, as an imperative necessity, that our economic conditions should be so adapted as to favour the welfare of families, so that young men may not be induced to protract indefinitely the foundation of a home, and that large families may not be forced to emigrate to the United States in the hope of finding there a decent living.

Unfortunately since the economic revolution which caused the huge development of large industry, and the introduction of machinery, social conditions have been evolving in a direction almost opposite to the interests of the wage

earner who happens to be the head of a family. We need but glance at the economic condition which preceded the revolution in order to be convinced of the fact.

At a time when the whole production was done in small shops every workman enjoyed the possibility, after working a certain time, under an employer to become a partner in his turn, thus increasing his revenues according to the increasing of his family charges. He had, moreover, the full liberty to dispose of his time, to work 12, 14 or 16 hours if necessary, in order to supply the needs of his family. Finally, there was nothing to prevent him from making use of his children as soon as they were able to work, the standard of education not requiring at that time a long stay at school.

At the present time, the great majority of the wage earners are deprived of the possibility of becoming employers. Great production and huge manufacture oblige them to remain wage earners as long as they live, with an increase of wages during their working life, it is true, but not in the same proportion as their family responsibilities. After forty-five years, when these responsibilities weigh heavily on him, the modern worker—unlike the wage earner of an earlier day—is not at liberty to prolong his working day and thus increase his output. The eight-hour day has been imposed upon him by modern civilization as well as a long and costly stay at school for his children. All these are equivalent to a kind of expropriation by which he is partly deprived of his means of earning, and nothing has been given him in return. There are laws preventing the boy now from working in manufacture before a certain age, and after the age of sixteen some nations prohibit long hours of work.

I do not want to be taken as criticizing that kind of legislation. Those things are very good; indeed they are necessary at the present time. Eventually the boy will profit by it; because he will be more healthy, and more intellectually fitted for the battle of life. Society will draw benefits from such legislation, because we will have more intelligent citizens, and so forth, but in the meantime a father of a large family must battle along as best he can. He has to feed the family, clothe them and send them to school, and he has been deprived of a part of his means of earning, and nothing has been given in return to compensate for this.

The situation is further complicated by the lowering of infant mortality. Besides the fact that medical treatment which formerly was dispensed with is now a fresh source of expense for the head of the family, the coming in to this world now is a very costly job.

Mr. McMILLAN: Too costly. We want to register a protest against it.

The WITNESS: It often happens that the children saved from death by a more enlightened intervention remain weak and sickly, and for years are a source of care and expense which impose a heavy burden on the income of the father, and increase the fatigue of the mother. Add to this that large families are excluded from apartment houses; that the modern four and five room flats are not fit for them; that they are refused roomier lodgings because they lack resources to pay the rent, or simply because they have the fortune, or the misfortune, to have many children. Think also of the question of servants who must actually be paid a wage often greater than the rent itself, and who, as is very often the case, generally flatly refuse to work where there are many children. Remember finally that playgrounds are wanting in our large cities, and that there exist municipal regulations allowing the police to arrest children found playing in the street, and you will be forced to the conclusion that the task of raising even a moderate family in our crowded cities has become a serious problem, especially in the case of the wage earner. The conditions have become aggravated by the unequal distribution of family burdens. Formerly, a large family was the general rule. Marriages were contracted at an early age; young

men started homemaking often before twenty, and then it happened that large families were the general rule; and, as it was the general rule, they had the same resources and lived very moderately. But actually to-day, on account of the increase in the cost of living, on account of the luxuries indulged in by the young people of both sexes, the young men are obliged to delay establishing homes until they are able to earn the income necessary to support a family. As a rule, ten to fifteen, and perhaps more, years have slipped by, and so it is that we see many bachelors of thirty-five years waiting to get married. That is why the number of bachelors and married men with small families have increased so considerably.

To give the statistics of Belgium, twenty-nine per cent of the males are unmarried; fifteen per cent are married without children. That means forty-four per cent without any family responsibilities. Sixteen per cent have but one child; twelve have two children; eight per cent have three children, and twenty per cent have four or more children. And in those statistics dependent children are considered those under twenty-one. If they were counted under fourteen or sixteen the proportion would be even greater. Thus forty-four per cent of the male population of Belgium have no family responsibilities; thirty-six per cent have but light responsibilities, and twenty per cent carry heavy responsibilities. In other words, twenty per cent raise almost twice as many children as the other eighty per cent.

Now, the same obtains in England. In England before the War, twenty-seven per cent were bachelors; twenty-five per cent married without children. That means fifty-two per cent. But this is only among workers, it is not in the country at large. Seventeen per cent had but one child; thirteen had two children; nine per cent had three, and nearly ten per cent had four or more.

In Australia, counting all the workers, forty-five per cent are bachelors; sixteen and one half per cent are married without any children; eight per cent have one child; eight per cent have two, and twenty-two per cent have three or more.

What is the effect of this unequal distribution of family responsibility? In a community of adults of equal resources or income, where the majority of those adults have scarcely any family responsibilities, that majority may be well off, or even rich. They spend more money; they multiply their wants; they develop expensive tastes and raise the standard of living, and the cost of living rises for the whole population. That is what we see to-day. The cost of comforts has been broadened.

The large families, submerged in this mass, can neither lodge nor feed nor clothe nor educate nor amuse themselves as they could two centuries ago; they are in the grasp of social needs, and, lacking resources, are exposed to intolerable privation.

The problem of the subsistence of the family wage earner is one which must draw the attention of legislatures, and more so because in our societies, industrialized and commercialized, as they are, actually more than one half of the population seems to depend on a salary to find a subsistence. According to the last census of Canada, of every one thousand citizens, 505 were on the farms and rural districts, and 495 were in the urban districts. Now, since that time I think the proportion has changed and in some of the provinces, such as Quebec and Ontario, the proportion is reversed. In Quebec the proportion was 560 in urban districts and 440 in the rural districts, and we must remember the fact that even in the rural districts they depend on salaries and wages for their living. In Ontario the proportion is yet greater, I think it is 580 in the cities and 420 in the rural districts.

Mr. BOURASSA: Including the villages?

[Reverend Father Leon Lebel, S.J.]

The WITNESS: Yes, including the villages, and it seems to me that the condition is growing worse as time goes on. For instance, let us consider the growth in automobiles and motor vehicles, which are taking the place of horses. There are 25,000,000 automobiles in the United States, or one for every five persons. In Canada I think the proportion is one automobile for every seven or eight persons, and I do not doubt that within five years that proportion will also be one in five. —hat means that one-third of the stretches of lands which were formerly employed to produce hay and oats for nourishing horses are to-day reserved for the production of farm produce.

Mr. WOODSWORTH: And golf courses.

The WITNESS: And the American farmers have begun to adapt themselves to that condition and are beginning the cultivation of vegetables by the use of machines and scientific methods, thereby creating an overproduction. We know very well that the statistics of the United States record that there is an overproduction on most farms of the United States, and the Minister of Agriculture seems to think that the only way to solve the problem—the most efficacious way—would be to control the production, to limit it, because it exists at the present time. That means that with fewer farmers there will be more production. Where do these farmers go? They are gathering in the cities.

Mr. McMILLAN: May I make this observation, that while there is an overproduction along certain lines of articles that easily strike the markets, there is a serious underproduction in other directions, notably amongst the live stock. There is a serious underproduction of live stock in the United States at the present time.

Mr. HEAPS: Does not also the question of under-consumption enter into the consideration?

The WITNESS: It is possible. Now, the consequence of it is the gathering in the cities of these men, and they are actually fostering in the United States a new method of cultivating vegetables and fruit by the use of what they call mulch paper, by which they rapidly kill the weeds and require less handiwork. By keeping up the humidity and simulating the warmth of the sun they can multiply their production by two, three, four, five, and in some cases six. This method is spreading very rapidly. That means that the number of farms will still further decrease and yet production will increase.

Now this gathering of farmers in the cities comes with the application to industry of scientific methods, what is called industrialization, which means that ten or fifteen men are replaced with a machine so that they are obliged to produce three or four times what they would do otherwise. That means an over-production in industry, and, with social insurance not established, lack of work. In all nations where this industrialization has been established and has spread, we notice that after forty-five years it is getting more and more difficult to find work, because you know that to serve these machines with rapidity it needs a young man, with all his resources. Now, I ask how it will be possible to raise families henceforth. These other factors explain the rapid decline in natality in civilization after the war. England and Sweden have fallen lower than France, and Germany with so large a level of natality is at the level of France. —France, of all the other nations, alone has maintained its level after the war, when we would have expected it to go down four or five points, and I think it is on account of the family allowance that they have succeeded in keeping their rate of natality on the level. In Canada the same thing obtained. In 1921 the rate of natality was 26.4. In the five years from 1921 it had fallen down to 22. Canada, for the eight provinces, excepting Quebec, lost 4.4, and the province of Quebec sunk even faster, because from

37.6 in 1921, it fell to 32.1 in 1926, showing a loss of $5\frac{1}{2}$ points; so that Canada has to rely mainly on its natural increase to build up a population. Economists anticipate, not only for Canada but elsewhere, a stabilization of the white population. They are fearing—especially those in Europe—that the white race is imperilled, and in danger of seeing its population go down. Mr. C. W. Peterson in his booklet "Canada's Population Problem" concludes with the following words:

Economists freely predict a stationary, or possibly receding, future world population. Beyond all shadow of doubt, in 15 or 20 years Canada will look overseas in vain for surplus man-power to develop her resources. So we are essentially working against time in our present leisurely colonization effort. With the passing of each year the problem will be irrevocably intensified. For a few years yet European countries may remain partly over-populated with adults, but our chances to secure more people are dwindling steadily day by day. It requires no prophetic foresight to conclude that the time limit, within which Canada may solve her population problem, in terms of millions of new citizens, is coming to an end.

So that Canada has to rely mainly on its natural increase, to build the population. That does not mean that we should cease immigration, but I should say it means that it is useless to bring out, at great cost, numerous immigrants if we cannot keep them in Canada, or if we can not prevent the Canadian born from crossing the border. As was said recently by the Premier of British Columbia, "You cannot collect much rain in a leaky barrel", and you cannot build a population if the emigration equals the immigration. The first operation is to cure the leak. One of the most efficacious remedies would be to solve the problem of the subsistence of the family. Now, this problem has for many decades occupied the minds of the economists, and after long discussions they arrived at what they thought was an adequate solution, namely, the living wage. It is necessary that the wage be a living one, otherwise it would be to admit that our present organization, of which we are so proud, is inferior to that of slavery. What do they mean by a living wage? That is to pay every adult male worker a minimum wage sufficient to cover the expenses of a family of five persons, the father, the mother and the three children. In fact, if we accept the modern economist's idea, everybody—employer, employee, the man in the street—all admit that a living wage is the most reasonable solution, and we see that all the governments to-day are preparing statistics of the cost of living based upon what is necessary to maintain a family of five. That means they adopt implicitly the living wage as a real solution. Everybody considers it as a panacea which will completely solve the problem of the family. Unfortunately this would not be a panacea at all. Compared with the present economic possibilities it appears as a mere Utopia. The inadequacy of the living wage for solving the problem of the family has been established by many modern economists, such as Paul Douglas in the United States, Miss E. F. Rathbone, and Mr. J. Cohen in England, and Mr. A. B. Piddington in Australia. Making use of official statistics they state that if every adult male worker should receive a wage sufficient for a family of five, commerce and industry would pay more for wives and children than there are people in the whole nation. In the United States, for instance, where there are approximately 18,000,000 male adults who are gainfully employed, to pay each of them enough to support a family of five would mean granting maintenance for 90,000,000 people, and this, supposing that each worker would be paid only the minimum wage. But we must take into account the supplement which has to be paid to skilled labour. The statistics prove that 50 per

cent must be added for that item, which would mean that the maintenance of 42,000,000 people would be involved. Add to this the wages paid to male workers under 21 years of age, and those paid to women and girls and you are forced to conclude that the wage bill of commerce and industry should be sufficient to sustain more people than there are in the United States. Yet notwithstanding that immense effort, the solution would be almost inadequate and very poor. Statistics show that among the working class nearly 80 per cent are bachelors or heads of small families; 10 per cent only are heads of families of five, these having about 40 per cent of the dependent children of the nation. To pay the vital wages to all adult male workers would mean that 80 per cent would receive more than their needs, ten per cent would receive according to their needs, and 10 per cent would receive less than their needs. In other words, with the family-of-five wages, millions of phantom children and wives would be provided for by commerce and industry, while millions of flesh and blood children would lack adequate support. As Doctor Paul Douglas says, the family-of-five advocates seem to believe that by overpaying many workers they will atone for greatly underpaying others. Moreover, the family-of-five wages is a mere Utopia. Although for many decades the living wage was advocated by employees, accepted in principle by employers, applauded by everybody, yet in not a single country has it been achieved, not even in the United States. That is evident in the United States. There the economists have established a budget for a family of five of \$2,000—a decent standard. Eighty per cent of the wage earners do not receive such wages, but we must not be too harsh on the subject because many of the wage earners in the United States have other resources than wages, revenue and income from other sources and yet statistics are there for the wages themselves showing that 31 per cent of the wage earners in the United States actually receive wages under \$1,250, which is considered by economists as the budget for a bachelor.

In Canada, the budget for a family of five is adopted by many economists. The statisticians of the government give every month in the Labour Gazette what they estimate a family budget should be, and they give a figure for expenses of a family of five for one week, giving only what is required for nourishment, for rent, and for heating, and they say that in order to have a complete budget there should be added 50 per cent to the figure given by the government. According to this, the family budget in Canada would be between \$1,600 and \$1,700—\$1,650. Many of our economists have tried to comply with the first part of the budget established by the statisticians. Miss Gould, of Toronto, estimates a family budget to be \$2,160. That is the highest one I have ever seen. Mr. Comeau, of Montreal, having made an estimate based on inquiries of the very small workers, estimates it at \$1,931. That seems to be a little too high. Mr. Hushion estimates it at \$1,803; Mr. St. Pierre estimates it at \$1,700, and, most conservative of all, Mr. G. B. Clark of the Social Agencies of Montreal estimates it at \$1,101.76. He explains in his report that he wants to take the lowest possible standard, and that he has omitted those items on which it is very difficult to strike an average, such as physicians' fees, and we all know that in many cases the charges for physicians' fees run into a considerable amount. He also omits drugs and insurance, charity expenses, union dues, and recreation—all expenses for recreation—tobacco, candy, stationery, replacement of kitchen utensils, towels and bedding. They are all excluded. If you add something for all of these items, I think his figure would probably go over \$1,300.

Now, the variations in those budgets are explained precisely by that. There are two standards taken by the economists, the average standard, according to the man living in general society, and a low standard, such as what is

absolutely necessary to exist—not to live. So Mr. Hushion's estimate of a merely existing budget of \$1,200, means that a family of five would only exist; it would not die; it would not starve to death, but it could not live according to the standards of our nation.

Now, the Commission created by the government to study the minimum wages of women has set a budget for women workers at \$634, taking a figure lower than that by any of the organizations which they had consulted—

Mr. BOURASSA: That is for single women?

The WITNESS: For single women, yes. What are the wages in Canada? In 77 of the main industries I think that actually the average wage is below a thousand dollars. We must consider in connection with that that many of the workers are girls and women, and many are young men, so if we would take the average wage of the male adult worker, the figure would be a little higher. But I maintain that there are in Canada whole classes of workers who earn less than \$1,000, and those are what we call "unskilled labour." For unskilled labour the recognized tariff is 35 cents an hour; some earn 30 cents an hour, and in some industries only 25. Many men who work with shovels are only earning that. But, supposing a man earns 35 cents an hour, and works ten hours a day, 300 days a year without losing Saturday afternoons; that means a theoretical annual wage of \$1,050, which is far below the family budget—even the "existing budget." And we know very well—as I have been told by organizations on oath—that the average wages of unskilled labour range about \$800. When we consider that, and further consider that the budget of a girl is estimated at \$634 in Quebec, we wonder how the father of a family if he has one, two, three and sometimes four and five children, can manage to live. He will live, but his children have no advantages. He is obliged to take his children from school as soon as they are able to earn 50 cents or a dollar a week, and sometimes the mother is obliged to go out and work, which is a very sad condition. The reason for this failure must be found in the fact that industry and commerce in general do not possess the resources sufficient to pay all a living wage. The employers have not sufficient resources to pay. That has been made clear by a scientific inquiry by the Government of Australia in which expert statisticians declared that by distributing to the working population the entire value of all the merchandise produced in the country a fifty per cent increase in wages would not be obtained. It was precisely that inquiry which marked the beginning of the establishment of family allowances in Australia.

On the other hand, inquiries made in Germany, England and the United States have proved that the share of profits coming to capitalists and contractors, compared with that which the workers received in salary does not, on the whole, exceed ten per cent. But I think in the United States and Canada the proportion would be greater, that the benefits to the industrial men in general would be a little greater. How could employers then raise the general wage fifty per cent if they make only ten per cent of the whole. We know very well that every year there is a proportion of employers who go into bankruptcy. Surely they cannot raise the salaries fifty per cent. Then there is a large proportion of employers who just stand on their feet and make no profits. The greatest number of firms and employers in Canada and other countries have moderate profits. They cannot raise substantially the wages of their employees unless they increase the price of their products, in which event up would go the cost of living, and we would be practically on the same level again. There is a small proportion of the larger firms who are making great profits. Those firms could raise the wages of their employees, but generally they are the ones who do not. So the

only way of having a general raising of wages would be for all employers to put together their resources, give all their revenues to the employees and produce without dividends; but I think that era is not yet here.

So that the living wage is a failure. It was not realized in the two richest countries of the world—the United States and Canada—and in the most prosperous period of their existence. Now, if it has not been established I wonder where and when it could be established, how it could be realized. Are we entitled to conclude that nothing is to be done in the matter, that large families are to be left to fight for their lives under the diverse conditions confronting them? If nothing is to be done then the Bolshevik contention is well founded, that the present capitalistic organization has to be overthrown, because under present conditions men are doomed to lead a life of poverty and privation.

Now, European economists and business men have concluded otherwise. They have looked at our economic machine, and they have seen that there is a wheel missing somewhere in the machine, but that it would be very easy to put that wheel in place in order that we might proceed more smoothly; and they have arrived at the conclusion that our economic system can be easily corrected so as to fit the change in conditions that has taken place. Their solution consists in paying the worker who is the head of a family a supplementary contribution proportional to his family responsibilities. This contribution, which they call "family allowances," is not to be paid directly by the individual employer to his own employees. It is distributed from a general fund to which all employees contribute, according to the number of employees or the total amount paid in wages. There is an equalization in connection with this fund. The amount an employer has to pay is always the same, no matter what proportion of bachelors and heads of families he has in his employ. Suppose two firms employ one hundred men working for \$30 a week. One firm has only fathers of families or heads of families. Let us say that with all those heads of families there are so many dependent children.

By Mr. Heaps:

Q. Do you favour such a fund coming from industry or do you feel it should come out of State taxation?—A. Well, I will come to that afterwards. If one of the employers should only have bachelors in his employ, and the other only fathers of large families, the cost is the same at the end of the week, according to the equalization of this fund.

Nor are family allowances to be considered as a wage paid to the head of a family in return for his work. It is not a salary, it is not a wage. It is a recognition of eminent service rendered to society, and to the employer, which will assure the prosperity and development of the country in the future.

Under the principle "equal work equal pay", it may be said that if you augment the remuneration paid to the worker who is the head of a family you will be obliged to augment the remuneration paid to everyone else. The logic is there. The principle of equal work equal pay is an old one, that is, paying wages as a matter of strict justice. If two men give to the same employer the same labour, the employer has satisfied justice if he gives the same wages, no matter if one is a bachelor and the other a head of a family—equal work and equal pay. And that is the reason why organized labour and employers have always been opposed to making any difference in the matter of wages between bachelors and heads of families. But there is another principle founded on reason, "each according to his needs"; because in a proper state of society everyone must be able to live, and those who are workers, since they must live on their labour, must find in their wages the means of living each according to his needs.

To-day, those two principles are merged, and harmoniously merged. When the earner goes to the cashier for his wages it is a case of equal work equal pay, but he goes also to the compensation fund, if he is the head of a family, and then he receives according to his needs.

By Mr. Bouchard:

Q. Have you considered the proposal made by the Labour Committee of the League of Nations, and put before the Congress last October, a resolution to develop in the homes a craft by which the worker and his family by making some artistic article might supplement his salary, or their salary, in a very efficient way? Do you see any solution in that?—A. Certainly, it would be a great help, but I do not think it would be complete.

The CHAIRMAN: The suggestion has been made that the Committee call Father Lebel again. He happens to have a lot of material, and of necessity he must take some time to develop it.

Mr. BOURASSA: It seems to me that the Father has put before us in an admirable manner what I would call the foreword of the problem, setting forth the conditions under which the needs have arisen. Later he will give us the details. I think we need them and I think we will all enjoy hearing the Father work out his system. I do not think we should crowd Father Lebel in any way. I think he should finish to-day the exposition of the basic principles, and then reserve for another sitting the exposition of his scheme.

Mr. McMILLAN: It will be continuous in the report anyway.

The CHAIRMAN: It is almost one o'clock now. If Father Lebel could stop at a suitable point it would be all right.

Mr. LETELLIER: An adjournment at this stage would be convenient to the members of the Committee, as I presume some of the members will have questions to ask the reverend Father.

The WITNESS I think this would be a good place to stop.

The witness retired.

The Committee adjourned until 11.00 o'clock a.m., on Wednesday, February 27, 1929.

EXHIBITS.

(Copy)

OTTAWA, July 31, 1928.

DEAR SIR,—I desire to draw your attention to the report of the Select Standing Committee on Industrial and International Relations with respect to Insurance against Unemployment, Sickness and Invalidity, which was adopted by the House of Commons on June 6th last.

I am sending you herewith a copy of the final report of the Committee for the consideration of your Government and as you will note from paragraph 7 on page 237 the matter is to be further considered at the next session of Parliament I would be glad to have an expression of your views thereon.

I might add that the report of the Minutes of Proceedings and Evidence is now in the hands of the printer and as soon as the same is off the press I shall be pleased to forward you a few copies.

Yours very truly,

PETER HEENAN,
Minister of Labour.

(The above was forwarded to all the Provincial Governments).

(Copy)

PROVINCE OF NOVA SCOTIA

OFFICE OF THE PREMIER

HALIFAX, August 3, 1928.

DEAR SIR,—I have your letter of July 31st. The whole subject matter will have to be studied with great care by the Government, and for that purpose we will await the printed report of the Minutes of Proceedings and Evidence.

Meantime I have to point out that while the Government is sympathetic toward all modern measures of similar character which have for their object the betterment of living conditions, the limiting factor in the Province of Nova Scotia is that of finance. For practically fifteen years this Province has not had a balanced Budget, and before we can take up the subject matter of industrial and international relations we are immediately confronted with a very heavy obligation which would arise with the adoption of the Old Age Pension system.

Yours very truly,

E. N. RHODES,
Premier.

HON. PETER HEENAN,
Minister of Labour,
Ottawa, Ont.

ENR:OB

SELECT STANDING COMMITTEE

(Copy)

THE GOVERNMENT OF THE PROVINCE OF NEW BRUNSWICK

THE PREMIER

SAINT JOHN, N.B., August 3, 1928.

Honourable PETER HEENAN,
Minister of Labour,
Ottawa.

MY DEAR MINISTER:—Your letter 31st ult. received with reference to insurance against unemployment, sickness and invalidity.

Of course, I recognize the desirability of some such provisions as these, but I think you will understand that, faced with the question of Old Age Pensions and what I regret to say seems to be the probable withdrawal by your Government of the assistance to technical education, it is utterly impossible for a Province with such limited means as New Brunswick to consider, at all, the subject about which you write. These things are simply matters of financial ability to do things, and when we have not got the money we cannot, and should not, undertake the responsibility.

Yours sincerely,

JOHN B. BAXTER.

(Copy)

MINISTER'S OFFICE

DEPARTMENT OF PUBLIC WORKS AND LABOUR

PROVINCE OF QUEBEC

QUEBEC, August 7, 1928.

To the Honourable PETER HEENAN,
Minister of Labour,
Ottawa.

DEAR SIR,—I duly received yours of the 31st ult., drawing my attention to the report of the Select Standing Committee on Industrial and International Relations with respect to Insurance against Unemployment, Sickness and Invalidity, adopted by the House of Commons on June 6th last, and wish to state, in answer, that it will be duly submitted to the attention of my colleagues of the Cabinet.

Yours truly,

ANTONIN GALIPEAULT.

(Copy)

MINISTER OF LABOUR
PROVINCE OF BRITISH COLUMBIA

VICTORIA, August 6, 1928.

HON. PETER HEENAN,
Minister of Labour,
Ottawa.

DEAR SIR,—I have before me yours of the 31st ultimo with the Report of the Select Standing Committee on Industrial and International Relations with respect to Insurance against Unemployment, Sickness and Invalidity which was adopted by the House of Commons on June 6th last.

This matter is one of very considerable importance and in view of the fact that the present Government of the Province will be retiring from office within a few days I feel that any expression of governmental opinion in so far as this Province is concerned should be made by the new Government rather than by the outgoing one. Constitutional points are involved which are important in themselves and the policy to be pursued is a vital one to a large number of people. I shall therefore leave your letter with my Deputy in order that he may bring it to the attention of the incoming Minister upon his taking office.

Yours very truly,

A. M. MANSON.

(Copy)

PROVINCE OF BRITISH COLUMBIA
MINISTER OF LABOUR

VICTORIA, B.C., Sept. 25, 1928.

HON. PETER HEENAN,
Minister of Labour,
Ottawa, Ont.

DEAR SIR,—I have before me your communication of July 31st, addressed to the Hon. A. M. Manson, K.C., Attorney-General and Minister of Labour, on the question of Unemployment Insurance, together with his reply under date of August 6th.

As the Government of the day has not given consideration to the question of Unemployment Insurance I would be glad to accept your kind offer to furnish me with a report of the Minutes of Proceedings and Evidence laid before the Select Standing Committee of the House of Commons, on Industrial Relations with respect to Insurance against Unemployment, Sickness and Invalidity; also the Report that was adopted by the House on June 6th last.

At the present time I have no views to offer on the Report of the Committee.

Yours truly,

(Sgd.) W. A. MCKENZIE,
Minister.

SELECT STANDING COMMITTEE

(Copy)

OFFICE OF THE PREMIER

ALBERTA

EDMONTON, August 8, 1928.

DEAR SIR,—I acknowledge your letter of the 31st ultimo enclosing report of the Select Standing Committee on Industrial and International Relations with respect to Insurance against Unemployment, Sickness and Invalidity, which was adopted by the House of Commons on June 6th last.

Yours truly,

(Sgd.) E. A. BROWN,
Secretary.

Minister of Labour,
Dominion Government,
Ottawa, Ontario.

(Copy)

WINNIPEG, MANITOBA,

August 13, 1928.

The Honourable PETER HEENAN,
Minister of Labour,
Ottawa, Canada.

Dear Mr. HEENAN: I have the letter written by you to the Premier under date of 31st July last, and also copy of the Report of the Select Standing Committee on Industrial and International Relations.

This Report covers particularly the item of unemployment insurance, and I note that the Committee experienced great difficulty in arriving at any definite conclusion owing to the lack of data as to the amount of unemployment either constant or occasional in character. While the Committee accepts and endorses the principle of unemployment insurance, based on compulsory contributions from the State, the employer and the employee, it recommended to Parliament that the question be again referred to the committee at the next Session.

I presume the suggestion of the Committee, that the Government obtain from Great Britain expert advice on the subject, has been followed and much additional evidence will be before the Committee when they reconsider the matter.

While we have not in this province given serious consideration to unemployment insurance we had a special Committee examine into and report on the unemployment situation. A copy of this Report is enclosed for your information.

I cannot at this moment give expression to any positive views on adoption of the unemployment insurance plan in this province. The matter is one to which very serious consideration will have to be given before coming to any definite conclusion and personally I think it wise to wait until the matter has received more complete attention by the Industrial and International Relations Committee. I shall welcome any additional material that you may be able to supply.

Yours very truly,

(Sgd.) W. J. MAJOR,
Attorney General.

WJM/CC
Encl.

(Copy)

DEPARTMENT OF PUBLIC HEALTH AND LABOUR

ONTARIO

TORONTO, August 28, 1928.

HON. PETER HEENAN,
Minister of Labour,
Ottawa, Ontario.

DEAR SIR: I received your letter of the 31st ultimo in which you direct my attention to the report of the Select Standing Committee of Industrial and International relations.

On looking over this report I find that it deals almost exclusively with the question of unemployment insurance. The question of unemployment insurance in Canada is one that has not received a great deal of attention in this country because it has been felt that employment conditions in conjunction with public opinion did not warrant any action being taken on it. The report points out that the question of unemployment insurance is primarily a provincial responsibility. There may be a divergence of opinion regarding this aspect of the matter but the fact is that provincial governments have not as yet made any decided pronouncement on the question of unemployment insurance.

I am anxious that every consideration be given to the conclusions arrived at by the Select Standing Committee on Industrial and International relations, and will be glad to direct the attention of the Ontario Government to the subject matter of this report.

It seems to me however that before anything tangible is accomplished in the matter of unemployment insurance, it will be necessary for the representatives of Provincial Governments to meet in conference and give this question their most serious consideration. It is probable that at some future date, such a meeting will take place and the merits or otherwise of having unemployment insurance and other forms of social insurance, made applicable in the respective provinces carefully gone over.

I shall look forward to receiving the published report of the minutes of proceedings and evidence to which your letter refers and will peruse same with very great interest.

Yours very truly,

(Sgd.) FORBES GODFREY,
Minister of Health and Labour.

JB/GB

(Copy)

PREMIER'S OFFICE

SASKATCHEWAN

REGINA, October 22, 1928.

Honourable PETER HEENAN,
Minister of Labour,
Ottawa, Ontario.

DEAR SIR: I shall be pleased to place before Honourable Mr. Gardiner, for attention, upon his return to the office shortly, your letter of October 16, together with a copy of the final report of the Select Standing Committee on Industrial and International Relations, upon the question of Insurance against Unemployment, Sickness and Invalidity.

Yours truly,

(Sgd.) A. M. BURTON,
Secretary.

SESSION 1929

HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

**INDUSTRIAL AND INTERNATIONAL
RELATIONS**

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2—FEBRUARY 27, 1929

WITNESS:

Reverend Father Leon Lebel, S.J.

MINUTES OF PROCEEDINGS

WEDNESDAY, February 27, 1929.

Pursuant to adjournment and notice, the Select Standing Committee on Industrial and International Relations met this day at 11 a.m.

The Chairman (Mr. McIntosh) presiding.

Present: Messieurs Bell (St. John-Albert), Bourassa, Church, Howard, Jenkins, Johnstone (Cape Breton North-Victoria), Letellier, McIntosh, McMillan, Neill, Sir George Perley, Plunkett, Prévost, Stinson, St. Père and Woodsworth, 17.

Minutes of February 26 read and approved.

On motion of Mr. Woodsworth,

Resolved that the Chairman, Mr. McIntosh, interview the Chief Whips of the different parties to arrange for the appointment to this committee of members who are interested in its work in place of those members who do not wish to or cannot attend its meetings.

Reverend Father Léon Lebel, S. J. Teacher of Philosophy of the Immaculate Conception (Montreal), recalled for further evidence and examination on the subject of Family Allowances.

Witness retired.

The Committee was of the opinion that the Order of Reference did not cover the right to investigate or consider several of the items contained in the Notice of Motion presented by Mr. Church, M.P.

On motion of Mr. McMillan,

Resolved that said Notice of Motion be laid on the table.

On motion of Mr. Howard,

Resolved that a hearty vote of thanks be tendered by this committee to the Reverend Father Lebel, S. J., of the Immaculate Conception (Montreal), for the very valuable evidence he had given before it.

The Chairman, Mr. McIntosh, conveyed to the Reverend Father the thanks of the committee and congratulated him upon the comprehensive study he had made of the problem, viz., Family Allowances.

On motion of Mr. Woodsworth,

Ordered that Mr. G. B. Clarke, Secretary Family Welfare Association, Montreal, be summoned to attend at the next meeting of the committee.

The Committee adjourned until 11 a.m. Tuesday, March 5th, 1929. All of which is respectfully submitted.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

ROOM 425, HOUSE OF COMMONS,

WEDNESDAY, February 27, 1929.

The Select Standing Committee on Industrial and International Relations met at 11 o'clock a.m., the Chairman, Mr. C. R. McIntosh, presiding.

Rev. FATHER LEON LEBEL, S. J., recalled.

The WITNESS: In order to review briefly what I said yesterday, I may say that the question which is at stake is the subsistence of the family of the worker.

Mr. BOURASSA: Just before you start, Father, when you are giving out your statistics in regard to the workers, are you including both the rural and the urban workers?

The WITNESS: I will come to that a little later, Mr. Bourassa. The subsistence of the family of the worker has been a problem which for decades has stimulated the mental activities of the economists. It has been found impossible to provide for that subsistence by the sole means of wages, because by the sole means of wages the economists are running on a wheel. When the wages are not sufficient for the subsistence of a family there is a pressure tending toward the general raising of wages, but we find that if wages are raised, say, 50 per cent, the cost of living also rises 50 per cent. They are in the same ratio. So the family allowance has been devised by our economists as the sole method of breaking away from the vicious circle. They mention that family allowances are not to be considered as wages, or remuneration of labour, because if they were so considered even the bachelors could claim them; but they insist, on that point, that family allowances are a recognition of special services rendered to society by the workers as heads of families.

Now, economists have tried to figure that mathematically. What is the relation of that service to society? The assurance companies have tried to figure that service, saying that a man who works and produces is comparable to capital producing interest in a bank, because at the end of the year he has produced more riches than there were at the beginning of the year. They say that a man earning a salary of \$50 a week is, to a nation, of value equal to a capital of \$42,000. In the United States the Metropolitan Insurance Company has calculated that a young American in the cradle is worth \$9,333.33. This may be somewhat of an exaggeration, but let us suppose that a Canadian born is worth to Canada \$5,000; a man giving ten children to his country is giving to that country to the value of \$50,000. Now, the factor of riches in relation to society depends wholly upon the father of a family. It has been calculated that to raise a young boy from one to eighteen years of age costs approximately \$7,200. I think there is also some exaggeration in that, but there is likewise some truth in it, and the whole task of preparing that factor of riches to society depends wholly upon the father of a family, so in order to make that great gift to society he is obliged to spend something like \$30,000, and that proves very costly. You will say: "Well, a man does not raise children for money." True. It is a service to society, and society should help the father of the family to render that service especially if conditions have made the task almost too heavy to be borne. In other lines, society gives remuneration for services which

are not rendered for money. The King, governments, ministers of the country, even deputies, do not administer the affairs of the country for money; that is, at so much an hour, but they render a service to society without which society could not subsist, and so society gives to them an honorarium or a fee in order that they may be able to properly render that service. The same applies to the judges. They do not pass sentence on a man, committing him to jail or sentencing him to death for money—at so much an hour, and yet they render a great service to society, without which society could not subsist, and society gives to them the means of properly rendering that service. The same holds true with regard to the heads of families. They are rendering a service without which society could not subsist. Supposing all the potential heads of families should go on strike; there would be very few of the next generation, and since conditions render that service very difficult to perform it is to the advantage of society to help the fathers of families to properly render that service in order that they may raise strong healthy children, who will be more intellectually instructed.

Mr. WOODSWORTH: You speak of “the fathers of families”; you would not overlook the services rendered by the mothers, which are perhaps even greater through the years than those of the fathers.

The WITNESS: When I say “the father of a family” I really mean both parents. Now, who should pay for it? I say it is society in general, because the service is rendered to society; it is the business man in particular, because this service is especially profitable to the business man. By increasing the population of the country, the heads of the families supply the workers, which fact automatically multiply the number of consumers; thus enabling the producers and merchants to dispose of their wares. It is by increased business that the business men are impelled to go ahead in enlarging their enterprises and building new ones. That is brought about by the confidence which the business men have that the population will stand at least equal, or become greater, as time goes on. If to-day we should learn that the population was beginning to decrease, we would find the banks and the great firms declining and going into bankruptcy, one after the other. That is the reason why business men should contribute to the family allowances, because in the long run they will alleviate their present burdens, as well be seen hereafter, and will be less costly than if dependent solely upon wages.

Now, this institution has had a large development. At the end of the war and during the subsequent years—from 1918 to 1924—more than twenty-five European countries have adopted this principle in some form or another. Nearly all of the European governments grant allowances to their civil servants. It was lately adopted and imposed upon industry and commerce in Australia—and by “Australia” I mean the state of New South Wales—and in New Zealand.

An ever increasing number of American economists contend that family allowances are the only efficacious solution for the problem of wages and family, even for the United States. There are schools of economics in Philadelphia and Chicago who are spreading the idea, and somebody told me yesterday that the government at Washington has lately instituted an inquiry into the subject. My fear is that the United States will adopt family allowances before us. If they do you will see the families in this country going to the United States, by aeroplane if necessary, and I believe it will not be long before the business men will be obliged to lock their doors and follow on. In England the scheme has not been applied on a very large scale, but it is applied in some branches of industry, thought not very largely. However, opinion is growing toward it; there are many economists who are fostering it, such as Miss Rathbone, Mr. Somerville, Mr. Cohen and many others. The Royal Commission appointed to inquire into the problems of the miners suggested family allowances as the

most efficacious remedy for the problem. Nearly all the social organizations have put family allowances on their programs. The National Council of Women, the National Union for Equal Citizenship, the International Women's Suffrage, and nearly all the feminine organizations have included it in their programs, and now the Independent Labour Party have adopted it as an article in their program.

This magnificent achievement is due in part to the encouragement of clear-sighted business men. In fact, family allowances are the creation of business men, and wherever adopted they were promoted by those who actually pay spontaneously the whole expense required. When I say "spontaneously" I mean in Europe. This surprising attitude is explained by the fact that the cost of family allowances is rather light compared with the amount paid out in wages; the most generous funds do not exceed five per cent of the total wage bill. In general, it is two per cent. Three per cent is rare, but there is one firm, the great firm of Michelin, tire manufacturers, that gives in allowances about five per cent of its wage bill. In general, three per cent is a high percentage.

Further, these spontaneous expenses are easily compensated for by the more conscientious working of the employees, by the avoidance of strikes, by a lessening of the pressure toward higher wages, and by a more friendly attitude on the part of the working class toward the capitalists. The pressure toward higher wages is very hard on industry, that is, the raising of general wages. Suppose, for instance, that the wages are \$1,200 or \$1,500 a year. That is probably sufficient for the bachelors, but there is always a certain portion of the workers for which it is not sufficient. But some bachelors spend much and they say, those wages are not sufficient, and as a result they obtain a five per cent increase, or possibly a three per cent increase. So that in the long run it is very costly and very hard on industry. By family allowances, therefore, there is a lessening of that general pressure, because those who have large responsibilities are provided for.

One cannot minimize the psychological effect that would be produced in the public mind by a system of family allowances in the matter of estimating the wages. Mention to-day to any man an annual wage of one thousand dollars, and it would immediately be styled a "famine wage", and with it would go all the expressions which are generally used toward the capitalists, such as blood suckers, and all those expressions that come to the minds of the workers. Why? Because to-day the sole resource of the worker is his wages, and the value of the wages is taken into account in considering the needs of the family. Suppose on the contrary that the principle of family allowances is established and children are provided for; to-day a wage of one thousand dollars, or even of \$980 would be considered fair and reasonable, because its sufficiency would be referred to individual needs, or the needs of a couple. And since two per cent or five per cent would be spent for family allowances that means that with the same cost more contentment and more peace could be obtained among the working classes.

You would perhaps be glad to know how those family allowances are applied in some of the countries where the system has been adopted. I will tell you what I know of France. France is the country where the system took birth, and where it is applied on a large scale. According to the report of 1927 there were in France 218 compensation funds, in which 12,000 employers participated, and they were distributing family allowances to 1,500,000 heads of families.

By Mr. Woodsworth:

Q. When you say "heads" you mean individual families?—A. Workers having dependent children.

Q. That is separate families?—A. Separate families.

By Mr. Bourassa:

Q. Have you the total number? How many people does it represent?—A. I have no figure for that. The amount paid is 260,000,000 francs. If we take into consideration the allowances furnished by governments, by municipalities, and by all other public services, we arrive at the conclusion that actually in France there are 1,500,000,000 francs paid out for the help of families. Turning that into Canadian money, putting the franc at four cents, that means that sixty million dollars are actually spent for the heads of families in France.

Now, those 218 funds have not the same rate of allowances. Some give more, some give less. If we take the average of those compensation funds, for the first child they give 27 francs per month; for the second child 40 francs; for the third child 48 francs; for the fourth child 66 francs; and for the fifth, and subsequent children 69 francs. That means that in France the head of a family having five dependent children would receive, apart from his wages, 3,000 francs. Turning that into Canadian money it means about \$120. That means something, especially if we bear in mind that the earning power of one franc in France is greater than the earning power of four cents in Canada.

They all say that that is not sufficient, and they are seeking to raise the rate in order to attain the level given in large centres. In large centres the average is 60 francs for the first child, 90 francs for the second child, 90 francs for the third child, 100 francs for the fourth and subsequent children. That means that the head of a family would receive 5,280 francs which if turned into Canadian money would mean \$211, or about \$300 roughly in real purchasing power.

They have a progression in the rate of allowances. They give so much for the first child, and then a little more for the second, I suppose considering that the wages are sufficient for the maintaining of the first child. But from the third it is generally considered that the wages are not sufficient, and they give a little more. Apart from that, they give a premium for the birth of every child. In general, on the average, those premiums run from 200 francs to 450 francs. And they also give premiums too for the mothers who nurse their children, a premium which runs from 200 francs to 300 francs. And they have organized many other services, such as a gratuitous nursing service for the sick, consultation before and after birth; infantile hygiene; gratuitous intervention of physicians and surgeons; hospitalization; preventorium; air camps, allowances for sickness, and so on.

The system of family allowances has proved very good for promoting hygiene, and for promoting health in the different countries of the world to-day.

Q. Are those additional subsidies supplied by the State?—A. No. They are supplied out of the funds themselves. It is a charge on the employers, and they contribute spontaneously and liberally. It is surely a fine achievement.

Q. What proportion of the five thousand francs that the family gets comes from the manufacturers and employers, and what proportion from the state?—A. Actually in France, in fact in nearly all the European countries, in private industry the total cost is met by the employer.

Q. It is a charge on industry?—A. Yes.

By the Chairman:

Q. The state pays nothing direct?—A. No, nothing direct. Now, I come to the practical point, the different systems and the application of family allowances. We might perhaps have in mind one hundred ways in which the scheme could be applied, but I think we can safely divide the system into three different forms.

First, the optional system, which led to the organization of compensation funds. The employer in that case is the master of the compensation fund.

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The masters make the conditions, establish the rates and the allocation. . This system is the system adopted in private industry in Europe in general,—France, Germany, Belgium, Holland, Italy and so on.

The second system is compulsory by law, but restricted to wage earners, industry and commerce. This system has been adopted in New South Wales.

The third system is compulsory by law and generalized to every class of society, and this system is favoured by many European economists as the ideal solution. New Zealand has adopted this system on a small scale. We shall speak of it later on.

There are advantages and disadvantages in every system. The optional system fosters liberality and generosity. It produces better relationship between employer and employee, because the employee, seeing that the employer contributes liberally and has the interest of the worker at heart, is more prone to feel better toward the employer. The employers maintain that point of view at least. Consequently, that system is less costly.

By Mr. Bourassa:

Q. Due to less cost of administration?—A. Yes. They say the allowances can better be adapted to the different centres, because the costs and needs are not the same in different parts of the country. If there is only one national fund they will make the rate of allowance the same for the whole of the country, but if you have little funds here and there there is less danger of state interference.

There are, of course, slight disadvantages under the optional system, because many of the employers will not give family allowances, they will not become affiliated to such a fund. The consequence is that there will be a running of the heads of families to those who do contribute to such a fund, and those who give family allowances will be in a less favourable position to compete with those who do not. In other words, they will be punished for their generosity and the others, in a way will be recompensed. It may also be that the rates of allowances will be different, because some compensation funds that are financially well fixed will grant high rates while those that are not quite so strong financially, or whose patrons are less generous, will give less. And then again the workers say that this savours of charity and the dole.

In France and Belgium, practically every organization of labour is in favour of family allowances. That was not always the case.

Q. Under the optional system?—A. Yes. Even the Socialists at first were totally opposed to it, but now they see the benefits to be derived from it, and that nothing can prohibit its achievement; so they too rely on it.

In Holland and Germany, those organizations of labour which are opposed to family allowances, are, in general, opposed not to the principle itself, but to the manner in which it is applied in those countries. Under that system the disadvantage is that only wage earners, men actually earning a salary, would be entitled to receive allowances. Invalids, those who have no work—unemployed, widows having children under their care, workers, who in general are not in a better condition than those working on a salary, would not be entitled to receive family allowances, and one of the classes who would not receive allowances under such a scheme would be that of the farmers. According to the principle of family allowances they should be entitled to receive the benefit of such a scheme. They render the same service as the worker. As a rule, they raise large families, and if they are to be denied those benefits they are undoubtedly going to be attracted by the comfort and the luxuries and pleasure of the large centres.

The compulsory system is proposed as the ideal solution, applied to all the classes of the nation. Now, we do not see how, under this system, there could be many compensation funds directed by employers. We do not see how employers could organize compensation funds to give family allowances including the farmers, and to-day Belgian and French economists are proposing a great national fund which would be created by a subsidy from the government itself, from the various provinces and municipalities, supplemented by a large contribution from the employers, with perhaps a tax on the young men before they reach the marriageable age, and perhaps, if it is found necessary, a tax on married men without children. But I think, in general, it would not be necessary to go to that extreme. The main idea is to have it apply to all classes of society. The service rendered is not to business men alone.

There are, of course, disadvantages. It is more costly, or at least it would seem to be. Actually with a system of many funds it is costly, because there is the need of many organizations, and one central organization would perhaps not be any more costly, although there would be the danger of state interference. Under such a scheme, however, the family allowance would be paid, beginning with the first child, as they actually do in France, but the cost would be less if it were restricted, beginning, say, with the third child. I will come to that later.

There would be difficulty, too, in giving to all heads of families indiscriminately, not taking into account their revenue, or giving only to the heads of families who have not a certain revenue. If it were given to every man, to every head of a family, without taking into account the revenue the cost would be high. If it were given only to those who have a certain level of revenue, then undoubtedly it would require a vast army of officers to make inquiries, and it would also be the cause of false declarations being made. So you see there are great difficulties under that system.

If you want to apply that system in Canada the question is, how could it be applied? Under what authority should the matter of family allowances be administered? Would it come under the Federal government or the Provincial governments? First of all, it is quite clear that the Federal government and each province can pass a law, have full authority to pass a bill establishing family allowances for their respective public services. That is evident, because each government is an employer and is free to give allowances to its employees if it so desires. But if we want to extend it to workers, and to private industry and commerce, well indeed there are difficulties to be encountered. However, if Canada were to adopt the optional system I do not anticipate there would be much difficulty. Employers would have to foster the system, supply funds and so on. Some economists with whom I have consulted say that the different governments should have a special section in their Labour Department dealing with family allowances, whose function would be to make a campaign of diffusion, getting the employers to organize funds, and perhaps to contribute a little themselves to the compensation fund in order to help them to give good family allowances. As I say, if the optional system were adopted I do not anticipate there would be any difficulty.

If there is a law rendering it compulsory then I think that the authority for legislating on family allowances should pertain to the provinces. Yet I think the ideal way for family allowances to succeed would be to have it under federal authority, or, at least, it should be adopted by the consent of all the provinces, because otherwise the employers would not be on the same footing. If all the provinces did not adopt it, there would be the danger of families shifting from one province to another. I say it pertains to the provinces. I think that Australia has judged it in the same manner as Premier King and Honourable Mr. Lapointe, who told me that it was a matter for the provinces to dis-

cuss. In Australia, in New South Wales they have established their own law, and Queensland and the other states are actually preparing some projects in regard to this matter.

Mr. BOURASSA: You understand, Father, that the Australian states have much more autonomy in their constitution; the various states have much more authority than our provinces here?

The WITNESS: Yes. I think this should be considered very carefully by the Department of Justice. I understand that Hon. Mr. Lapointe has taken this in hand, and I assume he will be called to give his opinion on the subject.

Funds for this project should be provided by a subsidy by the government, by the provinces, by the municipalities, by a tax on bachelors and on married couples without children. Should the Federal government contribute? I say, yes, because a system of taxation of the federal government is altogether unjust for the fathers of families. It is easy to show that. The principle which should guide the legislators in the assessment of taxes should be this: each should contribute to the general welfare of the nation according to his capacity. If we consider two men having different incomes, one far greater than his needs, and the other derived solely from his wages for his daily labour, evidently the man with the larger income has more capacity to pay taxes, and that is the reason why in all society there is a special tax for those who have large incomes. Now, consider two men with the same income. Evidently the man who has no family responsibilities has more capacity to pay taxes than the father of a family, and that is why in all the governments of Europe there is a tendency to lower the taxes of those who have family responsibilities, and in some cases even to take away all direct taxation. Our federal government cannot do that, but on the contrary we are faced here in Canada with a peculiarly anomalous situation, namely that the burden of taxation does not, as justice demands, decrease with the demands of family responsibility, but rather increases with it, and the reason for that is that the main part of the revenue derived by the federal government is from taxes levied on commodities. That is a very fine tax for the government itself, because it is not costly; it is very easy to levy those taxes. The government goes to the manufacturers and to the customs and levies the tax and it is very easy to collect, but it is the consumer who has eventually to pay it, and it is evident that where there are ten consumers there are more taxes paid than where there is only one; so the assessment is applied contrariwise. The principle which should be adopted is one by which the federal government should repair that injustice. It is evident that Premier King could not go to every grocer and tell him that he must sell his matches at a lower price for increased sales, and, as I see it, family allowances would be the only means for the federal government to restore equality.

What would be the probable cost of family allowances, if it were established in Canada according to a generalized system? It is very difficult to arrive at a precise and definite figure. I have taken the census of 1921 and have made a calculation on the supposition that it would be a federal organization. In 1921 there were nearly 2,850,000 children under the age of fourteen, which means dependent children. If Canada were to pay an allowance averaging \$50 a year for each of those children the cost would be—and do not be frightened, as I will modify the figure in a moment—\$142,000,000. That is a very large figure. Now let us suppose that the family allowance were given for each of the children—and yet that probably would not be necessary, as all the economists whom I have consulted in Canada are agreed that in Canada it would be sufficient to begin with the third child—in France, Belgium and Europe, where they are giving the allowances from the first child, the tendency is to go to the third, and they say it would better solve the problem of the large families. Were we to restrict the allowance only from the third child, my original figure would

be greatly reduced. If we omit the first and second child in each family, more than two-thirds of the total figure is taken away. That is very easy to understand. In 1921 there were 1,600,000 married men in Canada, and from figures available I think about 400,000 of these were married but without children. That leaves 1,200,000 who have children. Omitting the first, therefore, you have reduced the number to 1,200,000. There are many others—about 300,000 or 400,000—who have only one child. Omitting the second, you reduce the figure to 800,000. Therefore, considering the cost of a system of family allowances, giving them allowance only beginning with the third child, the total cost is reduced to about \$45,000,000, which is still a great figure.

Now would Canada be able to find the necessary resources to meet such an expenditure? I think it would be pretty easy if the task were distributed amongst all those who are interested in it. While my figures are not definite, I would suggest that the federal government should give \$5,000,000; the provincial governments \$5,000,000, divided according to their rates of population; the municipalities should give \$5,000,000; the employers should give \$20,000,000, and the unmarried men \$10,000,000. Now let us discuss these figures and see if they are exaggerated. In reference to the federal government giving \$5,000,000: the revenue of this country at present is well over \$400,000,000. The expense of this allowance would be an expense which would procure revenue, because it is expected that the population would increase more quickly. Supposing, for one moment, that family allowances had been in force in Canada since 1900; I am sure they would have resulted in an increased birth rate, and an increase in population by checking emigration to the United States. I feel certain that we would actually have had now nearly 2,000,000 more people in Canada. That would be one-fifth of the present population, and if we were to accept the present figures for the revenue of this country, and increase it by one-fifth, it would mean an additional revenue of about \$80,000,000, though I do not suppose it would be quite in that proportion. Supposing the increase had been only \$25,000,000, only \$20,000,000, only \$15,000,000; I would say that Hon. Mr. Robb would do to-day a fine stroke of business if he could give with one hand \$5,000,000 for family allowances, and receive, with the other hand, \$15,000,000 additional revenue. The same condition would apply to the provinces because if there were more men in Canada there would be more men proportionally in the provinces; the revenue would be higher.

As regards the \$20,000,000 to be paid by the employers: that sum represents only 2 per cent of their actual wage bill. I have not the complete figures, but judging by what is paid in the main industries, not including large corporations such as railways, I think the wage bill actually paid is over \$2,000,000,000. Supposing the business men are obliged to pay that additional 2 per cent; evidently they would try to take it out by raising the prices of their products, which would mean raising the cost of living by 2 per cent, which would not mean very much to the bachelors. Supposing the average cost of one person, according to a family budget, would be \$300; increasing that by 2 per cent would make it \$306, which is not a large amount. If a bachelor spends \$1,000 a year, under this plan he would have to spend \$1,020. It might be a little pressing upon him, but the fathers of families would receive the compensating benefit.

Mr. WOODSWORTH: If a bachelor had a great deal of money to spend, would it not mean that the family might not be founded?

The WITNESS: I am coming to that point now. Undoubtedly the unmarried men will complain that they are being fleeced. I have put \$10,000,000 for the bachelors as their contribution. Let us examine the case. The number of unmarried people who would be subject to this tax—those over 18 years of age—is more than 2,000,000, but the unmarried adults over 21 of both sexes probably do not number over 1,500,000, and the unmarried men of that class, I do not

think, exceed 800,000. Now, it is on this last class, all unmarried adults, before the marriageable age, that the burden of this task would mostly fall. Even at the outside figure, the cost on each individual would hardly exceed \$20 per year, which is 40 cents a week, the value of two packages of cigarettes, and it is for this precisely that family allowances would be of the greatest advantage. The family allowances would be of the greatest advantage to them, because it would serve as an insurance, for which they were paying the premiums with the prospect of receiving back in five or six years all they have paid in, and perhaps ten times as much as they have paid. The idea of insurance is so well known in Canada that it is easy to understand this matter.

Now, I have stated the probable cost of family allowances. Supposing we were paying \$50 for each child; if it were established on the basis of that at New Zealand, it would be far less costly. New Zealand actually pays for each child, beginning with the third, two shillings a week, which is practically 50 cents and amounts to about \$25 a year. It should be possible in Canada to cut the \$45,000,000 in two, which would mean \$22,500,000. Now, in Australia they do not give it to every worker indiscriminately; they give it only to those who have a revenue of less than \$1,000 per year, and they include in "revenue" not only salary and wages, but also income from any other source. If we were to establish it in Canada on that basis surely it would not be more costly than \$15,000,000, or perhaps \$18,000,000. Now, \$18,000,000 is about what Canada, counting the federal and provincial governments, will have to pay in old age pensions. They are a fine and a human thing, but it is an expense which does not bring revenue either to the provincial government or to the federal government. Family allowances would be a paying system and I think actually the tendency of economists at present is to attach to family allowances the idea of insurance. I have not the time to spend on that point, and so we will pass on to the next question as to what would be the special advantages for Canada. The first advantage would be to increase—or at least to stop the decrease—of the birthrate. But do not be frightened; do not imagine that family allowances will bring an overflow of families with 15 or 20 children. The fashion has passed for that; there are too many factors of modern civilization working against that; the spread of feminism; the young girls working in industry and becoming accustomed to living out of the houses; the automobile and their attendant journeys; the cinemas; the theatres; many other factors which are very difficult to combat. The economists are all saying that the danger to the white races to-day is the stabilization of or even a decreasing population.

Basing my arguments on the first optimistic statistic, I stated in my booklet that family allowances would produce a high increase, but according to the recent inquiry made by the International office of Labour at Geneva, the increase is really very slight. It is not sure whether that increase is not due to other factors, such as we see in France. In regard to this increase of birth rate, I think other provinces would profit more than Quebec because it is more difficult to raise the birth rate where it is high, than where it is low. The fear is that Ontario will follow the counsel of Right Rev. David Williams, Bishop of Huron, who says that the best way to populate Canada is with Canadian children, and the province of Ontario could fill the other provinces with their sons, and so Quebec would be overflowed with people from Ontario.

The second advantage would be to check emigration. If the system were introduced here, no large families would emigrate. We would keep more immigrants here.

The third advantage is that Canadian born who have no actual work in the United States—in some parts at least—would more quickly come back to us, and this would largely contribute to a more healthy nation, particularly in the fight against tuberculosis mortality in the cities. This effect has been clearly established where the allowances have been put into effect.

Family allowances would be more effective than a law making instruction compulsory without having the inconvenience of the latter, because the allowance would be granted for a child as long as he was presumed to be dependent. When the father takes a child out of school and puts it to work, that child is no longer presumed to be dependent, and the payment of the allowance would be automatically stopped. Parents would be more efficaciously inclined to keep the children at school as long as the allowances were granted, as they would then have the means so to do.

Now, you may ask me what steps should be first taken. I think the first step to be taken is to go very slowly, because it is a very great question. The federal government would have no difficulty in passing a bill granting allowances to the members of the civil service—no difficulty at all. Nearly every government is doing that in Europe. This would serve as an example; it would be a great diffusion of the idea; it would be a good experience before passing a law for general allowances. I have prepared a draft of the law of Belgium which I will be glad to show you if you are interested. The second step would be to have a campaign of diffusion showing that it is an advantage, a campaign among the workers of Canada, especially organized labour. I have begun that campaign, but I was delayed for six or eight months by a lack of funds. For some time I was even in fear of going to jail for my debts, but eventually I received some financial help from business men. But it requires funds to send out these booklets. Business men will not come and purchase literature of this kind, and I was obliged to send out complimentary copies, paying the postage, providing the envelopes and having the addresses written. I was helped financially by the French business men to distribute these in the province of Quebec, but I did not feel that the French business men should be asked to provide for a further distribution, and I am endeavouring to secure the assistance of the English people of this country. I think also the government should give me a little allowance—

Mr. McMILLAN: A family allowance?

The WITNESS: Yes, because they are now calling me "The father of the largest family in Canada."

Another step would be to send an expert law-maker, or one well versed in the preparation of laws to Australia, New Zealand and even to Europe in order to see, not the value of the law in the books, but to study on the spot how we may profit by the experience of others, to study all of the different systems, and then to prepare a system for Canada.

I think, Mr. Chairman, on this subject I have now spoken the truth, the whole truth, and nothing but the truth. I feel that my conscience is clear. You may send me to jail if you want to, but I have done my best.

Moved by Mr. Howard, seconded by Mr. Woodsworth that a hearty vote of thanks be extended to Rev. Father Lebel, S. J., for his fine presentation of the subject now being considered by this committee.

Motion agreed to.

By Mr. Woodsworth:

Q. Will there be a tendency—and this is an objection that is made by some of my labour friends—to stabilize wages at a low level by the adoption of such a scheme?—A. There would be a danger of stabilizing wages at a low level if we were to adopt the system Australia has adopted. In Australia I think they give allowances for the first child. Business men are obliged to pay very heavy taxes to the government to meet the allowance. I think it is \$100 or \$130 per year; I am not absolutely sure of the figure. But there is a tendency to lower

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the level of the wages of an employee, and I think the other system of giving allowances beginning with the third child would be the better one to adopt. It would give organized labour the chance to secure at least a living wage.

Q. With regard to the management of such funds, the federal government would contribute only a small proportion, or the provincial government a small proportion. In that case, who would have the actual administration of these funds, the governmental authorities?—A. It would not be precisely a governmental matter. All of the economists say that it should not be administered by the government, that it should be administered by a Commission independent of the government.

By Mr. Bourassa:

Q. Like our Railway Board, for instance?—A. Yes, or the Liquor Commission. On this Commission there should be a representative of all those who pay. The federal government would have its representative. The provincial government, the employers, and the workers would have their representatives, also the fathers of families. The mothers of families too should have their representatives, and it should be managed in a way quite independent of politics.

By Mr. Woodsworth:

Q. Then, in such cases this allowance should be given to the workers not as a matter of charity but of right?—A. By right, yes. They would acquire a right by the compulsory law.

By Mr. Letellier:

Q. Are not family allowances generally of a Socialistic nature?—A. Socialistic, no. There are many things in connection with Socialism which are very good. We must, however, distinguish between some contentions of Socialism which seem to me not to be founded on reason. What is contemplated by Socialism according to one contention is the destruction of private ownership. The state is, as it were, the father of a family, and the children are altogether under the direction of the government. That is something which family allowances would not destroy. They would surely not destroy private property, rather they would help. The government would assist in such a scheme, in the case where private initiative is lacking. Nor would family allowances give to a Commission the right to control the raising of those children. They would give to the Commission, or to the government, no authority over the children. They would only give to the parents the necessary help for the raising of them. This point would be made clear if, instead of giving the allowance say from the first child, it were given from the third. The burden of raising the children would still rest with the parents.

MR. WOODSWORTH: I think Father Lebel's interpretation of what Socialism is, is not that understood by the Independent Labour Party of Great Britain, or by a group in this House. I just want to interject that. I do not think it affects the principle of family allowances at all. I merely want to suggest that some of us have an altogether different interpretation of Socialism than that set forth by Father Lebel.

By Mr. Letellier:

Q. Under what age should we consider a child a charge on his parents?—A. Well, in the general funds they state under the age of fourteen, and in many countries, and under many funds, they stipulate that if the child is working at the age of sixteen as an apprentice, only earning a small salary, they will grant an allowance. Under some other funds, in Belgium and in France, they

consider the child a dependent till he reaches the age of twenty-one if he continues his university studies, because they say he is then more costly than ever.

Q. Should we limit the allowances to heads of families who do not have a certain income, or should it be distributed to all without regard to income?—A. I think there would be a great difficulty if we were to establish a special level of income. Doubtless, there would be false declarations. I would say this, that if we organized under the general system everybody would have a right to a family allowance if he had not an income sufficient to pay the Income Tax.

Mr. HEAPS: That is about \$3,000.

The WITNESS: But if he has children there would be exemptions.

By Mr. Letellier:

Q. The tax on bachelors would be inapplicable. In Montreal a similar tax was established, but has since been withdrawn.—A. That objection has been made many times. That tax would not be very popular. There was a tax established in Montreal on bachelors, of \$10 a year. That tax was paid, and was not ear-marked for any special purpose. It was simply put in the Treasury and used for anything at all, but a tax paid by a bachelor for a special purpose, and for a purpose which would be to his advantage, would be something different, and I think that bachelors would understand that, especially if it were proposed as part of an insurance system. I do not think there would be any difficulty.

Q. You have stated that the most industries would be unable to increase the salaries of their employees. If that is so, then how could they pay the family allowances?—A. I said, yesterday, I think, that industrial men, business men, would find it hard to raise the general wages fifty per cent. I still say that, but the raising of their wage bill for paying allowances would be only two per cent, and I do not think that that would be a very difficult matter for them. Family allowances would be adopted by universal agreement. They would all augment their wage bill by two per cent, and then they would all be on the same footing.

By Mr. Woodsworth:

Q. Has Father Lebel's attention been called to the fact that under the Income Tax there is an exemption; this principle is recognized, the exemption being \$500 a child. But in the case of the other taxation, as was pointed out, there is not only no exemption but the tax is heavy?—A. On the contrary it increases with the charges.

Q. That is, we have the principle recognized in the case of the better paid, but in the case of labour it is not yet recognized.—A. Yes. That is, it is recognized among the class that pay the Income Tax, where, comparatively speaking, they would not absolutely need that exemption. It is a very good principle, and we should have it applied to those who pay the Income Tax. We should try to enlarge it to all the other classes in the country.

By the Chairman:

Q. What about single women who earn more money than bachelors? What are we to do with them? Would we tax them?—A. That is something that would be taken care of by those who draft the bill. That would be calculated no doubt on the cost of it.

Mr. HOWARD: My attention has been called to the fact that some thirty years ago the province of Quebec put through a Bill, what they called the

[Reverend Father Leon Lebel, S.J.]

Twelfth Child Allowance, which provided that as soon as the twelfth child was born the parents got a land grant of 100 acres. But it developed into a speculation, and was afterwards cancelled.

By Mr. Heaps:

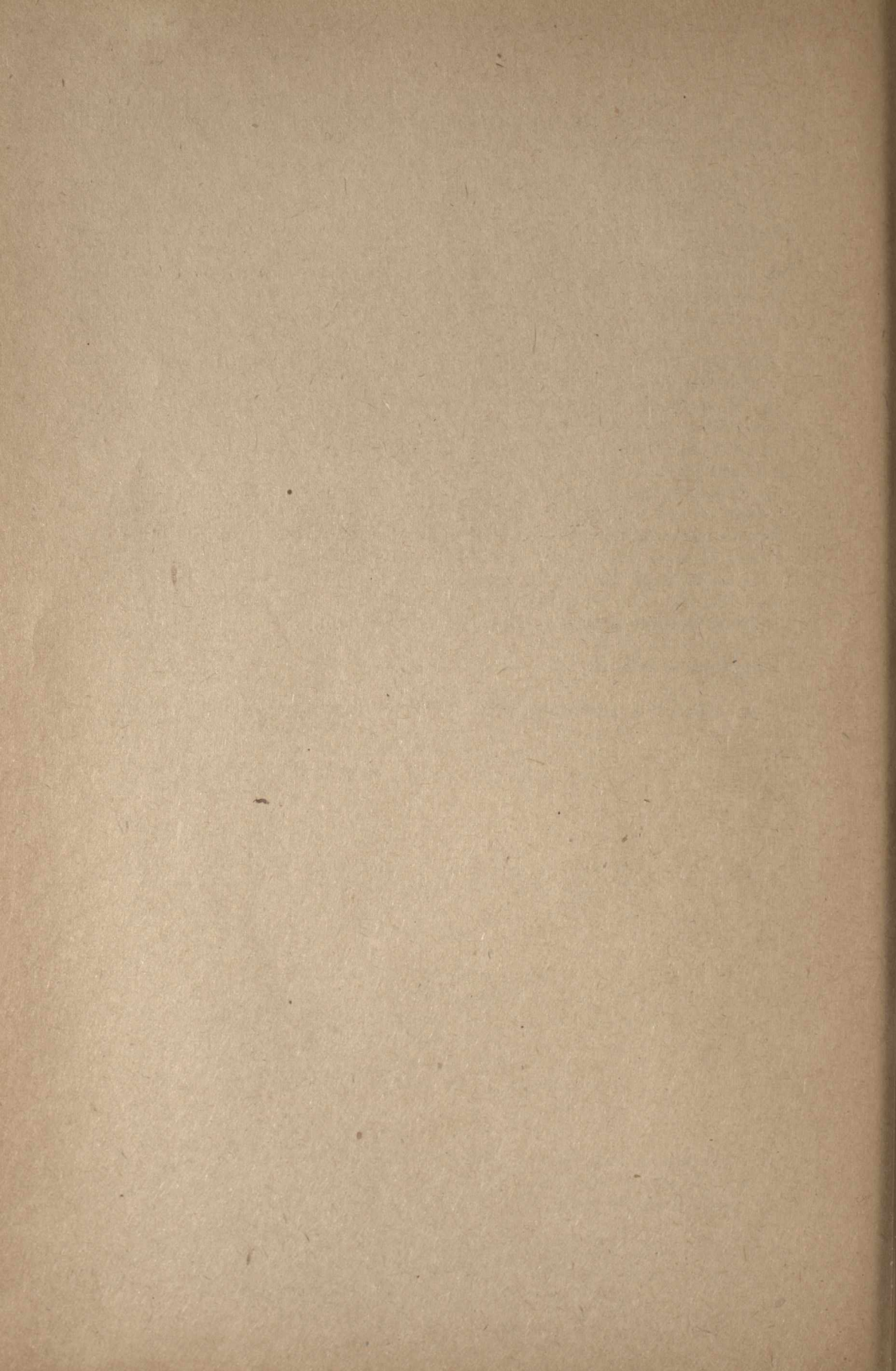
Q. In France and Belgium has there been any tendency among the employers there to give a preference to the unmarried person as against the man with a large family?—A. No, neither in France nor in Belgium on account of the compensation fund. But in Germany they have not adopted the system of the compensation fund. That is, each employer gives the allowance directly to his own employees, and that is the reason why in Germany organized labour has remained a little opposed to the system. They say that there will always be a danger of the head of a family being omitted, and that such a system works to the disadvantage of the head of a family.

Q. Then, to apply that under circumstances where a large proportion of the fund is raised through different forms of taxation, there would be a lesser tendency to discriminate against the person with a large family?—A. I have never heard of such a case.

Q. Perhaps, I do not make myself clear to you, Father. I say that if the fund were raised mainly by taxation there would not be then the tendency to discriminate against a person with a large family, but if on the other hand the funds were derived from or contributed mainly by industry, there would then be a tendency to discriminate against the person with a large family? Perhaps Mr. St. Père will translate the question to you, Father.—A. No, there is no discrimination against the head of a large family.

The witness retired.

The Committee adjourned until 11.00 a.m. Tuesday, March 5, 1928.



SESSION 1929
HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

INDUSTRIAL AND INTERNATIONAL RELATIONS

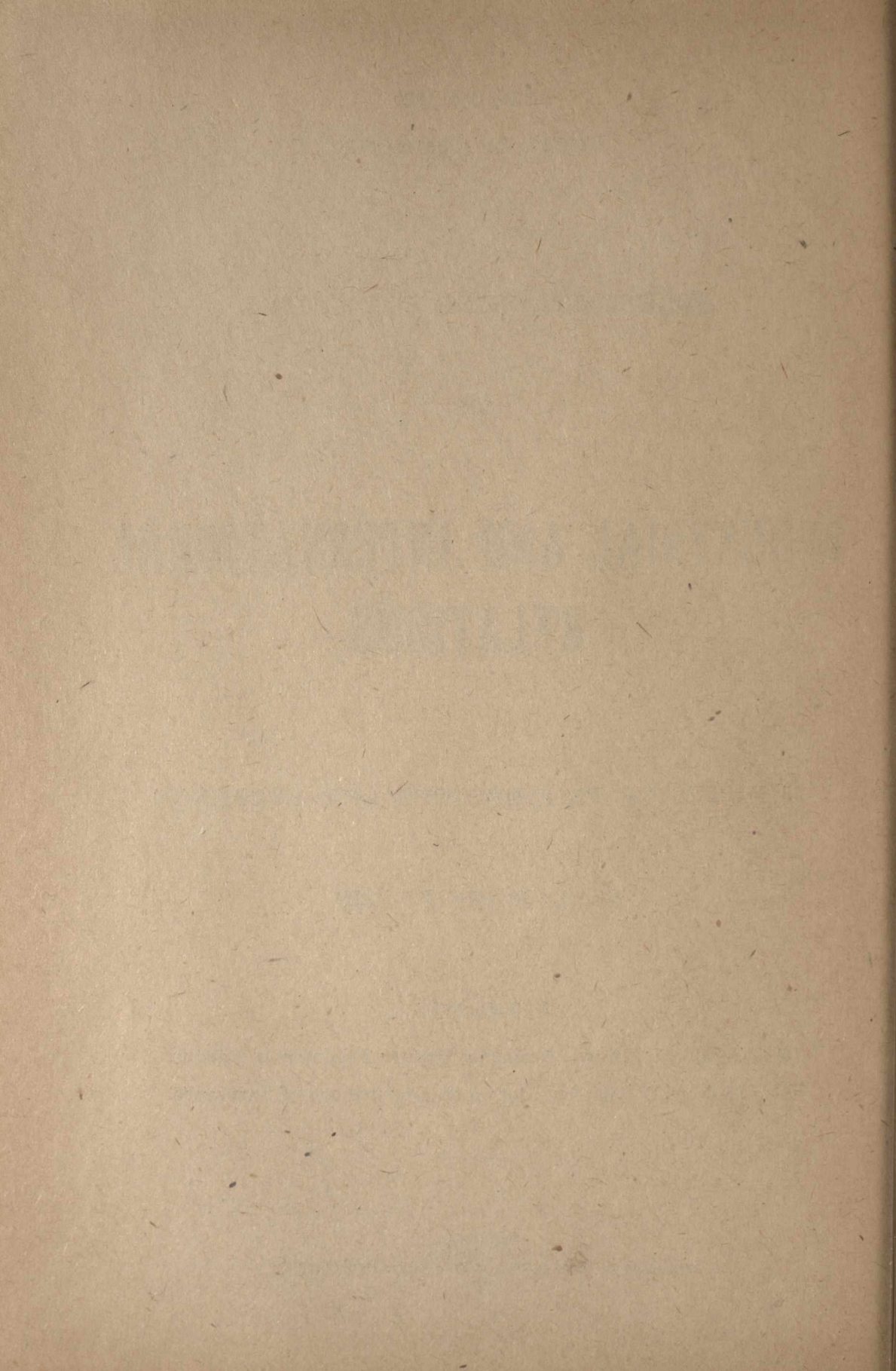
MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3.—MARCH 5, 1929

WITNESSES:

Mr. Gerald H. Brown, Assistant Deputy Minister of Labour.

Mr. Andrew D. Watson, Dominion Department of Insurance.



MINUTES OF PROCEEDINGS

TUESDAY, March 5, 1929.

Pursuant to adjournment and notice, the Select Standing Committee on Industrial and International Relations met this day at 11 a.m.

Mr. McIntosh (Chairman) presiding.

Present: Messieurs Bell (St. John-Albert), Grimmer, Howard, Jenkins, Johnstone (Cape Breton), Letellier, McIntosh, McMillan, Plunkett, Stinson, St. Père, and Woodsworth—12.

Minutes of February 27 read and approved.

A letter of explanation was received from G. B. Clarke, of the Family Welfare Association, of Montreal, regretting his inability to attend, through illness.

On motion of Mr. Howard, the letter of explanation was received and filed by the Clerk of the Committee.

Mr. McIntosh, the Chairman, informed the Committee that he desired to attend a meeting of one of the other committees.

On motion of Mr. Johnstone, Mr. Jenkins assumed the Chair.

Mr. Gerald H. Brown, Assistant Deputy Minister of Labour, was called and sworn.

Witness retired.

Mr. Andrew D. Watson, representative of the Dominion Insurance Department, called and sworn.

Witness retired.

On motion of Mr. Letellier.

Resolved that Mr. Joseph D'aoust, of the firm of D'aoust and Lalonde, boot and shoe makers, Montreal, be summoned to attend at the next meeting of the Committee.

On motion of Mr. Woodsworth, the Committee requested Mr. Andrew D. Watson to prepare for them a brief outline of any scheme or schemes that he thought might be of value to them in their investigation.

The Committee then adjourned to the call of the Chair.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

ROOM 425, HOUSE OF COMMONS,

TUESDAY, March 6, 1929.

The Select Standing Committee on Industrial and International Relations met at 11 o'clock a.m., Mr. C. R. McIntosh, the Chairman, presiding.

The CHAIRMAN: The second reference to this Committee is in regard to insurance against unemployment, sickness and invalidity; and since we are unable to have Mr. Clark of Montreal with us to deal with the family allowances, we have Mr. Brown, the Assistant Deputy Minister of Labour, who in the past has given the Committee very valuable information, and who will now tell us something about the matter contained in the second reference. As I have to be present at the Railway Committee I would like some member of the Committee to take my place in the chair.

Mr. Jenkins having taken the chair.

GERALD H. BROWN, called and sworn.

The ACTING CHAIRMAN: Gentlemen, in the past sessions we have discussed family allowances. Mr. Brown informs me that if any member of the Committee cares to ask him questions he will be pleased, if possible, to answer to the best of his ability, and he is no doubt able to do so. Later on we will take up the question which the Chairman has indicated, sickness and invalidity insurance. Possibly there is some member of the Committee who would like to ask questions of Mr. Brown regarding the matter of family allowances. I understand he has prepared some statistics here which may be of benefit to us.

Mr. LETELLIER: At the last Committee meeting I indicated my intention to call Mr. Brown, and I had a question framed like this: would you have any information to give to the Committee—information that would be helpful—according to the last census made by the Department. I believe that would be important.

The WITNESS: I am sorry, gentlemen, that my Minister is unable to be present this morning, but he hopes to be able to attend more regularly from now on. With respect to the subject of family allowances, with which Father Lebel dealt so fully at the last session, I find by reference to the last census report—that is the 1921 census report which, as you all know, was not published in full until recently—that there are some tables that might be of assistance to us on this subject. For instance, there is a table in the census showing that the number of private families in Canada, classified according to the number of children, is 2,001,512. That is according to the 1921 census. The table shows the division by provinces, and also the number divided into groups—the number with children and the number without children, the percentage without children, the families having one child, two children, and so on, up to seventeen children plus.

Perhaps for purposes of ready reference the percentages might be more interesting than the figures themselves. I have here a statement of the percentage of private families classified, according to the number of children, from the census of 1921.

[Mr. Gerald H. Brown.]

PERCENTAGE OF PRIVATE FAMILIES CLASSIFIED ACCORDING TO NUMBER OF CHILDREN, CENSUS OF 1921 (x)

	Canada	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
	%	%	%	%	%	%	%	%	%	%
All families.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number without children.....	30.6	29.9	28.5	26.9	25.5	31.6	27.9	32.7	36.6	40.7
Number with children.....	69.4	70.1	71.5	73.1	74.5	68.4	72.1	67.3	63.4	59.3
Number with										
1 child.....	20.9	19.5	20.1	19.3	17.2	22.8	19.4	16.8	17.7	20.5
2 children.....	16.7	15.5	15.9	15.5	14.1	17.6	16.9	15.2	15.4	16.5
3 children.....	11.6	11.9	11.9	11.7	11.6	11.5	12.6	11.6	11.1	10.5
4 children.....	8.0	8.2	8.5	8.6	9.2	7.2	8.7	8.4	7.5	5.8
5 children.....	5.3	5.7	5.8	6.2	7.2	4.2	5.8	5.9	4.9	3.1
6 children (and up).....	8.7	9.5	9.4	11.6	15.2	5.1	8.7	9.3	6.9	2.9

(x) "Children" includes all those living at home (unmarried) of any age.

WITNESS: You will see that the number without children, 30 per cent, added to the number with one child, 20·9; with two children, 16·7 per cent, and with three children, 11 per cent, would bring the figures up to something over 78 per cent of all the families without children and with children up to three, which would make presumably, a household of five.

By the Acting Chairman:

Q. Do I understand you to say that out of the total number of families in Canada 30 per cent are without children?—A. Yes. I thought that would be interesting to the Committee.

Q. That is very surprising?—A. 20·9 per cent—practically 21 per cent have one child.

By Mr. Plunkett:

Q. But you have nothing to show what the percentage is in relation to the provinces?—A. Yes, I have.

Q. Could you give us that?—A. I will read this statement and then put it in the record.

PRIVATE FAMILIES CLASSIFIED ACCORDING TO NUMBER OF CHILDREN, BY PROVINCES, CENSUS OF 1921 (*)

[Mr. Gerald H. Brown.]

	Canada	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Families—										
Total number.....	2,001,512	20,288	117,725	83,766	473,868	720,436	133,954	173,913	143,650	133,912
Number with children.....	1,389,254	14,233	84,121	61,279	353,006	492,527	96,597	117,066	91,063	79,362
Number without children.....	612,258	6,055	33,604	22,487	120,862	227,909	37,357	56,847	52,587	54,550
Percentage without children.....	30.59	29.85	28.54	26.85	25.51	31.63	27.89	32.69	36.61	40.74
Children—										
Total number.....	4,156,802	43,564	255,889	197,831	1,263,114	1,280,005	289,868	369,430	265,096	192,005
Average number for all families	2.08	2.15	2.17	2.36	2.67	1.78	2.16	2.12	1.85	1.43
Average number for all families reporting children.....	2.99	3.06	3.04	3.23	3.58	2.60	3.00	3.16	2.91	2.42
Families Having—										
1 child.....	397,184	3,961	23,601	16,178	81,315	164,140	26,040	29,181	25,362	27,406
2 children.....	321,900	3,140	18,698	13,038	66,748	126,918	22,623	26,493	22,145	22,097
3 children.....	231,355	2,421	13,986	9,851	55,037	82,919	16,924	20,222	15,923	14,072
4 children.....	159,236	1,657	9,966	7,193	43,794	51,726	11,682	14,666	10,758	7,794
5 children.....	106,496	1,155	6,831	5,252	34,019	30,154	7,716	10,262	6,976	4,121
6 children.....	69,889	798	4,609	3,816	25,024	17,389	5,082	6,704	4,427	2,040
7 children.....	45,384	506	3,031	2,534	18,358	9,790	3,119	4,317	2,702	1,027
8 children.....	27,838	287	1,749	1,640	12,427	5,310	1,762	2,698	1,490	475
9 children.....	16,578	152	911	1,001	8,800	2,462	896	1,409	744	203
10 children.....	7,526	96	445	461	3,979	1,060	447	631	332	75
11 children.....	3,557	33	186	201	2,065	435	191	287	128	31
12 children.....	1,488	16	60	88	895	148	74	133	53	15
13 children.....	517	8	28	16	335	43	24	43	17	3
14 children.....	198	1	9	7	133	19	12	10	4	3
15 children.....	73	2	5	2	49	4	2	7	2	
16 children.....	26			1	19		3	3		
17 children.....	9				9					

SELECT STANDING COMMITTEE

(*) "Children" includes all those living at home (unmarried) of any age.

WITNESS: All the families with three children and up in Prince Edward Island constitute between 68 and 69 per cent. The balance would be those with larger families, that is with five or six children and upwards. In the case of British Columbia the percentage is 40·7 of those without children, the largest percentage of its kind in Canada.

By the Acting Chairman:

Q. How do you account for that? There must be some reason?—A. I suppose there must be. It is a little hard to explain offhand.

By Mr. Johnston:

Q. What was it for the whole of Canada for two children?—A. 30·6 per cent for the whole of Canada.

By the Acting Chairman:

Q. How would that compare with the British Isles?—A. In the case of England I have the comparison. I have not as regards other countries; but I have as regards Great Britain. Perhaps I ought to read the definition of a family from the census report of Canada I have just quoted so that the figures may be quite clear:—

The term "family", as used in the census, signifies a group of persons, whether related by blood or not, who live together as one household, usually sharing the same table. One person living alone is counted as a family. Thus, a clerk in a store who regularly sleeps there is to be returned as a family and the store as his dwelling. On the other hand, all the occupants and employees of a hotel, or lodging house, if that is their regular abode, and all the inmates of an institution, whether a hospital, poor house, insane asylum prison, school of learning, home for the aged, etc., are treated as constituting a single family. (The census family may be either a private family or an "economic family". The "economic" family is usually much larger than the private family as it may include servants, boarders and inmates. The term "private family" as used in this report comprises what may be termed the "natural family" and is exclusive of servants or inmates. For convenience the census family is referred to as "household" and the natural family as "private family".)

It was private family figures I was quoting. I find in the census a brief return for certain cities showing the average number of dependents supported by heads of families or wage earners. You will notice that this is confined to wage earners, in cities of 30,000 and over. The eastern cities are Halifax, Hamilton, London, Montreal, Ottawa, Quebec, St. John, Toronto, and Windsor. The western cities are Calgary, Edmonton, Regina, Vancouver, Victoria, and Winnipeg. The table shows the average number of dependents and the average number of children under fifteen per family. It also shows the financial responsibility of heads of the house; that is, the number of children wholly supported by the head of the house and the average number of persons supported, and the average number of children supported separately. As to the average number of persons per family in these cities, the return is not available in this form for other than cities of 30,000 and upwards.

I will put this statement in.

AVERAGE NUMBER OF DEPENDENTS SUPPORTED BY HEADS OF FAMILIES OF WAGE EARNERS IN CITIES OF 30,000 AND OVER, 1921

Cities	Size of Family		Financial Responsibility of Head	
	Average number of persons per family	Average number of children under 15 per family	Average number of children per family supported wholly by head	Average number persons per family supported by head
Eastern Cities—				
Halifax.....	4.18	1.55	1.78	3.84
Hamilton.....	3.81	1.28	1.39	3.42
London.....	3.72	1.17	1.33	3.38
Montreal.....	4.45	1.75	1.96	4.00
Ottawa.....	4.13	1.48	1.72	3.76
Quebec.....	4.86	2.04	2.33	4.38
St. John.....	4.11	1.44	1.68	3.74
Toronto.....	3.75	1.22	1.37	3.41
Windsor.....	3.72	1.26	1.41	3.44
Western Cities—				
Calgary.....	3.84	1.43	1.58	3.62
Edmonton.....	3.94	1.53	1.71	3.74
Regina.....	3.92	1.50	1.62	3.65
Vancouver.....	3.65	1.16	1.34	3.38
Victoria.....	3.74	1.22	1.44	3.49
Winnipeg.....	3.91	1.45	1.59	3.61

The WITNESS: Now you asked me with reference to the situation in England.

By the Acting Chairman:

Q. Might I ask you whether the same method is adopted in taking the census?—A. In Great Britain?

Q. Yes?—A. The method varies, but these figures are taken from the 1921 British census.

Q. If your census is not compiled in England the same way as it is in Canada your figures would probably hardly be relevant?—A. These figures are from the British census. Men over twenty years of age, 26.6 per cent are unmarried; 34 per cent married men or widowers with no children under sixteen years of age. These two classes, without any dependent children under sixteen, make up 60.16 per cent of the population. Married men or widowers, with four or more children under sixteen years of age, form only 6.7 per cent of the male population over twenty years of age.

Then may I refer to a point in Father Lebel's evidence where he referred to the cost of living—budgets; may I call the attention of the Committee to the fact that budgets were submitted to the Committee two years ago when a reference to a resolution of Mr. Woodsworth's was before the Committee dealing with minimum wage matters. The budgets of the Department of Labour furnished to the Committee were four in number at that time. One was designated as a "poverty level" with an income of \$900; one was designated as a "minimum subsistence level" with an income of \$1,400; one was designated as a "health and decency level" with an income of \$1,775; and the fourth was designated as a "comfort level" with an income of \$2,400. Now, these budgets were prepared on costs at that time, showing the divisions. Budgets 2 and 3 were published in the report. I do not know why, but for some reason budgets 1 and 4 were not included in the published report although they were put before the Committee by the Department. The four budgets in question were asked for as covering the same levels as were referred to in Professor Paul Douglas's book which was in evidence before us at that time two years ago.

[Mr. Gerald H. Brown.]

I think it is perhaps worth pointing out to the Committee that the different budgets that have been mentioned are based on entirely on different scales of living. Mr. Clark's work in the city of Montreal, for instance, is among those who are in need of relief, and the budget which Mr. Clark has made up is around \$900. It has been mentioned here in our evidence previously, and it will be realized that that particular budget which is designated in Professor Paul Douglas's book corresponds to the one which is designated in Professor Douglas's book as a "poverty level". The other budgets are based on different scales of living. If you think it worth while I will put in this one sheet as a sample of the different budgets that were previously put before the Committee.

YEARLY BUDGETS OF EXPENDITURE FOR AVERAGE FAMILIES OF FIVE, CLASSIFIED ACCORDING TO INCOME, IN CITIES IN CANADA, 1926*

	1 Income \$900 "Poverty Level."	2 Income \$1,400 "Minimum Sub- sistence Level."	3 Income \$1,775 "Health and Decency Level."	4 Income \$2,400 "Comfort Level."
	\$	\$	\$	\$
Food—				
Meats and fish.....	94 25	126 00	156 50	170 00
Dairy products, etc.....	120 85	199 65	208 40	214 65
Bread, cereals, etc.....	45 20	53 45	53 45	66 85
Vegetables.....	39 75	35 58	42 21	47 76
Fruits.....	25 40	31 05	35 50	52 92
Sugar, etc.....	25 65	21 95	29 45	36 85
Tea, etc.....	18 25	17 70	21 20	34 65
Condiments, etc.....	4 50	4 15	4 75	5 25
All.....	373 85	489 53	551 46	628 93
Clothing—				
Man.....	66 85	80 65	90 65	124 50
Woman.....	67 42	77 50	97 25	127 45
Boy (11-13).....	44 15	52 40	60 30	75 85
Girl (7-10).....	30 84	38 19	44 39	66 41
Child (4-6).....	18 78	24 60	28 13	33 88
All.....	228 04	273 34	320 72	428 09
Fuel and light.....	94 25	119 05	147 05	159 80
Rent.....	144 00	240 00	330 00	420 00
Miscellaneous.....	59 86	275 00	370 00	720 00
Grand Total.....	900 00	1,396 92	1,719 23	2,356 82

* Budgets 2 and 3 were published in report of Select Standing Committee on Industrial and International Relations, Session 1926, pp. 27-36; the four categories being those laid down by Professor Paul Douglas, University of Chicago, in "Wages and the Family." A budget substantially equivalent to the "Comfort Level" was detailed in the report in the evidence of Miss Margaret S. Gould, which was stated to be based on the budget of the United States Bureau of Labour Statistics, pp. 83, 94-100.

By Mr. Woodsworth:

Q. Have the changes in the price levels made any substantial difference in the budgets in the last two years?—A. The changes in the price levels have been inconsiderable on the whole over a period much more than two years. They vary between summer and winter a little; but the changes I think Mr. Bolton our statistician will agree, are not considerable.

Mr. BOLTON: They would not be noticed.

WITNESS: The changes that have occurred in the cost of living over a period of several years would not be noticed. I have also from the census of 1921 the average earnings of heads of families in specified occupations. It includes bakers, bricklayers, masons, etc., for the cities I referred to. These figures are in dollars and cents, and if the Committee desires it I will put the statement in. The figures cover a wide range.

[Mr. Gerald H. Brown.]

AVERAGE EARNINGS OF HEADS OF FAMILIES IN SPECIFIED OCCUPATIONS, 1921

[Mr. Gerald H. Brown.]

SELECT STANDING COMMITTEE

Occupation	Eastern Cities									
	Halifax	Hamilton	London	Montreal	Ottawa	Quebec	St. John	Toronto	Windsor	
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Bakers.....	1,011 04	1,229 25	1,168 80	1,076 11	1,320 95	1,035 13	1,065 65	1,280 00	1,263 20	
Bricklayers, masons, etc.....	1,170 88	1,136 27	1,173 76	1,062 21	1,271 82	1,028 46	972 16	1,142 86	1,379 09	
Carpenters.....	1,042 05	1,155 11	1,191 18	1,109 63	1,184 99	1,128 39	864 21	1,187 83	1,318 99	
Chauffeurs.....	1,005 00	1,028 36	1,102 81	1,167 25	1,111 87	1,056 48	863 41	1,084 50	1,263 13	
Domestic and personal.....	1,039 77	1,074 85	1,003 76	1,035 41	1,082 25	1,011 81	910 43	1,099 23	1,386 70	
Electricians.....	1,250 07	1,407 24	1,454 68	1,252 82	1,472 69	1,275 08	1,120 00	1,341 53	1,571 21	
Labourers.....	805 25	946 67	959 93	881 41	922 52	827 81	692 19	965 48	1,070 91	
Painters and decorators.....	1,019 68	1,046 43	1,178 47	1,074 24	1,198 51	1,042 10	841 01	1,106 57	1,333 54	
Plumbers and gas fitters.....	1,186 25	1,353 88	1,205 32	1,164 77	1,255 05	1,139 62	996 68	1,275 38	1,594 92	
Trainmen.....	1,449 66	1,835 03	1,955 81	1,662 88	1,982 36	1,774 34	1,563 07	1,813 60	1,881 06	
Street railway employees.....	1,405 73	1,317 27	1,291 91	1,244 98	1,426 98	1,371 63	1,234 29	1,363 10	1,576 74	
Salesmen.....	1,241 29	1,429 66	1,444 64	1,277 98	1,375 29	1,253 16	1,254 66	1,507 52	1,624 07	

Occupation	Western Cities					
	Calgary	Edmonton	Regina	Vancouver	Victoria	Winnipeg
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Bakers.....	1,330 68	1,860 93	1,279 90	1,323 18	1,134 71	1,387 16
Bricklayers, masons, etc.....	964 33	1,029 08	1,259 72	1,015 19	891 88	1,217 03
Carpenters.....	1,096 18	1,131 45	1,268 16	1,116 45	928 81	1,224 56
Chauffeurs.....	1,206 86	1,175 16	1,270 91	1,154 30	1,126 68	1,145 57
Domestic and personal.....	1,171 28	1,118 53	1,184 53	1,087 54	998 82	1,132 19
Electricians.....	1,516 33	1,666 34	1,740 00	1,543 13	1,280 50	1,521 24
Labourers.....	981 46	952 62	985 74	898 65	819 25	980 37
Painters and decorators.....	1,104 57	1,131 24	1,216 72	1,097 52	874 92	1,168 95
Plumbers and gas fitters.....	1,238 93	1,287 02	1,431 52	1,089 87	1,019 93	1,369 73
Trainmen.....	1,962 60	2,039 42	2,019 53	1,830 51	1,689 91	2,034 92
Street railway employees.....	1,716 14	1,444 02	1,504 84	1,504 27	1,464 93	1,426 79
Salesmen.....	1,665 11	1,446 55	1,603 70	1,477 18	1,268 46	1,641 48

WITNESS: Those are the earnings as shown by heads of families themselves—the amounts which they have respectively earned during the preceding year; and our understanding in the Department of Labour is that the intention of the census authorities is to collect similar information as to 1930 which will be produced by those who make returns throughout the country in the ensuing year 1931.

By Mr. Woodsworth:

Q. On what year's census are the figures that you have given based?—A. 1921, the twelve months ending the 1st of June. You will realize that these figures of earnings are simply figures obtained from individuals who were asked by the census officials as they went around, "How much did you earn last year?" They are not based on returns from employers or on any definite returns of that kind, but are simply the amounts that individual heads of households stated that they had received over a period of a year. Perhaps I might take one typical city. Mr. Bolton, our statistician, reminds me, and Mr. Woodsworth referred to this, that the return given by individuals would be a little higher than the return probably that would be made by individual employers, for this reason, that in these returns given by the men themselves would be included anything that they had picked up apart from their regular employment.

Q. Just before you pass from the budgets, there would be no provision, I take it, there for any accident or death or prolonged illness in the family? I take it that a heavy expenditure of that kind might take months or years to make up? A. Just so. The budgets as given do not include other than the items for food, clothing, fuel, light, rent and miscellaneous items. The miscellaneous items, Mr. Bolton who made up the budgets tells me, include small amount for the cost of illness, but quite clearly the budgets would not be sufficient to cover any cost of prolonged illness. In that case the man simply goes to the hospital for free treatment or is otherwise taken care of by others.

By the Acting Chairman:

Q. We were merely continuing the first reference; would you come now to the second reference?—A. I do not want to weary you, but perhaps I might pick one city as a typical city and read the returns for a dozen or so occupations that are listed in this census return of earnings. Mr. Bolton suggests Toronto, perhaps, as an average city: bakers, \$1,280; bricklayers, masons, etc., \$1,142; carpenters, \$1,187; chauffeurs, \$1,084; domestic and personal, \$1,099; electricians, \$1,341; labourers, \$965; painters and decorators, \$1,106; plumbers and gas fitters, \$1,275; trainmen, \$1,813; street railway employees, \$1,363; salesmen, \$1,507. Trainmen would include conductors as well as brakemen. It would include the train crew. It would not, of course, include the engine crew.

With further reference to family allowances perhaps it might be of interest to say something more. Father Lebel appears really to have covered the ground very, very fully indeed in his survey of the situation. We try in the Labour Department to keep in touch with all these questions to some extent, Mr. Chairman, and we have in the Department reports and publications of various kinds dealing with the subject of family allowances, official reports and other reports which are at the service of the Committee and of any individual members of the Committee who may desire them. I think that the members of the Committee might be interested in a report on family allowances which has been published by the International Labour Organization of the League of Nations. I brought with me five or six copies of this report. It is the most complete survey of the subject generally that we have seen in the Department

of Labour. It is not quite up to date as it was issued in 1924. Nevertheless, I think it will be found of service to anyone who is particularly interested. Those copies are all that we have to spare.

Perhaps, Sir, it would be of interest to make this observation: that the systems of family allowances existing throughout the world seem to fall roughly into two classes, that is to say, those schemes which are being introduced by private enterprise, and the system, on the other hand, which has been introduced in Australia of the payment of allowances based on amounts collected from individual industries, in much the same way as workmen's compensation is administered in many of the provinces of Canada, for the benefit of the families of workers employed in those respective industries.

There is a third system which ought to be mentioned, the New Zealand one, which is a little different. In that case allowances are paid to needy families from the general funds of the state; the funds are not collected by levy on the industries, but are simply taken from the General Consolidated Fund of New Zealand.

By the Acting Chairman:

Q. Would they have a board for selecting these particular people, Mr. Brown?—A. There is in New Zealand administrative machinery to ascertain if the case is one of need, and the payment is one of two shillings a week for each child in excess of two. The principal conditions are that the average weekly income of the applicant, his wife and children, including allowances, must not exceed four pounds plus two shillings for each child in excess of two. The applicant and (except in cases where the allowance is not payable to the wife) his wife must have been resident in New Zealand for at least a year and the children in respect of whom the allowance is payable must have been born in New Zealand or resident there for one year. Aliens and Asiatics do not receive allowances except by direction of the Minister.

The system in effect in New South Wales grew out of an inquiry into the cost of living, which was made throughout Australia at the instigation of Premier Hughes in 1919. The inquiry in question had resulted in a report, which went to show that the basic wage required for the maintenance of a family was one of £5-16/-, somewhere in the neighborhood of \$28 and \$29, a week. When the report was received it was referred to the Statistician of the Commonwealth for examination, and he pointed out that the entire produced wealth of the country would not meet that scale. In other words, if the profits enjoyed by those who received them were added to the wages throughout Australia, it would not bring the earnings up to that amount. The actual basic wage in Australia at that time, as fixed by arbitration boards and courts, was one of £3-17/-. The report was referred back to the Commission of Inquiry and the Commission thereupon drew up a scheme for the adoption of family allowances. They recommended that the basic wage should be raised to £4, and that allowances should be paid in excess of that in order to bring it up to a living wage.

New South Wales was the first state to adopt family allowance legislation. Their law was passed during 1927, and we understand it came into operation only a little more than a year ago. We have asked for reports of the operation of this law in New South Wales, and doubtless will have them shortly. When they come, we will be pleased to place them before the Committee, but we have no information as yet as to the operation of the New South Wales act.

The levy which was made on industry in New South Wales was on the basis of three per cent of the payroll. The amounts collected are, of course, funded, and the payments, which are at the rate of five shillings a week, for each child, are paid to the mother of the child from the state fund which is raised, as I have already indicated, by a levy on industry.

[Mr. Gerald H. Brown.]

I think it is perhaps worth while, in making it quite clear, to say that the systems existing in Europe are entirely voluntary systems which have come into effect over a long period of years, in France extending back for upwards of a century, and progressively in other European countries from France, including Belgium, Germany, Austria, Czecho Slovakia, Denmark, Finland, Greece, Jugoslavia, Italy, Lithuania, Latvia, Poland, Luxemburg, Norway, Holland, Switzerland and Sweden.

The system of family allowances in all these cases is one which is operating entirely on voluntary agreement. In many cases the systems are individual, that is existing in individual works, factories and plants. In other cases, there are by agreement what are known as equalization funds into which the amounts are paid by employers, a toll or fund of their own, so that the burden does not fall unduly on any one concern.

As far as there is law on the subject of family allowances in Europe, it relates exclusively to public employees.

The equalization funds are operating entirely within industry itself. The control is in the hands, for the most part, of the employers, although in some cases the administrative control is a joint control between the employers and the workers. In France organized labour is contending strongly for public control, governmental control. The levy is, in some cases, one which is on a group of concerns in one line of industry. In other cases it is a levy by agreement, of course, on all the industries in one locality, including the various kinds of industries that may exist there locally. It is the latter type of agreement which seems to be the prevailing one. It began with the individual concerns, but it has come now to be more a pool of all the industries in a locality rather than a group of industries of one class.

The amounts contributed towards the pool vary considerably in European countries, generally in the neighbourhood of from two to three per cent. The levy in New South Wales is three per cent.

It might be of interest to members of the Committee to know what the levy is in the case of workmen's compensation, for instance, here in this province. It ranges, I think, from a small fraction of one per cent, perhaps one-fifth of one per cent, to in the neighbourhood of five per cent in the case of industries where the risk is quite considerable. So you can perhaps form some idea from that of what the relative cost would be of a scheme similar to what they have in New South Wales.

By Mr. Plunkett:

Q. Would it be much trouble for your department to prepare a statement dealing, say, with France, Belgium, Germany, Australia, New South Wales, the United States, and the British Empire, giving an outline of what their social legislation is, what the payments are, and how the fund is levied from the people?—A. Including family allowances?

Q. Including family allowances, yes, anything that you might class as social legislation for the benefit of the people?—A. Well, we will be very glad to do so. Of course, you realize that that includes a good many different lines.

Q. You could simply say that family allowances in France are levied from such a source, and the amount is so and so.—A. We will be glad to supply whatever information we have.

By Mr. Letellier:

Q. Have you any information as to those who are being supported by the members of their own family, say a father and mother who are supported by their children?—A. The family figures that I gave include the case of fathers and mothers who are being supported by their children in a family group, in a

household. I have gone through the census return pretty closely for what I have given you, and I found nothing that dealt with the case of old people, for instance, who are being supported by their children. We tried to get that in connection with our Old Age Pension legislation as well, and the committee found that there was comparatively little information on that subject separately.

Witness retired.

ANDREW D. WATSON called and sworn.

By the Acting Chairman:

Q. Whom do you represent, Mr. Watson?—A. The Department of Insurance. Mr. Chairman and gentlemen, I really did not understand fully why I was called here. The Superintendent merely asked me to come, and my understanding was that I was simply to answer questions. I did not prepare any general statement.

In regard to all the subjects included in the reference, however, I may say that in the course of my professional studies I have looked into them more or less. Not knowing particularly any matters that this Committee might be especially interested in I did not perhaps prepare myself as well as I might have, or as well as I should have. Nevertheless, I have brought a few memoranda that I prepared some considerable time ago, I think for Mr. Brown. There may be something in these memoranda that would be of interest to the Committee, or perhaps the Committee may have some particular question to direct to me. As I say, I did not prepare any address.

By the Acting Chairman:

Q. May I ask, Mr. Watson, what particular line you are interested in?—A. I am actuary of the Department. In the course of my work in the actuarial department I have had to study sickness insurance as practised by the friendly societies and also schemes like the National Insurance scheme in England. We have studied these things, but it is some years since. In the ordinary course of our work, except in an incidental way occasionally, one does not do much original work along those lines, although they are subjects that I have been interested in always, and I have read more or less on them from time to time.

Q. As I understand it you are more particularly interested in the sickness insurance end of it?—A. I have done some valuation work and sickness business for our friendly societies. I have had a good deal to do with those fraternal societies. The activities of those fraternal societies are in part covered in one of these memoranda. The substance of it, so far as you will be interested in it, is embodied in this report prepared by the Department of Labour. This was prepared two years ago. I went through it to see if in the meantime there was any great change in the figures as to the number of people, the amount of benefits, premiums, and so on; and there have not been in the last two or three years any changes that would affect the judgment of the Committee. The conditions are substantially what they were.

Mr. BROWN: Those are the figures we put in last year.

The ACTING CHAIRMAN: Possibly there are some questions arising out of the matter.

Mr. WOODSWORTH: When I moved the motion, if I may so, I think it was done on the suggestion of Mr. Brown. What we are trying to get at is something like the costs of a scheme of this kind as based upon the amount of sickness insurance and that kind of thing; and it was suggested that the Department of Insurance had a good deal of data which would enable us to

arrive at this. Now, I think if the official has been insufficiently informed as to our purpose, it might be a good thing to ask him to prepare a short statement that would be of service to us in this regard. It is hardly fair to ask him to go ahead with a general statement without having had the specific information as to what we wanted. Would it not be well on some other occasion, if we are not asking too much of him to appear again, that he give us those particular points of information that might be of service in determining the costs of a scheme especially, I should say, as it affects sickness and invalidity.

The ACTING CHAIRMAN: How are you going to get at the unemployment end?

Mr. WOODSWORTH: We have already had a good deal from the Labour Department.

By the Acting Chairman:

Q. Mr. Watson, will that be satisfactory to you?—A. I should like to make it clear that the amount of work involved might be very, very great. Of course, that depends perhaps on what the immediate object in view might be.

Q. I presume you have from your observations of all the insurance companies carrying sickness and benefit insurance a good idea; you know pretty well?—A. It is pretty hard to draw any conclusion that would be useful to you at all; it is difficult. Statistics that are collected for one purpose are practically wholly useless for any other purpose. It would be very difficult. Even taking the sickness experience in England it would be difficult to develop any figures that could at all be considered as a safeguard here; the conditions are so radically different. Then, again, the calculations could only be made with reference to specific benefits. It would be necessary to define the amount of benefit; the conditions under which they would be paid. In fact, one ought to have a concrete scheme ready before one would be justified in setting to work to collect the necessary data and pass judgment on it. When sickness insurance was introduced in England as a national insurance scheme the actuarial work was done, I think everybody will concede, by the ablest actuary in England at that time, and he worked on it a very long time with very able assistance. I understand he killed himself working over it; but his work, of course, was with reference to a definite scheme that had more or less been decided upon. Whatever I could do would necessarily be done with reference to a definite benefit scheme of administration, and that sort of thing. Administration of sickness benefit amounts to almost more than anything else even in friendly societies and commercial companies. It is the efficiency of the administration that does more in regard to the scheme than anything else. That is one of the things that all fraternalists will tell you—that they are imposed upon right along, particularly where the administration is central. When the administration is really efficient they do eliminate the unfair claims, and that is one of the very important things, whether it is a national scheme, a friendly society, or a sickness insurance company.

Q. You are up against human nature there?—A. Up against human nature. If it is the wish of the Committee I could run over part of a memorandum which I prepared for Mr. Brown in answer to a questionnaire that was sent out by a labour conference of the League of Nations. I don't know that it is worth while reading it into the evidence, but perhaps I could give it more with a view to giving members of the Committee, if they wish it, my reaction in a general way to these problems. There are many things, perhaps, in this that might interest the Committee.

Q. As I understand it, Mr. Watson, really what you would desire is that we should have some definite plan worked out as to what we really need before you can give the figures; is that the idea?—A. I certainly could not do so before the point had been arrived at, and whether I could then, of course, would depend on a good many things. As I say, the amount of work involved is enormous. Of course, if it were something rough and off-hand—if that is what you want—it would be different; but I am afraid that anything that is done in that way, rough and offhand, is a very poor guide and would actually be found insufficient in the end. Perhaps there is something along the line of the costs in England and in Australia. There is a recent report by the Royal Commission in Australia. The Commission, I think, sat over a period of two years or so and they reported on national insurance as a means of making provision for casual sickness, permanent invalidity, old age and unemployment; and the operation of the maternity allowances system with a view to the incorporation with national insurance of a system for securing effective prenatal and other assistance to mothers. In 1924 that Commission was directed to inquire into and report upon the question of amending the Invalidity and Old Age Pensions Acts, 1908 to 1923, so as to provide for the payment of destitute allowances. I prepared a review to be published in the transactions of the Actuarial Society of Great Britain with these reports, and there is certain information given there.

By Mr. Woodsworth:

Q. But in connection with friendly societies that we have in Canada—not very numerous, I presume—and the regular line insurance companies, is there no data that could be worked over that would give us some basis on which to work in this Committee?—A. Well, we could, I suppose, prepare a memorandum indicating the benefits that are granted by certain of the societies, and the rates that they are charging. In some instances these rates perhaps are producing a substantial surplus, but perhaps that would not matter. Probably they would be near enough. We could very readily furnish information like that. We have in the province of Quebec two very efficient societies operating very widely throughout the province and doing very efficient work, and they are fully seized of the difficulties that are always encountered in that line of business. I think they have devised machinery for meeting those difficulties, so that we could furnish you with the premiums they charge. However, there is just this difficulty. I suppose the Committee has in mind sickness insurance that would perhaps terminate at the time old age pensions begin, whereas these societies in Quebec, and fraternal societies generally, grant sickness insurance benefits that continue throughout life, although I think one of those societies, maybe both, put a maximum on the total amount that can be paid throughout life, so that, presumably, at some advanced age, or in some cases, some early age, no probable benefit could be paid. That is the difficulty with these figures; the applicability of them to your purpose might be rather limited. Nevertheless, they might have some utility.

The ACTING CHAIRMAN: Mr. Woodsworth, we are very anxious to assist you in any way.

Mr. WOODSWORTH: I think the situation is this: we are dealing with this matter and we are entering a realm that has not been very carefully explored.

The ACTING CHAIRMAN: That is the trouble.

Mr. WOODSWORTH: We are feeling our way, and we cannot possibly lay down a scheme until we have a little more general information than is possessed at the present time by the Committee. I might suggest or move that after this general discussion to-day, and after we have heard Mr. Brown who has dealt with one or two particular phases covering all the data available in his field,

[Mr. Andrew D. Watson.]

the Canadian sources, we should ask Mr. Watson if he could, without altogether too much trouble, prepare a brief memorandum selecting—he is an expert—those statistics which he thinks would have some bearing upon this particular subject which we are discussing. He has a wide and intimate knowledge of the whole realm of statistics. We have not that intimate knowledge. We don't know just exactly what to ask for; but now that we have placed before him our difficulty, I would suggest that he confine himself to the departments of invalidity and sickness and prepare a memorandum for us.

The ACTING CHAIRMAN: Just all the operations of the companies operating in Canada along that particular line.

Mr. WOODSWORTH: The companies and fraternal organizations, and if he thinks it wise, he might institute some comparison with the operation of sickness insurance in other countries where it is in vogue—in France or elsewhere.

By the Acting Chairman:

Q. I suppose you can do something like that?—A. I shall do the best I can. When do you desire to meet again?

Mr. WOODSWORTH: We can get Mr. Watson at his convenience. I recognize the difficulty in giving a kind of roving commission, and I think Mr. Watson will recognize our difficulty. Until we have got a little more data than we have it is very difficult even to form the outline of a scheme.

The WITNESS: Perhaps, in that connection, I might make a suggestion. It is one thing to finance a scheme of benefits that may be desirable; it is another thing to determine what may be desirable. Take, for example, old age pensions. I am not familiar at all with the discussion that went on prior to the adoption of the Old Age Pension Act to any great extent except what I have read in the newspapers, but I suppose that some notion was formed concerning the benefit that would be necessary to meet the needs of the situation, and this is somewhat along the same line. One might from general consideration of the condition of industrialists in the country determine what would on the whole fairly well meet the needs and eliminate the causes of great hardship. I think that might probably be determined quite apart from the consideration of cost. Perhaps after that had been determined it might also be determined that half a loaf is better than no bread. One great trouble in regard to schemes and insurance matters in Canada is that our social structure does not furnish us with any of the machinery for administration that has been built up in the European countries in particular. We have none of that social structure, and it means really creating the thing. But some of those points I have dealt with in this memorandum. I do not think it would be well to read it into the minutes.

The witness retired.

The Committee adjourned.

SESSION 1929
HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

**INDUSTRIAL AND INTERNATIONAL
RELATIONS**

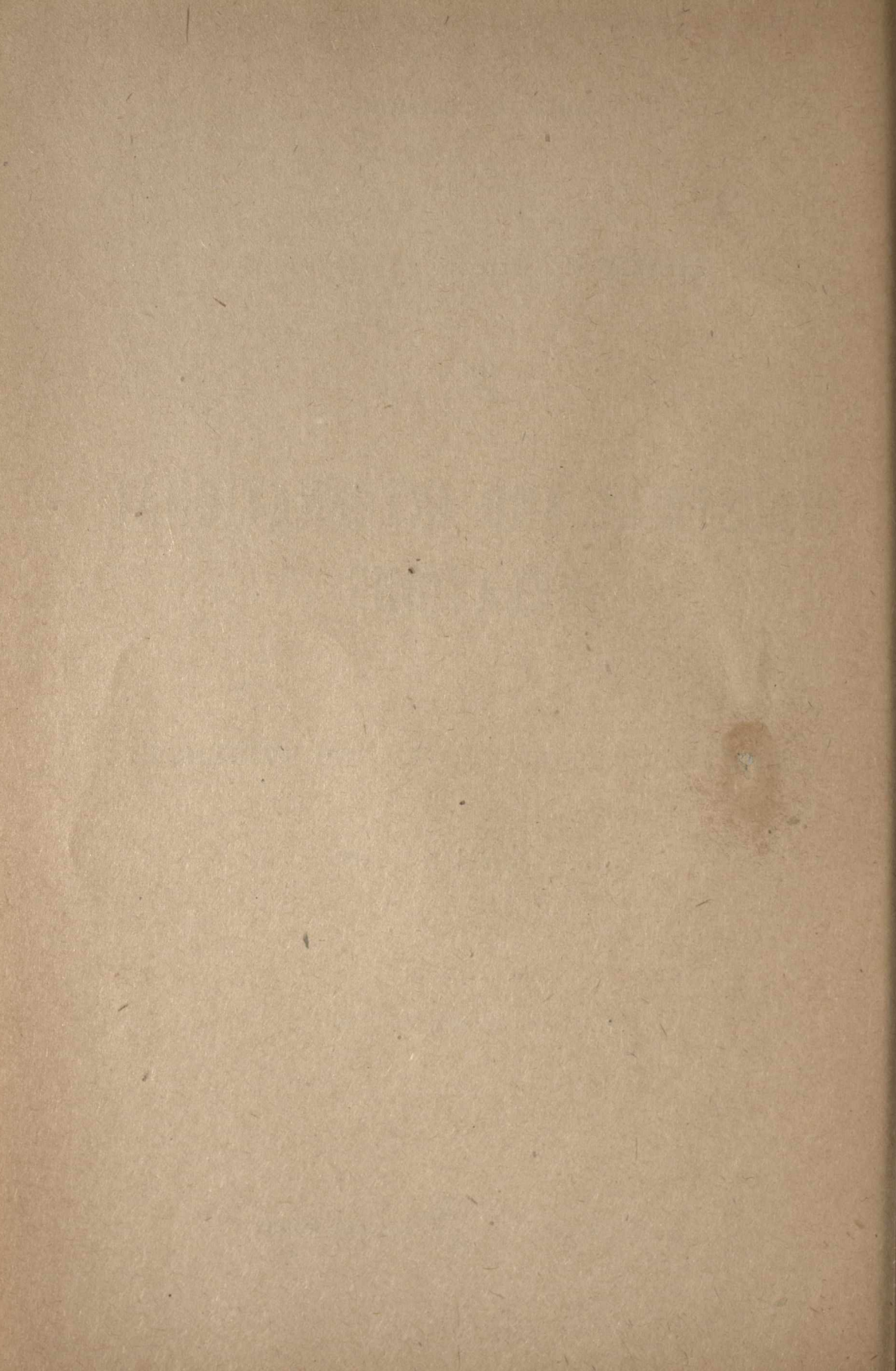
MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4—MARCH 7, 1929

WITNESS:

Mr. Joseph Daoust, Montreal.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1929



MINUTES OF PROCEEDINGS

THURSDAY, March 7th, 1929.

Pursuant to adjournment and notice, the Select Standing Committee on Industrial and International Relations met this day at 11 a.m.

Mr. McIntosh (Chairman) presiding.

Present: Messieurs Black (Halifax), Church, Jenkins, Letellier, McGibbon, McIntosh, McMillan, Neill, Plunkett, Stinson, St-Père and Woodsworth.—12.

Mr. Church spoke briefly regarding the notice of motion laid on the Table February 27th, 1929, and asked that an officer of the Department of Justice be requested to attend a meeting of this committee in the near future to give an opinion on the subject matters in said notice of motion, to which the committee agreed.

Mr. Joseph Daoust, of the firm of Daoust and Lalonde, shoe manufacturers, Montreal, was then called and sworn and examined on the subject of family allowances.

Witness retired.

On motion of Mr. McGibbon,

Resolved that a sub-committee be appointed to prepare a list of witnesses to be heard, the said committee to consist of three members, Messrs. McIntosh (Chairman), Woodsworth, and Bell (St. John-Albert).

The Chairman announced that the subject to be considered at the next meeting of the committee would be unemployment insurance, sickness and invalidity.

The committee adjourned till Tuesday, March 12th, at 11 a.m.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

ROOM 425, HOUSE OF COMMONS,

THURSDAY, March 7, 1929.

The Select Standing Committee on Industrial and International Relations met at 11 o'clock, a.m., the Chairman, Mr. C. R. McIntosh, presiding.

JOSEPH DAoust called and sworn.

By the Chairman:

Q. I would ask you, Mr. Joseph Daoust, to unfold your views on the subject of family allowances as you think you should and we can then proceed with the matter by discussion and question, as we go along.—A. Mr. Chairman and gentlemen: I am not fully prepared to speak on the subject of family allowances inasmuch as the telegram to me was not specific, simply requesting me to appear before your Committee this morning. I thought at first I was to be asked to speak on the tariff, because I have been connected with tariff matters for a number of years, having been appointed to the first Tariff Commission. However, I will do my best in regard to family allowances.

I notice that Father Lebel gave evidence last week on this subject. He came to see me at my office several times, and we discussed this matter. It so happened that two years ago I was appointed by the government to represent Canada at the League of Nations at Geneva on the question of an international economic conference. Discussions took place at that time, but they did not go as far as family allowances; they were confined mostly to the subject of unemployment. It was stated there that at that time there were from ten to twelve million heads of families unemployed in Europe, and it offered a serious problem. Many discussions took place with a view to finding ways and means to stop this unemployment and its causes, but we were unable to find any practical solution. The question of large families was discussed privately by certain delegates, because there are large families in all countries, and the question arose as to how they could live. As you are aware, in industry, to get efficiency, and what they call "rationalization," you must have system and must rationalize the operations. For instance, speaking of my own business—the manufacture of shoes—in olden times, as men here with gray hair will remember, shoes were made mostly by hand. Later on, machinery was invented to replace hand work and reduce the cost of production. Then it was divided up by placing men in certain operations; for instance, the cutter of leather was doing nothing else but cutting leather all his life. The laster learned how to last the shoes, but he stayed all his life lasting, and the same with the heeler, or the stitcher; in fact, all the different operations. Specializing in those different operations reduced the cost. Machinery has been a good thing. Production has been increased by machinery. Consumption, however, has not been increased, and that is the whole problem.

Take an ordinary factory. We start a boy sixteen years of age as an apprentice. He gets so much per week. When he gets to be twenty or twenty-one he knows the trade; he knows how to operate a machine. He is still single. All the workers in the factory to-day are piece workers, because with such a system we know better how to figure the cost. We know that a certain opera-

[Mr. Joseph Daoust.]

tion will cost half a cent, another operation a cent, and so on, and, as a rule, we do not care whether a man is married or single. Under the piece work system the cost is not based on the question whether a man is single or married, or whether a man is married with one child or ten children. As I say, it is immaterial to us. A man, say, gets married at twenty-one or twenty-two, and he is making \$20 a week. The girl he marries has no money. He was receiving \$20 a week single, and now there are two to keep off \$20. After nine months or a year they have a child. He is still receiving \$20 a week. The following year another child comes along. That is four to keep off \$20. Perhaps twins may come along in the meantime. Every year there is an increase of one child and still he is only getting \$20 a week.

If I were a philanthropist I would say that in order to encourage large families, encourage population and consumption by population, I would give for every child that is born \$2 more per week. That would be a very nice thing to do as a philanthropist, but as a manufacturer I must not forget that if I am alone in that I would be on the street in a very short time, especially with the large families prevailing in the province of Quebec. I have to compete with the manufacturers of all the other provinces, and if I were to raise the price of my shoes simply because I was a good fellow, a good hearted man, I would not be very long in business. If I were to say to Mr. Smith, my shoes must cost twenty-five cents a pair more than the others simply because I was a good hearted fellow and I wanted to see the population of Canada increased, Mr. Smith would say to me, "If you want to be a nice fellow you must pay for that, and if I can buy my shoes twenty-five cents a pair cheaper from Mr. Brown, then I am not going to pay you twenty-five cents more." You see the position that I would be in if I were to undertake this thing alone.

In the north of France in certain sections of one class of industry—I have in mind the textile industry as a group—they have family allowances. They agreed on a certain system; they taxed themselves a certain percentage. This is only local, of course, but when it comes to a large country like Canada would it be feasible or practicable? Supposing Montreal were to say we are going to put on a tax, and the manufacturer will pay a certain percentage of the tax and the employer will pay a percentage of the tax, but if cities like Quebec and Toronto did not do that we would certainly be at a disadvantage in the city of Montreal in selling our products. Competition is very keen in every line of industry to-day. It is a question of price, it is not a question of sentiment. Sentiment is put to one side.

By Mr. Jenkins:

Q. You sell goods, I presume, in all parts of Canada?—A. From Halifax to Vancouver.

Q. Are you able to export any to the United States?—A. We do in some lines, sporting goods, skating boots and so on.

Q. And to other countries?—A. In 1919 we did export to France a lot of shoes, but to-day we cannot do that.

By Mr. McGibbon:

Q. Why is that?—A. Well, in 1919 it was just after demobilization, and the shoe factories were disorganized, but after a certain period of time the soldiers returned to their old jobs, and to-day we cannot export any shoes, because they are able to look after themselves.

Q. Does that apply to the United States?—A. We have been shut out of the United States too.

Q. By what means?—A. For the same reason, simply because they can look after themselves. And in France they have put a duty on shoes. I do

not know what it is to-day, but at that time I think it was a franc, when the franc was at par, that is, about 19 cents on shoes, and one and one-half francs, or about 29 cents on boots. They may have raised the tariff on account of the exchange. To-day the franc is worth a little less than four cents, I think.

By the Chairman:

Q. But you say they are able to take care of themselves?—A. Yes, they are able to take care of themselves.

By Mr. Plunkett:

Q. What competition have you to meet in connection with American shoes coming over here?—A. We have more or less competition, but the percentage is very small considering the quantity of shoes made or absorbed in Canada. According to statistics I do not believe it amounts to more than five per cent of the total number of shoes sold in Canada. What we get from the United States are mostly dumped. As to regular lines, staple lines, the percentage coming in is very small. With the dumping clause it is very hard to establish just what the price of such a shoe is. If it is a shoe that is up to the style of the moment it will be worth say five dollars, but if it is out of style for six months or a year it may be worth \$2.50. You cannot tell the intrinsic value of a shoe. It is a question of demand and style, and, as I say, it is very hard to establish the value. The dumping does not work out very satisfactorily. I have been called as an expert many times, and I have sometimes found it very hard to give my views.

Q. Are there many American shoes coming in by way of Great Britain through the preferential tariff?—A. I do not believe there are. There are some English shoes coming in, of course, but I do not believe there are any shoes made in the United States coming in through England. I do know that certain European shoes are coming to England, and they are simply labelled "made in England".

Q. That is what I want to get clear.—A. I do not know whether I understood your question. Did you say American shoes?

Q. Yes.—A. I do not believe there are any shoes coming from the United States, made in the United States, coming through England, but there are some European shoes, made in Germany, or perhaps made in Czecho Slovakia and other countries, sold to England, and some jobbers put the stamp on in England, or the label "made in England". That is something that is pretty hard to detect.

By Mr. Jenkins:

Q. I was talking to a business man on Bank Street the other day. I asked him how business was, and he said it was not up to the mark. I asked him why, and he said the automobile has ruined the shoe business.—A. That is quite true. Do you walk as much to-day as you did when you were twenty years of age? Then you used to walk miles, but to-day you probably won't walk half a mile, and if you do not walk you will not wear out your shoes very quickly.

Q. It would be a good idea for you shoe men to adopt an advertising slogan "walk for health".—A. Yes, it would.

By Mr. McGibbon:

Q. With regard to the shoe machinery, where is it made?—A. Well, with regard to machinery, we are under the control of American concerns.

Q. Is that in Boston?—A. Near Boston. The head office is in Boston, but there is some machinery built in Montreal. The principal parts are made in the States in large quantities and assembled here in much the same way as automobiles are.

Q. Are those machines bought or are they rented?—A. Some are bought outright, but most of them are on a royalty basis.

Q. You are paying a royalty to the American manufacturers?—A. Indirectly we are. We pay to Montreal, we do not pay to Boston. It goes indirectly to Boston, however. We are in the hands of this company.

Q. Then, how do you account for the styles being a year ahead?—A. I did not say a year. I said six months.

Q. How do you account for that?—A. I account for that because we are more American than we are Canadian. They make such enormous quantities of shoes. They have got what they call style men, and they are working all the time on styles, especially for women. Women want novelties all the time.

Q. And it takes about six months to get them here.—A. About six months.

Mr. LETELLIER: Mr. Chairman, I am afraid we are getting away from the subject.

The CHAIRMAN: Yes, I am afraid we are, but I assume there is some connection.

By Mr. Letellier:

Q. Could you give us any suggestion as to the basis on which the government might establish family allowances?—A. Such a scheme could be devised, in my opinion, to work to the advantage of those with large families. To my mind, however, it has got to be general and not local, and it should be made to apply to all classes of industry, not particularly to shoes or cottons. It should also apply to farmers. As you know, the sales tax at first was not very popular. Everybody has got to buy some commodity or another, and the sales tax is one that touches every consumer. It has been gradually reduced from six per cent to two per cent.

By Mr. Woodsworth:

Q. Does not that very tax bear the heaviest on the poor families?—A. Exactly. That is what I am coming to. As I say, the man with a large family should be rewarded for that. The farmer and the labourer, it makes no difference what class of industry it is to which a man belongs, should be rewarded for having a large family. It is for the good of a country as a whole. The Compensation Act of the province of Quebec, which is in force now, tends to act against the man with a large family. If an accident happens in a factory the compensation is applied on the number of children that the man has got to support. If a man is married, and has a family, his indemnity is larger than if he were single, so it means that the manufacturer would be more prone to employ those who have no families in order to reduce his premiums.

By Mr. St-Père:

Q. He takes less chance?—A. Yes, he takes less chance. Probably you have an Act in Ontario that is similar.

Mr. WOODSWORTH: They have a Compensation Act but it does not work in that way.

The WITNESS: Of course, the Quebec government never thought of that aspect of it, but, as I say, if a manufacturer knows that he would have more risk with a man having a family of five, six or seven if an accident should happen, if he knows that his indemnity will be increased considerably over

[Mr. Joseph Daoust.]

that of a single man, he will not feel inclined to take the risk, and the man with a large family ought to be protected. I am not a Labour man like Mr. Woodsworth, who is the chieftain. I am a manufacturer, a capitalist, but I have a great deal of sympathy for the labouring man. We have to protect the poor people in a practical way, and governments have the machinery in their own hands. Family allowances could be provided for, I am sure, by applying half of one per cent of the sales tax, and it could be made to apply to families of over three, starting say at four. And I would say that after a child reaches the age of fifteen or sixteen it should be dropped from the scheme. A child at that age should be able to take care of himself or herself. I am against the dole. People should look after themselves to make a living. I am willing to protect the man who has a number of children to support, because that man is working for the country.

By Mr. St-Père:

Q. You say one-half of one per cent of the sales tax?—A. Yes.

Q. And you also say that you would be in favour of having boys drop out from such a scheme at sixteen years of age. You know, as a manufacturer yourself, that many boys at that age are attending technical schools, taking special lectures, and I do not see why they should be dropped at that age, if we want to make expert mechanics of them.—A. We are talking about poor people. If I had a child over sixteen I would look after him.

Q. Yes, but most of those boys who are attending technical schools belong to the poorer class.—A. Well, it will be up to you members of Parliament.

Q. There are many boys in my riding whose fathers are labouring men. Those boys are working as apprentices at the Angus shops and elsewhere, and they are sent to technical schools to attend lectures, and that costs money. Do you not think that special allowance should be made in such cases as long as they attend those lectures in technical schools? We want those boys to become foremen. We want our labouring men to become foremen, not just labouring men.—A. But, Mr. St-Père, you must draw the line. Those are exceptional cases.

Q. I mean in a general way. I am asking you the simple question. I know you are interested in the welfare of the boys.—A. As I say you have to draw the line somewhere.

By Mr. Woodsworth:

Q. Why not a percentage of the Income Tax instead of the Sales Tax devoted for that purpose?—A. I suppose many people would be in favour of a percentage of the Income Tax devoted for that purpose. I would myself because I have not paid any for a few years. But I think the Sales Tax would be more satisfactory to everybody.

Q. What I mean is that Income Tax bears on the people who have the most, whereas the Sales Tax bears most heavy on those who must spend most.—A. But they would get their return from the allowance, that is, the family allowance would take care of them. Undoubtedly they consume more, but the family allowance would give them back some of the money they pay out.

By Mr. St-Père:

Q. You said you would be in favour of a law of that kind being applied in a general way to farmers as well?—A. Yes.

By the Chairman:

Q. And you would favour some special kind of taxation to cover the cost?—A. I do not like the word "tax". The word "tax" is very unpopular with the public. Governments are accused all the time of taxing. When the

Sales Tax was imposed there was a kick. As I say, if you were to take half of one per cent from the Sales Tax it would be a good thing. After all, the money that the government gets from the Sales Tax—thirty or thirty-five millions or more—where does it go to? It goes to general expenses. They do not say in the budget that the money coming from the Sales Tax will be applied to certain things.

By Mr. St-Père:

Q. For a special purpose?—A. For a special purpose, no. They do not say that. If they were to take from the Sales Tax half of one per cent for family allowances I am sure the public would be perfectly satisfied, and it could be administered by the government. Of course the rich men would be out. A man would have to prove that he needed the money.

By Mr. Woodsworth:

Q. Why not some sort of a luxury tax rather than a sales tax?—A. Well, Mr. Woodsworth, we have lots of taxes. Sir Henry Drayton brought in a luxury tax which was very unpopular.

Mr. McGIBBON: The most unpopular thing the government of Canada ever did.

The WITNESS: I have had a little experience of tariffs. Any direct taxation is very unpopular. When Sir Henry Drayton put on his luxury tax, a pair of shoes retailing for nine dollars really cost ten dollars with the tax added, that is, the person who bought a pair of shoes—say the price was \$10 and there was a tax of ten per cent—had to pay me a dollar, which meant that the cost was \$11. There was a lot of cheating, and it was almost impossible to check it. I saw Sir Henry Drayton and discussed this tax with him. I asked him how he proposed to collect it.

Mr. McGIBBON: It was not collected.

The WITNESS: No, it was not collected. It was simply a means of making people dishonest.

By Mr. Jenkins:

Q. You would not ear-mark certain taxes for certain purposes?—A. No.

Q. You are taking an approximate amount to be collected from the sales tax?—A. Yes, one-half of one per cent.

Q. But this reference has nothing to do with that particular tax?—A. No.

Q. You might say we will pay out an amount collected from a certain tax, or a certain portion of a tax, but that would not be relevant to this question at all?—A. No, I am simply making a suggestion. The collection of a certain tax is very difficult. Now, one-half of one per cent on sales tax does not seem very large, and if the allowances were not paid to married men with less than four children and you left out those over sixteen years of age, you would have very little to pay. The bulk of the cost of raising a family up to the age of 16 is for education, especially between the ages of seven and sixteen.

By Mr. Woodsworth:

Q. In your opinion, if the matter were simply provincial, it would mean that any province adopting it would be in an unfair position with regard to the other provinces?—A. Yes.

Q. You think it should be on a Dominion-wide scale?—A. Yes.

Q. If this were adopted in Canada, would you find it difficult to compete with other countries?—A. We would not have to compete, because it would be the same as it is to-day. We only pay 2 per cent now. It would not cost any more to the consumer or to the manufacturer. It would not affect the export trade at all.

By Mr. McGibbon:

Q. Mr. Woodsworth's opinion is that it should not be placed on industry.—A. The point is that it would not be an extra tax; it would be derived from the existing sales tax.

By Mr. Woodsworth:

Q. Leave the sales tax aside for a minute. If we adopted this scheme, it would place a little extra burden on the manufacturer, according to the scheme outlined by Father Lebel. Would you find it difficult to compete with the United States which does not have to bear the burden of the family allowance scheme?—A. An amount, based on one-half of one per cent, would not be very large, and I do not think it would affect the sales.

Q. If I may leave your suggestion as to how it may be raised, and come to the original scheme of Father Lebel, which was that the amount should be raised partly from the governments and partly from the manufacturers, would you, as an industrialist, feel that if you had to pay something into a fund to provide for family allowances it would be placing you at a disadvantage in comparison with American manufacturers who would have no such burden to carry?—A. Yes, more or less. I did not read Father Lebel's evidence, but if the head of a family has a larger income, his purchasing power is increased, and if his family is large the consumption of that family is increased, and any loss in our export trade might be compensated for by the increased purchasing power in Canada.

Q. As an industrialist, you have to replace machinery in your plant from time to time, as it becomes worn out or obsolete?—A. Yes.

Q. What about the human machine—if I might put it that way? Do you feel that industry should have any responsibility in helping to replace the human machinery, by a new supply of younger workmen coming to the front?—A. What do you mean by that?

Q. I am thinking of a man as being merely a good working machine. You take them in at 16 or 18, fully developed, without any cost to yourself; they are waiting at the gate. You take them in, and work them for so many years, and then out they go, and you expect that a fresh supply will be available, standing at the gate, waiting to be installed. Do you think industry has any responsibility in helping to supply this new machinery?—A. I think it has a natural reason to expect better results from the younger men. We are in business for money, are we not? In fact, in my own plant I would not take in a man over forty years of age, but I would not discharge a man if he had been in my employ previously and had reached the age of forty. But if I had two applications for a position, one from a man of twenty-five, and the other from a man of forty-five, the preference would be given to the younger man. That is human nature. A man of forty-five or even over is only employed when the source of supply amongst the younger men is exhausted.

Mr. Letellier:

Q. Provided they have equal ability?—A. Yes. The health of the younger man is better, and he has better ability for production.

By Mr. Woodsworth:

Q. It is only fair that you should help the father and mother who produce these young people, is it not?—A. It seems to be fair.

Q. I am sorry you did not read Father Lebel's evidence. With the wages at present paid to the workers do you think they can support what is defined as a large family—four or five or more?—A. They can not; it is impossible.

By Mr. St-Père:

Q. Referring back to Mr. Woodsworth's question as to the burden which would be laid upon your shoulders if a law of this kind were applied; if the sales tax were obliterated altogether, you would not then consider it a burden?—A. I would not, no. As far as I can read between the lines of Hon. Mr. Robb's budget, the sales tax is coming down gradually to protect the people who have large stocks of merchandise. If the sales tax were dropped at once from 3 per cent to nothing, many storekeepers and those in industry in Canada would have to stand a big loss. I think the tax coming down gradually is a wise move.

By Mr. McGibbon:

Q. Mr. Daoust, if I understand you correctly, your scheme, boiled down, is this: the Dominion treasury should supplement the income from industry of workers with families of four or more?—A. Yes.

Q. Where would you draw the line of restriction? What would be your definition of the word "worker"? There are a lot of merchants who do not make much money and have a hard time raising their families. There are professional men in the same box.—A. They would have to make an application to the government and prove that their earnings were not sufficient.

Q. Would you make this application of the law universal?—A. If a man makes a salary of \$3,000 or \$4,000 a year he does not need any help. There are many merchants making that amount, and they would not require any assistance. It would not look too well for a man to go to the government and apply for this allowance. A man with any pride hesitates to ask for charity—of course, the word "charity" may not be popular; call it an "allowance". If a man has to ask for it, he will have to prove that he needs it.

Q. But you would make it universal?—A. Yes.

Q. Every person in straightened circumstances with a family of four or more, could apply for it?—A. Yes.

By the Chairman:

Q. He would have to apply, and his application would have to be investigated?—A. Yes.

By Mr. Letellier:

Q. You said a few moments ago that your employees were mostly on piecework. Do you find many of them who seem to have a hard time meeting their budget during the year?—A. Yes. I do not see how they can live, especially at this time. We are working from eight to four, and not on Saturdays. It is very quiet now, and we are not working to full capacity. They have to pay their expenses, working about thirty-five hours a week, and they cannot work any more than that even if they want to.

Q. I suppose in your own case the remuneration for piecework is higher than the average wage paid to labourers?—A. It amounts to about the same thing. If a man is put on piecework, it is to be more fair with him. A man with greater ability to operate a machine deserves a little more remuneration. Piecework was also applied to enable us to more accurately estimate our cost of production.

[Mr. Joseph Daoust.]

By Mr. McGibbon:

Q. May I ask a question? Perhaps I can make it general, so as not to apply to your own business. What does the average person earn per week or per day in the shoe business? I am not asking any particulars about your own business.—A. I do not think the average man will earn more than \$20 or \$22 per week.

By Mr. Woodsworth:

Q. You have to pay so much by way of fixed charges in your business, for rent, interest on your money, and certain overhead, and for these royalties of which you spoke—all that sort of thing?—A. Yes.

Q. Do you think that \$20 a week is a sufficient wage to maintain the family of a man in decency? Should it not be a charge to take priority over other fixed charges?—A. If it were general, I would not object to it. I would add 1 or 2 per cent more to take care of it, but I would not do it alone, and be driven out of business through sentiment.

By Mr. McGibbon:

Q. You could not do it alone?—A. No.

By Mr. Jenkins:

Q. You cannot operate unless you pay your fixed charges first?—A. No.

Q. If you do not pay your rent and pay for your machinery, you cannot do business?—A. No.

By Mr. Letellier:

Q. Do you export very much of your product, or are you aware of any boot and shoe manufacturer in your province or in Canada who does export very much to the United States or elsewhere?—A. As I told you before, there are a few manufacturers who are exporting sporting boots—special lines. As regards leather: it seems that our leathers are very popular in the States. We export sole leather, patent leather and calf skins to the United States, but if the tariff goes on in the United States, as has been suggested, it will result in the shutting down of a lot of tanneries in Canada.

By Mr. St-Père:

Q. You say most of your working men receive \$20 a week?—A. Yes.

Q. Because they are only working part time?—A. Yes.

Q. If they were putting in more time their earnings would be larger?—A. Yes.

By Mr. Woodsworth:

Q. Have the employers in any way taken up this matter through the manufacturing associations or otherwise? Has the question of family allowances or the welfare of the employees, and how it may be solved by concerted action come up?

The CHAIRMAN: I think we had two witnesses last year from the Canadian Manufacturers' Association—they sent their secretary and president here—and the information they gave us was that they had not dealt with it in a national way. I was rather surprised at that.

By Mr. Woodsworth:

Q. You have no information as to whether the manufacturers, as such, or the employers had ever considered a way out?—A. No. I think this family allowance is something new and has never been brought before the associations. The questions they discussed were mostly in regard to the tariff.

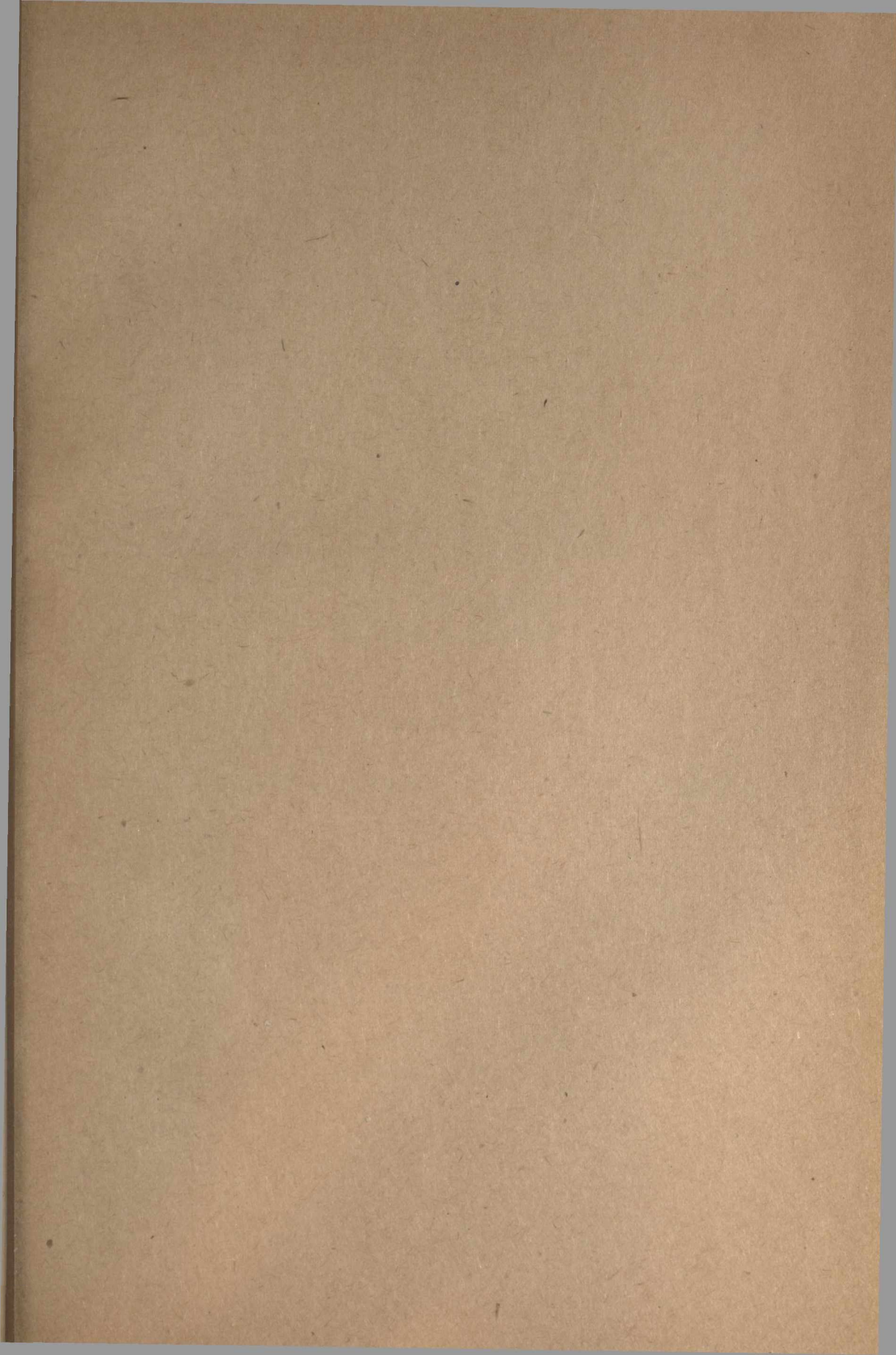
By the Chairman:

Q. In order to have a question like unemployment insurance or family allowance brought before the Canadian Manufacturers' Association as a whole, is it not usually done in a sectional way first, that is, by building up public opinion, and then when they find that developed to a degree strong enough to warrant it, they bring it before the main association?—A. They cannot get many manufacturers to attend the meetings, so they send out questionnaires and get the information that way.

Q. In an effort to get it before the national body?—A. Yes.

Witness retired.

The Committee adjourned until Tuesday, March 12, 1929, at 11 o'clock a.m.



SESSION 1929
HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

INDUSTRIAL AND INTERNATIONAL RELATIONS

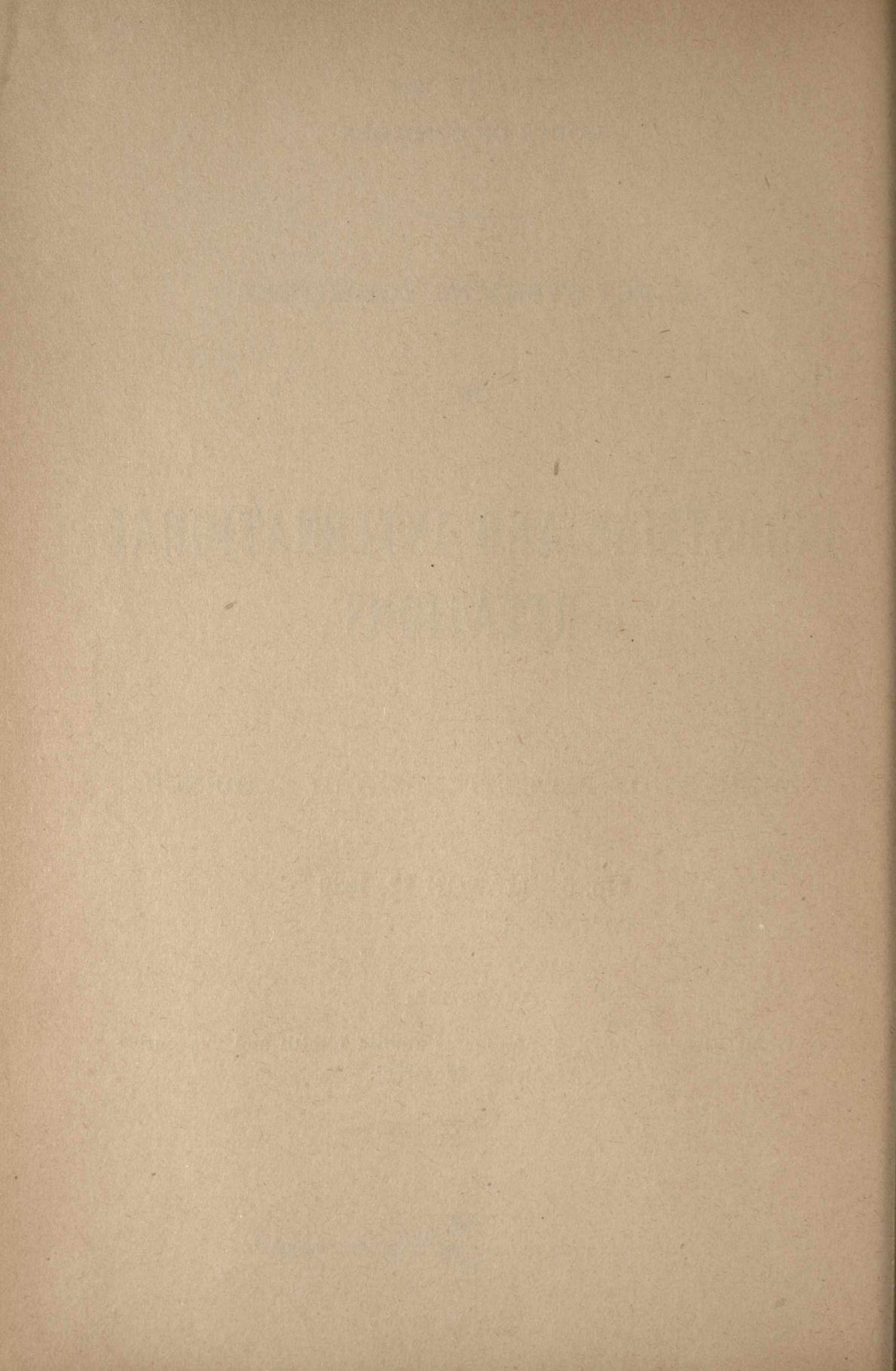
MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5.—MARCH 12, 1929

WITNESS:

A. Grant Fleming, M.D., Professor of Public Health and Preventive
Medicine, Montreal.

OTTAWA
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1929



MINUTES OF PROCEEDINGS

TUESDAY, March 12th, 1929.

Pursuant to adjournment and notice, the Select Standing Committee on Industrial and International Relations met this day at 11 a.m.

The Chairman (Mr. McIntosh) presiding.

Present: Messieurs Bissett, Bourassa, Grimmer, Hall, Jenkins, Johnston (Cape Breton North-Victoria), Letellier, Miss Macphail, McGibbon, McIntosh, McMillan, Neill, Perley (Sir George), Stinson, St-Père and Wentworth.—16.

Minutes of March 7th read and approved.

Dr. A. Grant Fleming, Director of Public Health and Preventative Medicine of McGill University, and Managing Director of the Montreal Anti-Tuberculosis General Health League, who had made an exhaustive survey of the general conditions of Montreal, was called, sworn and examined on the survey and its relation to unemployment, sickness and invalidity.

The witness retired.

On motion of Mr. Bourassa:

Resolved that the thanks of the Committee be tendered to Dr. Fleming for the very comprehensive evidence he had presented to the Committee.

The Chairman (Mr. McIntosh) conveyed to Dr. Fleming the thanks of the Committee and expressed the opinion that the evidence which the doctor had given would be of great assistance to the Committee in formulating its report to the House.

The Chairman announced that the Committee would continue consideration of this subject, namely, unemployment insurance, sickness and invalidity, at the next meeting, and that the next witness would be J. G. Fitzgerald, School of Hygiene, University of Toronto.

The Committee then adjourned till Thursday, March 14th, at 11 a.m.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

ROOM No. 425, HOUSE OF COMMONS,

TUESDAY, March 12, 1929.

The Select Standing Committee on Industrial and International Relations met at 11 o'clock a.m., Mr. C. R. McIntosh, the Chairman, presiding.

The CHAIRMAN: The members of the Committee will remember that at the last meeting we were instructed to wire to Dr. Fleming of Montreal, to see if he could come here and give us his experience in connection with the health survey he had made in that city, and also to see if the facts obtained in that work would fit into a scheme of national insurance. We have the Doctor with us to-day, and I believe we will have a very interesting and instructive statement.

Dr. A. GRANT FLEMING, called and sworn.

By the Chairman:

Q. What is your name in full, Doctor, and your position?—A. A. Grant Fleming, Professor of Public Health and Preventive Medicine, McGill University, Montreal; Managing Director of the Montreal Anti-Tuberculosis and General Health League, and Secretary of the Montreal Health Survey Committee.

By Mr. Woodsworth:

Q. Have you had experience outside the city of Montreal, Doctor?—A. In public health work I was occupied for a number of years in the Toronto Health Department working up to the position of Assistant Health Officer, and for a period of six months I was attached to the Dominion Health Department in connection with venereal disease work.

Mr. Chairman and members of the Committee, I have drafted as an outline what I hope is the material which the Committee desires to have presented to them.

Public health, as we understand it, is the application of the knowledge we possess concerning the prevention of disease and the promotion of health in an organized way for the benefit of the whole community.

The modern public health movement was initiated as one part of the general reform which sought to improve the unfortunate and undesirable conditions that arose out of the industrial revolution. In the beginning, it dealt with man's environment; then came isolation and quarantine as a result of Pasteur's discoveries, and, lastly, the health educational phase which has sought to bring about better health practices through the spread of health knowledge to the masses.

Public health work has been carried on for a sufficient length of time to permit of the development of standardized practices. In many phases of public health work, we can say that the proper expenditure of certain sums of money is practically certain to bring definite returns in the reduction of preventable illnesses and the prevention of deaths which result from such illnesses.

The reason that there is a variation from place to place in the occurrence of preventable disease is almost entirely due to the variation in the amount of public health work that is done by the state and voluntary health agencies.

[Mr. A. Grant Fleming, M.D.]

The Montreal Health Survey was really a study of health practices in that city in order to permit a clear understanding of the success or failure of the organization of health work.

In the first place, it was clearly demonstrated that there is a larger number of deaths in proportion to population than is the case in other comparable cities. This being the case notably in regard to infant deaths and deaths from tuberculosis. It was also shown that the health activities, which one might say are standardized, had not been developed to the level of other comparable cities, and the comparable cities which were selected were twelve large cities in the United States with populations and with the geographical location which would permit of Montreal being fairly compared with them. Further, it was shown that the expenditure, through the Municipal Department of Health, amounted to 39 cents per capita, whereas it averaged 78 cents for twelve large cities in the United States.

It was quite evident that Montreal, if it desired the same measure of health that is enjoyed by other cities, must be prepared to pay the cost. It was accordingly recommended that the budget of the Department of Health be raised to 91 cents per capita. It is evident that this money must be properly expended if it is to buy the fullest returns, and so, certain recommendations for improving the health administration and machinery were made, and also, a fairly complete outline of how the money should be apportioned to the various activities was drawn up. In some 32 chapters, the findings, discussion and recommendations were given in detail.

There is nothing in the report with which any trained health worker would disagree. There would be discussion as to whether the recommendations made were the best possible adjustment of accepted principles to local needs. That is, of course, a matter of judgment. And I might say, that according to last night's newspapers the Health Survey has been studied by the Director of the Department of Health of Montreal, Dr. Boucher, and in general, he has expressed his agreement with the findings of the Committee, and with the principal recommendations made in the survey, he himself making some suggestions which he thinks would make the suggestions of the Committee more applicable and more easily worked.

In the report there are a few points which I think would be of interest to the Committee, and the first one is that there is a large amount of money being spent by voluntary health agencies. Outside of the money they receive from the state or the government by way of subsidy these voluntary health agencies in Montreal in one year expended \$441,443.52. Altogether there was expended \$687,812.

Certain of the recommendations made are of interest, and, I think, would be applicable outside of Montreal. I mean they are recommendations which are of general value. One is that, instead of subsidizing voluntary health agencies by lump sum grants, the payment or the subsidizing of voluntary health agencies by municipalities or provincial governments should be on the basis of a service rendered.

There is another interesting suggestion in the report, which is basic I believe, and that is the use of the organized medical profession as an organized public health force. It is specifically recommended in the report that, in regard to diphtheria immunization, that immunization should be made by the family physician, and that he should be paid for so doing by the state. The basis of that is simply this: in the city of Montreal it costs over one hundred thousand dollars a year to hospitalize cases of diphtheria. There are approximately 100,000 pre-school children. If they were all immunized in one year, and the physician was paid one dollar for each immunization, that would cost the city in the first year one hundred thousand dollars. But after that first

year there are approximately 20,000 births which would cost the city \$20,000. In other words, they would actually save in money \$80,000, and in addition to that, of course, they would prevent the suffering and so on from the disease.

I believe that that principle of using the family physician in health work should be extended, but it should be extended on the basis that he will be paid for his services by the state.

There is another recommendation that I would like to emphasize.

By Mr. Bourassa:

Q. You do not mean an imposed family physician?—A. I mean a family physician in the sense that he is selected by the family.

Q. Not imposed by authority?—A. No. In regard to public health nurses, there is, in general, a lack of appreciation of the need for public health nurses, and roughly speaking you will find health conditions, as they affect particularly children and tuberculosis, pretty closely parallel with the profession of public health nurses. In the city of Toronto I think their good record can be largely attributed to the fact that they have had a comparatively large staff of qualified public health nurses for a number of years, and they are not getting the accumulated effects of the work of that group. In the city of Montreal, for example, we recommend that there shall be appointed one hundred and eighty-four public health nurses, that being based, not on the population, but on the amount of work which it is believed there is to be done by such a group.

Q. Before you leave that, Doctor, do you know anything about the work done by the nurses employed by the Metropolitan Insurance Company?—A. Yes. The Metropolitan Life Insurance Company as a business organization, and, I believe, touched by a desire to do good, have extended a nursing service to their policy holders wherever there is a large enough group to permit of it. Their idea in providing that nursing service is that its provision will result in the quicker recovery of the individual, a lessening of sickness and a reduction of mortality. In Canada, in general, they have provided that service by employing the Victorian Order of Nurses to do it. In the city of Montreal they provide that service to the English speaking population through the Victorian Order, but for the French speaking population they have their own group of nurses.

Q. Among others the Sisters of L'Espérance?—A. Yes. In one year the Metropolitan Life Insurance Company expended \$64,000 for their own nursing service in Montreal, and also paid \$27,000 to the Victorian Order for a similar service, which amounts to well over \$70,000 in one year that they have expended on nursing service.

By Mr. Letellier:

Q. Have you any details in connection with smaller places?—A. Well, I would say for example the experience in Thetford Mines, Quebec, is an outstanding example of what is done by organized public health work. One cannot say that the result of all that work was due the public health nurses, but if you were in public health work you would understand that you could not do public health work in a material sense without public health nurses.

By Mr. Johnston:

Q. Do those figures which you gave, as expended by the Metropolitan Insurance Company, apply to the city of Montreal?—A. Yes.

Q. They are expending money throughout the province of Nova Scotia in the same way?—A. Yes. Their actual expenditure in the United States and Canada runs up into the millions. And they have put out publications which show that by the expenditure of that money they have saved, I think it is, three or four million dollars.

By Mr. McGibbon:

Q. That is not for the ordinary policyholder, the holder of an endowment policy?—A. That is for their industrial group. It has been shown that inside of a few years, in rural and small town areas, that infant mortality can be cut in half by the proper use of these services. Then in regard to housing, the survey report points out the need of houses so constructed that they can be made healthy homes. We have an appreciation, of course, that any person can make a pig sty out of a castle, and that you can use a bath tub in which to store coal, but that does not counteract the fact that if a person has to have a healthy home it must be so constructed that it can be made healthy, and through education we may hope that it will be done.

In regard to industrial hygiene, the report points out that in Montreal 31 industries provided a complete or partial industrial health survey in their plants, and that approximately 10,000 industrial workers are safeguarded by very satisfactory industrial health services.

Amongst the recommendations there is the recommendation that occupational diseases shall be reported. We must know the occurrence of diseases if we are to know our problem.

Then, there is also the recommendation that no child under eighteen years of age be employed without having a medical examination and securing a certificate permitting his employment at certain work. We believe that no child under eighteen—and one might even raise that age limit—should be allowed to go into any occupation. The question as to whether or not his physical form will stand that type of occupation should be considered.

It is also recommended that pregnant women be excluded from work at least four weeks from the expected date of birth, and six weeks after. In making that recommendation we are quite alive to the fact that it means that some provision must be made to replace the earnings of that woman if they are a necessary part of the income of the home.

In Canada, at the present time, a relatively small number of municipalities, and a few counties, are served by well-organized health departments. In those not so served, there is much to be accomplished.

Through the Vital Statistics reports of the Dominion Bureau of Statistics, we have a fairly accurate measure of the numbers who die and the cause of death. In the survey report you will find, for example, that in 1927 in Montreal there were 219 deaths from diphteria, a preventable disease, and, even if it is not prevented, a disease which can be cured if it is treated early. Then as to typhoid fever, if we leave out the epidemic years, we find that typhoid has been responsible for between fifty and sixty deaths right along.

By Mr. Woodsworth:

Q. For what period?—A. Each year. We find that tuberculosis in Montreal was responsible for 886 deaths in 1927.

By Mr. Bourassa:

Q. Is there tendency as shown by figures, to reduction in the number of deaths from tuberculosis in Montreal?—A. Oh, yes, very definitely.

Q. And for some years back?—A. Yes. The point is, if you compare Montreal with other cities where good health work has been done, you will find that after a period of time Montreal is in the position that they were in some years ago. The progress is satisfactory but it has lagged.

In regard to maternal deaths the situation in Montreal is comparatively satisfactory, that is, if you compare it with the rest of the country. But it is unsatisfactory if you consider it as it should be. The maternal death rate in Montreal is 3.8 per cent, whereas for the whole of Canada it is 5.7 per cent.

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The serious position is represented in regard to infant mortality when we find that there were over 2,400 infant deaths in the year 1927, and of these infant deaths you will find that a large number of them are due to a condition or disease which we call diarrhea and enteritis. In Montreal in 1927 there were 870 such deaths, whereas in the city of New York, with many times the population, there were only 729 deaths.

Q. On that point, Doctor, have you followed up the work of the association in Montreal known as the Gouttes de Lait?—A. Yes.

Q. Are you in a position to appreciate the work they have accomplished?—A. Yes, I think I am. The voluntary health agencies in Montreal have carried a burden which they should not have had to carry; that is, if one believes that health is a responsibility of the state and should be provided by the state, either through their own organization, or by paying some voluntary organization to do the work for them.

By Mr. Letellier:

Q. There seems to be a very bad epidemic of influenza occurring every year. Many people are dying from it, and I would like to ask if anything is being done towards alleviating it?—A. The only thing that is done is what you might call general. That is, there is the general advice that when you become ill you go to bed, which is good for any condition. We cannot prevent disease of which we do not know the cause, generally speaking. The reason we can prevent smallpox is that we have vaccination. The reason we can prevent diphtheria is that we have diphtheria immunization. We cannot prevent measles; we do not know how.

Canadian Vital Statistics have not been kept for a sufficient length of time to measure the results of health work. In England and Wales we find an increased expectation of life of sixteen years since 1838; in Massachusetts, 12 years since 1890.

Reduction in deaths represents a proportionate decrease in disease, but not altogether, as to some degree it is due to better methods of treatment. It also represents diminished suffering, sorrow and expense.

The amount of sickness in our country we do not know with any exactitude. We do know certain things. We know more or less the amount of incurable disease, because the incurable diseases are supposed to be reported, although we all know they are not reported to the extent of one hundred per cent by any means. We do know something in regard to the prevalence of venereal diseases. I do not think there is any more venereal disease in Montreal than in any other of our large centres. The provincial governments have done a good deal of educational work in directing the people to clinics that are provided, and they have secured perhaps a larger percentage of attendance than has been the case in other classes. But what we do find is this: that in the year 1927, in the city of Montreal, 6,464 new cases of venereal disease presented themselves at public clinics. Now, I think one would not be accused of exaggeration in saying that there were many other cases which went to private physicians, who were not treated at all, and, if so, we then get practically two per cent of the population with new cases of venereal disease in one year. If you take a generation as twenty years, you have 46 per cent of the population affected with venereal disease.

In regard to tuberculosis we know from the results of surveys and investigations that close on to one per cent of the population have tuberculosis. We figure, for example, that in the city of Montreal, with 886 deaths in one year, there are between 7,000 and 8,000 active cases, and that there are 28,000 infants who are close contacts of those cases.

Then we find in Montreal exactly what is found in every other centre, urban or rural, that when you examine the school children you find a large number of them suffering from physical defects. That means that the child's full development of his physical and mental capacity is being interfered with. The figures will vary slightly from place to place. We find in Montreal that 52 per cent of the children have defects of the teeth. We find that 22 per cent of them have some defect of the nose and throat. We find that 9 per cent have some defect of the eye, and that 12 per cent of them have some degree of defect in nutrition. As I say, those figures will vary from place to place, but in general they will be found true all over our country. In December, 1926, the sickness survey was made in one section of Montreal which showed over 2½ per cent of the people to be so sick as to be away from work. Each male in that area lost on the average 8·9 days per year, and each female lost 10·1 days on account of disability. The amount of time lost was highest in the older ages. It was found that 9·5 per cent of the disabled were confined to hospitals, 24 per cent in bed at home, and the remainder 66·5 per cent at home, or up and about. This survey was made from our French health centre—one of the centres of the Montreal General Health League, conducted in conjunction with the University of Montreal. The Metropolitan Life Insurance Company has made sickness surveys in many places. The figures in Montreal are a little higher than are found elsewhere, and that was likely due to the fact that the surveys were made in December when the sickness rate is higher. Taking all the sources of information into account it is probably nearly accurate to say that 2 per cent of the population are ill all the time.

Through reports of the National Insurance Act of England and Wales, we find that in 1927 there were 13,500,000 entitled to medical benefit. Among this number, a total of 30½ millions weeks' work, or 586,540 years, or the year's work of 590,000 persons, was lost on account of sickness or disablement lasting more than three days.

Now, if all sick persons are economically able to provide themselves with the medical, nursing and dental care they require, the problem presented would be one of educating them to do so. What percentage are economically unable to do so and what percentage do without necessary care, or are overwhelmed economically in securing care, when a severe illness does occur, we don't know.

In a study of tuberculosis deaths made by the Montreal Anti-Tuberculosis and General Health League in 1925, we found that 43 per cent first consulted a doctor within six months' of the time of their death. This means that this group were not receiving adequate medical care, which was a serious matter for them and also for the whole community, because tuberculosis is a communicable disease. Our impression was that they did not go to a doctor because they felt that they had to work and that there was no use in being told they were ill and should rest; they knew that.

As I have indicated, treatment of tuberculosis and other communicable diseases comes directly into public health because these diseases must be properly cared for in order to prevent their further spread.

Preventive medicine is, however, interested in the treatment of non-communicable diseases, not only those that are preventable, but as regards the early efficient treatment of all disease. For administrative purposes, the treatment of disease may not come under the health department but this does not mean that prevention and treatment can be separated; they cannot. The efficient treatment of disease, in its early stages prevents the development of the more serious conditions. Patients do not go to doctors' offices with fully developed diseases from which they die. They go in large numbers complaining of some upset of their digestive system, or some such symptom, which is often the first indication of the beginning of a serious malady. It is at this stage that proper

treatment is so important, because it is the stage when treatment has the most to offer. This being so, public health workers have a real interest in seeing that proper care is available.

It is stated that, at present, the poor are cared for and the rich can afford to buy the necessary service, and that it is the in-between group who suffer. This statement may be true, but we have not the necessary facts to support it or deny it. In 1927, there was set up in the United States, the Committee on the Cost of Medical Care, which is making a thorough study of the subject. The Julius Rosenwald Fund has taken as one of its main objectives, the provision of medical care for people of moderate means. These facts are referred to as an evidence of appreciation in the United States of the need for doing something as regards the provision of medical care.

In Europe, there are several systems of sickness insurance—the purely voluntary, the state subsidized, the state supervised. The plans vary in scope and in benefit.

In the general introduction to the study of compulsory sickness insurance made by the International Labour Office of the League of Nations, published in 1927, it is stated:—

The voluntary insurance movement has been found insufficient and it has become clear that the way to secure general and effective protection against the risk is by making insurance compulsory.

In addition to the provision of early treatment, any system which would bring the adult population under regular medical supervision and so provide the opportunity for health supervision, is worthy of consideration. Through ante-natal supervision, well-baby clinics and school health services, a great deal has been accomplished in the reduction of disease and the improvement of health.

I would just like to refer here to the point that in the last year the Victorian Order of Nurses gave obstetrical care to 13,920 mothers, and whereas the maternal mortality for the whole of Canada was 5.7, the maternal mortality among this group was 1.6. I think that that is very striking evidence of what adequate nursing care at the time of confinement, along with nursing supervision in the ante-natal period and medical care at the time of confinement, can accomplish.

This same idea of the supervision of well persons should be continued into adult life, chiefly in order to improve the quality of the health of adults.

Sir George Newman, chief officer of the Ministry of Health for England and Wales, has pointed out three respects in which the practitioner under the health insurance scheme works:—

First, he encounters disease in its beginnings: Secondly, he sees his patients in their own homes; and thirdly, his relation to them is not embarrassed by considerations of gain.

If to these three were added a health examination at least every two years, a high type of preventive and curative service would be effected.

In Canada, we know that a number of individuals insure themselves against sickness. Industry as a whole is taking an interest in the subject. I understand that at least fifty firms in Montreal make some provision, in an organized way, to provide allowances alone, or combined with medical services, for their sick employees. It would appear as if the employers saw some need and merit in sickness insurance.

I do not believe that the health workers have any partiality for health insurance. We see the problem of a large percentage of the population who are not in an economic position to prepare for, or to meet the cost of, sickness. We cannot see how a married man with a family, earning between \$15 and \$20

a week can do this. If he becomes ill himself, his family become a charge on their friends or on the community. A large number of the beds in our welfare and our relief agencies are used up in providing relief and care, due to a problem that has been the result of sickness.

For minor illnesses, he cannot attend hospital out-patient departments or dispensaries without staying away from work, as these departments usually only operate in the day-time. In any case, he should not be an object of charity. Our leaning to health insurance is prompted by the fact that it appears to be a provision against future contingencies, and as, unfortunately, in spite of all our preventive measures, illness comes to most of us, it is necessary for most of us to make provision for its occurrence. It is the substitution of a co-operative effort for individual provision.

It is apparent even to one who believes that the general principle of health insurance is sound that before suggesting its being applied to Canada, or as to the method of its application, there is the task of ascertaining the facts as regards Canada.

We should know whether an adequate medical service is available and if it reaches all persons in need. If not, what percentage are not reached, where are they located, and what is the reason for the service being lacking or inadequate?

Adequate medical care must be supported by adequate nursing care. Is there an adequate nursing service available in all parts of Canada, and is it reaching all those in need?

What about public health services from the standpoint of efficiency and completeness?

What will the committee, studying dependency in Canada, find in regard to sickness and preventable deaths as a contributing factor?

What does preventable sickness cost Canada each year? Can it be prevented?

I would suggest, if I may, that such a study must be made to provide the basis for any sound constructive action. It might well be initiated by the Department of Pensions and National Health who could bring in the Provincial Health Departments and the organized medical profession to make the study, or ask the medical profession to do it.

Just before closing I would like to read what Dr. Alfred Cox, Medical Secretary of the British Medical Association, in a review entitled, "The Medical Profession and Health Insurance in Great Britain" has to say. According to Dr. Cox, the broad results of the British system so far as the public is concerned are:

- (1) A greater sense of security in time of sickness on the part of the whole insured population.
- (2) A service which, in spite of its incompleteness, gives a large number of the population ready access to medical treatment of a kind superior to what they had in pre-insurance days, and a guarantee as to quality of service, greater than private patients possess.
- (3) A greater interest in the question of medical service on the part of the community in general.
- (4) A realization that the present service is incomplete and a desire to make it complete for all those at present insured, with an extension to their dependents in the near future.

So far as the medical profession is concerned there are:

- (1) A feeling of greater financial security among the doctors who serve the industrial population.
- (2) Certain restrictions on the liberty of the individual doctor in his dealings with his insured patients; these may or may not be inevitable in

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a system in which a third party, the state, intervenes between the doctor and patient, but they are certainly resented by many doctors and by many patients.

- (3) An increasing sense of the collective responsibility of the medical profession for the quality and standard of the service; and
- (4) A strong conviction that "The price of liberty is eternal vigilance."

I would like to point out that in the Gordon Bell Memorial lecture which was delivered by Dr. J. G. Fitzgerald, Professor of Hygiene, University of Toronto, at Winnipeg, on November 30, 1928, he points out the necessity for the organized medical profession in this question of the provision of adequate medical services for all people, and he closes his article with this statement:

I should like to suggest that a splendid opportunity is afforded the organized medical profession of this country to undertake a task of national interest and importance as follows: To ascertain whether adequate and satisfactory medical service, preventive and curative, is within the reach of all persons in need thereof; to learn whether the present volume of sickness with its attendant and economic loss may be lessened.

And so on. I merely referred to that because I think the Committee would like to know that the organized medical profession does see that there is this problem to be studied.

On the motion of Mr. Bourassa, seconded by Mr. Letellier, a vote of thanks was tendered to Dr. Fleming.

By Mr. Woodsworth:

Q. Might I ask the doctor to speak a little more clearly as to how he connects public health service with the conditions arising out of the industrial revolution?

—A. Well, the industrial revolution brought people together in large numbers into cities and towns which sprang up over night and in which there were no sanitary decencies, and, therefore, by bringing these groups together and having them live under those conditions, many under conditions which were not comparable to their home conditions, sickness and disease ran riot—plus long working hours, and exploitation of child labour.

Q. You say that conditions as they exist to-day are very different from conditions as they existed in the pioneer stages of our Canadian development.

—A. Oh, yes.

Q. And require some new policies.—A. I think the outstanding evils to a considerable extent have been removed, if that answers your questions.

Q. What I had in mind was this: That the policies which were suitable for our forefathers under pioneer conditions might not be adequate to meet the need of our modern industrial communities.—A. Well, in the early days they had a very limited knowledge and they sought to apply that. Our knowledge concerning the possibilities of preventable diseases and the handling of disease is a knowledge that grows from day to day, therefore public health work develops from day to day; and that it should and must be continued or we will slip back into the condition in which we were before.

By the Chairman:

Q. The need in pioneer days was not as great as now?—A. Oh, yes; just as great. I mean if you were speaking of the last one hundred years, I would say yes.

By Mr. Woodsworth:

Q. In the case of the people living out on farms, until comparatively recent years there would not be the same danger of disease as to-day.—A. Well, in general the health conditions in rural sections would be better than in urban sections if there was no health work done at all. I think, perhaps, that is true; but where health work is done in the urban sections then health conditions are much better than they are under the rural conditions where no health work is done.

Q. The President of the War Veterans suggested to me that they had tried to insure their members against sickness and that no insurance company would insure them on account of their war disabilities. How would such a matter be met in that kind of state insurance?—A. The state would provide the insurance and spread the risk, I presume. I am not an insurance man.

Q. Have you met with large numbers who to-day cannot take advantage of the present insurance arrangement?—A. Well, there are large numbers who cannot because they are not economically in a position to do so, or they are not in the organized group and therefore they are outside of the class which can insure themselves individually or as a group. But I have no personal knowledge of groups who want insurance and have not been able to obtain it.

Q. Individuals may be poor risks?—A. Yes.

Q. Have you any opinion as to what body should best deal with such problems—a municipal body, a provincial organization, or a federal body?—A. I have not any ideas.

Q. In your work in connection with venereal disease, do you think the needs could be adequately met by local organizations, or is there need of widely correlated authority?—A. The wider the correlated effort is, the bigger the advantage as we often see. We had them under treatment when I was working in Toronto and they left and went to some other city. As long as the work is under the province, it is under the same machinery. If it passes out of the province, the same machinery does not apply.

Q. The other day in another committee, Mr. Macaulay of the Sun Life Assurance Company told us that they could not hope to carry on a successful business enterprise without having the directors beneficially interested. Do you suggest in regard to medical men that their relations would not be embarrassed by considerations of gain? That seems to be quite a different principle. Do you think it is possible to get good work from the doctors on that public health basis without their having the immediate desire for gain which might come from private practice?—A. I was connected with the Toronto Health Department for a number of years. One of the things that always impressed me was that the corporation employees—not merely physicians but nurses and inspectors—the whole group were always willing to work Sundays and overtime to give their best services when they knew perfectly well that there was not going to be any financial reward for those services; and my own experience has been that individuals will give everything they have to a public service although their remuneration may be very small, and there certainly would be greater opportunities for gain outside. Take a man like Dr. Hastings, Health Officer of Toronto—nobody would say, considering his nominal salary, that he could not gain more outside, or that he could work harder outside than he does at his present position.

Q. We are simply trying to feel our way towards meeting a problem that seems to be very acute. You have offered, as I take it, a very valuable and constructive suggestion that there should be some sort of a nation-wide survey to develop services so adequate and satisfactory as to be within the reach of all. How could such surveys be carried on? By what body?—A. Well, when you come down to the actual making of a survey I think perhaps the Canadian

Medical Association—because it is a Canadian association, and because it has provincial branches and county branches—county and municipal branches—perhaps would have the best organization and would be interested I think all over the country in such a study. They would associate themselves with other groups, such as the nurses' group, the dentists', and so on.

Q. By whom would it be initiated?—A. I would think that the Department of Pensions or National Health might initiate it.

Q. And who would bear the cost?—A. I do not know that that is for me to say.

Q. You would hardly permit that to be undertaken by the Medical Health Association?—A. No, I believe it is a matter of national interest. I do not see why it should not be paid for out of the national treasury.

By Miss Macphail:

Q. Was there not a study of maternal mortality made all over Canada which seemed to work out well, and the cost of which was met by the Dominion treasury?—A. Yes, that was a study made by the Department actually.

By Mr. Letellier:

Q. Could that be done? I thought you were satisfying just the soldier class?

Mr. WOODSWORTH: No.

By Miss Macphail:

Q. Would Dr. Fleming care to say how he thinks the report of the maternal mortality might be acted on? It should be of interest to every Canadian. How could it be made effective; by the co-operation of municipal, provincial and federal bodies, or have you anything you care to say on that?—A. It is a pretty large subject to try to answer. One would have to study in all the various localities what the facilities are to see if there were many women who didn't have ante-natal care and didn't have proper medical and nursing care at the time of confinement. Now, this has to be provided for.

Q. And if they didn't have sufficient means?—A. Sometimes it is because there is not a nurse in the district. You would have to study your various localities in the Dominion to see what needed to be done in the particular locality. I believe, for example, a tremendous extension of the Victorian Order services would be a real contribution because it would provide bed-side nursing.

Q. They could have it whether they could afford it or not.—A. Arrangements would have to be made so that they would have it.

Q. That is one of the great difficulties—the economic end.—A. Yes. As regards maternal benefits, there is no use of handing a woman money for having a baby. You must either give her services or give her money to buy services, and that means that the services must be there to buy. You can make an effort to study how that is to be provided.

Q. Just one province, Saskatchewan, has attempted it. They have attempted to provide for needy mothers; but I am not sure that they have provided services that are available.—A. Take for example the outpost hospitals of the Red Cross. Their contribution offers that. There is one centre where you have the doctor and nurses and you have the hospital for the area around it. In another centre there is no doctor, no hospital and no nurses. Under the National Health Insurance scheme, in England, they do give a special allowance to physicians in rural areas where their income is very low, to keep them in that area.

By the Chairman:

Q. In mostly all of the outpost hospitals in Saskatchewan the business men contribute to a certain extent. They have come forward and done a good work. They find themselves handicapped financially too. The municipal hospitals in Saskatchewan—the municipal and community hospitals—have been a wonderful help.—A. Yes, all these things are part of the solution.

By Mr. Woodsworth:

Q. You quoted an authority as to the possibility of compulsory insurance. What is your own opinion, Doctor, with regard to that question?—A. It seems to me that if the health measure is to be successful it must be compulsory or else the individual who is careless and indifferent will fail to insure himself, and when he becomes old the problem is there, as far as he himself and his family are concerned, and he becomes a charge on people who have to make provision for themselves. I would think it must be compulsory. I have an open mind on the subject.

Q. Before the National Health Insurance Scheme was adopted in England there already existed considerable machinery in the way of friendly societies. Do you think there would be any difficulty in our proceeding to set up machinery here, right from the ground up?—A. I always think that if a thing is desirable you can find a way to do it; but to suggest how one would begin, I do not think that one can make that suggestion until we know much more than we do know.

By Miss Macphail:

Q. Have you been interested in the travelling clinics of Alberta, following up the children in the schools?—A. Yes, I know about them.

Q. I think they have done very good work.—A. Yes, I think it is absolutely necessary. There is no use of rural schools finding defects that need correction unless you provide some means for having them corrected.

Q. At a sum that the parents can afford.—A. Yes, quite.

By Mr. McGibbon:

Q. This is a very important question, and one which has never got anything like the publicity it should have. I presume it is because people are not interested. We are losing about a quarter of a million dollars a year?—A. It is a tremendous sum.

Q. I made a compilation of it last year and put it on Hansard, and I don't think that any newspaper in Canada even mentioned it. The amount of money that we are losing by preventable accidents, preventable illness and death is simply staggering. It is equal probably to two-thirds or three-quarters of the expenditure of the whole Dominion of Canada. Now, it would seem to me that the first thing we have to do is to rouse the national conscience, first as to the necessity and second as to the great national waste, because it is terrific. I think the whole thing is largely a matter of money.

The CHAIRMAN: You would have to get public opinion behind it before you could get the money required.

Mr. MCGIBBON: Getting down to the last analysis what you want is service. You cannot have service without an hospital and without nurses, and where you have these you naturally have the doctors. It would seem to me that if you could get national opinion behind you to such an extent that you could take hold of the organizations which are at present in existence, it would help. For instance, there is the Red Cross, an organization which came into existence after the war for this very purpose—to carry service to the outposts

of civilization. They are being financed partly in Ontario—I am speaking of Ontario now—by the provincial government. They get a grant of sixty cents per day per patient. It is easy to see why that is desirable. I am speaking now largely of the Province of Ontario. If you could get an extension of this work, it would seem to me it would pretty well fill the bill, but it is going to require an awful lot of money; because I think it is safe to say that the services which you have outlined and which are very desirable are still withheld from three-quarters of the people even of the Province of Ontario. I think that is a pretty safe statement to make, and under modern conditions you cannot do much towards getting maximum efficiency without hospitals and nurses and medical men. If you have those three, along the lines of the Red Cross, for example where the conditions are such that they must take every patient that comes to the clinic—there is only one exception and that is if they have not got a bed—if that service could be extended, it would seem to me it would bring a maximum of efficiency that we have not got to-day. Personally, I am not in favour of this government starting up an organization of this kind from the Atlantic to the Pacific. I think it would be a failure, and would be working against the organizations at present in existence. The cities are very well provided for; no poor person in the cities need go without treatment—we all know that. They can get into the hospitals if there is a bed available. The rich, of course, can always provide for themselves if the service is available. There are times during epidemics when nurses cannot be had at any price. We have all had that experience, but, after all, there is the great middle class which comprises most of us and which needs some consideration. Even back where we are, a hundred and twenty miles from Toronto, before we got a hospital of our own, if we had a poor patient, all we had to do was to ship him to Toronto and they had to take him in if they had a bed. The law allows them to make a small charge against the municipality for that. In my opinion what we want is an extension of the service, and it is going to be an enormous extension if it spreads all over the Dominion of Canada, if the rest of the country is like Northern Ontario. I think if we could work out some solution of this problem it would be very helpful indeed.

Mr. WOODSWORTH: Doctor McGibbon does not suggest that all the poor people in the cities can have adequate hospital service?

Mr. MCGIBBON: Surely they can; the public wards are free.

The WITNESS: If I might interject a remark here: the vast amount of illness we are really considering concerns people who need not be in hospitals; it is an absolutely unnecessary expense to them. They can very well be cared for in their own homes. For example, I do not think our confinement cases need all be in hospitals by any means.

Mr. MCGIBBON: It is much better if they are.

The WITNESS: Well, no, I do not think that. I think a great percentage can be very well cared for in their own homes. Consider an individual who has a cold, or a slight bronchitis, or an upset stomach. He comes to his doctor for treatment; he does not need to go into a hospital—

Mr. MCGIBBON: He does not die.

The WITNESS: No, but it may be the beginning of an ulcer of the stomach or a cancer of the stomach, and if he is not properly treated for that comparatively insignificant ailment, perhaps a very serious condition would develop.

Mr. MCGIBBON: Why do you say "not properly treated"?

The WITNESS: The point is that at the present time the vast majority do not go to a physician for the reason that they have not the money to spend for it.

Miss MACPHAIL: You are quite right about that.

The WITNESS: I cannot prove that, but that is my impression based on some years of work. Consider our group of tuberculosis cases, where such a large percentage of them first went to the doctor within six months of the time they died. Those people were sick, but they did not go to the doctor. They knew they were ill and knew they should stop work, but they did not feel they could afford to do so.

Miss MACPHAIL: A great many people in my constituency of South East Grey do not have a doctor because they do not feel they can afford it.

The WITNESS: It is not a case of a doctor not being willing to give free service. It is a commendable action on the part of certain people. They already owe the doctor something, and perhaps the woman becomes pregnant and knows she needs prenatal care, but she does not call in the physician because she feels she cannot afford it and does not wish to add to her bill.

The CHAIRMAN: In rural districts there are people who may be living forty or fifty miles from a doctor. Under those conditions the bills for medical services are much heavier, and the people leave calling in the physician until the last moment.

Mr. MCGIBBON: That is my point exactly. The people should be brought into the hospital.

By Mr. Woodsworth:

Q. Aside from the actual hospitalization at the moment of acute illness, would not an insurance scheme lead, to a very great extent, to preventive medicine?—A. Absolutely. I think it is preventive medicine because it is early treatment, and in addition to that it would provide a real health service. It is generally agreed that for every death in the country there are one hundred cases of illness. That figure is based on a small but pretty thorough survey. That means, that out of one hundred, ten are acutely ill, and ninety are suffering from minor illnesses.

By Mr. Heaps:

Q. Have you paid any attention to the sickness insurance in Great Britain where the doctors work on a panel system?—A. I have read the reports every year which are put out by the Ministry of Health—

Mr. MCGIBBON: It is the biggest failure of modern times.

The WITNESS: —I personally have a great deal of respect for Sir George Newman, Chief Officer of the Ministry of Health, and I am much impressed by what he says. His opinion is that from the standpoint of preventive medicine the national insurance scheme is a success; at the same time he points out certain weaknesses and certain ways in which it can be improved.

By Mr. Heaps:

Q. I am really asking from the standpoint of preventable sicknesses.—A. Perhaps there is one way to answer that, and that is that nobody would say conditions in England are particularly satisfactory. They have a large mass of unemployment, low rates of wages, and so on, but at the same time it is safer to be born in England—from the standpoint of the baby—than to be born in Canada. Fewer babies die in England than in Canada at the present time. You have an infant mortality rate in England and Wales of seventy; in the city of Montreal it is one hundred and thirteen, so there is just that difference.

By Mr. McGibbon:

Q. What is the death rate in Canada?—A. I think the last figure was one hundred and one.

[Mr. A. Grant Fleming, M.D.]

Q. How does that figure compare with Great Britain?—A. Their rate is seventy. One hundred and one, point nine was the rate for Canada in 1926, and the rate for England and Wales in that year was seventy.

Q. Under what age?—A. The number of children under one year of age per one thousand born alive. The meaning of that is that in England, out of every one thousand babies born alive, seventy die the first year; in Canada, out of every thousand born alive, one hundred die the first year.

By Mr. Heaps:

Q. Under the British scheme they have maternity benefits?—A. Yes; they even have dental benefits in certain areas.

Q. In your opinion do you believe that a scheme along that line would be a good thing for the Dominion of Canada?—A. My opinion is this; there is a great need, and public health workers have a general feeling that health insurance does offer a possible solution of that need. If somebody else has any other scheme which meets that need, we have no bias; so long as the need is met, that fulfils our interest. At present I know of nothing which seems to offer as much as health insurance in some form.

By Mr. McGibbon:

Q. Would you have that compulsory?—A. Now you are getting into economics. In general, I believe in contributions. I think these things should be contributory. I was told last year by a Scotch economist that the system in England would soon require no contributions from the government; it would be entirely borne by the individual employers. I do not see how you could work it unless it was compulsory, because, as I said before, the indifferent individual would not insure himself, and when he became ill he would be a burden on the community without having contributed. There is another thing; it would relieve our hospitals of a big burden. The out-patient departments of our hospitals carry a tremendous burden in providing care for those who are not absolutely indigent, but still can not afford to pay for medical treatment.

Q. What would you do with those cases?—A. You mean the casual labourer?

Q. The casual labourer, the agricultural class, business men and professional men.—A. That is something you would have to work out. Personally, I have no solutions for it. It is a big problem; you appreciate that as much as I do. We must make our diagnosis first.

By Mr. Woodsworth:

Q. A great many people are appalled at the cost of the scheme. Would you not say at the present time that with the extremely poor the cost of their illness runs into large figures?—A. Undoubtedly that is so, but because it is not paid out in a lump sum, we do not see it. The cost of sickness to the country is tremendous, but it is spread out and is intangible to a large extent. It is estimated by economists that a baby at birth is worth \$10,000 but when that baby dies nobody takes \$10,000 out of the government's pocket. But that really is what happens because we lose that amount in our natural resources.

Q. You gave figures with regard to the estimated loss in England through deaths. Have you any figures for Canada—any estimate based on the conditions here?—A. No, I have not. There have been some estimates made. You can take the average of 2 per cent of the population being ill at one time, and consider the number of deaths from preventable causes, and you get up into such figures that you are staggered.

By Mr. Johnstone:

Q. Has not the situation improved in the last twenty years since hospitals have been established?—A. We never were as healthy as we are now.

Q. Would it not be a good idea for industrial companies and large firms to have their own hospitals, such as the coal mines in Nova Scotia have? Every coal company in Nova Scotia has its own hospital to which the men subscribe so much a week. Up to ten or fifteen years ago we did not have that and we had to depend upon the community nursing, but to-day in the coal regions they have their own hospitals towards which the men pay, and into which they go when they are ill and receive free attendance for the twenty cents a week, or whatever it is they pay. It seems like a good scheme to me, not only for the coal mines, but for other large industries as well.—A. What really happens in some centres is that industries do contribute very largely to the maintenance of hospitals, first, through their taxes, and secondly, through contributions to make up the deficits. The organizations you have may be the ones which apparently meet your needs, but you will appreciate that conditions vary tremendously in different places, and that is why one has to be careful in making a general statement as to what should be done. General statements may be made, but the needs of each individual community or area must be considered.

By the Chairman:

Q. Is this industrial medical service and nursing very general in Canada?—A. Well, no. I think perhaps it is as extensive in Montreal as any place where there are approximately ten thousand industrial workers who are covered, but that is a very small percentage of the whole.

Witness retired.

The Committee adjourned.

SESSION 1929
HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

**INDUSTRIAL AND INTERNATIONAL
RELATIONS**

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6.—MARCH 14, 1929

WITNESS:

J. G. Fitzgerald, Professor of Hygiene and Preventive Medicine, University
of Toronto.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1929

MINUTES OF PROCEEDINGS

MARCH 14th, 1929.

Pursuant to adjournment and notice, the Select Standing Committee on Industrial and International Relations met this day at 11 a.m.

The Chairman (Mr. McIntosh) presiding.

Present: Messieurs Bourassa, Church, Grimmer, Hall, Howard, Jenkins, Letellier, Miss Macphail, McIntosh, McMillan, Plunkett, St. Père and Woodsworth.—13.

Minutes of March 12th read and approved.

Mr. Bourassa called the attention of the Committee to the fact that the printed report of the evidence of March 12 did not contain some remarks that he had made, and requested that they be printed as an addenda to No. 6 of the printed proceedings (to which the Committee agreed).

John G. Fitzgerald, M.D., LL.D., Professor of Hygiene and Preventive Medicine, Director of the School of Hygiene and the Connaught Laboratories of the University of Toronto, was called, sworn and examined.

The witness retired.

The Chairman announced that at the next meeting the Committee would take up the replies received from the various provinces on their report to the House last year, dealing with unemployment insurance, sickness and invalidity.

The Committee then adjourned till Tuesday, the 19th instant, at 11 a.m.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

ROOM No. 425, HOUSE OF COMMONS,

WEDNESDAY, March 14, 1929.

The Select Standing Committee on Industrial and International Relations met at 11 o'clock, a.m., the Chairman, Mr. C. R. McIntosh, presiding.

The CHAIRMAN: We have Dr. Fitzgerald with us this morning. The Doctor is connected with the School of Hygiene, Toronto University, and he is continuing the development of the reference which we had before us the other day on sickness insurance.

JOHN GERALD FITZGERALD called and sworn.

By the Chairman:

Q. What is your name in full, Doctor?—A. John Gerald Fitzgerald.

Q. And your position?—A. Professor of Hygiene and Preventive Medicine, Director of the School of Hygiene and the Connaught Laboratories, University of Toronto.

Q. I think, Doctor, you are acquainted with the reference before the Committee dealing with the subject of sickness insurance, and if you would just present what you have to the Committee, then we will question you perhaps later, or as you go along.—A. Mr. Chairman and members of the Select Standing Committee on Industrial and International Relations, I have not prepared a formal statement dealing with the questions of invalidity and sickness insurance, and have not had an opportunity until this morning of seeing the evidence presented by my friend, Dr. Fleming, on Tuesday morning. However, I gathered from the letter, which I received yesterday afternoon from the Clerk of the Committee, that you desired from me opinions which I might have formed from investigation in the general course of studies in preventive medicine, views on the question of sickness and invalidity insurance, perhaps in relation to some national scheme which might subsequently be developed. If it is pertinent, Mr. Chairman, and does not overlap the evidence of Dr. Fleming, perhaps I might take five minutes to very briefly review the situation elsewhere in respect to insurance against sickness. I may say that I am, of course, at this time expressing my own personal views and opinions and not those of the Institution of which I am a member, or of any of the various medical organizations with which I happen to be associated.

Compulsory insurance against sickness, of course, is no new thing. Since 1884 a comprehensive plan of invalidity and sickness insurance has been in effect in Germany, and an equally comprehensive plan of voluntary insurance against invalidity and sickness has been in effect in Denmark. And since 1912 a similar compulsory insurance against sickness provided in the National Insurance Act in 1911, has been in effect in all parts of the British Isles.

There are certain general principles underlying social legislation of this sort, and in respect of sickness insurance I will just run over a few of these.

1. It is intended that medical benefits should be provided in kind by insurance societies for a certain proportion of the population of the country in which such social insurance is introduced.

2. That agreements have been made—and it is probably desirable that they should be made—relating to the nature and character of the medical service to be provided, and that such agreements should be entered into between the groups of insurance societies and the organized medical profession in the country.

3. That provision should be made for free choice of Doctor by the insured person.

4. That the remuneration of doctors should be provided for by a capitation fee.

5. That the control of the medical service provided should be exercised largely, and perhaps chiefly through the organized medical profession, of course, within such limitations as would be provided by legislation and regulations thereunder.

6. That, if possible, provision for institutional treatment of insured persons should be provided.

7. That arrangements should be made for systematic education of the insured population in the elementary principles of preventive medicine.

It would seem that wherever such provision has been made it has been attended with a certain danger of malingering on the part of the insured population, or a danger of valetudinarianism, which means, as members of this Committee are doubtless aware, that a certain proportion of the insured population may imagine themselves to be suffering from some ailment when actually they are not, or to conceive of their disability as being more significant than it really is. In general, however, those dangers have in the main been thought to be more significant than subsequent experience has actually shown to be the case.

It is not my desire, Mr. Chairman,—and I am sure it is not the wish of members of this Committee—that any detailed explanation or statement relating to the experience either in Germany or Denmark, the pioneer country in compulsory insurance, on the one hand and voluntary health insurance, or sickness insurance on the other should be dealt with by me this time. If it is the desire of the Committee I will be glad to give a reference to a monograph dealing in a comprehensive and adequate fashion with the experience in those two countries down to 1912. This will be found in a book “Medical Benefit”, a study of the experience of Germany and Denmark—

By the Chairman:

Q. Germany is the example of the voluntary, and Denmark of the compulsory?—A. Yes, Mr. Chairman. The book is entitled “Medical Benefit”, a study of the experience of Germany and Denmark, by J. G. Gibbon, published in 1912, in London, by P. S. King and Son.

Compulsory insurance against sickness in the British Isles, as you are aware, was made effective under the National Health Insurance Act of 1911, which came into operation in 1912. Five years ago, a very interesting summary of the experience of the first twelve years of the operation of the Act was provided in a symposium held at the Ninety-Second Annual Meeting of the British Medical Association in the section of Medical Socialology, the proceedings of which appear in the British Medical Journal for August 2nd, 1924, pages 167 to 180. I believe this is a valuable and significant statement, for this reason: that in this discussion representatives of the insurance committee, the bodies charged with the administration of the Act, were represented, that is, the benefit societies through which the benefits are paid, the insured persons both male and female, the medical profession by consultants, general practitioners, representatives of the voluntary hospitals both on the medical side and on the side of the administration, while the views of whole time medical officers of health were also expressed upon that occasion. Of necessity, these statements are concise, but they cover a very great deal of ground.

[Mr. J. G. Fitzgerald.]

Dealing with the proceedings of that meeting, the section of medical sociology of the British Medical Association, an editorial entitled "The Insurance System Debate" appears on pages 203 and 204. May I with your permission, Mr. Chairman, take a moment to quote the last paragraph from it.

It is possible, if not probable, that the question will be raised, how far it is the opinion of the section of the people consulted represents the general opinion of panel practitioners and of approved societies throughout the country.

The speakers of course were directly elected representatives for the purpose of this debate, but from all information obtainable it may be assumed that neither the panel practitioners nor the approved societies in general would entertain for one moment the idea of replacing the Insurance Act by any other system yet devised, however much they may complain about the shortcomings of the service, or the worrying administrative details with which officialdom has surrounded it.

I should like also to make reference to the report for 1927 of the chief medical officer of the Ministry of Health of England and Wales, where on page 253 this statement appears—

The value of health insurance practice is likewise beyond question. It is an intelligent method of organizing private medical practice for the bulk of the population. Its success depends upon reasonable co-operation between the doctor and his patient. It pays them both for the patient to be kept well, and it is meant that it should also be an educational system in which the practitioner is the true doctor and teacher of his client.

Much sickness may be and is dealt with in insurance practice, and where it cannot be dealt with, the system should act as a clearing house by which the patient is otherwise treated. This method rightly used should be an effective instrument of preventive medicine.

It is impossible to suppose that seven million persons are receiving medical advice every year without educational effect, but it is certain that it is insufficiently appreciated. It will perhaps be unnecessary, in view of Dr. Fleming's evidence, to say more at this time with respect to the proportion of the population in England and Wales provided for under national insurance, except that it is about fourteen millions of the population, that this service is provided by something over fourteen thousand doctors, and that for the year 1927 the total cost of medical benefits in England and Wales was £8,794,900, of which approximately £6,628,800 was expended in the remuneration of doctors, and £2,168,100 in the provision of medical appliances.

What is the situation in Canada, Mr. Chairman and members of the Committee; what is the volume of sickness and invalidity in this country, either attended or unattended? We have no exact or definite knowledge or information with which to answer this question. It is true that certain estimates have been made, based upon the experience in England and Wales, and in the United States, as to the volume of sickness and invalidity, and its cost. But I should like to reiterate that we have no precise and definite information, because no provision is made for the collection of morbidity figures. The volume and kind of sickness occurring in the community at all times in large part goes unreported.

Secondly, what provision have we in this country for dealing with sickness and invalidity? It is impossible to completely answer that. Some of our resources are of course well known at the present time, but on the side of curative medicine there are between 575 and 600 hospitals, general and special, in Canada, with between 55,000 and 65,000 beds. There are believed to be about 8,000

physicians actively engaged in the general practice of medicine, and there are perhaps one thousand in addition in other fields, such as research, teaching, public health, hospital administration and in charge of the direction of medical or lay organizations.

The third question is what is the cost of medical care, including hospitalization, dental treatment, nursing, and so on? Here again we can only resort to speculation, to arrive at any idea at all as to its amount.

Then again, the fourth question; what provision for insurance against sickness and invalidity is now available in Canada on a voluntary basis? It is practically impossible to give any satisfactory answer to that question.

So that my own view, in a word, Mr. Chairman, is that a study of the Canadian situation in respect of the need for sickness and invalidity insurance is highly desirable. In my judgment one aspect of this study could be undertaken perhaps by the Canadian Medical Association, and one of the voluntary health promoting agencies, the Canadian Social Hygiene Council, if such a request came from the Department of Pensions and National Health of this country.

Perhaps from this point on, Mr. Chairman, any service I can render to the Committee can best be done by endeavouring to answer any questions the Committee may wish to ask.

The CHAIRMAN: The meeting is open for questions and discussion.

By Mr. Woodsworth:

Q. You referred to certain estimates which have been made with regard to the needs in Canada, based upon the experience of England and Wales on one hand, and of the United States on the other. Have you such an estimate available?—A. In answer to Mr. Woodsworth, Mr. Chairman, an estimate has recently been prepared by Dr. J. W. S. McCullough, Chief Officer of Health of the Department of Health of Ontario, based upon data contained in Mr. Homer Folk's book, including an estimate of the expenditure for physicians, dispensaries, hospitals, nursing care in patients' homes, medicines, medical supplies, et cetera, dental care, loss of wages during sickness, and expenditure for the prevention of illness by the Dominion, the provinces, the municipalities and voluntary societies. This is shown as distributed and not distributed estimates, distributed estimates totalling \$34,098,066, and not distributed \$276,962,382.

Q. What do those words "distributed" and "not distributed" mean?—A. Where the individual makes provision entirely on his own, it is spoken of as a "not distributed" estimate.

Q. I still do not quite understand what is meant. Under a general scheme, would not every one who participates come under it and be included in the "distributed"?—A. These estimates prepared by Dr. McCullough cover expenditures of course in public health as well, and a large part of these are distributed, that is, they are provided by the Government of Canada, by the various provincial governments, and the municipalities, and that is distributed. It is money raised for public health purposes, that is distributed; whereas the provision for medical care, hospital care, nursing care, medicines, medical supplies, and so on is not distributed, it is provided at the individual expense.

Q. That is, up to the present time?—A. Yes. It is very much more comprehensive than what is included in the plan for either voluntary or compulsory health insurance. This is an attempt to arrive at expenditures on account of illness either through the organized public health authorities or by individuals.

In the foregoing Dr. McCullough goes on to say,

In the foregoing estimate of the loss arising from sickness no account is taken of various other expenditures which might properly have been

[Mr. J. G. Fitzgerald.]

included such as funerals, services of untrained women, the men and women of the sick house, of dental hygienists and dental assistants, of oculists and the cost of glasses, nor of the capital costs and interest thereon of hospital construction, the latter of which is upwards of two hundred millions of dollars.

No account is taken of the losses due to accidental deaths. In Ontario alone there are 439 deaths from industrial accidents annually among 500,000 workers. This means 858 deaths per million, as compared with 500 in the State of New York, and 45 in England. The costs of compensation are not included. Because of accidents alone this item costs the province of Ontario six millions a year.

If the various sums mentioned are recapitulated we shall find that sickness costs the individual over 276 millions a year or 8 per cent of the total, that 11 per cent of the losses or 34 millions are distributed to the community and that the total bill for sickness in Canada reaches the enormous figures of over 311 millions annually. If to this is added the stupendous loss of future earning power from premature death we reach a grand total of \$1,311,060,448, of annual loss due to sickness.

That, of course, I must repeat is an estimate, arrived at in the same way as Mr. Homer Folk arrived at his estimate dealing with the situation in the State of New York.

We have of course a much more exact idea, although in part an estimate of the total federal, provincial, municipal, and public health expenditures in the Dominion of Canada. The estimated aggregate expenditures of the provinces and municipalities annually is \$3,563,068.50. If to this is added the expenditure of the Department of Pensions and National Health of Canada, the total is \$5,454,529.32 for public health work.

The municipalities' expenditures are for the most part estimated only. The expenditures of the federal government and the provincial governments were those supplied by the health authorities of those departments.

Mr. WOODSWORTH: Mr. Chairman, I presume that under a thoroughly organized national system of state insurance, there would be a great many economies; there would be a great deal of preventive work which would probably lessen the bill, and yet on the other hand there would be a much more extensive service than is now provided. Has the witness any idea as to whether a systematic arrangement would be more expensive or less expensive than under the existing system?

WITNESS: To answer that question would of course necessitate having figures from the various countries where health insurance is now in operation, and where it will be seen I think that the total expenditures now greatly exceed those that were made prior to the introduction of plans for sickness and invalidity insurance. For example, in England and Wales the total expenditures in public health service prior to 1911 are easily obtainable and also those since 1912, following the introduction of the National Health Insurance Act, and the introduction of compulsory health insurance, and it will be found that with the State subsidy there has been a very great increase in the total expenditure by the State.

By Mr. Woodsworth:

Q. I did not want it limited to the State. I want the entire bill. Would the entire bill for medical services in Canada, which you have given us under the existing conditions, be increased or lessened if we had a national system of insurance?—A. I am afraid I cannot answer that because one would of necessity have to speculate.

Q. I simply take some of the statements you have made. You suggested I think that there would be many economies under a national system, that preventive work would cut down the cost, not to the State but to the community, with a lessening of the number of funerals, loss during illness, and that kind of thing; and on the other hand, there would be much more extensive service to offer to a great many people who now cannot afford to pay for it. I was just wondering how our national ledger would stand?—A. In general, the view held in countries where there are systems of national health insurance is that the State and the individuals in those countries are better off financially, which probably means that they spend less on preventable sickness than they did before.

Q. Under any sort of national system, have you considered whether this should be under the jurisdiction—I am not thinking of the merely constitutional question, but from the effective standpoint of the working out of it,—should it be under the jurisdiction of the federal authorities, or, on the other hand, could it be worked out by a series of provincial arrangements?—A. The Workmen's Compensation of course is so administered, and I see no reason why it would not be possible in respect of sickness and invalidity insurance.

Q. Do you consider that it ought to be a compulsory system?—A. The views of these men who have had the most experience with the question and who have given the greatest amount of thought and consideration is that the compulsory system is superior to the voluntary system.

Q. I think Dr. Fleming told us the other day in a private conversation that you had had some opportunities of seeing the working out of this system in Great Britain. Would you care to give us your opinion with regard to the working out of the system over there?—A. It is the almost unanimous opinion among those engaged in work in public health and preventive medicine that this is the most valuable auxiliary in the promotion of public health, the provision of national health insurance.

By the Chairman:

Q. What is the popular conception throughout the British Isles regarding it?—A. Perhaps your question, Mr. Chairman, may be answered by a reference to the opinions expressed by representatives of the insured persons upon the occasion of the discussion of the workings of the Act, twelve years after its introduction, when Mr. Tom Harland, of Bradford, spoke on behalf of the male insured persons and Miss Florence Godfrey, of Birstall, spoke on behalf of the female insured persons. Their statements, very brief, very concise, and very satisfactory, appear upon pages 171 and 172 of "The British Medical Journal" of August 2nd, 1924. Perhaps they are somewhat too long to read into the evidence, Mr. Chairman, but they answer very satisfactorily your question, and as far as I am aware they express the majority opinion, which is this, that the insured persons, would be very sorry indeed to go back to the condition of affairs that existed prior to 1912.

By Mr. Woodsworth:

Q. You know the conditions both in Canada and Great Britain. Do you think the British system could be adapted to meet the needs of this country?—A. There are very few things that we have felt we needed from Great Britain that we have not been able to adopt, and I do not believe that there is any real reason why that could not be done.

Q. We are told that with our very scattered population,—part of that population living in pioneer conditions, a considerable proportion of the population of Canada engaged in agriculture, and so on,—it will be much more difficult

to administer than in a compact industrialized country such as Great Britain.—A. That of course is true to a certain extent, and in some countries where compulsory health insurance measures are in effect, agricultural workers are not included in the group of insured persons. That originally, was true in Germany, but subsequently agricultural workers were included, and are now provided for under the German plan. In Denmark, which is almost entirely an agricultural country, it is true that the population is not as scattered as it is in the provinces of this Dominion, but it is scattered, and many of the people live in isolated communities, on islands. Denmark is a group of islands, and a very satisfactory system of health insurance is in force in Denmark.

Q. If an industry itself were supposed to contribute to this scheme, who would contribute to it in the case of the farmer?—A. The employer, of course, whether an employer of agricultural labour or of industrial labour, presumably would have to contribute.

Q. But in the case of the working farmer, who is almost on the verge of necessity?—A. That is dealt with in this way, in some countries, that all persons in receipt of an income below a certain level are provided for; that is, all persons at a certain economic level. That is the method in Denmark, and it is varied according to the cost of living. It is a shifting level there.

By the Chairman:

Q. You said we had no definite or precise information on the question in Canada; how do you think we could get that; that would be the foundation for any action, would it not?—A. Yes sir. I think a study, a survey of Canadian conditions should be undertaken, and I have on more than one occasion advocated that such action be taken. I have strongly recommended it, in public addresses and elsewhere. I believe that at this time an effort should be made, and that this is a task of national interest and importance, to ascertain whether adequate and satisfactory medical service, preventive and curative, is within the reach of all persons in need thereof; to endeavour to ascertain whether the present volume of sickness, with its attendant economic loss might be lessened, to study the methods introduced elsewhere for the relief of analogous conditions, and to bring forward recommendations to the governing bodies so that appropriate action might be taken.

Q. You are inclined to believe that that information should be got in a national way, not by the provinces?—A. The provinces certainly should be asked to co-operate.

Q. But the national authorities would be disposed to take the lead?—A. Yes, they should.

The CHAIRMAN: Any other questions?

By Mr. Woodsworth:

Q. What information would you hope to secure by a further enquiry? Could you outline a little more in detail for us the data you think we ought to have?—A. First of all, the volume of sickness, attended and unattended, as far as it can be obtained. That is the first. That is fundamental. That might be done in part through the provincial health authorities, in part through the provincial hospital organizations, in part through the assistance of the provincial medical associations, with the co-operation of the doctors in the various provinces.

These are just some of the ways in which part of that data might be obtained. I would not like off-hand to give a complete answer to that question. I would require to give it further thought and study, of course.

By the Chairman:

Q. Dr. Fleming, in giving this evidence on Tuesday, made the statement that ten thousand employees in the City of Montreal receive medical and nursing aid from the employers. How does that statement compare with is being done in the same direction in Toronto?—A. I really do not know.

Q. You have no information on that?—A. No sir.

By Miss Macphail:

Q. Would you care to say whether in your opinion there is as much need in the rural areas, particularly the sparsely settled rural areas, for health insurance as there is in the more crowded industrial sections of the cities? Many of the schemes you refer to would only take in the industrial worker and the agricultural worker, the labourer in agriculture, in Canada; most of the farmers do their own work. The farmers themselves are a much larger percentage of the population than their hired people. It could hardly be called a national scheme which would not take in the agriculturists, the owners of the land?—A. That is provided for in Denmark, there all persons whose income does not exceed a certain amount can become members of the sickness societies in given localities. They are regional, most societies, based upon or composed of persons working in the same industries. I think most certainly it would not be national in scope unless it did include those.

Q. It seems to me that the most neglected parts are the northern parts of the western provinces, the least thickly populated, but even in any rural area there are people who are very much neglected in regard to health, whereas if they were close to a clinic, as they are in the cities, they might be able to look after themselves?—A. The Highlands and Islands Medical Service, under the Scottish Department of Health, for the provision of medical services to those living in remote communities, recently an effort has been made along the same lines in the State of Kentucky by a group of persons, to meet a very great need there.

By the Chairman:

Q. Is it a voluntary movement?—A. It is governmental in Scotland, the Highlands and Islands Medical Service; not in Kentucky.

By Mr. Woodsworth:

Q. With regard to the proposed survey, you have suggested that it would give us an accurate idea as to the amount of sickness; is that all?—A. I think it would give us a better idea than we have now. I am not sure that we should be able to get information so complete that we could say that it was absolutely accurate.

Q. Would there be any other benefit in such a survey?—A. Some estimates might be arrived at as to the cost of sickness, and the proportion of it now regarded as preventable, and what in the present state of knowledge is non-preventable.

Q. Would it give us any estimate as to how sickness is taken care of among people of the middle classes?—A. Yes. Two years ago in the United States there was a Committee on the cost of medical care, under voluntary auspices, constituted under the chairmanship of Ray Lyman Wilbur, until recently President of Stamford University.

Q. Does that show the cost of the family budget?—A. I believe an effort is being made down there, to obtain that. This committee was only set up two years ago.

Q. Would your survey give us any idea as to the cost to the wage earners?—A. An effort should certainly be made if possible to ascertain that.

[Mr. J. G. Fitzgerald.]

Q. And how they now provide for illness in their families?—A. That also should be a part of what is undertaken.

Q. What I am getting at is this; your suggested survey is to be very generally a medical survey, or is it to take account of the larger economic questions involved?—A. Of course it should. Actuarial advice would have to be obtained, and a study of the social conditions made at the same time. Those engaged in the survey would have to be competent in those fields.

The CHAIRMAN: Any other questions? If not, we thank the Doctor very much for responding to our invitation and giving us his views this morning.

The Committee is adjourned until Tuesday next.

ADDENDA

MINUTES OF EVIDENCE, MARCH 12, 1929. DR. A. GRANT FLEMING UNDER EXAMINATION

Mr. BOURASSA: I think we are all extremely thankful to the doctor for his illuminating testimony, and I move that we express our thankfulness in the most decided manner.

May I point out that there are three or four outstanding features of this very important matter which should be kept in mind and studied from actual conditions existing in this country, while making use of the experiences of other countries.

In the city of Montreal in which I was born and in which I have lived most of my life, the most acute problem there is perhaps that of habitation,—the housing problem. I consider that most of the dwellings housing our population in Montreal are built in a most absurd and nonsensical fashion; and the municipal authorities, unfortunately, have not taken up the problem. It seems to me that the slum problem, as it is called in England, is with us in Montreal,—I speak for Montreal alone—in such a manner that it should be taken up at once. A very large proportion, not only of the labouring class, but of what—shall I call it the middle class to which the doctor has referred? who are not either very poor and therefore do not attract the attention of charitable institutions,—live in houses where it is absolutely impossible to raise a family under proper healthy conditions. Lack of sun, lack of ventilation, lack of space, especially for large families: I think that is closely connected with the problem studied at the previous sitting, together with the attention to be given to the raising of children.

The second point is the care to be taken of women in pregnancy. I had once a very interesting conversation with one of the most experienced men that we have in Montreal, Dr. de Cotret, who I think has brought into this world the largest number of children in the city of Montreal for the last forty years. He told me that in his private practice he had come to this, that he exacted from any woman who intended making use of his services, the promise to consult him in the three first months of her pregnancy in order that he may look after her case long before the time of the birth of the child, so that the child would come into this world in proper condition, and the mother well taken care of in proper time.

The third point is the nutrition of the child. In one of the questions I put to Dr. Fleming, I referred to the admirable and excellent work done by the voluntary society called Gouttes de Lait. I might give my personal experience of the parish in which I lived for fifteen years, Mile End. There, may I say, we had a parish priest who is one of the most effective social workers as well as educationists in Montreal, Father Perrier. One of the first things he did was to organize the Gouttes de Lait. Then he followed up the statistics of that one group, similar to those in existence in many of the parishes, and the results have been wonderful, both with regard to the health of the mothers, the health of the children and the reduction in the death rate of the babies.

The fourth thing, of course, is tuberculosis. I think if we could tackle these aspects of the health problem: habitation, the care of women in pregnancy, the proper nutrition of children, the adoption of preventive means in regard to tuberculosis, we would obtain tremendous results, in the city of Montreal, especially, and in all large centres. In these matters we have to take into account the

climate of the country, the fact that the winter is so long and the people are so much confined in houses heated but not properly ventilated. There is the contrast between the summer and the winter, and, therefore, attention should be given both to the proper ventilation of the houses in winter and to their proper heating, and also to the introduction of sunlight. I believe in the action of the sun more than in the science of all the physicians put together. Then there is the care of the milk, in summer especially. I think some progress has been accomplished in Montreal in this respect, and what remains to be accomplished, as the doctor says, is a tremendous amount of education of municipal authorities, of health authorities, of mothers, of fathers, of all the people—even the physicians.

In St. Jerome, for example, I happen to know of the splendid work that is being performed by the nurses employed by the Metropolitan Insurance Company. They have had wide experience, and statistics show that they have effected a reduction in infant mortality, and helped the recovery of women after childbirth.

WITNESS: Yes.

SESSION 1929
HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

**INDUSTRIAL AND INTERNATIONAL
RELATIONS**

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7—APRIL 16, 1929

WITNESSES:

Mr. Gerald H. Brown, Assistant Deputy Minister of Labour.

Mr. R. A. Rigg, Director, Employment Service of Canada.

EXHIBITS FILED

Actuarial Report of Mr. A. E. Watson, Dominion Department of Insurance.

MINUTES OF PROCEEDINGS

TUESDAY, April 16, 1929.

Pursuant to adjournment and notice, the Select Standing Committee met this day at 11 a.m.

The Chairman (Mr. McIntosh) presiding.

Minutes of March 14th and March 19th, read and approved.

Present: Messieurs Bourassa, Grimmer, Hall, Jenkins, Johnstone (Cape Breton), Letellier, McIntosh, Neill, Plunkett, Woodsworth, St-Père.—11.

Actuarial Report of Mr. A. E. Watson, Department of Insurance, filed as Exhibit No. 2.

A telegram from the Social Service Council of Canada was read by the Chairman, and on

Motion of Mr. Woodsworth,

Resolved, that their representatives, viz., Miss Whitton, Mr. Falk, and Mr. R. E. Mills, be heard on the subject of Family Allowances on Thursday, next, April 18th, at 10.30 a.m.

On motion of Mr. Woodsworth,

Resolved, that a sub-committee be appointed to draft a report to be submitted to the committee for approval, the sub-committee to consist of the following four members, Messieurs McIntosh, (Chairman), Johnstone (Cape Breton North-Victoria), Woodsworth, and St-Père.

Mr. Gerald H. Brown, (Assistant Deputy Minister of Labour), called, sworn and examined.

Witness retired.

Ordered that report of the United States Senate Committee on Education and Labour, *re* Causes of Unemployment be printed in the record.

Mr. R. A. Rigg, Director of Employment Service of Canada, Department of Labour, called, sworn and examined.

Witness retired.

The Committee adjourned until 10.30 a.m., Thursday, April 18, 1929.

C. R. McINTOSH,
Chairman.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

ROOM 425, HOUSE OF COMMONS,
TUESDAY, April 16, 1929.

The Select Standing Committee on Industrial and International Relations met at 11 o'clock a.m., Mr. C. R. McIntosh, the Chairman, presiding.

GERALD BROWN, called and sworn.

The WITNESS: Mr. Chairman and gentlemen: With reference to the subject of sickness insurance and invalidity insurance, perhaps one word by way of information would be in order to the effect that since the matter was before our committee last year, it has also been before the British Columbia legislature, and they adopted, on February 1, a resolution referring the subject of sickness, maternity benefits, and health insurance to a committee of the legislature for examination and report, to collect facts, to inquire as to the laws relating to the subject of maternity benefits and health insurance in force in other provinces, and other countries, to collect facts as to the actual operation of such laws and as to how far they have been found satisfactory; to inquire as to whether and to what extent the public interest requires the introduction of similar laws into the Province of British Columbia; to estimate what would be the total annual cost to the people of the province in regard to each of these subjects, and what portion of the annual cost would fall upon, (a) employers of labour; (b) prospective beneficiaries, and (c) the general taxpayers; to suggest methods by which the annual cost might be collected from the employers, prospective beneficiaries, and general taxpayers respectively; and generally to inquire into any or all matters affecting the said subjects respectively; and to report its findings and recommendations to this legislature at its next session.

I might mention on the subject of sickness and invalidity insurance that the memorandum of information on this matter which was compiled last year has been brought up to date in our department and will be distributed to members of the committee. In one case it is a memorandum showing the system of sickness and invalidity insurance existing in different parts of the world, and in the other case it is a statement of what is being done in Canada with regard to these subjects, invalidity insurance being pretty much the same as sickness insurance—chronic sickness—through voluntary agencies and by law to the extent that the matter is met by workmen's compensation as to industrial diseases.

While on the subject of unemployment insurance, we have a comprehensive memorandum as to the system of unemployment insurance in effect in certain countries. This also has been brought up to date. It is a mimeographed memorandum, and we will see that it is distributed to the members of the committee within the next day or two for any service it may be, by way of information.

On the subject of unemployment, I thought it might be well to call your attention to a fact which has not been mentioned before this committee, but which was mentioned in the House, that the census report, volume three, of the 1921 census—which was not issued at once but only comparatively recently—contains a table dealing with the average number of weeks employed in the census year by workers, with ages, in specified industrial groups for cities of thirty thousand population and over. That particular table I have had copied from the census report, and if you so desire I will hand it in. It is quite brief, and it may be included in the record.

(See table in appendix)

[Mr. Gerald H. Brown.]

It is, as I have said, confined to returns for cities of thirty thousand or over, although as we understand it, the information was obtained for the whole country. Apparently, therefore, the information for the whole country was not compiled as to the 1921 census. The information which it contains relates to conditions in the following cities, Calgary, Edmonton, Halifax, Hamilton, London, Montreal, Ottawa, Quebec, Regina, St. John, Toronto, Vancouver, Victoria, Windsor, and Winnipeg, and it covers the conditions in these different industries, manufactures, construction, transportation, trade, finance, domestic and personal service, clerks and all labourers. The grouping, as you see, is a very broad grouping; it is not in considerable detail, but it indicates the average number of weeks worked by workers in these different branches of employment, and the information is based on returns received from individual workers who were called upon by the census officials in their survey from door to door throughout the country. I will not go into the figures as they speak for themselves, and probably the record in the minutes will be sufficient.

By Mr. Woodsworth:

Q. May I ask whether you can give us any information as to whether it would be possible to compile these statistics which are apparently lying in the Census Bureau?—A. That is a very suggestive question, and my own thought with reference to it is that perhaps the committee might be more interested in the course which should be followed as to the next census, rather than as to the past census, since the information will be taken in the comparatively early future. I am prompted to make that answer to some extent by a report which we have received recently from Washington indicating that the subject of unemployment in its various aspects has been receiving attention at the hands of a special committee of the Senate during the past year, which was based on a reference moved in May, 1928. The report which has quite recently come to hand is from the Committee on Education and Labour of the American Senate, and it deals first with the occurrence of unemployment and the extent of it, and passes on from there to other phases of the subject. The resolution is quite brief, but for the information of the committee I will file this and it may be printed as a part of the record.

(See appendix)

Now before we obtained this report I had put my hand on the information we had in our last report from the 1921 census, and, as I have already indicated, it is very brief and very simple in its survey of the situation. Probably the committee might desire to take the subject up with the census authorities. The census authority is the Bureau of Statistics, which is under the charge of the Minister of Trade and Commerce.

Q. In your opinion the need for accurate information of that character applies to Canada equally as to the United States?—A. I would think so.

By the Chairman:

Q. They have their census returns every ten years?—A. Yes, they will take theirs in 1930; our census will be taken in 1931.

Q. So the information we would require will probably not be available until 1932?—A. Possibly returns would be based on the year beginning June 1, 1930, and extending to June 1, 1931. Every witness would be asked how much employment he had during that period. I have not made any suggestion, but am simply giving the information that is here on the subject of unemployment statistics which was before your committee, as you will recall, last year. Mr. Rigg in his evidence said he was not able to furnish more definite statistics than were already available, and the committee in its report to Parliament at

[Mr. Gerald H. Brown.]

the end of the session went into the subject of unemployment statistics, and that is why I am speaking of it here. It is before you for reconsideration on a very important subject as to the cost of unemployment insurance. It says:

On the very important subject of the cost of unemployment insurance your committee has experienced great difficulty in arriving at any definite conclusion owing to the lack of data as to the amount of unemployment, either constant or occasional in character. There appears to be no definite method of ascertaining the unemployment at any given point for any length of time. We, therefore, recommend that the Government immediately devise some means whereby the amount of the unemployment, over a period of a year, could reasonably be calculated.

That is the point to which I am addressing myself now. The committee's recommendation of last session asked the government to devise some method of ascertaining the amount of unemployment over a period of years, and so far as we can see in the Department of Labour, it is not obtainable otherwise than through perhaps the census inquiry.

Q. They have not in the States or Great Britain the information we want in Canada?—A. No, but curiously the committee at Washington which has had the subject before it seems to have its mind running along the same line as ours.

By Mr. Neill:

Q. Is it your suggestion that the Department of Labour is unable to compile any statistics regarding unemployment in Canada?—A. Mr. Rigg, who spoke to this point last session, is here and will answer any question you may care to ask on that point?

Mr. NEILL: I would like to know what was done.

Mr. RIGG: Well, there was a great deal of thought given to it; it was the subject of many discussions in the department and quite frankly without the outlay of a considerable amount of money and the building up of an enormous machine, it is practically impossible to get precise information with regard to the number which may be unemployed at any given time. Further, in order to maintain that information throughout the year, over a period of years, for the purpose of covering sufficient ground to enable you to obtain reliable data upon which you could build and depend with accuracy, it would be necessary to begin an enormous undertaking which would involve building up a big organization and the expenditure of a great deal of money, which we have not at our command.

The CHAIRMAN: What is the idea of the information we could get through the Census Bureau? Could we get what we want?

Mr. RIGG: No; I am quite sure you would not get what you want. You can get something which may have some value, but it is not going to prove satisfactory for your purpose. What you will obtain through the Census Bureau is a record of how many months the workers of Canada were unemployed during one year. Supposing you take two years, say 1921 as compared with the present year: What great difference is there going to be so far as the actual volume of unemployment existing in the country is concerned? That problem is a variable problem, it varies from month to month; it is not this month what it will be next month, and because of the continuous variations in the problem it does not matter whether you find out to-day how many unemployed there are in the Dominion of Canada, because next month some one will say there are some other figures, and they will probably be right in saying they are not the figures you have obtained to-day. That, as it appears to me, is one of the big

[Mr. Gerald H. Brown.]

difficulties. If you consider it to be important you should have precise information regarding a long period of time, before you determine what you should do with regard to the question of unemployment insurance.

Mr. NEILL: I do not think we used the word "precise".

Mr. RIGG: You are trying to get as accurate information as possible. There was a great deal of discussion in the United States last year with regard to how many people were unemployed there. A body of experts had been set to work for the purpose of ascertaining what the conditions were. They had very incomplete data with which to work, and in the process of their examination they came to the conclusion that as compared with the year 1925, or rather, three years previously, there had been a shrinkage in the volume of employment afforded in the United States to the amount of one million eight hundred and seventy thousand. Now this material was used in Congress. There was a tremendous discussion, a very bitter and acrimonious discussion with regard to this subject of unemployment in the United States. There were those who said there were one million eight hundred and seventy thousand unemployed in the United States, although those who had compiled the figures stated definitely that was not their conclusion, that what they had obtained showed there was a shrinkage as between 1925 and 1928 of one million eight hundred and seventy thousand workers in the United States. How many there had been unemployed in 1925 no one knew. That had to be guessed at, and, therefore, during the course of this discussion there were those who said there were one million eight hundred and seventy thousand, and there were those who said there were four million, and they ranged in between. But they all possessed an authority, quoting certain statistical data in support of their conclusions. My point, Mr. Chairman and gentlemen, is this, that perhaps it is not of supreme importance that accurate information should be available. Did it matter in the United States, for instance, whether the problem was only the meeting of the needs of one million eight hundred and seventy thousand or four million? Was the problem not big enough when they knew they had at least one million eight hundred and seventy thousand unemployed with which to deal?

Mr. BOURASSA: Mr. Rigg, have you covered the point already raised in this committee, that is the ascertaining as nearly as you can the volume of seasonal unemployment in this country as between Canada and the United States? You have mentioned the difficulty of arriving at conclusive figures. Is it not a fact that the volume of seasonal unemployment in proportion to general unemployment is still larger in Canada than in the United States?

Mr. RIGG: I have no exact data upon which to proceed in replying to the question. I think in all probability that we labour under a greater disadvantage than the United States as a whole, although there is a very considerable volume of seasonal unemployment in the United States.

Mr. HEAPS: Would it not be fair to take area as against area? For instance, it would be unfair to take Manitoba and Saskatchewan and compare them with the state of New York. Quebec and New York might be a better comparison.

Mr. RIGG: So far as those two areas are concerned, even they vary very widely. There is a great deal of difference in the degree of industrial development which has taken place in the state of New York from that in the province of Quebec. The industries are radically different.

Mr. BOURASSA: Consider the question of building. In the province of Quebec it is about the same problem as harvesting in the west, only reversed. We have a large amount of unemployment in the winter because of climatic conditions as far as building is concerned. In Montreal we have perhaps fifty thousand people employed in the summer season in building various works, and an unemployment in the winter which would not be the case in the state of New York.

[Mr. Gerald H. Brown.]

Mr. RIGG: The same, if I may so so, with regard to railroad construction and maintenance. During the winter season there is an enormous army of workers laid off from the railroads, and they seek refuge very largely in the bush, and in the spring they come out of the bush again. One of our great problems is the necessity for maintaining in Canada, under our present industrial conditions, an enormous mobile army of workers which must be ready to shift around from pillar to post, from one area to another, quickly and freely in order to meet the demand of industry.

Mr. HEAPS: Without asking you to commit yourself, to maintain that mobile army, some provision should be made by the state to look after the mobile army when there is nothing for it to do?

Mr. RIGGS: That is for you gentlemen to decide. I will not attempt to answer that question at all. I had the privilege of reading two days ago a copy of letter addressed to President Hoover by a very important body of experts in the United States who are anxious to do precisely what you gentlemen are anxious to do, so far as obtaining figures relative to the amount of unemployment is concerned in that country. In spite of the great resources which they have at their command they have not succeeded in getting as far as we have. Our figures with regard to employment and unemployment are more comprehensive, and I think I may say more reliable than theirs. We tap fields which they do not. We gather statistics from trade unions in Canada with regard to the volume of unemployment in their ranks, which is not done in the United States. As a matter of fact, quite recently the American Federation of Labour has been driven to undertake in the United States what the Government of Canada does in Canada.

The CHAIRMAN: Our information is much more comprehensive than the United States'?

Mr. RIGG: Yes, absolutely, and if I may say again it is more encouraging. Let us consider the returns collected and published by the Bureau of Statistics in the Labour Department in Washington with regard to employees in manufacturing industries, and take similar figures which are gathered by our Bureau of Statistics in manufacturing industries in Canada, and compare the trend of those figures. You gentlemen will be surprised at the comparison, because it is so extremely favourable to conditions prevailing in Canada as compared with conditions in the same field in the United States. Our improvement since 1920 has been enormously greater than that of the United States in spite of all that has been said with regard to the United States being an Eldorado, and so on. Those are the facts which are definite and sure and undeniable.

Mr. NEILL: Mr. Rigg seems to have a very high opinion of the Canadian methods in connection with the Labour Department in comparison with the United States. How does that jibe with his first statement of the enormous expense required to provide machinery which does not now exist to get even an approximate estimation of the unemployment from time to time? Surely, if the Labour Department has any function it is to reduce unemployment, and to reduce it one of the first essentials is to know whether it exists, and if so, to what extent. Now he tells us how far ahead we are over the States, although he said at the beginning it was impossible to furnish us with any data whatsoever with regard to unemployment. Mr. Rigg, are you at the head of the Department's Employment Bureau?

Mr. RIGG: Yes.

Mr. NEILL: How many offices have you?

Mr. RIGG: We have offices in sixty-four cities.

Mr. NEILL: Could a report not be obtained from them weekly or monthly to compare with the previous week or month, even if it was only their opinion. They must have some knowledge of whether employment was better than at the same time the previous week or the previous month.

Mr. RIGG: That is available now.

Mr. NEILL: You said the whole thing was hopeless.

Mr. RIGG: No, only in so far as obtaining accurate and comprehensive data.

Mr. NEILL: We do not want it to a decimal point, but some approximation which the Bureau could send in from the people on their lists.

Mr. RIGG: We publish these regularly, but that does not give us the number of unemployed; that gives us the number who register for employment in our offices and who fail to find work. But the number of unemployed is a radically different figure from the figure of those registering in our office.

Mr. NEILL: It should be an index in some ways.

Mr. RIGG: I think I said when I was before the committee last year that so far as obtaining information with respect to trends in employment was concerned, we already have that information. It is published regularly in the *Labour Gazette* and is information which will guide anyone who intelligently studies it to understand whether—

Mr. NEILL: We ask you to formulate that for us in a comparatively summarized form.

Mr. RIGG: I think it is there. For instance, we have the returns from, let us say, first of all, the offices of the Employment Services of Canada which show the number of vacancies which have been listed in the offices throughout the whole country, and the number who have registered for employment—

The CHAIRMAN: But that is no indication of the unemployment throughout the nation?

Mr. RIGG: No. It also shows the number of placements made by the offices, the number of transfers which have been made from one office zone into another, the members from one province to another. That information is all of given employment. Then again, we have the Trade Union returns monthly which we obtain from a majority of the Trade Unions in this country—the local unions—a statement which gives us the total number of their membership, and the number of their members unemployed, and a chart is printed in the *Labour Gazette*. A period of several years shows how the fluctuations of unemployment in the ranks of trade unionism has registered itself. That is a valuable guide.

Mr. NEILL: What proportion of the Trade Unions report?

Mr. RIGG: About seventy-five per cent of them.

Mr. BOURASSA: That would cover about what proportion of the labour?

Mr. RIGG: A comparatively small proportion, less than three hundred thousand.

Mr. WOODSWORTH: And those more largely of skilled workers whose position is rather more steady than the unskilled?

Mr. RIGG: Much more favourable than that of the unskilled who are ordinarily working for a small wage, which keeps them busy making both ends meet.

Mr. NEILL: You got statistics regarding the seventy-five per cent of about three hundred thousand workers?

Mr. RIGG: Yes, or less than that; about two hundred thousand.

Mr. NEILL: That is not very satisfactory.

[Mr. Gerald H. Brown.]

Mr. RIGG: The Dominion Bureau of Statistics in addition secure some returns from six or seven thousand employers in Canada every month. These employers report the number of workers on their payrolls as at a given date. Now, these returns are all plotted out in charts, and the fluctuations shown by these charts over a period of years is very interesting. Strangely enough, as it might seem to the uninitiated, they are mutually supporting, and you will find in a general way the same general tendencies registering themselves through all these three sources of information. I say that is valuable information to possess, and you have sufficient evidence there to warrant you in arriving at certain conclusions, as you have regularly registered the peaks of employment, while the valley below is that of unemployment. Those things show themselves there. If anyone should say to me on a given date, "How many people are there employed in Canada?", I must confess my ignorance, but should anyone ask me the tendency in Canada, I would have no hesitation in answering, whether upward or downward. Those things are obtained at the present time, and I think constitute valuable data. Now, if Mr. Neill instead of asking me to compare Canada with the United States had asked me to compare Canada with Great Britain, I would have had to say that as far as the British figures relative to unemployment are concerned, we are a long, long way behind. I submit that the only reason why the British figures are better than ours is because they have in existence over there a scheme which permits, which encourages—which makes it almost compulsory—for one to register when out of work. It does make it compulsory to obtain certain things, and therefore their figures are much more reliable and comprehensive than ours can possibly be under our present system, but it costs a lot of money to gather these statistics and keep them up to date.

Mr. WOODSWORTH: The best way to get statistics is to put a scheme into operation.

Mr. NEILL: Based on statistics you have not got.

Mr. WOODSWORTH: In another field, with which I think you are familiar, in connection with the Workmen's Compensation of Manitoba, was it not true that in initiating this scheme they had to go on very inadequate statistics and then later on the scheme itself enabled them to secure very definite information?

Mr. RIGG: Yes, as a matter of fact when the Workmen's Compensation Act of the various provinces was being agitated twenty years ago there was much less reliable data upon which to proceed with regard to the number of industrial accidents which actually took place than there would be to-day if any authority thought to introduce unemployment insurance, for instance.

The WITNESS: The figures which were available as to accidents, using the Canadian Department of Labour's report—

Mr. NEILL: And the insurance companies'.

The WITNESS: Yes, and the insurance companies', indicated the existence of a problem. The figures which were printed at that time as regards accidents were used by those who came before the government and stated the existence of the problem, and we have far more accurate statistics of accidents in the Canadian Labour Gazette from month to month than we had before the Workmen's Compensation was inaugurated—far more accurate than in the United States.

Mr. WOODSWORTH: But as far as Canada is concerned, we have sufficient with regard to unemployment—

Mr. BROWN: That is a by-product.

Mr. WOODSWORTH: But there is sufficient to say there is a problem which ought to be met.

Mr. NEILL: You cannot base a rate on a vague statement like that, and we want the rate of what it will cost. This is a contributory thing, and we must find out what it will cost.

Mr. RIGG: The bigness of this problem in obtaining these figures is well known. If I may be permitted I would like to conclude the statement I started to make some time ago with regard to a copy of letter addressed to President Hoover which I had the pleasure of reading the other day, from a very influential body of experts interested in this problem of finding out how many people there are unemployed at a given time in the United States.

The CHAIRMAN: Whom did they represent?

Mr. RIGG: The Russell Sage Foundation, the Rockefeller Foundation, a great number of social agencies, economists and so on, the leading men and women in economic and social service work in the United States. They, curiously enough, are begging for the privilege of having inserted a couple of questions in the next year's census questionnaire which will only give them, when they obtain it, the precise information as to how many people there were unemployed on that day, that is, the day when the enumerators call around. It will be utterly useless material when they get it, but they are begging for that little moiety, in a letter which has been addressed to President Hoover. I only mention this in order to indicate to you gentlemen, who, I know, are sincerely interested in this great problem—as we all are—how extremely difficult it is to do all we would like to do, that is, to be able to say exactly what the extent and volume of our problem really is. That the problem exists, of course, no one can deny. What the volume of it is, none of us can say.

By the Chairman:

Q. Mr. Brown, you were speaking when Mr. Rigg was called upon to answer a question. Perhaps you had not quite finished?—A. I had really finished what I had to say. The Chairman has referred to the report of the British organization on the subject of unemployment. It is not, however, an official publication, and I have some hesitancy in putting it forward. I have referred to the report of the committee of the United States Senate, which has been working along the same lines as we have had here for a year past, and I thought it was a very proper thing to put before you because it contains their report. But the report in question as to unemployment in Great Britain is simply one of a conference on industrial reorganization and relation, which was organized by Lord Melchett and other leading industrialists in co-operation with the British Trades Union Conference.

Mr. WOODSWORTH: That is the one from which you quoted?

The WITNESS: No. I was quoting from the American report, not the British.

Mr. WOODSWORTH: It seems to me that we have as much information available now, from what Mr. Brown has given us, as we are likely to get. I would like to move that we have a Sub-Committee to be named by the Chairman, to prepare and present a draft report to this Committee next Tuesday, to serve as a basis for our discussion.

The CHAIRMAN: This Sub-Committee will proceed to draw up a report for presentation to this Committee next Tuesday, and then the whole Committee will work on the report and get it into proper form for presentation to the House. That will require some work on the part of this Committee.

After reading the answers from the different provinces, I am inclined to think you will never get a definite answer from any province until you have

[Mr. Gerald H. Brown.]

something definite to lay before them; and I think the only way to get definite instructions would be to get into conference with an official representative of each of the different provinces, and get down to brass tacks by personal contact.

Mr. Woodsworth's motion is acceptable to the Committee.

Motion agreed to.

The CHAIRMAN: You now ask me to appoint a Sub-Committee of three. Is it the wish of the Committee that the Chairman should be on this Sub-Committee.

Mr. NEILL: Yes, certainly.

The CHAIRMAN: I think the Committee, as a whole, should name the members of this Sub-Committee. I do not see any reason why you should throw it back on the Chairman.

Mr. JENKINS: I nominate Dr. Johnston.

Mr. PLUNKETT: I would nominate Mr. Woodsworth, representing Labour, and Mr. St. Pere; and the Chairman ex officio.

The above nominated Committee was declared elected.

The Committee then adjourned till Tuesday, April 23rd, 1929, at 11 a.m.

APPENDIX

AVERAGE NUMBER OF WEEKS EMPLOYED IN CENSUS YEAR BY WORKERS, ALL AGES, IN SPECIFIED INDUSTRIAL GROUPS FOR CITIES OF 30,000 POPULATION AND OVER, 1921

Cities	Manu- factures	Con- struction	Trans- portation	Trade	Finance	Domestic and personal service	Clerks*	Lab- ourers (all)
	Weeks	Weeks	Weeks	Weeks	Weeks	Weeks	Weeks	Weeks
Calgary.....	45.21	38.95	47.39	49.38	51.29	44.80	49.57	40.87
Edmonton.....	47.76	42.58	48.27	49.82	51.85	48.90	49.76	44.23
Halifax.....	47.20	43.67	46.68	49.17	51.89	48.62	49.88	43.03
Hamilton.....	45.45	42.26	47.08	48.27	51.65	47.82	48.55	42.40
London.....	47.07	44.42	48.39	49.77	51.77	48.40	49.51	45.05
Montreal.....	44.79	42.69	46.48	48.82	51.17	48.88	49.47	42.26
Ottawa.....	48.61	43.09	49.02	49.84	51.43	49.45	50.17	43.37
Quebec.....	45.76	45.97	48.43	50.24	51.51	49.66	50.54	44.46
Regina.....	49.38	43.42	49.45	50.40	51.97	49.69	50.84	44.57
St. John.....	46.19	41.81	44.85	49.41	51.54	48.18	49.06	39.87
Toronto.....	45.18	41.34	47.42	48.89	51.40	47.13	49.14	41.72
Vancouver.....	43.70	38.50	43.59	47.61	50.65	47.04	47.23	43.64
Victoria.....	44.42	37.39	46.48	48.32	50.39	48.91	48.82	43.26
Windsor.....	44.49	39.43	46.46	47.92	50.43	46.83	47.61	38.93
Winnipeg.....	46.39	40.67	47.65	48.66	51.25	46.94	49.13	42.04

*Not including public administration.

SENATE

70th Congress, 2nd Session

Report No. 2072

CAUSES OF UNEMPLOYMENT

FEBRUARY 25 (calendar day, MARCH 1), 1929.—Ordered to be printed

Mr. COUZENS, from the Committee on Education and Labor, submitted the following

REPORT

[Pursuant to S. Res. 219]

Under date of May 3, 1928, the Senate adopted Senate Resolution 219 of the Seventieth Congress, first session. The resolution was as follows:

Whereas many investigations of unemployment have been made during recent years by public and private agencies; and

Whereas many systems for the prevention and relief of unemployment have been established in foreign countries, and a few in this country; and

Whereas information regarding the results of these systems of unemployment, prevention, and relief is now available; and

Whereas it is desirable that these investigations and systems be analyzed and appraised and made available to the Congress: Therefore be it

Resolved, That the Committee on Education and Labor of the Senate, or a duly authorized subcommittee thereof, is authorized and directed to make an investigation concerning the causes of unemployment and the relation to its relief of (a) the continuous collection and interpretation of adequate statistics of employment and unemployment; (b) the organization and extension of systems of public employment agencies, Federal and state; (c) the establishment of systems of unemployment insurance or other unemployment reserve funds, Federal and State, or private; (d) curtailed production, consolidation, and economic reconstruction; (e) the planning of public works with regard to stabilization of employment; and (f) the feasibility of cooperation between Federal, State, and private agencies with reference to (a), (b), (c), and (e). For the purposes of this resolution such committee or subcommittee is authorized to hold hearings and to sit and act at such times and places; to employ such experts and clerical, stenographic, and other assistants; to require, by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee, which shall not be in excess of \$15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman. The committee or subcommittee shall make a final report to the Senate as to its findings, together with such recommendations for legislation as it deems advisable, on or before February 15, 1929.

Shortly after the Senate had adopted the resolution your committee met to consider plans for making the survey. The assistance of the Institute of Economics of the Brookings Institution of Washington, a nonpartisan, private organization, was sought, and the institute assigned Dr. Isador Lubin, of its staff of economists, to assist in directing the work. The work of the institute has been voluntary, and, as a result, the expense of the survey to the Government has been slight.

The committee and the Senate owe the Institute of Economics a debt of gratitude, and the committee herewith expresses it and also compliments the institute upon the work it has done.

The report of Doctor Lubin, which summarizes the evidence submitted to the committee and comments upon it, is printed at the conclusion of the printed hearings. Anyone who has followed this work or is interested in this subject should read this report.

The committee is likewise indebted to the Industrial Relations Counsellors of New York, another endowed organization which has been interested in the subject of unemployment. This organization contributed to the committee three volumes of a report it has made on the subject of unemployment-insurance plans. Although this report touches on some subjects which had also been reviewed by your committee, we feel that the whole is of such value that it should be printed as a part of the evidence of your committee and this has been done.

Likewise, the committee is indebted to any number of business men who gave, unstintingly and willingly, of their time and services.

Your committee was interested, primarily, in the worker who desires to work, who is seeking an opportunity for gainful employment, and who is unable to find it. There are others who might be listed as "among the unemployed" but those who are not employed because they do not choose to be employed, hardly constitute a problem for this committee.

The evidence taken shows the causes or the types of unemployment might be divided into three classes, cyclical, seasonal, and technological.

Little necessity exists for describing these three classifications. Cyclical unemployment has been like the plague; it has come and gone at regular intervals until it has been accepted as a necessary evil by some who should know otherwise. We do not believe, any more, that it is necessary for the baby to have the diphtheria and rickets and other "diseases of childhood." We have found and are finding methods of preventing these diseases. We should recognize also that there is an obligation on all society to attack, unceasingly, the problem of unemployment.

Cyclical unemployment can be best attacked through the control of credit, according to the experts who testified before your committee. It was the expressed view of these students that the Federal reserve system has done and is doing a great deal toward this end.

We all know the story of progression and retrogression in industry as told in the history of all cyclical unemployment. Although there may be different causes and although no student seems to be able to lay down a dogma as to causes which is universally accepted, the results are much the same. We have the first evidence of increased business, development of "better times" psychology, increased orders and increased production, plant extensions, increased stocks on shelves, extensions of credit and then the swing downward, a swing which is merely accelerated.

And for labor, we have the inculcation of the practices of inefficiency which are definite marks of every period of overdevelopment and overexpansion and then—unemployment.

As Dr. John R. Commons put it in his testimony before your committee, "We first demoralize labor and then we pauperize it."

We desire to call the reader's attention to the statement of Doctor Lubin in the report of the Institute of Economics, which reviews the incidents of cyclical unemployment at greater length and with more pointed facts.

Seasonal unemployment is of more immediate interest because here we have a daily problem, year in and year out, which confronts the industrial leader and society in general. If the business men of the country will solve this problem to the extent it is possible of solution, will eliminate this waste, the saving to industry will be two billions of dollars a year, according to the testimony of Mr. Sam O. Lewisohn, a leader in many industries, who appeared before your committee. Seasonal unemployment can be attacked in many ways. It is being successfully attacked in many industries as the evidence will show. Discussion of these methods of attack will be found in other sections of this report.

Technological unemployment covers that vast field where, through one device or another, and chiefly through a machine supplanting a human, skilled workers have found that their trades no longer exist and that their skill is no longer needed. What becomes of these men? What can be done about these thousands of individual tragedies? What do these individual tragedies mean to society as a whole?

It is an imponderable thing. Some of the experienced witnesses who appeared before your committee stated that new industries absorb the labor turned adrift by machine development. The automobile, the airplane, the radio, and related industries were suggested as examples. Undoubtedly there is much truth in these statements, but nevertheless we are not relieved of the individual problem. It offers little to the skilled musician to say that he, who has devoted his life to his art, may find a job in a factory where radio equipment is manufactured. Then there is the delay, that inevitable period of idleness when readjustments are being effected, the suffering, the loss, the enforced

change in environment. True, this may all be "the price of progress" but society has an obligation to try, at least, to see that all this "price" does not become the burden of the worker.

This subject also will be discussed more fully under other chapters of this report.

There is one other field of unemployment, the field wherein we find the crippled, the superannuated, the infirm. This field constitutes a problem for industry and for society. It is a growing field, we believe. The man of mature years is not so successful when competing with a machine as is a younger man. The problem of these men will also be touched upon in other chapters of this report.

Your committee is required by Senate Resolution 219 to make a report on the causes of unemployment. So many inquiries have been made on this subject, so many conferences have been held, so many reports made, so many volumes written; that it would seem impossible to contribute anything additional of great value.

However, your committee feels that it has accomplished something. We have striven to obtain an understanding of some of the conditions which cause unemployment, of the machinery now had to detect when and where unemployment exists, and of the existing facilities for the treatment and the relief of the condition, once it is known to exist.

It is probable the survey could have been more comprehensive and that the report of your committee might be more dogmatic, but we emphasize that this is a so-called short session of Congress, and that it is most difficult to accomplish a great work like this at a short session. Senators are beset with two or more conflicting committee meetings, and they must choose between them. Because of this condition, it was impossible to obtain the constant attendance of all members of the committee at all meetings.

Notwithstanding, your committee feels that it has contributed toward an aroused interest in the subject, that another effort has been made to interest leaders in industry in the problem of stabilizing employment, that the evidence collected and printed in the hearings will provide an opportunity for a better understanding of the whole situation, and that as a result of this survey another advance has been made in the effort to solve the difficult problem of unemployment.

Regardless of what may be said in derogation of conferences and investigations, this survey shows conclusively that the unemployment conference, which was convened in 1921 under the leadership of Herbert Hoover, did accomplish something. That conference aroused the interest of some employers in the subject of stabilization. They returned to their plants and began an effort to stabilize employment in their industries. They attained some success and then more, and as they succeeded and realized what they had gained, they became missionaries in the field. Now, they have appeared before your committee and their testimony speaks for itself.

Before proceeding with a detailed discussion of the evidence, your committee wishes to voice the opinion that the unemployment problem can only be solved through constant struggle on the part of all members of society. When your committee uses the word "solved," it merely means that an opportunity will have been given to everyone who really desires work. No one will question that every man is entitled to the opportunity to provide for himself and his family. That is a fundamental right and society can not consider itself successfully organized until every man is assured of the opportunity to preserve himself and his family from suffering and want.

If we consider the question from the viewpoint of duty alone, every member of society has an obligation to assist in solving it. The employer, un-

doubtedly, has the greatest duty and the greatest responsibility. He is using labor to make a profit for himself and if he is going to take the advantages of this system of society, he must assume the obligations likewise. The laborer, or worker, or employee has a duty to assist also because there is nothing more certain than that, as every step forward is made in the solution of this problem, the individual laborer or worker will gain tremendously.

It is an interesting thing in this connection that the man who must labor inevitably thinks most of steady employment, as the evidence presented by the Industrial Relations Counsellors shows. The fear of being "out of a job" is one of the most demoralizing factors in all the relations of man to his job and employee to his employer.

And it may as well be remembered that society is going to solve this problem, is going to provide an opportunity for man to sustain himself, or is going to sustain man. Society is going to provide an opportunity for man to pay his own way or is going to pay for him. Society may as well make every effort to do the job constructively, because no society can be strong in which its members are encouraged or forced to adopt the position and the place of those seeking charity, and secondly, because when society pays the bill through charity or through the cost of crime, the payments offer little possibility of any advance for mankind.

Mr. Daniel Willard, president of the Baltimore & Ohio Railroad Co., put the whole story rather pithily. In the first place, he described the old days of intensive individualism where goods were produced, largely, in individual shops and by hand labor. Now we have the tremendous factories, the mass production, and the wealth pouring from machines and moving on for the benefit of society. If society is going to take this benefit, then society must also accept the burdens, Mr. Willard suggested. A man out of work, discontented, and suffering, constituted a danger for society, he added. As he put it, a man is going to steal before he starves, and the word "steal" may cover a multitude of other crimes—crimes perhaps of the man who steals but crimes of far greater magnitude for that society which permits a condition which induces or invites men to steal.

Your committee will now proceed with the detailed demands of the resolution and will discuss the subjects in the order in which they are presented in the resolution.

(A) THE RELATION HAD BY THE CONTINUOUS COLLECTION AND INTERPRETATION OF ADEQUATE STATISTICS OF EMPLOYMENT AND UNEMPLOYMENT TO THE RELIEF OF UNEMPLOYMENT

The testimony of Commissioner Ethelbert Stewart, of the Bureau of Labor Statistics of the Department of Labor; the testimony of Dr. John R. Commons; of Mr. Bryce M. Stewart; of Mr. Morris E. Leeds, and of a number of other witnesses, shows the necessity of having adequate statistics of employment and unemployment. To know there is a problem, that there is unemployment, and how severe it is, is necessary before a successful attack on it can be made. That seems so obvious it is hardly worth stating.

We have absolutely no figures as to the number of persons unemployed at any definite time. Commissioner Stewart explains that situation in his testimony. He has made estimates on the "shrinkage" of employment. The unemployment conference of 1921, after deploring the fact that there were absolutely no data obtainable on the subject made its "best guess." Just last year, one dispute after another arose in Congress over the number of men out of work. True, the discussion was open to the charge of being largely political, but political or otherwise, it should have served to have driven home the point

that here was a government without any machinery for knowing whether it was afflicted with a disease to which might be added the cancer that destroys government.

If we do not have accurate information on this subject, we may rest assured we are going to have plenty of inaccurate information. The subject is one which is very articulate in itself. Our experience should be convincing that all this is so. And in this connection it might be well to reflect on the truth that facts will permit sound thinking and that an absence of facts produces a condition of fear and panic which may be far more costly to the country than would be the cost of maintaining a system of obtaining these statistics.

As to the method of gathering information, and as to what should be gathered, there is cause for question and study. Statistics, to be of any immediate value, must be gathered quickly, must give a true picture and must permit of proper and correct appraisal. Inaccurate statistics are of no value, and statistics which are months and years old are of about the same value as is the result of a post mortem to a physician and no more so. They may have value in dealing with the problem as a whole, but have no use in relieving immediate necessity.

Commissioner Stewart proposes to develop statistics as to unemployment by measuring the shrinkage and the increase of employment and unemployment in a considerable number of industries and by applying to the norm the factors thus obtained. This should permit a fairly accurate measurement of conditions to be obtained with sufficient rapidity to meet any demand. But the norm must be first established and Commissioner Stewart proposes to have it established by an accurate census.

The Bureau of the Census should obtain the information that Commissioner Stewart desires and should obtain it at the next census in 1930. The Bureau of the Census may say its other duties would be delayed in this effort, but this work of building an efficient system of measuring unemployment is far more important, in the opinion of your committee, than a great deal of other information obtained through the census.

As to supplementary statistics, these might and perhaps should be obtained in any number of ways. However, it is the testimony of witnesses before your committee that until we get a system of unemployment exchanges established in the various cities and States, it is doubtful that we shall get a report more valuable than that proposed to be obtained by Commissioner Stewart.

(B) THE ORGANIZATION AND EXTENSION OF SYSTEMS OF PUBLIC EMPLOYMENT AGENCIES, FEDERAL AND STATE

The Government now appropriates \$200,000 for the work of the United States Employment Service. The director of that service, Mr. Francis I. Jones, appeared before your committee, and his testimony will be found in the hearings.

Your committee also directs attention to the testimony of Mr. Bruce M. Stewart, to that of Dr. John R. Commons, and to the report of Doctor Lubin, of the Institute of Economics.

As is shown by Doctor Lubin, the Employment Service is a result of war experiences. When the country was mobilized for war purposes and the necessity existed to find a man for every place more than a place for every man, a war unemployment machine was developed. And, being regarded as an instrument of war, the machinery was scrapped in time of peace. Funds were not appropriated, offices were abandoned, personnel dismissed, and of even more importance, the employers in private life who had maintained an active interest in the unemployment exchanges permitted that interest to wane.

The result is we have an unemployment service which functions as a Federal organization only in the matter of placing farm labor and which en-

deavors to function through grants of money, out of the Federal appropriation, to assist in the maintenance of State or city employment exchanges. The situation is one not conducive to building interest in the organization as it now exists.

As is shown by Doctor Lubin in his report, recommendations for the establishment of public employment exchanges have been made for two decades whenever a program for relieving conditions of unemployment was given consideration. As far back as 1916 recommendations were made that the country must first organize a national system of labor exchanges in order to deal with the unemployment problem, as Doctor Lubin shows. In 1921 the President's conference on unemployment recommended the formation of a national system of employment exchanges and later this recommendation was indorsed by the committee which prepared for Mr. Hoover a special report on business cycles and unemployment. The conclusion of the committee was that "the greatest promise seems to be in the development and raising to a high standard of efficiency of a national system of employment bureaus."

The "pinch" of unemployment is rarely appreciated until it becomes personal. Epidemics of disease may afflict one section of the country and arouse tremendous interest and even concern in the other sections, but until unemployment becomes local and personal it seems to arouse little fear. The man at work appears to have little realization of how he is effected by the fact that his fellow man is out of a job. The organization to handle the disease in this form should be local also, it seems to your committee. It should be one which would be responsible to local conditions and one which is responsible also to local officials, to local employers, and to local employees.

Doctor Commons advised your committee that the States and cities should establish and operate the unemployment exchanges and that the Federal Government should merely establish an organization of experts to coordinate the work of the local exchanges and "to bring up the standard" of those offices. Your committee is in accord with the idea that the Federal Government should remain as far away from the operation of those local offices as is possible. The employment exchanges should be local, we repeat.

To be successful, in fact to be of any great value, public employment agencies or exchanges must have the confidence of those for whom the exchanges are established, in other words for the employer and the employee immediately interested. This confidence can only be established through efficient operation of such offices. The personnel must have the ability to invite and induce and then to assemble information as to the needs of the employer, and having done this, must perform the next function of making the contact between the employer and the man who wants a job. If the office is efficiently operated and deserving of the confidence needed for success, the endeavor will not be to find a job for the man and a man for the job, but will be to find the right man for the right job, to effect a placement where both the employer and the employee will be pleased and likely to remain so.

As Doctor Commons said in his testimony, "the best employment agencies in the United States are not the public employment agencies but they are the employers themselves." He added that he "did not believe that we can have public employment offices in this country until the employers are willing to support those offices."

In other words, the employers who have the most intimate touch with the opportunities for labor, must have sufficient confidence and interest in the employment exchanges to make use of them. The labor or unemployment exchange must become to the employer for labor purposes just what his bank is for purposes of obtaining capital.

Discussing the organization of employment exchanges, Doctor Commons offers the example of the Milwaukee office, which is conducted and maintained by the local governments, State and city. There, he testified, we had for years the experience connected with an employment exchange which existed for itself and for jobs for the personnel. Then the personnel was placed under civil service rules, candidates for positions were graded in accordance with educational qualifications and experience and then an advisory committee, representing organized employers and organized labor, selected the best candidate for director of the office. This man was appointed. To the criticism that the unorganized worker is not represented in this plan, Doctor Commons replies that the organized employer always takes care of the unorganized worker and adds that "the plan has worked."

Aside from the Wisconsin offices, there are efficient exchanges in some other States, although the number is so small that it does not even offer the skeleton of a national system. Thirteen States, as Doctor Lubin shows, have no employment offices whatsoever. In 11 States there is only one office and in other States the number of offices vary up to the point where 17 offices are found in the State of Illinois. The amounts appropriated by the States also vary tremendously. In Wyoming, for example, \$900 is granted for the work, and from that point the State expenditures for this purpose increase to the point where \$231,360 is spent in Illinois. The total appropriations of all the State governments aggregate only \$1,203,906.

Aside from these general services on the part of the Government of the United States and upon the part of State governments, the United States Employment Service conducts a farm-labor division which has temporary offices at important points in the agricultural States. Critics who have studied the work of the service concede that this is an important task and that it is well done.

In view of this very limited service throughout the country, in view of the few offices conducted and the apparent lack of interest, is there any cause for amazement in the fact that private employment exchanges thrive in many cities, and thrive despite the manner in which some of the private exchanges are conducted—to not always cast credit on the business?

The burden of assisting the unemployed to find work should be borne by organized society through the maintenance of efficient public employment exchanges. Efficient public employment exchanges should replace private exchanges. Private employment exchanges which merely attempt to make contact between a worker and a job, which are operated for profit and solely for profit, present a situation where there are conditions conducive to petty graft. Such practice at the expense of the unemployed is a crime which should not be tolerated.

Your committee might summarize its views on this subject in this manner:

1. The existing United States Employment Service should be reorganized.
2. The director and every employee of the service should be selected and appointed after a rigid civil service examination.
3. The administrative features of the civil service examination should permit the co-operation of organized industry and organized labour in weeding out the candidates for these places, at least the place of the executives.
4. The service should become an organization of experts whose duties would be to co-ordinate the work of the States.
5. Aside from compiling statistics and endeavouring to arrange a plan which would permit the Government to be advised promptly and accurately of conditions throughout the various State exchanges, the Federal service should not be active. In other words, the Government should remain as completely detached from the operation of exchanges throughout the States as it is possible for it to be.

There has been some question of the plan now in vogue whereby the Government contributes financial assistance to the State offices. Witnesses before your committee insisted unemployment anywhere in the country was of national concern and therefore should be treated to some extent with the aid of the Government. But it is certain that some definite system or plan should be devised under which the Government should grant this money to the States if the Government assistance is to continue. The Government expert should make certain that the Government was not contributing to inefficiency in the service.

(c) THE ESTABLISHMENT OF SYSTEMS OF UNEMPLOYMENT INSURANCE OR OTHER UNEMPLOYMENT RESERVE FUNDS, FEDERAL, STATE, OR PRIVATE

In connection with this subject your committee recommends the reading of the testimony of Dr. John R. Commons, of the Institute of Economics, and the Industrial Relations Counsellors, as well as the testimony of the business men who discussed conditions in their own industries.

We think it is generally agreed by the witnesses that at the present time the following conclusions would be drawn from the evidence:

1. Government interference in the establishment and direction of unemployment insurance is not necessary and not advisable at this time.
2. Neither the time nor the condition has arrived in this country where the systems of unemployment insurance now in vogue under foreign governments should be adopted by this Government.
3. Private employers should adopt a system of unemployment insurance and should be permitted and encouraged to adopt the system which is best suited to the particular industry.

Until an opportunity or some cause such as this survey is had to focus attention on the industrial developments in this country, little consideration is given to the accomplishments such as we find in the field of stabilizing employment.

Undoubtedly there are not sufficient industrial leaders who are interested as yet, but there is cause to believe they will be, and simply because of economic pressure. It seems reasonable to assert, from the testimony taken during this survey, that the employer who does not stabilize his employment and thus retain his experienced workmen is the employer who is going to fail.

Just as the efficient business man is stabilizing the return for capital invested, by building up reserves for dividends, so shall he establish a reserve for return to labour in the hours of adversity, according to the well-founded arguments advanced by business men. And why? The testimony from witness after witness stresses the point that there is no suggestion of charity in this effort, no idea of being philanthropic, no desire to have industry to become paternalistic. True, in most cases the plans were started because an industrial leader became conscious of some of his obligations to society. But there is general accord on the proposition that the plan is "good business," that it has increased profits.

One witness asked, "Shall the business man who expands his business without consideration for future requirements escape his responsibility?"

Mr. Morris E. Leeds, of Leeds & Northrup, described his theory as follows:

I was convinced a good many years ago of the element of unfairness and social wrong that modern industry had gotten into by freely hiring people and with equal freedom, firing them.

Mr. Daniel Willard said:—

It seems to me that those who manage our large industries, whatever the character of their output may be, whether it be shoes, steel, or transportation, should recognize the importance and even the necessity of

planning their work so as to furnish as steady employment as possible to those in their service. Not only should that course, in my opinion, be followed because it is an obligation connected with our economic system, but I fully believe that such a course is justifiable from the standpoint of the employer because it would tend to develop a satisfied and contented body of workmen which of itself would improve efficiency and reduce costs.

The testimony speaks for itself and everyone interested should read it. At this time there is nothing that can be recommended on this score in the way of legislation. However, your committee can express the hope that organizations of capital and of labour and that officials of the Federal and State Governments shall never lose an opportunity to inspire thought and discussion on this question of the necessity and the advisability of stabilizing employment within the industries themselves.

Stabilization has been sought and obtained in various ways. One employer has placed practically all his workers on a salary basis, has assured them of a continuous wage throughout the year, and has placed upon them the responsibility of making the industry succeed. Others have established reserve funds and have so arranged them that executives and workers strive to prevent them from being drained. Others have so ordered their production that it is spread throughout the year. Others have begun the production of articles which are related to the general business plan but which can be produced in periods which formerly were marked by idleness.

The testimony is fairly convincing that stabilization can be accomplished in industries which were once regarded as being seasonal in their every aspect.

Fifteen bills dealing with unemployment insurance have been introduced in six State legislative bodies since 1915, and none of them has been successful. Probably the so-called Huber bill, introduced in the Wisconsin Legislature, came nearest to adoption, and its author, Doctor Commons, advised your committee that it "was as dead as anything could be."

In many industries, as the evidence will show, a reserve fund for unemployment which offers protection in the form of insurance has been adopted. The testimony of Doctor Commons as to the practice in the Chicago clothing industries is important as well as the reports of the Industrial Relations Counselors.

Whatever legislation is considered on this subject, your committee is convinced, should be considered by the States. The States can deal with this subject much better than can the Federal Government. But in any discussion of legislation, your committee thinks consideration should be given to the arguments of Doctor Commons—that the plan of reserve funds or insurance confined to one company or plant rather than to all industries, should be adopted.

Doctor Commons stresses the fact that the insurance idea as practiced in the Chicago clothing market follows the experiences gained from the adoption of disability compensation plans in various States. Employers were moved to adopt every precaution against accidents when they realized that accidents were costly under the plans for disability compensation. In the same way, employers and employees will be more likely to fight the causes of unemployment within their industries when they have seen tangible evidence of the cost of unemployment, according to the arguments advanced in this evidence. On the other hand, Doctor Commons insists that, "The paternalistic and socialistic" schemes adopted in foreign countries, penalize success in that the employer who stabilizes his employment does not escape the burden of paying for unemployment in other industries.

Your committee cannot leave this subject without suggesting that consideration be given to the benefits of stabilized production—the finer morale of the workers, the better workmanship, the increased production, the lowered costs of production, and the elimination of the cost of training the unskilled

recruits. The testimony proves conclusively that the workers who co-operate with their employers and who are given a chance and encouraged, contribute tremendously to the success of the enterprise.

(D) .CURTAILED PRODUCTION, CONSOLIDATION, AND ECONOMIC RECONSTRUCTION

This subject covers so vast a field that it also immediately becomes imponderable. To exhaust it seems impossible. A committee of Congress could proceed with a study on this one phase of the unemployment problem and could continue indefinitely.

The general opinion given your committee on this score is that undoubtedly just at this time we are experiencing a program and a problem which are no different to those occurring since the advent of machines in industry. The difference is, however, that undoubtedly at this time the developments are far more extensive and far more intensive than they have ever been in our history.

Of course there is going to be individual suffering, for example, the suffering of the musician who discovers that a machine is forcing him to forego his life work and to seek employment in new fields. How to answer the many questions which arise with every minute of consideration for this topic, is what makes the subject imponderable. The printed evidence contains suggestions of the shortened working day and the reduced working week, has contentions that new industries are arising constantly out of the graves of departed trades and the workers are thus absorbed. Your committee is convinced, however, that it is the duty of society to provide for these workers during the period of readjustment, as many employers are now doing.

Conflicting opinions are offered as to the effect of the vast consolidations of wealth. One side contends that the day of the small business man is passing, that the individual merchant can no longer compete with the national chain, while another will contend that no nationally organized chain can overcome the personal effort put into a business by the individual business man.

However, in the time your committee had for this subject no opportunity presented itself for the consideration of legislation on this subject, and your committee has nothing to suggest at this time.

(E) THE PLANNING OF PUBLIC WORKS WITH REGARD TO STABILIZATION

Another committee of Congress, the Committee on Commerce, has considered this subject and has reported legislation which is now before the Senate. The legislation is commonly referred to as the "Jones prosperity reserve bill." Your committee would suggest that the evidence submitted with reference to that bill should be read in connection with this study.

There is some testimony of interest on this subject in these hearings, but your committee did not devote a great deal of time to this topic, because no one disagreed with the suggestion that the Government and all other public agencies should so order their public works that they would offer a buffer in time of unemployment.

The evidence is very clear that the Federal Government may set a valuable example to the States in the adoption of a practical scheme for the planning of public works. Of course, the States and the other divisions of Government will have the greatest opportunity to provide this buffer because the expenditures by the Federal Government for public works are not large as compared with the expenditures by the States and other civil divisions. There should be no delay upon the part of the various Governments, Federal, State, city, and other minor divisions in the adoption of such plans.

There are minor objections to this scheme but your committee is convinced they can be overcome without difficulty.

(F) THE FEASIBILITY OF CO-OPERATION OF FEDERAL, STATE, AND PRIVATE AGENCIES WITH RESPECT TO ALL THESE SUBJECTS RELATED TO THE UNEMPLOYMENT PROBLEM.

Your committee has discussed this phase of the survey as it has proceeded with this report and there is little to add. In general, it is the opinion of your committee that the responsibility should be kept as "close to home" as is possible. Private agencies should make the first effort and should do everything they can for themselves. The States should contribute only that service that private agencies would find impossible and the Government should merely co-ordinate the work of the States and supply any effort which is entirely and purely of national character.

Your committee will now endeavour to sum up the suggestions and recommendations:

1. Private industry should recognize the responsibility it has to stabilize employment within the industry. The Government should encourage this effort in every way, through sponsoring national conferences, through publishing information concerning the experience had by industries in this work, and through watching every opportunity to keep the thought of stability uppermost in the minds of employers.

2. Insurance plans against unemployment should be confined to the industry itself as much as possible. There is no necessity and no place for Federal interference in such efforts at this time. If any public insurance scheme is considered, it should be left to the State legislatures to study that problem.

3. The States and municipalities should be responsible for building efficient unemployment exchanges. The Government should be responsible for coordinating the work of the States so as to give a national understanding of any condition which may rise and so as to be able to assist in any national functioning of the unemployment exchanges.

4. The existing United States Employment Service should be reorganized, and every employee should be placed under civil service.

5. Efforts should be made to provide an efficient system for obtaining statistics of unemployment. The first step should be taken by the Bureau of the Census in 1930, when the bureau should ascertain how many were unemployed as of a certain date and how many were not seeking employment and yet were unemployed as of that date.

6. The Government should adopt legislation without delay which would provide a system of planning public works so that they would form a reserve against unemployment in times of depression. States and municipalities and other public agencies should do likewise.

7. Further consideration might well be given to two questions, the effect had on unemployment by industrial developments such as consolidation of capital, and the necessity and advisability of providing either through private industry, through the States, or through the Federal Government, a system of old-age pensions.

MEMORANDUM RE SICKNESS INSURANCE

Prepared for the Select Standing Committee on Industrial and International Relations by A. D. Watson, Actuary, Department of Insurance.

The incidence of sickness depends on (1) age, (2) sex, (3) occupation, (4) habitat, (5) season of the year, (6) racial strains, (7) intelligence of people, etc., etc., ad infinitum. Obviously it is necessary to distinguish between sickness as such and periods for which claim may be made under an insurance scheme. If insurance is available, unemployment may have a very marked effect on the rate of sickness claim unless unemployment insurance is also provided. Consequently in a climate where many occupations are largely seasonal, unemployment might be a very troublesome factor affecting rate of sick claim. The effectiveness of the supervision of claims is of prime importance as affecting the rate of claim.

In any inquiry the greatest caution must, of course, be exercised in drawing conclusions from data having reference to circumstances differing widely from the particular circumstances concerning which conclusions are desired. Nevertheless it is hardly ever possible to obtain statistics which specifically apply to any question under consideration, and therefore it is necessary to approach the solution of the problem in the best way available.

To give some notion of the manner in which sickness depends on (1) age and (2) occupation, some figures may be taken from the experience of the Independent Order of Oddfellows, Manchester Unity Friendly Society (England), covering the period 1893-1897, generally briefly referred to as "The M. U. Experience." This is perhaps the most thorough-going investigation ever made into sickness experience. Although it is now thirty years removed from present day conditions, and consequently relates to social conditions, to standards of medical science and to a composite of occupations differing widely from what now obtains in Canada, nevertheless so extensive and thorough-going was the investigation and the tables based thereon that actuaries very generally use adaptations of these tables in the solution of a wide variety of problems for which no better data appears to be available.

It should be noted that in the "M.U." experience, incapacity arising from accident of all kinds is included as "sickness," also certain periods of sickness would not be recorded due to a provision in the rules to the effect that a member had to be "off the fund" for a certain period, on the average perhaps about twelve months, before again being eligible to claim as for a new illness.

For the investigation members were divided according to occupation into broad divisions designated by letters as follows:

Group.....	Description of Occupation.
A.H.J.....	Agriculture and Non-hazardous.
B.C.D.....	Building Trades, etc., Railway Service and Seafaring.
Group.....	Description of Occupation.
E.F.....	Quarry Workers and Iron and Steel.
G.....	Mining.

TABLE I.—THE NUMBER OF MEMBERS SICK IN A YEAR AMONGST 100 MEMBERS EXPOSED TO RISK

Ages	A.H.J.	B.C.D.	E.F.	G.	Whole society
16-19.....	26	31	38	41	29
25-29.....	21	26	32	39	23
35-39.....	22	28	33	40	24
45-49.....	25	31	37	45	27
55-59.....	32	38	43	51	34
65-69.....	47	53	60	68	49
75-79.....	72	77	84	87	73
85 and up.....	93	96	100	86	94

TABLE II.—AVERAGE NUMBER OF WEEKS' SICKNESS CLAIM TO EVERY MEMBER SICK DURING THE YEAR

16-19.....	3.1	3.0	3.5	4.6	3.2
25-29.....	4.1	3.8	4.1	4.3	4.1
35-39.....	5.2	5.3	5.0	5.7	5.3
45-49.....	7.3	7.5	7.0	7.7	7.3
55-59.....	11.9	11.9	11.5	12.5	11.9
65-69.....	21.1	22.3	22.9	25.0	21.5
75-79.....	34.0	35.5	36.4	38.8	34.4
85 and up.....	38.6	39.1	45.0	43.2	38.9

The number of weeks' sickness per member per annum according to age and occupation is also a matter of interest, and as it is usual under sickness insurance schemes, whether voluntary or compulsory, to reduce the benefit in cases of prolonged illness, it may be some advantage to show the number of weeks' sickness at a few ages divided into period of attack dating from the beginning of the illness. The ages chosen are the central ages for the age groups in Tables I and II.

TABLE III.—NUMBER OF WEEKS' SICKNESS PER MEMBER PER ANNUM IN ACCORDANCE WITH THE PERIOD OF ATTACK DATING FROM THE COMMENCEMENT OF ILLNESS

OCCUPATION GROUP A.H.J.

Age	1st 3 months	2nd 3 months	2nd 6 months	2nd 12 months	After 2 years	All periods
17.....	0.80	0.05	0.02	0.00	0.00	0.87
27.....	0.64	0.08	0.06	0.04	0.05	0.87
37.....	0.71	0.12	0.09	0.07	0.15	1.14
47.....	0.90	0.20	0.16	0.14	0.40	1.80
57.....	1.26	0.40	0.41	0.40	1.29	3.76
67.....	1.84	0.88	1.10	1.41	4.92	10.15
77.....	1.87	1.26	1.96	3.12	16.86	25.06
87.....	1.18	0.93	1.56	2.60	29.85	36.12

TABLE IV—OCCUPATION GROUP B.C.D.

Age	1st 3 months	2nd 3 months	2nd 6 months	2nd 12 months	After 2 years	All periods
17.....	0.91	0.05	0.02	0.00	0.00	0.98
27.....	0.76	0.10	0.06	0.04	0.04	1.00
37.....	0.90	0.16	0.12	0.09	0.18	1.45
47.....	1.11	0.28	0.22	0.17	0.52	2.30
57.....	1.53	0.52	0.50	0.46	1.58	4.59
67.....	1.92	0.97	1.27	1.74	6.14	12.04
77.....	1.73	1.24	1.88	3.30	19.86	28.01
87.....	1.22	0.77	1.61	3.00	30.79	37.39

TABLE V—OCCUPATION GROUP E.F.

17.....	1.18	0.10	0.06	0.00	0.00	1.35
27.....	0.93	0.12	0.08	0.06	0.10	1.29
37.....	1.08	0.19	0.14	0.11	0.17	1.69
47.....	1.27	0.29	0.24	0.23	0.47	2.51
57.....	1.70	0.53	0.53	0.51	1.67	4.95
67.....	2.18	1.15	1.54	2.06	7.36	14.30
77.....	1.71	1.18	1.85	3.12	23.36	31.22
87.....	1.70	0.96	1.83	2.80	37.62	44.92

TABLE VI—WHOLE SOCIETY

17.....	0.90	0.06	0.02	0.00	0.00	0.98
27.....	0.70	0.10	0.06	0.04	0.05	0.95
37.....	0.79	0.14	0.10	0.08	0.16	1.26
47.....	0.99	0.22	0.19	0.15	0.43	1.98
57.....	1.35	0.44	0.44	0.42	1.37	4.02
67.....	1.88	0.91	1.15	1.51	5.30	10.75
77.....	1.84	1.25	1.92	3.17	17.53	25.71
87.....	1.15	0.92	1.51	2.61	30.23	36.41

CANADIAN FRATERNAL SOCIETIES

Generally speaking the sickness experience of these societies is not available in such form that useful information can be presented based thereon. Even the claim ratio per member cannot be put forward as all of these societies grant single and double benefits and their returns do not show the proportions of each class.

In respect of one society, however, some data for the year 1928 are available which may be of some use. The benefit is \$5 per week for a period of not more than 15 weeks in any year.

TABLE VII

Age	Average number of members in 1928	Claims paid	Claims per member
		\$	\$
Under age 30.....	7,514	28,491	3.79
30-39.....	9,994	34,872	3.49
40-49.....	9,547	33,668	3.53
50-59.....	6,579	33,895	5.15
60-69.....	4,059	40,188	9.90
All ages.....	37,693	171,114	4.54

AUSTRALIAN ROYAL COMMISSION REPORT

In the period from March 3, 1925, to March 11, 1927, a Royal Commission made four reports on various phases of National Insurance. In a Report made in 1925, rates of weekly contributions are given for a benefit of 30s. per week during the 1st six months of sickness and 20s. thereafter, the benefit terminating at age 65 for males and age 60 for females. For convenience the equivalent contributions in cents are shown below for a benefit of \$7.50 per week during the first six months and \$5 thereafter.

WEEKLY RATE OF CONTRIBUTION

Age at Entry	Males (to age 65)			Females (to age 60)		
	Sickness 1st 6 months \$7.50 per week	Invalidity after 6 months \$5.00 per week	Total	Sickness 1st 6 months \$7.50 per week	Invalidity after 6 months \$5.00 per week	Total
	16.....	0.13	0.04	0.17	0.12	0.03
20.....	0.13	0.05	0.18	0.12	0.04	0.16
25.....	0.13	0.06	0.19	0.12	0.04	0.16
30.....	0.14	0.08	0.22	0.13	0.05	0.18
35.....	0.15	0.09	0.24	0.14	0.07	0.21
40.....	0.16	0.12	0.28	0.15	0.08	0.23
45.....	0.18	0.16	0.34	0.16	0.11	0.27

These rates of contribution purport to represent the contribution which would be necessary having regard to all occupation groups and classes to be covered by the insurance. The rates are computed to be sufficient to build up the necessary reserves for the increasing sickness and invalidity rates at the advancing ages. The rate of interest assumed is not stated.

After such a scheme is once established, workmen will normally become contributors thereunder at some age under 20. The Commission did not recommend a scale of contributions varying with age as in the above table.

ENGLISH SCHEME

The weekly benefits and contributions, excluding costs of administration, according to estimates made in 1911 were as follows for age 16.

	Men			Women		
	£	s.	d.	£	s.	d.
Benefit per week—						
First 13 weeks beginning with 4th day.....	0	10	0	0	7	6
Disablement after 13 weeks.....	0	5	0	0	5	0
Contributions per week—						
Sickness.....	0	2	2	0	1	6
Disability.....	0	0	8	0	0	8
	0	2	10	0	2	2

If we take benefits of \$10 and \$5 in the case of men and \$7.50 and \$5 in the case of women, the equivalent contributions would be

	Men		Women	
	c.		c.	
Sickness.....	.18		.13	
Disablement.....	.07		.07	
	.25		.20	

Generally speaking the rates adopted in England have proved more than sufficient to provide the benefits under the scheme for persons entering into insurance at age 16.

COMMERCIAL NON-CANCELLABLE HEALTH INSURANCE

This class of business is transacted to a small and decreasing extent by a few companies. Only the better class of risks are considered. It may nevertheless be of some interest to show the annual premiums charged by one company, insurance terminating at age 60.

ANNUAL PREMIUM RATES FOR \$100 OF MONTHLY INDEMNITY ON ACCOUNT OF
DISABILITY FROM ACCIDENT OR SICKNESS

Age	From beginning of disability	First week excluded	First 2 weeks excluded	First month excluded	First 2 months excluded	First 3 months excluded
CLASSES SELECT AND PREFERRED						
20.....	\$60 00	\$45 00	\$36 00	\$30 00	\$25 00	\$20 00
35.....	69 50	56 00	54 00	45 00	33 00	27 00
50.....	104 00	89 00	81 00	66.00	53 00	43 50

CLASSES EXTRA PREFERRED AND ORDINARY						
20.....	\$75 00	\$60 00	\$45 00	\$37 50	\$31 00	\$25 00
35.....	87 00	70 50	63 50	55 00	41 00	33 00
50.....	130 00	112 00	101 50	83 00	67 50	55 00

CLASS MEDIUM						
20.....	\$90 00	\$70 00	\$55 00	\$45 00	\$35 00	\$30 00
35.....	104 50	85 00	75 50	67 50	49 50	40 00
50.....	156 00	133 50	121 50	99 00	81 00	65 50

The above table shows the great importance of the early periods of sickness as affecting cost. As a matter of interest it may be noted that the annual premium at age 35 for "Class Medium" is \$104.50 or, say, at the rate of \$2 per week for a weekly benefit of \$25, or 40 cents per week for a weekly benefit of \$5. If the weekly benefit were \$10 during the first three months, \$5 thereafter, the premium corresponding would be at the weekly rate of, say, 65 cents. Of course a large proportion of this premium is required for expenses which must necessarily be high in respect of business of this type.

SCHEME OF FINANCE AS AFFECTING COST

As matters now stand, broadly speaking each individual bears the whole burden of sickness, and as tables given in this memorandum show, the burden increases with age. Where a burden is now mainly borne by the unfortunate individual, there can be no doubt of the financial capacity of all the individuals of the class to share the burden divided arithmetically among them each year. Where the system of administration is mainly through approved societies with individual financial responsibility for making good the benefits, and particularly where members may at any age transfer from one society to another, it is necessary that appropriate reserves should be built up in respect of each member capable of being transferred with the member. Under a compulsory scheme of administration in larger units, for example by provinces, especially if the type of benefits be such that the increasing cost with advancing age is not too pronounced, the necessity of accumulating reserves is not so apparent. If it be determined that reserves should be accumulated, then provision must be made for the liquidation of the liability incurred by taking under the scheme all those over the minimum entry age at the date the scheme becomes effective, or at least for the payment of interest thereon in perpetuity. Any provision of that sort must of course to that extent reduce the benefits which could be made available for the present generation, the succeeding generations being placed in a

more advantageous position. Perhaps the most expedient course to follow depends a good deal on the benefits included in the scheme of national insurance for sickness insurance is usually only one of several benefits. As this memorandum deals only with sickness insurance, there is shown below the computation of the average number of weeks' sickness per member of a group of workers showing a reasonable distribution from ages 16 to 65, for the help it may possibly be in forming an opinion concerning this phase of the finance of such a scheme. Bearing in mind that anything put forward apart from a concrete scheme must necessarily be tentative and subject to revision, and that the figures in the table should be given a relative rather than an absolute significance, the table may be of some value.

M. U. WHOLE SOCIETY
NUMBER OF WEEKS' SICKNESS PER ANNUM PER WORKER

(1) Year of Age	(2) First 6 months	(3) After 6 months	(2) + $\frac{2}{3}$ rd (3) (4)	Number of workers (5)	(4) X (5) (6)
17.....	0.956	0.024	0.972	1.461	1,420
22.....	0.794	0.096	0.858	1.701	1,459
27.....	0.793	0.161	0.900	1.578	1,420
32.....	0.842	0.221	0.989	1.476	1,460
37.....	0.923	0.339	1.149	1.336	1,535
42.....	1.054	0.528	1.406	1.174	1,651
47.....	1.207	0.772	1.722	1.004	1,729
52.....	1.446	1.299	2.312	0.819	1,894
57.....	1.786	2.233	3.275	0.634	2,076
62.....	2.251	4.109	4.990	0.463	2,310
			Average 1.456	Totals 11.646	16,954

Column (4) is constructed on the assumption that the benefit after six months of sickness would be two-thirds that during the first six months. The average at the foot of column (4), namely 1.456, is obtained by dividing the total of column (6) by the total of column (5), and represents on the assumptions made the average number of weeks' sickness per worker per annum, periods of sickness of longer duration than six months being taken at two-thirds. If for example the benefit during the first six months of sickness were \$7.50 per week and \$5 thereafter, the average annual cost per member on the assumptions made would be $1.456 \times 7.50 = \$10.98$, or, say, 22 cents per week.

CONCLUSION

It is hoped this memorandum may in a tentative and preliminary way furnish useful information concerning the nature of the elements involved in national sickness insurance. It may help to narrow the field of further inquiry to some extent. Before finally adopting as a settled policy a scheme of national insurance it would seem to be desirable, even necessary, to collect as much data as possible, ad hoc, but before this can be done with economy of effort and precision of application of data to the solution of the problems involved, something in the way of tentative proposals should if possible be formulated. Respectfully submitted,

A. D. WATSON,
Actuary.

OTTAWA, March 28, 1929.

VOTES AND PROCEEDINGS OF THE LEGISLATIVE ASSEMBLY
OF BRITISH COLUMBIA, FEB. 1, 1929.

The House resumed the adjourned debate on the motion moved by Mr. Wrinch on January 29th, as follows:—

Whereas by Resolution under date of March 14th, 1928, it was resolved by the then Legislative Assembly, "That a Committee of the Legislative Assembly, consisting of five members, be appointed, whose duties shall be: (1) To inquire into the workings of any systems of health insurance and of maternity benefits wherever such systems can be found in effective operation; (2) to report its findings to the Legislature";

Therefore be it Resolved, That this Legislative Assembly reaffirms the terms of the Resolution hereinbefore recited.

And be it further Resolved, That a Committee of this Legislative Assembly be appointed, whose duties shall be: (1) To inquire into the workings of any systems of health insurance and of maternity benefits wherever such systems can be found in effective operation: (2) to report its findings to the Legislature.

Mr. Ruthledge moved in amendment, seconded by Mr. Cornett—

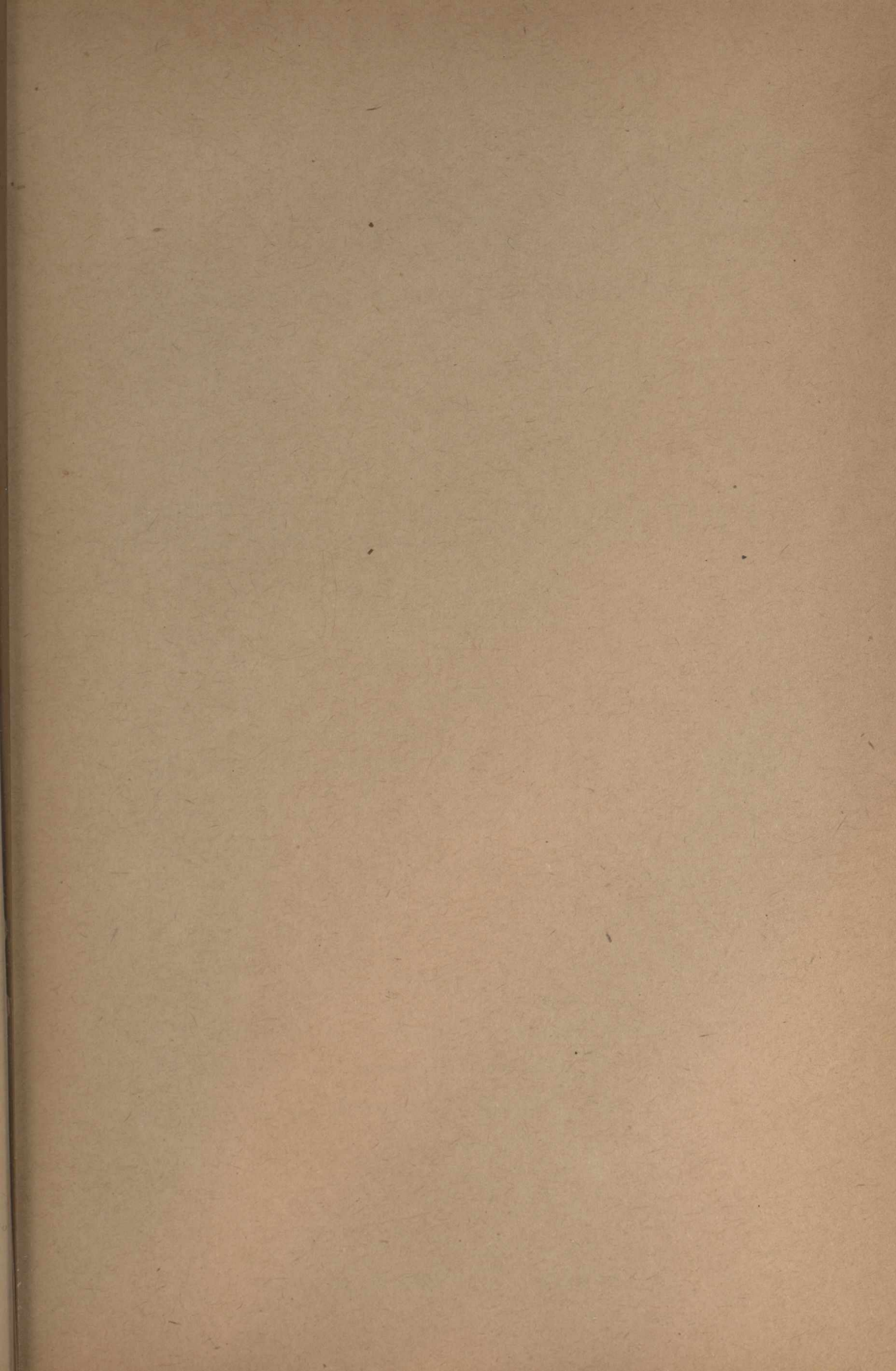
That all the words after the first word "Whereas" be deleted, and the following be inserted in lieu thereof:—

It is advisable, in the interests of the people of this Province, that this Legislature should be in possession of authentic, full, and up-to-date information regarding the subjects of maternity benefits and health insurance;

"Therefore be it Resolved, That a humble petition be presented to His Honour the Lieutenant-Governor, praying that a Commission composed of members of the Legislature, who shall serve without salary, be appointed under the 'Public Inquiries Act' to inquire as to what laws relating to the subjects of maternity benefits and health insurance are in force in other Provinces of Canada or any other countries; to collect facts as to the actual operation of such laws, and as to how far they have been found satisfactory; to inquire as to whether and to what extent the public interest requires the introduction of similar laws into the Province of British Columbia; to estimate what would be the total annual cost to the people of the Province in regard to each of these subjects, and what portion of the annual cost would fall upon (a) employers of labour, (b) prospective beneficiaries, and (c) the general taxpayers; to suggest methods by which the annual cost might be collected from the employers, prospective beneficiaries, and general taxpayers respectively; and generally to inquire into any or all matters affecting the said subjects respectively; and to report its findings and recommendations to this Legislature at its next Session.

Amendment agreed to.

Main motion as amended agreed to.



SESSION 1929
HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

INDUSTRIAL AND INTERNATIONAL RELATIONS

MINUTES OF PROCEEDINGS AND EVIDENCE

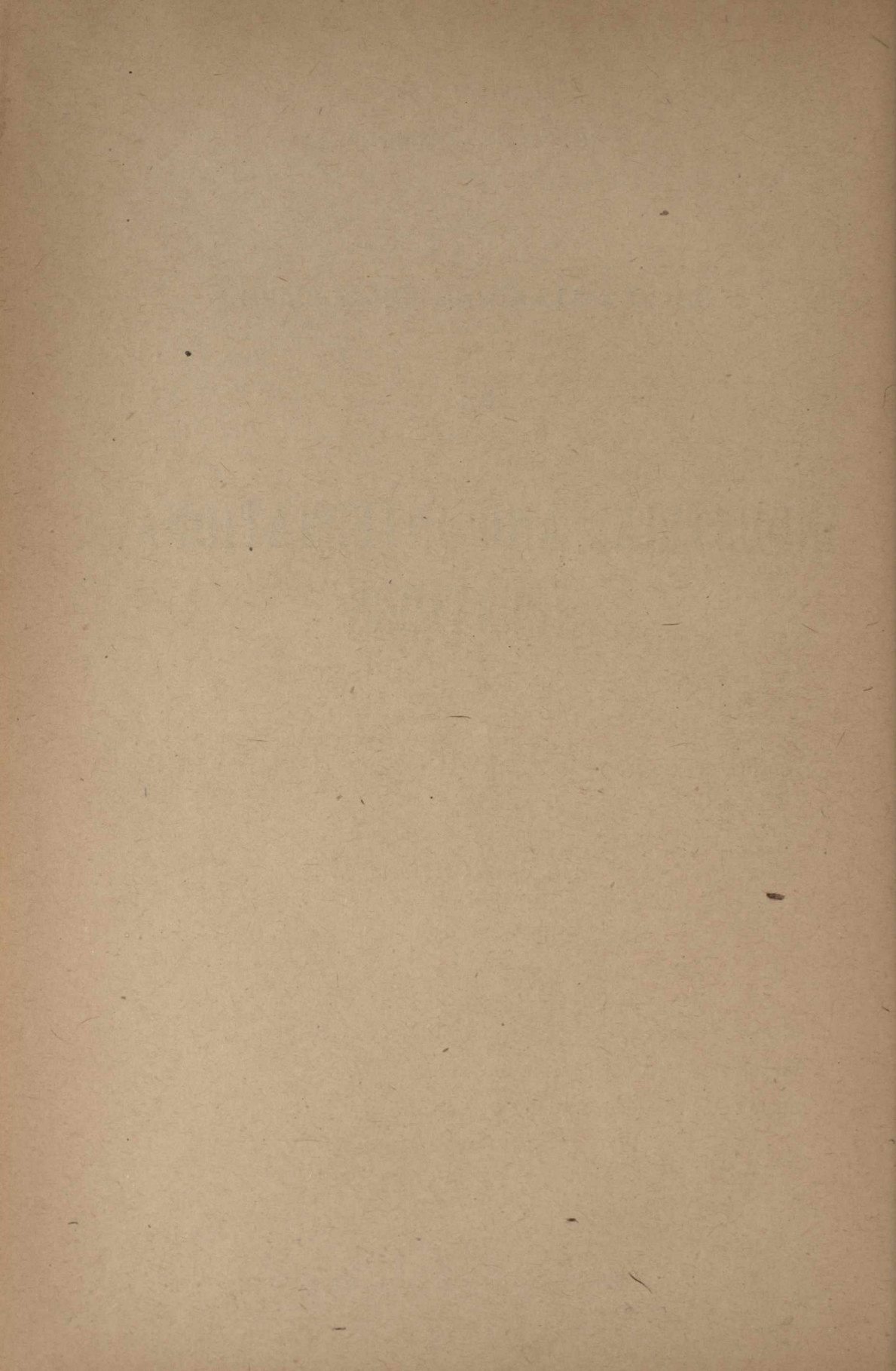
No. 8—APRIL 23, 1929

WITNESSES:

Mr. W. Stewart Edwards, Deputy Minister of Justice.

Mr. Robert H. Coats, Dominion Statistician.

Hon. Peter Heenan, Minister of Labour.



MINUTES OF PROCEEDINGS

TUESDAY, April 23, 1929.

Pursuant to adjournment and notice, the Select Standing Committee on Industrial and International Relations met this day at 11 a.m., the Chairman (Mr. McIntosh), presiding.

Present: Messieurs Bissett, Hall, Howard, Jenkins, Johnstone (Cape Breton North-Victoria), Letellier, McGibbon, McIntosh, McMillan, Neill, Sir George Perley, Plunkett, Stinson, St-Père, Woodsworth, and Hon. Peter Heenan.—16

A letter and telegram from the Social Service of Canada was read by the Chairman, and on motion of Mr. Woodsworth, it was resolved

That the three representatives of the Social Service Council of Canada be heard on Tuesday, April 30th, at 10.30 a.m., on the subject of family allowances.

Mr. William Stuart Edwards (Deputy Minister of Justice), called, sworn and examined.

Witness retired.

Mr. Robert Hamilton Coats (Dominion Statistician), called, sworn and examined.

Witness retired.

The Hon. Peter Heenan (Minister of Labour), gave further information to the Committee regarding the recommendations made in the report of the Committee to the House last session, and replied to questions on the answers that had been received from the various Provinces.

Committee adjourned until 10.30 a.m., Tuesday, April 30, 1929.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

ROOM No. 425, HOUSE OF COMMONS,

TUESDAY, April 23, 1929.

The Select Standing Committee on Industrial and International Relations met at 11 a.m., the Chairman, Mr. C. R. McIntosh, presiding.

The CHAIRMAN: Mr. Edwards is here, and we will now hear him on the question of jurisdiction with respect to unemployment insurance.

WILLIAM STUART EDWARDS, called and sworn.

By the Chairman:

Q. What is your name in full, Mr. Edwards?—A. William Stuart Edwards.

Q. And you are the Deputy Minister of Justice?—A. Yes.

Q. I think, Mr. Edwards, you are acquainted with that clause in our report last year which concerns the question of jurisdiction in respect to unemployment insurance, and we would like you to throw all the light you possibly can on the question, because many members of the Committee are, I think, unaware of the jurisdiction of the Dominion in the matter.—A. Mr. Chairman, as I said when I was called last year, it is not the kind of subject that you can deliver a speech about. I thought now, as I thought then, that the purpose of my attendance would be to enable any member of the Committee to ask any question as to which I could be of any assistance. I went over the ground very fully last year, and my views were taken down then and put into the record, and I do not know that I can add any general statement to what I said then.

Mr. WOODSWORTH: Mr. Chairman, my understanding was that we wanted rather to secure Mr. Edwards' evidence on the cognate question of family allowances. I wonder if we could have that; it will only take a few minutes?

The CHAIRMAN: That will depend on Mr. Edwards.

The WITNESS: I had no indication of the purpose of my attending here this morning. I simply had a verbal request from the Clerk of the Committee to be here. I had no definite information as to what was really required.

By the Chairman:

Q. We thought it would be important to have you here to-day, Mr. Edwards, on this first reference on which we want to get to work to get our report in shape for the House.

Mr. HEAPS: That reference, Mr. Chairman, was given last year. I do not suppose that Mr. Edwards has changed his mind from last year. After you heard his evidence last year you submitted the report to the House.

The CHAIRMAN: But there has been discussion here from meeting to meeting as to the validity of that evidence, in every sense of the word.

Mr. HEAPS: Whose evidence?

The CHAIRMAN: Well, not validity, but as to the wider interpretation of it.

Mr. HEAPS: But Mr. Edwards has evidently very little to add, so far as jurisdiction is concerned.

[Mr W. Stewart Edwards].

The CHAIRMAN: Well, he is here now, and if you have any further questions to ask, now is the time to ask them and not be bickering about it from meeting to meeting.

The WITNESS: I have nothing to add, Mr. Chairman. I think last year I said that there was a possibility that some light might be thrown upon the question by the then pending water powers reference, but that has turned out not to be so. If we had secured an expression or opinion from the Supreme Court Judges upon the question we submitted in that reference, it would have been of assistance to this Committee, I think. But, so far as I know, the judicial decisions stand to-day in precisely the same plight that they stood a year ago.

By Mr. Neill:

Q. There is one question, not exactly in line with this subject, but so closely allied that I think I may be excused for asking it that is, with regard to the question of health insurance. Is the position the same with regard to that as to unemployment insurance?—A. Yes. I group all those subjects, such as Old Age Pensions, Unemployment Insurance, Invalidity Insurance together. Family Allowances I am not familiar with. I do not know what is meant by that phrase, but I presume it falls into that general category of providing a scheme of assistance regarding a matter which is solely provincial under the British North America Act,—

Q. Just a moment there. A gentleman came into my room the other day—I forget his name. He is the representative of some health council, or something of that kind, and I put the view you have just expressed, that this was a matter for the province, and he violently contradicted it. He said there could not be found in the British North America Act, or anywhere else, anything else, anything to indicate that health matters were exclusively for the province. I looked up the Act and could not find it. I could find nothing at all in any of the sections dealing with health matters.—A. Well, I went over that last year very carefully. We took the several subjects mentioned in Section 91, and I pointed out that in so far as you can bring health, in any of its aspects, within one of the enumerated subjects we have jurisdiction over it. In so far as it falls within the provincial enumerated subjects we have not jurisdiction over it. And I gave the illustration of sick seamen. We have jurisdiction to legislate with regard to the health of seamen, because under Navigation and Shipping that particular subject is given to us. But the general question of health is not given exclusively to either one or other government; we cannot control it generally because to the extent that we have not got it under one of our particular enumerations; it belongs to the general designation of property and civil rights in the province.

Q. Only those that are specified belong to us?—A. Yes.

By Mr. Woodsworth:

Q. I think you said that whilst in your judgment unemployment, sickness insurance and invalidity, and other matters of that kind are primarily provincial, at the same time you thought it was within the power of this Parliament to proceed along the lines of the Old Age Pensions and make grants to the provinces under a general scheme.—A. Yes. I have always thought that a purely voluntary scheme of that kind was within the parliamentary jurisdiction. But that is my own opinion. I pointed out at the time that that is not generally recognized, and I thought that it might be cleared up in the water-powers reference. It has not been cleared up, and it is still a matter of doubt as to whether the Old Age Pensions Act standing alone is good legislation. The question does not affect that particular Act and its operations, because the provinces have

[Mr. W. Stewart Edwards.]

passed enabling legislation, and the Dominion legislation and the provincial legislation standing together, of course, cover the whole field. If you pass a purely voluntary Act whereby you make a contribution out of the parliamentary funds of Canada to a matter which really belongs to the provincial field, there is always the question as to whether Parliament may do that legally, and there is also the question as to whether it is constitutionally the wise thing to do.

Q. May I ask a question in that connection? I understand that during the session of 1921, Parliament had placed before it Privy Council Order No. 2722, dealing with the report from the Minister of Justice in reference to a number of draft conventions and recommendations adopted by the International Labour Conference (League of Nations) at its first annual meeting, held at Washington, D.C., October-November, 1919. Amongst these were two of particular application to the present inquiry, concerning which the Order in Council says:—

Recommendation dealing with Unemployment Insurance: The Minister observes that the experience of other countries had demonstrated that a system of unemployment insurance, in order to be effective and successful, must be merely ancillary or complementary to a system of labour exchanges, the whole being adapted to the principal function of finding work for unemployed insured workmen. In this view, unemployment insurance has a pronounced federal aspect, and on the whole, the Minister thinks the establishment of a system of unemployment insurance is competent to the Dominion in the exercise of its residuary legislative power with relation to the peace, order and good government of Canada.

The CHAIRMAN: Who was the Minister of Labour then?

Mr. WOODSWORTH: That is the Minister of Justice. That was the opinion of the Minister of Justice in 1921.

By Mr. Woodsworth:

Q. Has the opinion of the department altered since that time, or how can you explain that opinion?—A. That opinion was given mainly in connection with the international aspect of the subject. As I explained to the Committee last year, in so far as we are under any obligation by way of treaty, the legislative power rests with the Parliament of Canada. I understand that the particular convention to which reference was made in that opinion was not a treaty within the meaning of the Act, but it was a draft convention which was submitted to the several governments constituting the League of Nations, with a view to the proposals contained in that convention being placed before the proper controlling body for consideration, and, in dealing with that, the Minister pointed out that where the scheme called for by the convention was international in its character he would be prepared to submit that to Parliament. It would follow that if such a scheme were submitted to Parliament, Parliament would have power to carry out the provisions of that treaty. But a moment ago I was speaking about the matter purely from a domestic point of view.

Q. Ah, yes, but we are under certain obligations, and the Minister made the statement at that time that a scheme of unemployment insurance is competent to the Dominion in the exercise of its residuary legislative power with relation to the peace, order and good government of Canada. That seems very clear.—

A. I think, Mr. Woodsworth, if you refer to the evidence that I gave last year, you will find that we went over that ground, and I explained the situation as I understood it then. I do not think I would want to add to anything that I said on that aspect of it last year. I think it is completely set out in the notes.

[Mr W. Stewart Edwards].

By Hon. Mr. Heenan:

Q. There is no doubt in your mind that the Parliament of Canada have not got the right to impose any obligation such as Old Age Pensions, Unemployment Insurance, Sickness and Invalidity, or any of these things, on any province or any citizen of any province, by asking them to contribute in any way?—A. No, subject to the qualification I mentioned, as to bringing it within any of the particular Dominion enumerated powers—

By Mr. Woodsworth:

Q. Not under the residuary legislative powers?—A. No.

Q. Then, you differ with the Minister in 1921?—A. Well, I think I explained the effect of that opinion last year, and without refreshing my memory, I would not want to go into it now. I did not know that I would be expected to go over the same ground we had covered last year, and, as a matter of fact, I have not refreshed my memory on what I said last year.

By Mr. McGibbon:

Q. Is it not a matter of fact and law that this Dominion can only impose obligations on creatures of their own creation?—A. Well, you are speaking now of the company aspect of the matter. Perhaps I ought to explain that to the Committee. I am speaking entirely from the standpoint of the Dominion of Canada, as such, entering into these schemes, as government schemes. Of course, the question of insurance carried on by companies is another branch of the subject altogether, and we decidedly have power to incorporate companies.

Q. But under conditions like, for instance, legislation doing away with level crossings, you cannot make that obligatory on the provinces, can you?—A. That is, Dominion Railways?

Q. We cannot make it obligatory on the provinces?

The CHAIRMAN: You mean we can carry it out federally, but not provincially?

By Mr. McGibbon:

Q. Yes, or by agreement. But you cannot make it obligatory?—A. I think it has been held that where we are legislating within our powers we may impose obligations upon the provincial governments.

Q. In what way have we ever done it?—A. In connection with the courts. Under the British North America Act the province has power to constitute courts of superior jurisdiction, and they have power to appoint officers and give them the power.

Q. That is by agreement under the British North America Act?—A. Well, it is by statute. That is, we have passed legislation here whereby we have conferred power upon provincial judges and upon provincial servants, and we have imposed obligations upon them, and that has been upheld as being within the powers of Parliament. With regard to railways, we have the Nipissing Central case which reaffirms a long line of decisions to the effect that where the Dominion, for the purpose of a Dominion railway, authorizes the expropriation of provincial Crown lands, the statute is valid provided compensation is provided for.

Q. But that is just the reverse. We are not imposing obligations on the province there.—A. I thought you were asking me about grade crossings.

Q. My point is, whether we can impose an obligation on the provinces as part of the expense?—A. No.

The witness retired.

[Mr. W. Stewart Edwards.]

Dr. ROBERT HAMILTON COATS, called and sworn.

By the Chairman:

Q. I think, Dr. Coats, you understand the question on which we want some light, which is how are we going to get accurate information about unemployment throughout Canada. That is the subject which we have been discussing and debating in this Committee for the past two years. I think you might tell us how that could be obtained for the work which this Committee has been called upon to investigate. What is your name?—A. Robert Hamilton Coats.

Q. And what is your position with the department?—A. Dominion Statistician. Perhaps I might explain just what we already have, and what our methods are at the present moment. I understand that the question is limited to unemployment and not employment. There is a section in the census that aims to get a comprehensive return at least once every ten years on this point, in co-ordination with the thirty-five other questions that appear on the schedule to enable a thorough going analysis to be made of the whole situation as it obtains in that year. In the schedule on population, in the census, there is a section which is made up of seven questions. The general heading of that section is "Professions, Occupations and Employment"; and the section begins by asking first, What is the chief occupation, profession or trade of the person? And secondly whether he is an employer or an employee or a worker on his own account; thirdly, in the case of an employee,—because that makes up the great bulk of the answers—where he works. That is to say, in the first instance, we may bring out the fact that the man is a blacksmith, and then in the third we would obtain the industry in which he is plying his trade, such as agricultural implements. Then in the fourth, we ask the total earnings within the last twelve months; which enables a vast amount of information to be brought out in connection with the occupation. Then follow the three questions on unemployment. We first ask the straight question, "Are you out of work to-day?" that being June 1st of the Census Year. Secondly, "how many weeks have you been out of work during the past twelve months?" And thirdly, how many of those weeks that he was out of work were due to illness? The object of putting in that third question is to differentiate between unemployment that may be industrial in origin and unemployment that may be due to the physical condition of the person; because the distinction is very necessary.

There is always a criticism with regard to a census question that involves any strain on the memory. The question of the number of weeks of unemployment during the past year has that defect, but I do not think it is very serious. You must always remember in dealing with answers to questions of that kind that the human memory is very fallible indeed. For instance, you would think that the birth of a child within the family within the year would be an event that would be fresh in the memory and that we would get an accurate record of it; but we do not. In the census, the world over, the children under one year of age have to be increased by ten percent in order to obtain accuracy, because there is one in ten who forget. Then another instance is that you would think that a death in a family would be an event which would indelibly place itself upon the memory; but it does not; you have to get a mortuary return. Then, as another instance, in connection with the ladies' ages, we have to correct that by a mathematical formula. It is peculiar how the ages of females are humped or knotted at every five by the ladies always selecting the five or the nought as the point to which they refer. But that is all more or less by the way.

The data that we have, I think, is very valuable for the purposes of this Committee, or it should be very valuable for the purposes of this Committee, although I have not been able to give a very close study, recently at least, to

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what the Committee has in mind. But I should think that we would be able, for the census year, to bring out a considerable amount of data that would bear on the problems which you are discussing.

Unfortunately, 1923 and 1924, as you know, were years of financial stress in Canada and the government was under obligation to curtail expenses in every possible way; and the curtailment process in staff caught us at the very moment when we were on this particular compilation in connection with the census. Therefore, of necessity we had to let a considerable number of our specially hired census employees go at the time. We have had to put this compilation out in a more or less shorter form. We have tried to get these compilations out with our regular staff, and that has delayed the work considerably. The date is now so late that in connection with unemployment we had thought of putting the 1921 census in the report which will appear in connection with the 1931 census, which is only two years off. In that way we will have side by side a study of the whole unemployment situation as it affects Canada in two typical years.

By the Chairman:

Q. You would have the same information, would you not, for the western provinces every five years?—A. No, our census for the western provinces is not nearly so complete; it is some ten or a dozen questions short.

By Mr. McGibbon:

Q. You get this information only once every ten years, and it would not be of much use when it is ten years old.—A. Yes, it is ten years old, but it ought to reveal the more or less permanent conditions which reflect on employment in Canada. It would throw a lot of very useful information, I think, into the light. I do not know whether the Committee has seen the data proposed on family allowances. It occurs to me that some data that we have already brought out on the earnings of the family, in that report of the 1921 census, might be useful. There is a table in Volume 3 of the census report, table 41, which is a pretty good map of the family situation in Canada. It would have been improved, I think, had we put in the unemployment data with it, but that could be added. For every occupation, the number of families was given, the children at certain ages, the earnings of the head of the family, and the earnings of the children, the number of persons supported, and a number of facts of that kind, so that under the heading of the various occupations you can get a pretty good idea of the economic condition of the average family in Canada. I am afraid it would begin to weary you if I told you some of the analyses of which these data are capable.

It just occurs to me to add that we have not yet decided on the form of our 1931 census; we have practically until the end of the present year to decide on that, and I had in mind early in the autumn to get into touch with the Labour Department and others on these very points, so that we should have a full discussion of exactly what we should do in the 1931 census. In that we will have the benefit of the previous discussion which has occurred at Washington, the United States census occurring a year in advance of ours, so that we have always the benefit of looking over their shoulders in the matter of method. They go into this very fully, and they have a committee of the American Statistical Association who advise with the Washington Department. Also there is an adviser nominated by the different scientific associations in the United States, such as the American Economic Association, and the American Political Science Association, who appoint a delegate to sit in with the census office when they are drafting the census questions.

From a letter which I had the other day, I see that the committee of the American Statistical Association is asking the census people to put in practically the questions that we have, and the census is inclined to refuse, I think.

[Mr. Robert H. Coats.]

By Mr. Woodsworth:

Q. How long does it take to complete the census?—A. That depends upon what you call completing it. As a matter of fact you could work forever on a census. We are supposed to be able to finish the census within three years, but no census office ever does get through in three years. With careful planning and sufficient staff three years should suffice to make the more important compilations.

Q. Could we not get this matter in which you are interested pushed through before five years from now?—A. Oh, yes.

Q. I understood you to say that you have matter in the office which has not been compiled. It is two years more until the next census, and then three years after that, which would be a long time?—A. We have a great deal of it compiled; we could give you a good deal of it to-day. If you would tell me exactly what facts would be useful to you, and what sort of a tabulation, I would be very glad indeed to make a special one for you. The materials are practically in finished form. I think, as a matter of fact, if it were necessary, we could bring out the thing in a matter of a few weeks' labour additional; and that applies to quite an extensive scheme of tabulation.

Q. It is quite desirable that we should have some idea of the unemployment in the various sections in Canada, and the unemployment in the different trades in Canada. Further than that, there is a matter which I have sometimes taken up with the Department of Labour and which they say they have no means of getting at. Occasionally they make an estimate of the amount of money lost through strikes, the number of days the men have been out on strike, and the loss to the country entailed. I would be glad to see an estimate made of the wages lost to the country during the time the men are unemployed.—

A. There is no reason at all why we should not give you that for the census year. For example, there is a tabulation here which shows down the side each locality and products; then across the top are the number of persons unemployed through illness on the census date; similarly the number of persons reported unemployed during the previous year for from one up to twenty-seven weeks. That is a picture of unemployment in that year. Of course that is only for the year 1921.

By the Chairman:

Q. How long have you been getting that in the way of a census return?—

A. 1921 is the first year we have covered unemployment.

By Mr. Woodsworth:

Q. Do I understand, Mr. Coats, that without undue effort in the course of a few weeks you could give us a summary along the lines which you have been indicating?—A. Oh yes.

Mr. WOODSWORTH: I think that would be very desirable.

The CHAIRMAN: It looks as if some of this was the information we have been looking for.

By Mr. Neill:

Q. That is applicable to nine years ago. What we want is something up to date.

Mr. MCGIBBON: But that was a good year in which to get the figures.

By Mr. Heaps:

Q. Some years you have unemployment greater at one period of the year?—A. This covers the whole of the year. First we asked how long he was out of employment. This is a study for that particular year.

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You get strong light on this through the correlation of your figures; for instance, you know that as a matter of fact certain classes are seasonal, and therefore you can compare them. If you take the building trades in Canada, you have an indication of that.

I might add to what I have already said on unemployment that we, of course, cover the employment situation monthly with a report of everyone, so far as we can get it, who employs more than fifteen hands throughout Canada. That is the reverse side, of course.

By Mr. Neill:

Q. Do you get those statistics?—A. Yes, we get those once a month; and then in our industrial census which we receive from every industry in Canada outside of the agricultural—and of course we get it as to agriculture also, we have all forms of productive activity. From every employer there is a categorical statement of his payroll on the 15th of that month; so that in those elements we can trace employment.

Q. You get that annually?—A. Yes, that is employment, and not unemployment. I can tell you, for example, exactly how many people were employed per month, from month to month, in Ottawa, in the various industries.

The CHAIRMAN: And that covers something over six thousand industries.

By Mr. McGibbon:

Q. Could you not cover also a question as to what was the normal number of employees?—A. Yes, sir. The trouble with the census material is that we get the raw material, which we too often leave in the unfinished state. We get tons of raw material through the census, but we do not know the meaning of it very often, through inability to analyse the material and present it in a form in which it is applicable to the problems of the country.

Q. Do you think these industries return to you their normal employment?—A. They return the number employed.

Q. Then you would have to deduct those figures from the normal capacity for employment, and you would get the average employment?—A. I do not know that you could get at the exact figures of unemployment in that way.

Q. But it would be relatively correct?—A. Oh yes, you could get a very good idea. I do not know how you are to cover a problem of unemployment except by a census. That practically takes a cross-section at that particular time. Of course the argument against the census—being only once in every ten years and making it once every five years—and that is a great objection to several of the features—is that the census represents a particular year, and that conditions change from year to year.

The CHAIRMAN: That information would be better than none, anyway. Mr. Heaps, you were saying the other day that we could really go on without any figures as to statistics.

Mr. HEAPS: I pointed out some days ago that in Great Britain they have all the statistics they want since they have adopted their present system. They have had abnormal unemployment owing to conditions which set in immediately after the war. Whilst it might be interesting and useful to have the information I do not think it is going to be of any very great assistance to the Committee in arriving at a conclusion on this question.

By Mr. McGibbon:

Q. Do you get a return, in the province of Ontario, from every person employing men?—A. Not everyone. On this monthly employment index the whole object is to keep tab from month to month on the state of employment.

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Q. That is only in organized industries?—A. No, that is in all forms of industry. We get that from railways, from the building trades, from factories, from stores and shops. We try to maintain everyone on that list.

Q. Are garages on that?—A. Yes. If they employ up to fifteen men.

Q. There are tens of thousands employing under fifteen men, from whom you would not get any report at all?—A. Our returns are not absolutely comprehensive, but by proper methods they are a gauge so that we know whether employment is sagging or rising, probably as accurately as if you had everybody on the list. You do not get the exact total in every case.

Q. But you probably have enough key industries to get an idea?—A. Oh, I think so.

The CHAIRMAN: If there are no other questions, then that will do, Mr. Coats. We thank you for coming and giving us this information. Now we are ready for you, Mr. Heenan.

The witness retired.

HON. PETER HEENAN, Minister of Labour, called.

The WITNESS: Do you want me to give evidence?

The CHAIRMAN: That is up to the Committee. We want to ask some questions as to the attitude of the department to this unemployment question.

HON. MR. HEENAN: I did not come here to give evidence but to see if there was any assistance I could give to the Committee. I think I said everything I had to say on the last time I was before the Committee. I do not know if you are all the same members of the Committee who were here before.

You will have observed, as you have been going on with your work, that the Justice Department is very definite on the point that this is a provincial matter; and the provinces themselves do not take another attitude. In fact when we were at the Dominion and Provincial Conference, when the question of unemployment relief was up, it was discussed there as a provincial matter. I recall very well, to my surprise that there was only one province which wanted to have any unemployment relief given from the Dominion Government, and that was the province of Manitoba. The others acquiesced, to the effect that as the unemployment question came within the rights of the province they did not at all welcome the Dominion Government giving relief or keeping on with these schemes, making provision that this or that would take effect, if a province did so and so. That is the attitude that they took, so that I think it is a well established fact up to the present time that this is a provincial matter. Therefore those who are really interested in the establishment of unemployment insurance must give consideration to how far they desire to press the provinces before they are ready for it.

As I said the last time I was before the Committee, after communicating with the provinces and before getting their reply, I met many of the representatives of the provinces and they were alarmed at the fact that they might be pressed to such an extent that it would hurt or hinder one scheme of social insurance that they had under consideration in their provinces at that time. I have no doubt, that as you have gone through the Committee work, you have discovered that unemployment insurance in a country like Canada is not, you might say, as simple a scheme to effect, as it would be in an industrial country like England; because there they have unemployment and everybody sees it. When a man is out of a job as a machinist or a brick-layer, he is out of work and that is all there is to it. There is very little use in his going to look for work in any other quarter because other industries are closed up also. In Canada at the present time if a man is employed in some business, which has

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been referred to by some members of the Committee as a seasonal trade, he may get out and look for work in other parts of the country, or in other places, such as on the lakes, or in the bush. In other words, in this country we are jacks of all trades probably more than in any other country I know of. Therefore, to put a system of unemployment insurance into effect in this country is not just as easy as it might look. But, as I said, the provinces are not very anxious at the present moment to start in with the problem of unemployment insurance until they have the old age pensions fairly well under way.

I do not know whether my opinion is of any good to the Committee or not, but since I came into the office of Minister of Labour I have been getting another view point on some of these things.

Mr. WOODSWORTH: Hear, hear.

Hon. Mr. HEENAN: And it is not altogether just the view point that my hon. friend has in his mind now. My view point is that the industries which cause unemployment should bear the cost of it, rather than the state. We have industrial men in Canada starting up industries in competition with one another. Let us take the paper pulp industry as an example. They have gone on building one plant after another, starting communities, and bringing people in to man these industries, without any thought of whether it was going to mean over-production or not. And then at a moment's notice, finding that the market is over-stocked they have acted in such a way that some of these towns have closed up; the communities are practically knocked out, and the men and women have to shift for themselves. I think that if more responsibility were put on the industries themselves there would probably be more uniform development, and that they would have to take into consideration the human beings that are employed in that industry.

By Mr. Letellier:

Q. How could it be done?—A. Through provincial legislation.

By Mr. Heaps:

Q. But the provinces are not responsible for those industries?—A. Why not?

Q. Has the Dominion Government not got responsibility in connection with those industries?—A. That is a fair question to ask. Who leases the water-powers and timber areas?

Q. Take the case of the Manitoba Pulp and Paper Company. Who leased that?—The Dominion Government. A. That is one.

By Mr. Woodsworth:

Q. Oh, no, take the Flin Flon mines which are being given over to American manufacturers without any royalties being paid?—A. That is a question for the province. You have got the Seven Sisters and yet you are not content. You know that these things are being administered with the consent, or at the request of the province. But just on that very point, we have at this very moment a resolution before the Manitoba Legislature in connection with the development of White Mud Falls—for a British concern to develop the White Mud Falls for the purpose of generating electricity for mines and pulp and paper industries, at the very moment when the Prime Ministers of the provinces of Quebec and Ontario have been working their heads off for almost a year, I believe, in an effort to spread the work amongst the industries that we have in Canada at the present time, and yet they talk about starting another industry

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in that connection. If the Dominion government is responsible then they should not be exempt any more than anyone else. I do not think encouragement should be given to these people to bring men into the country on the promise of employment.

Q. Is not the Dominion government very definitely responsible for the bringing in of men?—A. I came here and the Dominion government was not responsible for my coming.

Mr. HEAPS: They let you in.

The WITNESS: They let me in because they knew they could not keep the Irish out. The Dominion government is not entirely responsible for the bringing in of people. We have the provinces bringing them in too.

By Mr. Howard:

Q. Is it not, as a matter of fact, the promoter?—A. The thought that is in my mind—subject always, of course, to what the Committee may think—is that in whatever we do in connection with the formulating of schemes, we should not make it appear to the provincial governments that we are leaving the scheme at their doors, as it were, and pushing them into it. I agree with what we did in connection with the Old Age Pensions, because that was a humanitarian piece of legislation. Everyone realized something had to be done; some drastic action had to be taken in order to get someone else to realize the responsibility. But do not let us overdo it.

By the Chairman:

Q. You think we should wait until the provinces take the initiative?—A. Yes, because it is primarily a responsibility of the provinces, and we ought to give them every encouragement, gather all the data for them that we can, and wait till they take the initiative, and then give it consideration after that.

By Mr. Plunkett:

Q. How many of the provinces, or territories, have officially through their governments for unemployment relief?—A. None of them have asked. Ontario is the only one that has given any kind of a concrete suggestion, as it were. Nova Scotia says that while they express sympathy with it the finances of the province will not stand it. New Brunswick the same. Manitoba just leaves it to hear from us again, unless it were to be the subject of further discussion here this session. British Columbia said that they had no views on the matter whatever; they had not given it any consideration and had no views to offer. I do not know what they mean by that. Saskatchewan and Alberta merely acknowledged our letter, which shows they are not very enthusiastic over the matter. Ontario said they felt that before anything tangible could be accomplished in the matter of unemployment insurance it would be necessary for the representatives of the provincial governments to meet in conference and give this question their most serious consideration.

Q. The same answer then would apply to health insurance and family allowances too?—A. This has nothing to do with family allowances.

Q. That subject has not been taken up with them?—A. No. This is the first year you have touched on the matter of family allowances.

By Mr. Woodsworth:

Q. But a similar attitude was also taken with regard to the question of Old Age Pensions?—A. Yes.

By Mr. Plunkett:

Q. Practically speaking then, the Dominion government is bringing up this question in advance of the provinces and asking them for an opinion on it?—A. That is right.

Q. It has not come primarily from the provinces?—A. No.

By Mr. Neill:

Q. I would like to point out to the Minister a remark that I made at the last sitting. I do not think the Labour Department has done as much in this matter as they might have done. We sat here for two sessions discussing this matter. We made a report in which we pointed out that we needed the co-operation of the provinces, and asked the Labour Department to secure their opinion. That was adopted by the House. The Labour Department appear to be satisfied to carry out that instruction, or request, by writing a letter, dated last August, to each of the nine provinces. One of the replies received merely said, "I beg to acknowledge receipt of your letter . . ." and that was all. None of the others were definite, in the slightest degree. I think one said it was not favourable. I submit, knowing that this Committee had to meet again in February or March, and knowing that this Committee would desire to get some definite information as to the attitude of the provinces, the Department of Labour should not have been satisfied with a formal acknowledgment, or a vague expression of academic sympathy, but should have written again to say that this Committee would be meeting soon and we would like to hear your definite policy in this regard, as we are now asked to make a report on this subject. I really do submit that your department should have followed the matter up and said, "Well, now, come along, you have had some months now to think about it, we want an expression of your policy and we have not got it."—A. There may be something in that, Mr. Neill. I am not going to say that I am infallible. We might have done something more, but I looked upon it as a provincial matter. We had written to them just as instructed by the Committee, and I think it took two communications. We finally sent them the report, which was another reminder, as it were, and in view of the fact that it was their business and not the Dominion government's business, I was just a little afraid to outwear my welcome by writing to them too much. I would rather have an open answer than a direct "No," because if we get "No," from the provinces—

Q. I would rather have a definite "No" than a vague something so that we do not know what we are doing.—A. Because once you get "No" it is a little harder. If we had pressed them I am sure we would have got "No," because in addition to writing letters I was over the country pretty well, and I talked with a good many of the representatives of the various governments.

By Mr. Heaps:

Q. I take it from what you have said here, Mr. Minister, that the attitude of the government is that they are not anxious, or not willing, to follow the example they set in connection with Old Age Pensions with regard to Unemployment Sickness and Invalidity Insurance?—A. I did not say that the government was opposed to anything. I am not saying that I am expressing the opinion of the government. I am giving you the Minister of Labour's opinion now as to how far we ought to go. The government, no doubt, will be governed by the House of Parliament.

Q. You are not prepared to go quite as far as you went last year?—A. How is that?

Q. Because the report of last year goes a good deal further than your statement does this morning.—A. I do not know how far I went last year.

[Hon. Peter Heenan.]

Q. The report last year recommended to the House favourable consideration of the principle involved, and the House adopted the principle of Unemployment, Sickness and Invalidity Insurance.—A. Well, that is adopted.

Q. But now you say it is purely a provincial matter. If that is the case you are not going as far as you went last year.

Mr. PLUNKETT: At the time that resolution was passed in the House was the matter of jurisdiction brought up?

The WITNESS: The question here is settled, as far as I know, as to whose jurisdiction it is under the B.N.A. Act. No one is trying to say what Parliament will or will not do, because we do not know what Parliament will do. The question is now, the provinces having put themselves on record, having expressed themselves as not being enthusiastic over it, should we go to work and formulate some plan and put it at their doors and say, take it or leave it, or would it not be better to wait until the provinces approach us first because it is primarily their obligation. So far as the Department of Labour is concerned, we have no desire to shelve anything. What I am anxious about is that the Committee should report something that Parliament will pass, something that will be useful. I do not think that we should bring forward a direct proposal that a system of unemployment insurance should be formulated at this time, on top of the Old Age Pensions and everything else, and say to the provinces, "here, this is what we propose, and if you want to accept it, why we will go with you." I am afraid that the one will react against the other.

By Mr. Heaps:

Q. Will you state, Mr. Heenan, what, in your opinion, should be the report that this Committee should recommend to the House?

Mr. PLUNKETT: I do not think we should discuss that.

Mr. HEAPS: The Minister is here representing the government; at least I presume he is, and he ought to have some idea of what the government's attitude is on this particular question.

Mr. WOODSWORTH: I do not think that we should ask the Minister to state that.

By Mr. Neill:

Q. I would like to ask the Minister if anything has been done with regard to Section 6 of the Report; that is, with regard to getting some definite technical advice from the old country, expert advice.—A. You were not here the last time I was present.

Q. No.—A. Well, I may say I went over to Geneva and stopped off in London, both going and coming, and I discussed this matter with members of the British Government, and some of the Labour men. I refrained from mentioning names the last time I was here, because those men are in politics over there, and anything I may say, as to what they said to me, is liable to be misconstrued either for or against them. I practically had one man obligated to come to Canada, a man who was familiar with this subject, but after further discussing it with him he pointed out that unless there was an estimate of what the cost of unemployment insurance would be, and without knowing what the scheme would be, it would be time and money wasted for him to come here, he thought, and I agreed with him.

Q. Could he not help us to formulate the scheme, from his experience?—

A. He might have done that, of course.

Q. That was the recommendation.—A. I would prefer to formulate our own scheme. But he thought, and I agreed with him, that it would be much

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better if we were going into a scheme of that kind to have a Canadian go over there and study the question, a man who would be with us continually afterwards rather than have someone come here from the other side and give us his opinion and then go back.

Mr. PLUNKETT: It would be much better to have a representative from Canada go over there and get their view, because anyone coming from there would not know the conditions of a new country at all.

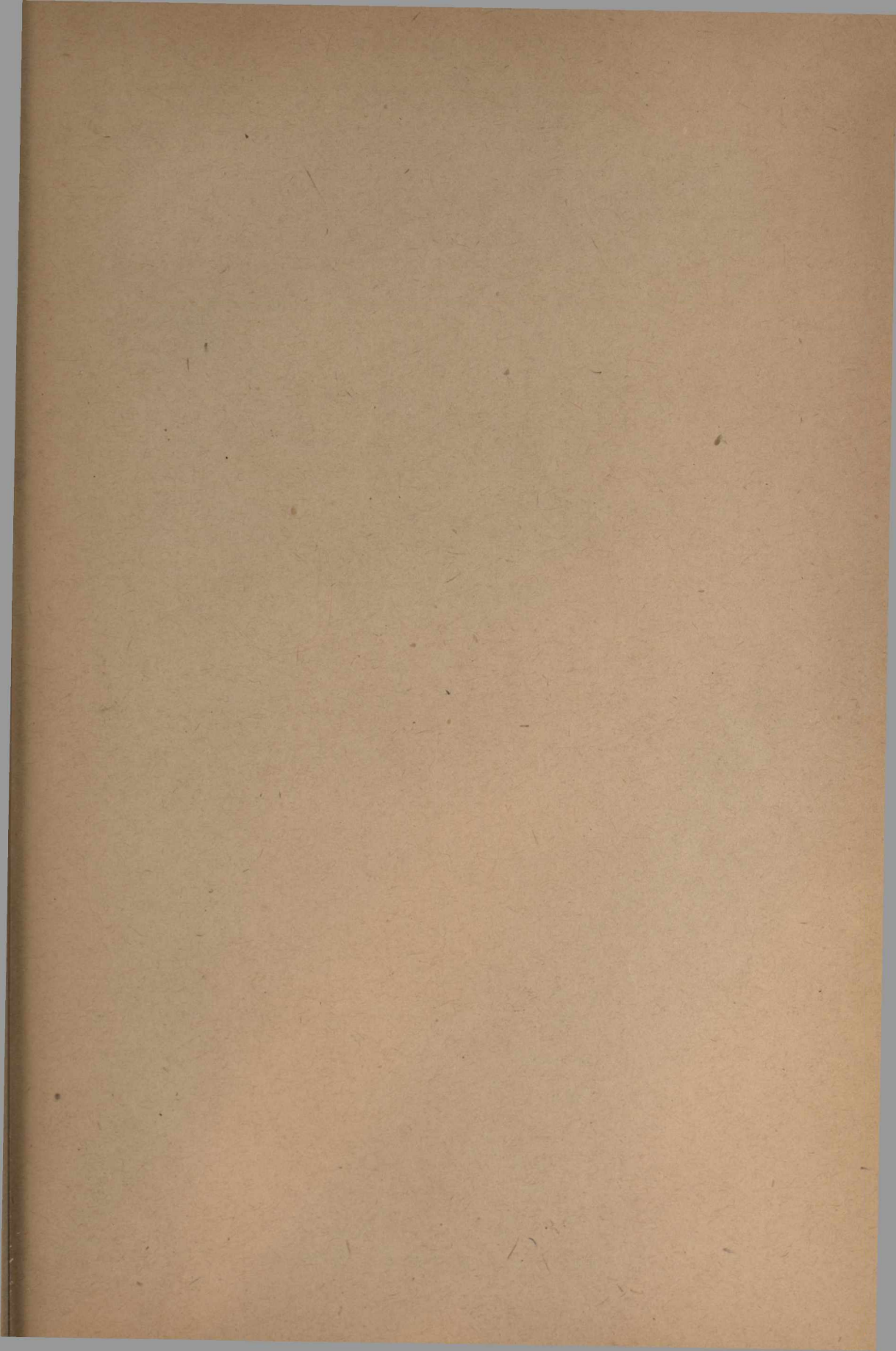
The CHAIRMAN: I think the Minister's viewpoint there is correct.

Mr. HEAPS: But there is a very good precedent in the case of Australia where they have had unemployment insurance in existence for quite a number of years. The conditions there in regard to distance, and in many other respects, must be somewhat akin to our own here, and I rather thought that Australia would be the much better place to study this viewpoint than Great Britain.

The WITNESS: I agree with you there, but I had an opportunity when I was over there to discuss this thing, and I am familiar with the British system.

The witness retired.

The Committee adjourned until Tuesday, April 30, 1929, at 10.30 a.m.



SESSION 1929

HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

INDUSTRIAL AND INTERNATIONAL RELATIONS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9—APRIL 30, 1929

WITNESSES:

Miss Charlotte Whitton, Secretary, Canadian Council on Child Welfare.

Mrs. Mildred Kensit, Director, Childrens Bureau of Montreal.

Mr. Robert E. Mills, Director, Childrens Aid Society, Toronto.

MINUTES OF PROCEEDINGS

TUESDAY, April 30, 1929.

Pursuant to adjournment and notice, the Select Standing Committee on Industrial and International Relations met this day at 10.30 a.m., the Chairman (Mr. McIntosh) presiding.

Present: Messieurs Bell (*St. John-Albert*), Grimmer, Jenkins, Letellier, McIntosh, McMillan, Morin (*St. Hyacinthe-Rouville*), Neill, Plunkett, St-Père, Thorson, Woodsworth, Hon. Peter Heenan and Miss Macphail.—14.

Minutes of Tuesday, April 23, read and approved. The Committee proceeded to consider the draft report presented by the sub-committee appointed on Tuesday, April 16, and on motion of Mr. Thorson it was

Resolved,—That the following be the report of the Committee on the subject of insurance against unemployment, sickness and invalidity.

Your Committee has had under consideration a resolution adopted by the House on February 14th, 1929, as follows:

That the Committee on Industrial and International Relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity.

The following witnesses appeared before your Committee to give evidence on the said subject matter of investigation:

A. Grant Fleming, M.D., Professor of Public Health and Preventive Medicine, Montreal; J. G. Fitzgerald, Professor of Hygiene and Preventive Medicine, University of Toronto; Gerald H. Brown, Assistant Deputy Minister of Labour, Ottawa; R. A. Rigg, Director of Employment Service of Canada, Ottawa; Andrew D. Watson, Dominion Department of Insurance, Ottawa; W. Stewart Edwards, Deputy Minister of Justice, Ottawa; Robert H. Coats, Dominion Statistician, Ottawa.

Dr. Grant Fleming and Dr. Fitzgerald gave evidence dealing specially with sickness insurance.

1. Your Committee would reaffirm the position taken in the final report adopted on June 6th of last session, namely:

That your Committee accept and endorse the principle of unemployment insurance, based on compulsory contributions derived from the State, employer and employees.

2. Your Committee recognizes that, while it is highly desirable that such legislation should be uniform in all the provinces, and while social insurance has a federal aspect, nevertheless, according to the Department of Justice, under our constitution legislative jurisdiction in relation to the establishment of a compulsory system of unemployment insurance is vested exclusively in the provincial legislatures.

3. Your Committee finds that the provinces, on being consulted by the Department of Labour with regard to their attitude towards the establishment of a general scheme, do not appear to be prepared to take immediate action.

4. Under these circumstances, your Committee submits the following recommendations:

(a) That with regard to sickness insurance, the Department of Pensions and National Health be requested to initiate a comprehensive survey of the field of public health, with special reference to a national health program. In this, it is believed that it would be possible to secure the co-operation of the provincial and municipal health departments, as well as the organized medical profession.

(b) That in the forthcoming census, provision should be made for the securing of the fullest possible data regarding the extent of unemployment and sickness, and that this should be compiled and published at as early a date as possible.

(c) That the Federal Government be requested to bring the subject matter of this reference before the next Federal-Provincial conference; and your Committee suggests, when the agenda for such a conference is being arranged that the provincial governments be invited to send representatives of the Employer and Employee to discuss the subject matter of this report.

Your Committee further recommends that 750 copies in English and 200 copies in French of this report, and the evidence upon which it is based, be printed in blue book form, and that Standing Order No. 64 be suspended in relation thereto.

All of which is respectfully submitted.

C. R. McINTOSH,
Chairman.

Miss Charlotte Whitton, Secretary, Canadian Council on Child Welfare, called, sworn and examined on the subject of Family Allowances.

Witness retired.

Mrs. Mildred Kensit, Director, Children's Bureau of Montreal, called, sworn and examined on Family Allowances.

Witness retired.

Mr. Robert E. Mills, Director, Children's Aid Society, Toronto, called, sworn and examined on Family Allowances.

Witness retired.

The Committee adjourned until Friday, May 3rd, at 11.00 a.m.

WALTER HILL,
Clerk of Committee.

MINUTES OF EVIDENCE

COMMITTEE ROOM 375,
HOUSE OF COMMONS,
TUESDAY, April 30, 1929.

The Select Standing Committee on Industrial and International Relations met at 10.30 o'clock a.m., the Chairman, Mr. C. R. McIntosh, presiding.

The CHAIRMAN: We were supposed to start this morning at 11 o'clock on some new evidence. I suppose it will be satisfactory to present this report, which has just been passed, to the House to-morrow, after we get it re-typewritten and in shape.

The evidence to-day is on family allowances. The first name I have here is that of Miss Charlotte Whitton. If Miss Whitton will come forward now we will have her sworn to give evidence on this subject.

Miss CHARLOTTE WHITTON, called and sworn.

The CHAIRMAN: I think, Miss Whitton, you understand the subject to be discussed, and we would like to have an expression of your views before the Committee. After that we will ask you any necessary questions.

The WITNESS: Mr. Chairman, I might explain first the order of our presentation of this evidence. The social workers who are here, the people who are giving evidence to-day, represent the Social Service Council of Canada. I might explain that I shall deal first with the general aspects of the problem and then more specifically. Then Mr. Mills, of the Children's Aid Society, of Toronto, will follow on some other aspects. Then Mrs. Kensit, of the Children's Bureau, in Montreal, will deal with some other aspects. (Reading):

"In principle the proponents of family allowances argue that this system will improve the standard of living of working families, lighten the cost of rearing children, and so encourage marriage and increase the birth rate. It would therefore seem the responsibility of any inquiry dealing with the system to ascertain whether the system, where tried, has actually brought about such conditions, and whether, if it has done so, or even if it has not, it does not sacrifice other principles, the loss or endangering of which would more than offset any possible advantage. From impartial examination of the question, throughout the countries of Europe, where it has been tried and comparative study of living, health and child welfare conditions in this continent, there would appear to be a grave question of the system having accomplished all those things claimed for it, and there seems to be equally grave doubt as to whether it would be applicable, or desirable in Canada, and whether, in fact, it would not be utterly subversive of the fundamental principles which have brought our present standard of family life and living conditions to such a decent level in this Dominion.

The basis of the State's interest in family life is that every child is entitled to a reasonably safe, decent and adequate guardianship, during his childhood years if he is to grow into the sound manhood, which the State requires for its own permanency. In our branch of civilization no finer or better institution has been evolved, to which this duty and responsibility can be entrusted than the family. Therefore, both Church and State have surrounded marriage—the entrance to the family state—with every safeguard, which each can provide. The Church has sought to raise marriage to the dignity of a sacrament, and

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the State has co-operated by strict marriage and divorce laws. Inevitably, this has meant, through the centuries, that the position of woman has been dignified and elevated. The venerable position accorded to the Virgin Mary, in the Christian religion, has immeasurably raised the place of womankind throughout Christian states.

The principle of family allowance, would appear, to impugn dangerously upon both these fundamental attitudes. If family allowances are necessary in any country or industry, and if they are designed to stimulate the birth rate, by offering economic inducements thereto, it would certainly be open to argument whether the system does not subtly reduce marriage and the marriage relationship, from its high and almost sacramental attributes in our branch of civilization to economic relationships, capable of financial exploitation. Such a development will inevitably depress the position of the woman and mother in the state from her present status of an individual personality, with citizenship rights, to a person who would be cared for and maintained as the slave woman in Rome, or in the United States, in the days preceding emancipation, not for herself and because she had a human body and a divine soul, but because she mattered greatly to industry and the state, as the potential mother of future slaves and employees. It would seem to me, that the whole proposal is one, which might be justifiably regarded by the mass of womanhood across Canada, as fraught with far-reaching and disastrous consequences, which might ultimately result in the entire subversion of the present position and privileges, which they enjoy in almost all the provinces of Canada.

My first objection is therefore registered to the principle of the proposal as inimical to the highest concepts of marriage as a social institution, and to the present position of woman, in all enlightened countries.

THE STATE'S INTEREST—THE ENFORCEMENT OF MAINTENANCE OBLIGATIONS

Yet, while the Christian doctrines of marriage and the position of woman and the necessities of society itself have inter-operated to dignify marriage and the family, as the finest and central institution of our life, always the State's interest has been not in morality and sound family life per se, but because they offered the surest guarantee of the nation's continuance, through their preservation of the child. Therefore the State has written into its laws, both criminal and civil, the obligation of the parent to support and maintain the helpless child as one of the fundamental and most insistent responsibilities, which it demands that its citizens must observe. In the Criminal Code of Canada, in the Civil Code and Revised Statutes of Quebec, in the Children's Protection Acts of all the English speaking provinces, this major insistence upon the child's rights and claims to maintenance and protection runs like a thread of inalienable strength. It is the utter reversion of the attitude prevalent even until recent years, that the child was to be regarded, as an economic asset by the parents for their exploitation in the maintenance of themselves and the family. All progress in child labour, and school attendance legislation and increasingly wider extension of free education rises logically out of this fundamental principle of the obligation of the head of the family to protect and maintain his children during their early years. If that principle be once surrendered, if the obligation of that duty be once abrogated, or shifted, shared with or delegated to the State, then the fundamental basis on which our whole concept of family life and child protection is founded, is doomed.

FAMILY ALLOWANCES UNDERMINE THE BASIS OF FAMILY SOLIDARITY

The family allowance system, by assuming the responsibilities of the head of the family in providing partial maintenance for his children, and in doing so, in increasing proportion, as those obligations develop more and more beyond

what he knows he can assume himself, undermines our basis of family responsibility. Because the system thus undermines the fundamental responsibilities of the head of the family for the maintenance of its members, it seems to me that it should be opposed as subversive of one of the principles of the organization of society on which western civilization has striven to insist for centuries.

It is not the part of the State to assume itself the maintenance obligations, which its laws impose upon parents; it is rather the duty of the state to see that the distribution of wealth, and the conditions of labour, housing, etc., within the State are such that it is possible for parents to discharge their legal obligations to their children.

FAMILY ALLOWANCES—THE STATE'S ADMISSION OF HELPLESSNESS

Family allowances are an admission by the State that the wages within its areas are not and cannot be made sufficient to support the average family according to minimum standards of health and decency, and that therefore the State must, by subsidy, redistribute resources, the equitable development and distribution of which it cannot control. That conditions in Canada have reached this hopeless plight over any broad area, or industrial group, I cannot admit, nor can I admit that where such conditions do prevail that they are either hopeless or irremediable beyond the power of labour organizations and governments to affect. I do not think that it is necessary for Canadians to-day to proclaim to the world, that a decent living at a decent minimum standard of life is such an impossibility for any proportion of her people that the state must intervene to pay allowances whereby life can be sustained at a decent level. The remarkable progress recorded in the last quarter century in this land, in the establishment of decent wages and hours gives every hope, I believe, that the day will yet be reached, in this Dominion when by insistence upon a decent minimum wage, the better organization of employment, over seasonal slacks and cycles of economic depression, and the economic regulation of immigration, it will be possible to prove every labourer worthy of his hire. In Canada to-day labour is rewarded over broad groups of occupations, by a fair wage, based on the sound principle of equal pay for equal work, and the indisputable economic premise of reward on the basis of power of production, not of reproduction, as the allowances system advocates. The extension of such conditions to universal application is the soundest line of progress.

FAMILY ALLOWANCES—APPLICABLE IN TWO TYPES OF CIRCUMSTANCES

Since this system is an admission that the wages cannot be made adequate for a decent standard of life, it would appear that in only two sets of circumstances would the payment of allowances seem at all justifiable. In the first place, the system might be argued for an industry or country, where the standard of wages payable is so deplorably and inevitably low, because of extraneous circumstances, that admittedly wages cannot be paid at a rate that will meet at all, the conditions and needs of life. Such circumstances might be fairly said to exist throughout many of the collieries of England and the mining and metallurgical industries of most continental countries. Conditions are such that labour cannot be employed throughout the industry continuously, or periodically at such rates, as will permit a decent minimum standard of life. Under these circumstances the whole industry must organize itself to provide an equitable subsidy, where necessary, spread over the whole industry, whereby the industry can continue and its product be marketed at such costs and under such conditions, as will assure its survival in the face of competition. If the industry, itself, is in such condition, that it cannot by co-operative action, sustain such subsidies, or if they are used further to depress standards, then the

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State, in preservation of economic stability in the one case, or in the interests of a section of its citizens, in the other must itself protect the whole community, by protecting and aiding that group in need of its paternal interest. While such conditions do exist, to-day, in parts of the mining districts of England, and the continent, and, it is averred, among certain ranks of labour in Australia and New Zealand, I gravely doubt, that they could be said to prevail over any wide group or area in the Dominion of Canada.

In the second place, family allowances, or more properly cost of living bonuses, would appear to be justifiable, in industries or employments, where the nature of the work may require large numbers of employees, who may be economically drawn from the younger unmarried classes, from women, or from older groups in the community in whose cases the older children are self supporting. Such conditions might prevail say, in certain branches of the textile industry where large numbers of young girls are employed and in the public service of a state or community where large numbers of young clerks, may be continuously employed. A fair remuneration for the work involved may meet adequately and satisfactorily, the needs of the great majority of those employed and the assured continuity of employment and income offset the opportunities for financial advancement in lines of employment, more exposed to fluctuations. However, a sudden fluctuation in living costs may cause extreme hardship. In such sets of circumstances, it would be obvious that a scale of remuneration based solely on the measurement of labour would possibly close such occupations entirely, to the married man with a young family, or if providing adequately for him, expose the whole system to serious and uneconomic overpayment of all the other groups. Consequently, the adoption of a system of allowances for the dependants, or a cost of living bonus has been very generally resorted to, to meet such circumstances throughout the public service of Europe, and was adopted in the civil service of Canada during the war. Members of this House are only too familiar with the abuses, and complaints of injustice registered thereunder, to debate the merits of the system here. Suffice it to say that as soon as living costs became fairly stable in this country the system was abandoned for a reclassification of the service. But outside of these two given sets of circumstances it is open to argument, whether the system is justifiable on the basis of, or in relation to wages, or employment.

DEPRESSED OF WAGES AND LIVING STANDARDS

From any angle from which the system is regarded, unless in the conditions described above, of hopeless and deplorably low wages in any industry, or in specialized and sheltered employment, I cannot see that the measure could do anything but depress living standards in this country. If introduced into industry, by private agreement as in France and Belgium, it would inevitably have the effect of keeping wage rates static, and would not apply to agriculture where our farmers are owners not tenants. Low wages in the subsidized industries would lead to a generally lower standard throughout the country. And were the system made state-wide by assessment, the costs of production and of living would be increased throughout the country, without increase in production, which would inevitably lead to higher costs, to loss of competitive markets and to diminishing of buying power at home. This would inevitably mean that the worker would pay for his own subsidy.

EUROPEAN EXPERIENCE

The experience then of the European countries would not appear to offer any strong endorsement for the system, which would justify its adoption in this country. Outside of France and Belgium, the system is scarcely found in private industry on the continent, though it was generally adopted in the war

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and post-war years. Even in France and Belgium, it is controlled and operated by the industrialists themselves through compensation funds (and this is important) any action looking to compulsory adoption of the system on a state-wide basis, which is urged by the labour organizations, has been bitterly and successfully opposed in both countries by the former. This would seem a conclusive premise that when under private auspices it is of value in keeping wage rates as low as possible, and working conditions as the industries demand. Almost everywhere else in Europe, the system has been abandoned in all but a few special industries and the Civil Service with the return of stable economic conditions. The system has been tried out, very slightly in Great Britain, in small groups, such as the staff of London University, etc., and was also recommended as one of the possible lines of solution in the coal mining industry by the Royal Commission of Inquiry in England in 1926. Otherwise, I am not aware of any other experimentation there on the subject, nor does there appear to be any reference to the system in Britain in any publications of the International Labour Office.

In *Germany*, though fairly general in the post war, and inflation period, it has now been almost generally abandoned in all private industry, in favour of stabilized, standard wages. It is significant that organized labour was one of the greatest forces, insisting on the abandonment of the scheme as soon as the currency re-establishment was completed. It is only retained in Germany in the civil service, including the publicly-owned railways, the banks, and areas of the mining industry where conditions do not allow a wage increase. In 1922-23, in Germany, there were 1,496 contracts providing for these allowances, but in 1925 only 98. It would seem that if the system realized all that is claimed for it, in increasing the demand of the consumers, in raising the birth rate, and in the development of general prosperity, Germany, desperate in her struggle to regain competitive markets, to equalize her population again, and to resuscitate industry and agriculture would not have abandoned the system.

Switzerland, generally regarded as one of the most prosperous and progressive countries of continental Europe, in which living standards are as high, and education as general as anywhere in the old world, now restricts the system practically entirely to the public service. Last year, about 38,000 out of 65,000 persons in the services drew the allowance. In private industry, however, it has always been regarded solely as an emergency measure and it is generally disappearing as living costs and wages become stabilized. Switzerland has never been backward in the adoption of any advanced social measure. She is perhaps the freest and happiest country in Europe. Her abandonment of this measure of social assistance would appear to be of significance for any country contemplating the measure.

THE NORTHERN COUNTRIES, NORWAY AND SWEDEN

The Scandinavian countries are generally regarded as advanced in all measures of social progress. But, in both Norway and Sweden, though the system was developed during the instability of prices in the war years, it has been almost entirely abandoned since. It is retained only in the civil service. In fact, it was abandoned in the Norwegian Civil Service in 1925, but reintroduced last year (1928), due to wage reductions following the revalorization of the Norwegian currency. This is obviously an emergency measure. Unfortunately the reports of the International Labour Office do not include any data *re* Denmark, but from private information obtained from representative Danish friends, in a position to know, the system is not favourably regarded in that

country by labour or by the women of the Kingdom. These progressive northern lands, our energetic competitors in many lines, and the source of some of our finest immigration, would not be expected to abandon a social measure, that had proved generally acceptable and effective.

The Netherlands

Though Holland is regarded as a prosperous and forward looking country, the system exists only on private initiative in private industry, and in the civil service where it amounts to 3 per cent of the salary item. From information, that seems reliable, it would appear that the present privately developed system is very unpopular with labour in Holland, as depressent of wages and living standards.

Poland

Poland, now come to sovereignty, as the result of the war is ambitiously developing every line of life that will strengthen her, in her restored nationhood in Europe. Yet, though Poland also adopted the system in the years of inflation, it evidently proved no panacea, and is now discontinued almost entirely in private industry, and losing ground elsewhere, if it is still retained. Only in the coal mining industry, where it is subject also to regularity of attendance on employment, and in the civil service is it retained.

Czechoslovakia

Another of the new and progressive kingdoms adopted the system generally during the post war period, in private industry, as well as in the Civil Service. In 1922 it was abrogated, but in 1926 reincorporated for the civil service. It is still paid in sections of the mining industry, which is seriously depressed.

Latvia

Another of the new, war-born countries is both energetic and progressive. Yet it has restricted the system to the civil service, judges and teachers. It is unknown in private industry.

Esthonia

Though this land too, has been eager to absorb every measure found contributory to social progress in other lands, the system of family allowances has been adopted only in the lower ranks of the civil service, and is extremely rare in private industry. Where it does exist, in the latter field, the allowances is payable only from the fifth child onwards.

Italy

It will be generally admitted that Mussolini has never failed to utilize any circumstance or development, which can be made to contribute to the consolidation and expansion of Italy. One of the articles in his creed has been the increase of population in Italy. There are many economists in Europe, who feel that this artificial stimulation of population beyond the kingdom's resources will inevitably lead to grave problems of internal economy within a decade, but be that as it may, the increase of the birth rate is one of Mussolini's political planks. It is interesting, under these circumstances that he has not adopted the system of family allowances to attain this objective. He has instead resorted to the system of exemption from taxation for very large families, and has imposed a tax on bachelors. The proceeds of the latter tax are

being devoted entirely to improved health and welfare services for mothers and their children, throughout Italy. The family allowances system was widespread in private industry throughout the war, but has since been generally abandoned. It is retained in the civil and public services, of the kingdom, and for elementary school teachers but is paid, on a sliding scale, conforming to living costs. Several of the large banks employ the system, but their clerks are said to be seriously underpaid. By collective contract, allowances are also paid in the mining industry. The glass industry provides free housing to its employees which may be interpreted, as a form of family allowance, which is sometimes developed in Canada, in "company villages" by the lumbering industry.

Austria

Though Austria is a country, where one might expect to find in operation every measure, which is advocated to be as effective a social measure as this, in the development of prosperity, one finds that the system, once fairly prevalent has been widely abandoned in recent years. It is found now, in private industry, by collective contracts only, and almost entirely in the mining and metallurgical industries. Here it applies in the form of a cost of living bonus, to unmarried workers with dependants, as well as to the heads of families. The lower grades of the civil service are also remunerated by these additional allowances, and the large banks of Vienna allow a 15 per cent increase in employees' wages, for each of the first three children. The bonuses to married clerks are higher than to unmarried clerks. These payments are quite obviously the result of the disastrous days through which Austria, and especially Vienna, passed during the inflation.

The sister Republic of *Hungary*, in equally great need of resuscitation of industry and prosperity, has retained the system only in the public services. It is unknown in private industry.

Spain

One would expect to find Spain following such measures as France and Belgium had adopted, but the measure enacted in this kingdom in 1926, was obviously rather in the nature of a special inducement to large families than by way of family allowances, for this decree grants special allowances to all families, with 8 children or more, a bonus for large families.

Australia

In Australia, a minimum wage may be fixed by Courts of Arbitration, in reference to industries, under arbitration. After the war, controversy arose as to the basic wage, being awarded by these Courts, which was then set at £3, 17s. (about \$19) per week for a family of parents and three children. A Royal Commission set the minimum basic wage necessary at \$29 per week, which it was reliably established could not be paid were the entire wealth of Australia devoted to this purpose. A way out was found by fixing the basic wage of unmarried, or childless workers at \$20 per week, and paying \$3 per week per child to each married man for each child. To raise the amount necessary it was proposed to tax each employer about \$140 per year for each man employed, and to distribute this total revenue over the allowances to married men with children. This proposal would have involved an annual tax of \$139,000,000 on the employers of Australia. This burden so threatened to strangle Australian trade in world competition that the proposal was rejected. Finally a Commission was appointed to inquire into a general system of child endowment, operated by the State. The proposal is being contested by the Chambers of

Commerce, who claim it will be a death blow to Australian world trade, while organized labour is reputed to object to any system but one fully controlled and administered by the State.

A system of allowances has been introduced in the civil service, however, where the basic wage of unmarried workers is only \$16.28 per week (£3-6-11) and of married workers about \$20 per week (£4), with an additional allowance of 5s. per week (\$1.20) per child.

New South Wales

In 1927, a system of family allowances was introduced, by which the employers contribute to a national fund a sum amounting to 3 per cent of their wage total. This money is then paid, and this is important, I think, *directly to the mothers*, at the rate of 5s. (\$1.20) per week per child for maintenance and education up to 14 years of age. The allowance is only paid where the income for the preceding 12 months was less than the annual living wage for a childless man plus (£13) about \$64 for each child. The allowances are paid only in respect to children born in New South Wales, or resident there for two years. Children of foreigners, Asiatics, and natives are excluded.

New Zealand

In 1926, New Zealand instituted a system of family allowances financed by the State. The rate of allowances indicates the apparently low wage scales which must have been prevailing, and making some subsidy essential. The allowances are payable in respect to any family with three or more children receiving £4 per week or less, \$20. They do not begin until the third child, and are payable thereafter at the rate of 2s. (50 cents) per week for each additional child under 15 years of age. They are restricted to permanent residents of New Zealand. Even naturalized foreigners may receive the subsidy only by special authorization.

Thus outside of New South Wales, and New Zealand, where the system has been adopted only very recently, and might be described as still in the experimental stage, it will be seen that it has been abandoned, generally, in all but specialized industries or the civil or public services, outside of France and Belgium. In these two countries, however, the system at present in force, and the conditions prevailing are very different from the system being advocated for the Dominion of Canada.

France and Belgium

The family allowance was instituted in France and was developed there, for years, almost entirely as a private enterprise. There seems little or no doubt that the principle of payment was designed to resist general wage increases by special subsidies to the groups of workers, whose demands were likely to be most insistent and irrefutable. The fact that organized labour in France has repeatedly demanded that the whole system be rendered obligatory, and administered by the State, and that the employers have successfully opposed this proposal would indicate this attitude. Also the fact that the employers have created special and separate "Compensation Funds" for the administration of their "allowances," and refuse to allow them to be considered part of the basic wage indicates their determination to keep the basic wage as low as possible and assign the allowances from year to year, as they see fit. In February, 1928, when the Belgian Chamber of Deputies proposed a change in the Belgian law, making allowances obligatory upon all public contractors whose orders exceeded a fixed minimum the measure was bitterly contested by the

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Belgian industrialists who were then operating over 30 funds among themselves. These incidents are quoted as enforcing the argument offered throughout, that in the hands of private funds, as in France and Belgium, the allowance system seeks, by subsidy, to maintain the general basic wage at the minimum, and to retain absolute control of distribution of increases, as a gift or allowance, and not as remuneration, in the hands of the industry.

THE COMPENSATION FUNDS

In France, for some years now, the private funds have been required to obtain the sanction of the Ministry of Labour for their operation, but that does not change the essentially private nature of their enterprises. The state itself operates on this system for the entire civil service, and through all the Departments and Communes. But as against 1½ million drawing allowances in these services, in 1927-28, there were 2½ million benefiting under the private compensation funds, and private contracts.

The Compensation Funds are groups formed among the industries themselves, by the heads of enterprises, to obtain revenues and distribute the allowances. They are organized in two ways (1) the Interprofessional or District Funds, for the area, regardless of the industries concerned.

(2) the Professional Funds, consisting of groups of allied industries. These later groups have in recent years been accused of efforts to obtain single employees in greater numbers. About 55 per cent of the French Funds are District or Interprofessional. The Funds of which there are now 210 in France create a reserve by entrance fees, and subscriptions, but meet their allowances by contributions among themselves, made on the basis of costs, and "calculation of compensation," which may be paid on the basis of wages, hands employed, days worked, etc. The members are bound to professional secrecy on the basis of calculations, within a Fund. The Agricultural Funds, generally pay on the basis of the hectares worked. The amount of contribution from any member is fixed by the fund and the allowance then distributed over the employees. All allowances are paid in the name of the fund, either directly or through the employer. They are sometimes paid directly to the mother.

The Belgium system is somewhat similar but not so wide-spread, being prevalent in the collieries and railways, and in private firms, by general contract.

HEALTH AND WELFARE SERVICES

In both countries, visiting nursing services, health and welfare services, and in some cases hospital services have been an integral part of the system. In almost every Fund, the visiting nurses are relied upon for assurance that the allowances go into the home and are spent in child welfare. In addition to these allowances it must not be forgotten, that in France particularly, the allowances system has developed simultaneously with an energetic public policy, seeking to increase the birth rate by birth bonuses, to encourage breast feeding, and to develop nursing and child welfare services throughout France. Special premiums have been offered for large families and special grants to mothers for breast feeding. The 1928 budget in France contained 120 million francs for the encouragement of large families, and 13½ million towards the family allowances paid by local governments but over 110 million for various forms of maternal and child welfare. Even the Secretaries of the Central Family Allowance Funds in France and Belgium do not advance any strong

claims that the allowances have unquestionably increased the birth rate, or reduced child mortality. The International Labour Office summarizes the situation most correctly when it reports* on France, as follows:

This reduction (in infant mortality) has been particularly great in the case of children during the first few months of their lives and appear to have been due more to the introduction of the system of hygiene services, nurse visitors, and nursing allowances than to the payment of regular monthly allowances.

SUMMARY

Thus, it will be seen that nowhere, but very recently in New Zealand and New South Wales are there in force the systems of family allowances, which it is proposed should be introduced to Canada; that only in limited degree in public services and specialized industries has the system been retained in other countries than France and Belgium; that the system in France and Belgium is coincident with a general effort to increase the birth rate, that it is largely a privately controlled industrial enterprise under state supervision utterly different to what it is proposed should be introduced in Canada, and that its greatest benefits have come not from the institution of allowances, alone but, from extensive developments in maternal and child health services by the State.

SYSTEM NOT APPLICABLE TO CANADA

We, therefore, argue that the system is neither necessary nor applicable to Canada, nor in the best interests of Canadian development.

We do not subscribe to the doctrine that Canada requires vastly increased population at the present time. The slow even development of her resources and population, since the war have brought her what is generally conceded to be the most even and stable decade of development she has known. Heavy migration can only result in ultimate cycles, when production and population "back up" with disastrous consequences such as Canada faced late in 1913 and early in 1914.

Italy's increase of wealth prior to the war was not due to her doubled population but to the export of that population to form the rough labour of the new world. Prior to the war, as many as 700,000 Italian labourers entered the United States of America in some years, sending their wages home. Had this labour market not been available Italy would have probably faced complete collapse from over-population and under-employment.

The natural increase of the basic stocks of this country, in slow even development, shows more effective control of heavy immigration from non-preferred countries, and constructive measures to reduce by eradicating some of the causes of our heavy emigration southwards, will assure Canada an era of sound, steady development, that will ultimately develop a more substantial nation here than would result from the transfusion of millions of heterogeneous and unassimilable elements into our life stream. If this premise of slow, even development be accepted then there is no claimant cry for an artificially stimulated birth rate, which may be a vital need, in some of the old, weary, and sophisticated countries of the continent.

BIRTH AND MORTALITY RATES

It is quite true that there has been a slow and gradual decrease in the birth rate in the Dominion, and in all the provinces, but that is a world wide phenomenon. Belgium, where family allowances are more prevalent than anywhere but France is conspicuous in this group. Industrial areas in France and

*C.P.E. 38, Geneva, March, 1926, p. 7.

[Miss Charlotte Whitton.]

Belgium with allowances will show, in some instances lower rates than certain rural areas, without the allowance. But, while Canada has recorded a slow decrease in the birth rate, it must be remembered that some 60,000 potential fathers of this generation lie in the battlefields of Europe,—“their sons unborn they gave, their immortality.” Allowing for this loss in the present birth rate, there is also another factor to be considered. Our infant mortality rate has shown a remarkable reduction in recent years. Since 1920, the rate in the registration area, which excluded Quebec until 1927, has been beaten down from 100 to 74.6 per 1,000 living births. Since 1920, the infant mortality rate in Quebec is even more amazing. It has been cut from 163 to 129.3 per 1,000 living births. The health and welfare knowledge and services that have recorded such a wonderful achievement in Canada have also effected a lowering of general morbidity and mortality rates. The general mortality rate dropped in the Registration Area from 10.6 in 1921 to 10 per 1,000 of the population in 1927, and had been brought as low as 9.9 in 1924 and 1925.

There is no doubt that the infant mortality rate in Canada can be carried down even lower, it would not seem too sanguine to set our aim at 50, a mark that has been bettered by the city of Vancouver. Toronto, with its enormous population has reached 70.8 and Winnipeg 60.6. Continued support of the work of our public health services in Canada will add sound population to this country, with perhaps more certainty than the expenditure of the Dominion Department of Immigration. Nor is it just to say that the element saved is a weakened portion. A study of the Vital Statistics will reveal, that in the year following a lowering of the infant mortality rate, we have actually a lower death rate from 1 to 2 years, and the next year from 2 to 3 years. The discovery and application of diphtheria immunization will save Canada 1,000 lives a year, alone.

Thus, there would seem to be little or no justifiable ground for grave misgivings as to our birth rate, and continued expenditure of public moneys on improved and extended health services would seem to guarantee more assured returns in population values than embarkation on the uncertain and expensive scheme proposed by family allowances.

LIVING STANDARDS IN CANADA

Wages are not generally, as deplorably low, as the agitation for these allowances would suggest. The general standard of life of the workingman in Canada would compare favourably with that of the middle class bourgeois in France, where allowances are in force. Further it must be remembered that free educational services, and extensive health and welfare services are provided in almost all the provinces of Canada. Many of these services are not available free or at a low cost in many of the countries compared with the Dominion. Canada's annual expenditure on all forms of public education can be set at over 140 millions a year with some 13 millions more on Universities and Colleges in the last year, for which statistics are available. Unfortunately, we have never been able to persuade the Government of Canada to establish a division of social statistics. Were the totals available, we who are in the work are confident, that at least \$100,000,000 per annum is being expended in Canada from public or private funds in various forms of social welfare care and effort.

The wage rates paid in Canada, as revealed in the reports of the Dominion Department of Labour conform as nearly to living costs on a minimum budget, as will be found anywhere in the world. In those industries in which they do not, constructive statesmanship would seem to lie in the establishment of a decent minimum wage, not in subsidizing a family beggary because the state lacks either ability or courage, properly to control the distribution of wealth

and resources. Last year in Canada our national wealth was estimated at some \$26,000,000,000 with an aggregate production in the neighbourhood of \$6,000,000,000, surely a record unsurpassed in the world. Allowing capital, and employer, a fair and equitable return for their risk and effort, it would appear that decent minimum wage was possible for the workman. Wages and hours in Canada reveal great progress to such justice. Where the Canadian workman loses out, is in seasonal unemployment in key industries, and in the payment of unskilled and semi-skilled workers. Only adequate organization of employment, and more adequate apprenticeship and technical training throughout Canada will ever meet this situation. A system of admittedly low family allowances, might tend to increase a surplus of unskilled low paid casual labour, and add to these very problems we seek to solve. Plasters will not cure a cancerous growth; subsidies will not substitute for a decent minimum wage. Methods must be fundamental to be effective. That is the belief of the social worker.

SYSTEM INAPPLICABLE TO AGRICULTURE IN CANADA

Nor would this system be generally applicable to Canada. We are all concerned over the universal drift from rural to urban centres; over the decrease of producers and the increase of consumers. Yet, unless this system were applicable to the rural districts, it would increase this drift. Even, if it were applicable would it not tend to increase the movement away from the land to towns and cities, where the boy and girl can attend "High School" and earn his or her living in the pleasure and whirl of life of the larger community, with less arduous toil and responsibility than on the land? If applicable to agriculture, how could the funds be assessed? Not by direct tax on the employer as in France for our employers are owners and labourers on their own land and would be directly taxed to subsidize themselves. If the tax is indirectly assessed, it will ultimately be passed on, in articles of consumption or use in the daily life of the taxpayer, and so increase the cost of living and reduce the benefit of the allowance to parity with the present. Our large foreign born population with tens of thousands added yearly by immigration also presents a serious problem in the consideration of any such scheme. If it be advocated as a measure for the decent living of life, then it can hardly be withheld from these new citizens. On the other hand, different standards of life prevailing among different peoples, and the well known greater fecundity of some of the central European races over women of this continent would inevitably mean the bartering away of the birthright of the basic stocks of this country.

COST EXCESSIVE

The advocates of the measure have ingeniously distributed its cost over Federal, Provincial, Municipal and industrial sources, to decimate its enormity. But it cannot be dissipated or disguised that the total amount can come only from one source, from the Canadian people. It is largely inconsequential what revenue officers collect it, the "O.H.M.S." of the Federal government, the crested officer of the provincial government or the familiar "Tom" or "Jack" of the municipal assessment office—that money will come from the Canadian citizen, and his 9 or 10 million fellow citizens in this land. They will have to dig into the earth, and produce those extra millions required, or by hook or by crook they will have to come from the reapportionment of their present income. Nothing can disguise the fact that the scheme calls for another 40 or 50 million dollars a year from the Canadian people which will have to be raised somewhere.

Nor can we subscribe that the cost will be as low as proponents of the measure aver. In the first place it is estimated that the system would cost only about 2 per cent of the amount paid out in wages, using France and Belgium as guides, and the item is therefore set at a possible 20 million dollars per annum. The fact is overlooked that in France and Belgium, the system is operated through private compensation funds for certain industries. It is not a general state fund as proposed in Canada. In Australia it was estimated that \$139,000,000 would be required for 900,000 children. In New South Wales 3 per cent of the wage is required for an allowance of 5 Sh. per week (\$1.20) for those whose wages are under a very low basic wage. In other Commissions in the Antipodes limited schemes of small grants per week required 6 per cent of the wage total. In Czecho-Slovakia, the scheme required 4.6 per cent of the wages. In the Netherlands 3 per cent, yet in both these, it was most limited in application. In Norway, it ran as high as 11 per cent of the wages; in Latvia 12 per cent per person, and in Austria to 12 per cent of some of the industries. Applying the system generally, as it is proposed in Canada to agriculture and industry it would seem that 5 per cent of the wage list would be a very low estimate—a 50 million dollar requirement per year.

Or taking another method of calculation, the total becomes even more appalling. The 1921 census revealed 1,389,254 private families in Canada with their children living at home. The number of children at home averaged 2.32 per family but 28.59 per cent had only 1 child and 23.17 per cent only 2 children, a total of 48.24 per cent of the families with two children or less, and therefore not eligible for allowance under the scheme as proposed. There is unfortunately no data as to the age of the children in these families, but it could be assumed since they are all at home that the great number would be young children. Since half the families had 2 children or less, and yet the average for Canada is 2.32 it is evident that some of the families must be quite large. In fact 12.46 per cent had 6 children or more. Taking the various percentages, and the numbers of children in the families, and attempting a calculation with no family with more than 6 children eligible, \$56,300,000 seems the minimum estimate of the cost per annum of this scheme. Adding to this, half the Canadian birth rate of 230,000 a year, at \$60 a child, we add another \$13,000,000.

Another calculation is possible by taking the number of children in Canada, under 14 years in the 1921 census—2,850,000. The average of 2.32 children per family in Canada would indicate that not one-third but more likely one-half of these children would be eligible, and instead of an average of \$50 per child (\$50 for the 1st child, \$60 for the 2nd and \$80 for the third and subsequent children) a much higher average must be taken, as almost half the families in the census had 3 children or more. The average should therefore be raised to \$60, as it would not be paid until there were three children. Half of this total would be 1,425,000 children at \$60 per annum, i.e. \$85,500,000.

Therefore the cost at the minimum would not seem less than 50 million per annum and might more accurately appear to be anywhere from 50 per cent to 60 per cent higher. It is submitted that Canada could not and should not contemplate this addition to the taxation of her 10 million people, and that all the foregoing evidence reveals that the measure on which this would be expended is both impractical and unnecessary in Canada to-day. Our present taxation for Dominion taxation averages \$37.76 per head per annum—the total federal levy being in the neighbourhood of 350 million dollars. Provincial taxation would reach about 80 million as it has increased five fold in the last decade. No accurate estimate can be obtained of the total of municipal assessments by these averages over \$33 per head in Ontario, and over \$20 per head in Quebec. The bonded indebtedness of Canadian municipalities runs to about

990 million dollars. Surely under these circumstances, the way of constructive development in this land is not the further burdening of the general community, but progress towards the more equitable reward of effort, on the basis of its own earning power, and insistence upon the observance of those fundamental obligations that has brought our civilization to its present status.

Canada is a young, strong, virile people, with a standard of living unsurpassed in any nation in the world, unless it be the United States. Her people are provident, thrifty, wholesome and ambitious. They are not the weary and sophisticated population of old and jaded nations. They have displayed throughout their story, all those attributes, that it is essential a young people in a land of rich resources, and splendid promise should display—energy, ambition, independence, self control and discipline of mind and body. Canada is a land of wholesome, healthy, moral, self disciplined people. There is wealth in her land, sufficient for all; there is vision, strength, and energy to develop it. Courage and statesmanship will be required to assure that equity and justice prevail in its distribution. Let us have the faith to believe that these will be born of her people. Leave to the young land her strength and natural development. Do not seek to administer the stimulants, that old and slacked appetites require. Do not destroy the virility of youth, by the physics of age. Have faith in the young strength of Canada to develop her life here, in fullness and plenty, her future safe, because she has proved her past.”

By the Chairman:

Q. Have you got your name in full, Miss Whitton?—A. Yes.

Q. And your position?—A. Yes.

The CHAIRMAN: We are supposed to hear two more witnesses to-day. Miss Whitton tells me that Mr. Mills' evidence will supplement her evidence, and perhaps it might be well to hear Mr. Mills before we adopt any questioning attitude.

Mr. WOODSWORTH: That will be quite satisfactory, Mr. Chairman, as long as we have some time in which to ask questions.

Mr. MILLS: Might I ask your indulgence, Mr. Chairman, by having Mrs. Kensit speak next?

The CHAIRMAN: To supplement what Miss Whitton has said?

Mr. MILLS: Yes.

MILDRED KENSIT, called and sworn.

The WITNESS (Reading):

“As a Social Worker dealing directly with problems in the community which make it necessary to provide homes for dependent children in Montreal, and having over 800 under care in Institutions and Foster Homes, I wish to stress a grave danger that may arise, should the suggested plan to grant Family Allowances materialize.

Statistics in the Children's Bureau organization for the past three years show that of 288 new applications in 1926, involving 379 children for placement, the causative factor of such applications was 7.6 per cent due to insufficient wages earned by the man, making it necessary for the children to be placed in the Day Nursery while the woman worked to supplement the wages.

In 1927 there were 279 applications, involving 436 children, the causative factor being insufficient wages and this worked out at 14 per cent of the total applications.

In 1928 there were 226 new applications, involving 342 children, this being 12.8 per cent with the causative factor given as insufficient wages.

[Miss Charlotte Whitton.]

The approximate wage in these families varied between \$624 to \$780 per annum.

If, as Father Lebel claims, a minimum budget for a family of five is \$1,200 per annum, then a sliding scale of allowances in such families as I have previously quoted will be necessary to carry out the spirit of the Act to make up the difference between the earned wage and the absolute wage claimed to be necessary. This would involve extremely heavy expenditures.

On the other hand, if a stated limited allowance is placed in a family where the wage earned is far below the absolute wage deemed necessary, the country is to be heavily taxed and yet not bring the family budget up to what is considered necessary, which would not be carrying out the spirit of the Act."

By Mr. Woodsworth:

Q. You say, "of the Act".—A. The proposed Act.

Q. There is no bill before us?—A. Just a resolution.

"The type of people earning such low wages, with whom Social Workers are in close touch, are frequently physically unfit, verging towards unemployable, with the added liability in many cases of a limited intelligence caused by mental defect, which precludes them from higher paid work.

Since it is not desirable to encourage the increase of families from such stock, whose children inherit poor physical health and mental defect, with the certainty that a large proportion of such children will be weaklings, becoming consumers and dependents, rather than producers, because of their unfitness, physically and mentally, it would seem undesirable and dangerous to encourage larger families among such a class of people.

It certainly does not seem desirable to tax the country heavily to supplement incomes among this class of people to enable them to bring more unfit children into the community already heavily burdened in caring for this class of dependent child.

There is no benefit to be obtained in increasing birth rate unless there is a fair guarantee that normal human beings are being born, not an increase of the unfit. It is largely the unfit who have the largest families, whose children are potential dependents to a large extent.

May I point out that should Family Allowances become law, it would be necessary to consider concurrent legislation, such as Mothers' Allowances, in every Province where Family Allowances are in force, in order to provide a continuing allowance in the family to replace Family Allowance on the death of the father and at a higher rate than is at present being paid in the Provinces where it operates, in order to bring the income up to the "absolute wage" mentioned by Father Lebel.

Since one of the basic reasons of the opponents of Family Allowances is increased birth rate, the implication of course naturally follows; what additional services are necessary to preserve the lives of the increased number of children? Will not provision have to be made for some continued allowance in families to preserve the lives of the children, which would be endangered by the desertion of the father or the sickness of a long period, such as a T.B. condition, where the wage earner is unable to earn for a long period.

We lose annually thousands of the lives of the children born in Canada to-day for lack of adequate provision for their health. Would not increased expenditures to preserve the lives we already have be more valuable to the country than launching upon a scheme rejected after trial in many other countries.

To-day nearly all communities need more adequate public health nursing systems, preventoriums for early cases of T.B. in children, convalescent homes for children discharged from hospitals, obliged to return their patients to homes

with little prospect of adequate care, because of the overcrowded conditions of the hospitals, making it impossible to give the necessary long continued care needed for their complete recovery.

I heartily endorse Miss Whitton's contention that our infant mortality can be greatly lowered, preserving a far larger proportion of survivors than is now the case. Increased pre-natal work for the mother, which makes for the preservation of both the mother and the child, is invaluable, and this service has barely touched the fringe of possibilities in this line of public health service.

The provision of health services in the schools is invaluable in correcting health conditions among children, such as preventive work by early application of remedial measures before the general health of the child is undermined by neglect of such services, such as dental attention, heart, lungs, sight and hearing tests, and early detection of T.B. conditions, diagnosis of mental capacity, with provision of special classes for the mentally handicapped, who, if properly educated, may become perfectly self-supporting, worthwhile citizens. Much would be accomplished were adequate health measures assisted by Governments, Federal and Provincial, provided throughout Canada to aid municipal and private organizations in their efforts to provide adequate health safeguards, the children that we already have would be preserved to a far larger degree because of sound physical health.

Improvement in housing conditions in large cities, open spaces for playgrounds, would contribute towards the good health and preservation of our present generation of children.

In 1927, out of a group of 200 families, whose children were being cared for in our Day Nursery in Montreal, it was found that of that number 93 families lived in one room apartments, namely, single rooms with gas plate, most of these types of rooms have toilet facilities common to the entire house, and the average rental per week is \$4.62. Of these 93 families, 43 had young babies and a majority of the families had from two to four children. How can we hope to bring to a healthy maturity children brought up in such conditions.

In conclusion, speaking on behalf of Social Workers, we believe that adequate Government support to assist in the preservation of Canada's children already born and to be born, by the provision of necessary health services, will accomplish a better piece of social work of benefit to Canada's future welfare, and at far less cost than the proposed scheme with its unknown financial expenditures, liable to be far in excess of the estimated amount given, the benefits of which are greatly questioned by those who have already experimented with Family Allowances.

I wish to place on record my hearty endorsement of the economic and ethical aspects so ably dealt with by Miss Whitton in her argument, and would stress the provision of health and allied services as a proved method of preserving our children, rather than launching into such a scheme as the proposed Family Allowances with its underlying dangers which Miss Whitton has detailed at length."

ROBERT EDWARD MILLS, called and sworn.

By the Chairman:

Q. What is your name in full, Mr. Mills?—A. Robert Edward Mills.

Q. And your position?—A. Director, Children's Aid Society, Toronto. Mr. Chairman, I have to ask your indulgence a little, because of a cold in the head and because of the fact that I have not been able to do as the two previous speakers have done, that is, write out what I have in mind to say.

I would like to explain that while this deputation that is before you is representative of the social workers of Canada, I am present here also as representative of a representative group of social workers in Toronto.

[Mrs. Mildred Kensit.]

When the Social Service Council of Canada raised this question, a general meeting was called to discuss the matter in our city, well and largely attended, and after a very exhaustive discussion, and thought, the resolution was adopted that our meeting was opposed to family allowances, at any rate at the present state of Canada's development; and there was not one single dissenting voice in that rather large conference. I am here then to present to you the views of that group. It may also be significant, in view of the fact that I am also presenting my own views, that I at the moment am President of the Social Workers Club of the city of Toronto.

Social workers are tremendously interested in people. That is our job. We are peculiarly interested very much in their material prosperity and welfare; but we are interested even more, I take it, in their psychological, in their spiritual and in their intangible values: The whole of modern social work, I think, can be said to be built upon the development of character and personality, whereas in the old days all that social workers thought of was a matter of relief. Relief, of course, sometimes is an essential thing, but the thing that we are driving at, the thing that we think is of value in our people—of greatest value in our people—are the qualities that make them different from the brute beast, the qualities that make one people different from another, and we are extremely careful that certain of the simpler qualities, certain of the more important qualities should not be lost. Among those that we consider as being very essential are self-reliance and independence.

Q. All the qualities underlying character?—A. Yes. Now, Miss Whitton has covered a great deal of that. I am not going to argue this case. I am merely mentioning certain things. We consider, as I say, very, very important indeed, those qualities of self-reliance and self-dependence, and we consider in our North American civilization, as being second in importance, the responsibility for the family group. First, responsibility for oneself, then responsibility for the family group as an entity. Our whole effort in modern social work is to build up those two things. Other things are incidental. And we see in such a proposal as this, as Miss Whitton has very aptly pointed out, a measure that would cut under both self-reliance and family responsibility. One could elaborate that with very considerable length. I have notes that would carry you much farther, but I know that you want to get through.

We are interested not only in this side of the peoples' welfare, but we are interested very, very much indeed to know, and to see, that they shall have a decent living condition, a decent living wage. There is nobody in the community, I think, that knows as well as your social worker how the people have to live, or how some of the people have to live at any rate; and there is no group that you can depend upon so absolutely to back up any pressure that can be exerted on any industry, anything that can make for greater efficiency, either in the worker or in the industry itself, anything that can make for the better remuneration of labour, because we know what miserable pittances are paid in some cases. We know, of course, that in many cases the ability of the worker to perform has been diminished by handicap. There is no group that you can look to with greater confidence for support to measures that will provide sheltered employment and sheltered conditions for those who cannot perform up to a reasonable average. But I think you will find at the same time that your social workers will stand almost solid against anything that subsidizes industry as a whole, anything that would tend to remove responsibility from industry for meeting its big obligation.

Now, the proponents of this scheme of family allowances admit, I understand, freely, that it is merely a substitute for a decent living wage.

MR. WOODSWORTH: Mr. Chairman, I do not think that we will get very far by letting an expression of that kind go unchallenged. I do not think that any witness has made that statement.

The WITNESS: I will put it in another form then. The documents that have been circulated in connection with family allowances make the admission that this plan would be a substitute for a payment that would enable the worker to have a decent living and perpetuate his group. I think that that is correct. If it is not correct I certainly do not insist on it as a point.

The CHAIRMAN: Of course, we are anxious as a Committee to get evidence on the different angles of the question.

The WITNESS: The fact at any rate, I think, is clear that you cannot, whether it is through your employers fund, or in any other way, pay a subsidy to one part of an industrial group of this kind without taking it away from the other part. You cannot subsidize the married group without making some sort of reduction from the unmarried group.

By Mr. Woodsworth:

Q. Who said so?—A. Well, I am merely expressing an opinion again. We view this measure then—whether rightly or wrongly—as a palliative. We view it as a subsidy, to some extent a camouflage, something that would conceal the actual situation. And we oppose it for another reason that is very closely allied, namely, that we consider it, in a sense, as an unwarranted interference with individual liberty and initiative. We think that it is not desirable that the possibility of saving for a decent married life should be taken away from any married worker, that the state, or the industry, or somebody else, should be forced to do his saving for him and hand it back to him. We are not opposed, as a matter of fact we favour, I think, pretty generally, those insurance schemes that insure against measurable hazards; but this scheme we look upon as one that attempts to subsidize the normal condition of the community. To have a family is not something that is a dire accident that happens to you and, therefore, you are trying to protect yourself against. It is the thing that everyone should be taught to look forward to as the normal situation, and again we feel that this would be a dangerous measure from the point of view of subsidizing or insuring against something that is normal. The proposal, I understand, is intended, among other things, to encourage large families. It has already been pointed out—and I would like to emphasize it a little—that our observation, as social workers at any rate, is that the size of the family does not vary directly in accordance with the income. In fact, our observation is very much in the other direction, that the smaller the income the larger the family, and we see nothing in this that would indicate that we are likely to get large families from that, except as Mrs. Kensit has pointed out, in certain groups that perhaps we would rather not encourage.

And just in conclusion I think I would be expected to say, that social workers as a group have yet to be convinced of the desirability of large families. We find the most difficult situations in that type of family. We, as I have said, actually find the very large family associated with very difficult situations that run parallel, and we feel that as things are developing in Canada, and in other countries, at the present time, the problem of bringing up children in even a moderately sized family—I have three children and I know that they are a handful—is becoming about all the ordinary parent can tussle with. The difficulties of child training are being borne in upon social agencies perhaps more than the individuals that go to make up a community. We are seeing the results of child training, inadequate child training and inadequate parenthood more than other people, perhaps, and our belief in this matter is, not quantity but quality. Let us have all we can, but let them be of good quality, not more than we can handle, and let us do everything we can to get behind the State

in assisting it in educational matters, technical education, and so forth, a long series of thing you know of better than I do, but always bearing in mind that there is no real virtue in quantity alone, and certainly there is no virtue in quantity that comes at the expense of quality.

That, I think, is about all I wish to say.

The Witness retired.

The CHAIRMAN: The meeting is open for questions now.

Mr. WOODSWORTH: I would like to ask Miss Whitton a few questions.

CHARLOTTE WHITTON recalled.

By Mr. Woodsworth:

Q. I have made a number of notes. Miss Whitton. First of all, Miss Whitton, you repeatedly used the phrase "we believe"; may I ask what group of social workers you are speaking for, in that connection?—A. I may say, Mr. Chairman, that I may have used the term somewhat generically, in view of a discussion which has gone on among the different social groups, in Toronto, in Montreal, in Ottawa, particularly since this proposal came forward. It has been discussed individually and within some of the agencies, as Mr. Mills stated. All the Toronto workers met to discuss the matter; in Montreal the workers had Father Lebel meet with them. I cannot say that it refers to the Social Service Council of Canada, on behalf of whom I am called here. I have used the term rather as indicative of the views of social workers, as far as it is known to me. The Social Workers' Association has not taken any stand. Another matter was discussed within their executive, and within the last three or four months the Canadian Association of Social Workers has been giving a great deal of attention to the recruitment and what many of us have urged, that is, a professional organization looking to the training of professional workers, in the establishment of standards, leaving the discussion of general topics to the general organization, just as is done in the Medical Association.

Q. You are not speaking for any concerted opinion?—A. No. I would like to add to that that the Canadian Council of Child Welfare, of which I am the Secretary, has not yet discussed this question or taken any action on it. I am not appearing as its Secretary, but am representing the Social Service Council.

Q. Miss Whitton, you as well as the two other witnesses took it for granted that the purpose of this family allowance scheme was to stimulate the birth-rate. I know of no evidence whatever that has been presented to this Committee that would give any warrant for such an assumption, and when that is said I take it that a great deal of the criticism passed by you and the other witnesses falls by the way. Perhaps you can give us some idea why you infer that the proposal is to stimulate the birth-rate?—A. I might refer, Mr. Chairman, to the discussion of the matter wherever I have known it to come up. In the first place, my first acquaintance with this subject was made at the Child's Welfare branch of the League of Nations, at which I served as assessor from this country. There it has been under discussion for some three years, among the delegates, and I had the privilege of discussing it with Father Lebel, exchanging documents with him and studying his report, which, I understand, was the substance of the evidence given before this Committee, and it was from that evidence, from that background and from passages in that report that I made the assumption.

Q. You have not read the evidence?—A. I have read some of the evidence, sir.

By Mr. Thorson:

Q. May I ask a question here? Regarding the pamphlet that Father Lebel wrote with regard to the subject of family allowances, have you read that?—A. I have read both of them.

Q. Do you recollect whether there was anything in either of those pamphlets with regard to the effect that a scheme of family allowances would have in increasing the birth-rate?—A. Yes. I might refer to one of the pamphlets. I have it with me. Speaking generally, there is the implication, throughout certain sections of it, with reference to the desirability of the system, that it is something which would meet Canada's need for population. With your permission, I will get it.

Q. I think that had better be cleared up now. Which pamphlet are you referring to?—A. The first pamphlet.

Q. What is the date of it?—A. It is dated 1928, January. The imprimatur is given as the 15th January, by His Grace, the Archbishop of Montreal, and by the Superior of the Province on the 15th January, 1928. This was the last one which Father Lebel left with me within the last couple of weeks. I might pick out Section III on page 10, "The State cannot afford to neglect the problem of the large family. To be convinced of this we have but to reflect that it is these families which enable society to exist and increase in population, and that they form one of the most essential elements in the prosperity of a growing people."

By Mr. Woodsworth:

* Q. May I suggest that Father Lebel did not use that pamphlet. It has not been before the Committee. In presenting his case he defined a large family as being a family of three or four. That is a faulty translation of it. He was very specific as to what he meant by a large family.—A. I would take it that such a definition could not be at all applicable to the system, because it does not affect Father Lebel's proposal until there are three children. Therefore it would be of no benefit to large families. I would take it that that is a contradiction.

Q. Beginning with three; that is what he thought was a large family?—A. From three upwards.

Q. That was his own definition before the Committee, and I think in fairness to him it ought to be borne in mind. It is also fair to say that there has been an immense amount of misunderstanding as to what the proposal was.—A. I think this must be admitted by the Committee, that the evidence before the Committee was not restricted to that testimony, when there were these pamphlets distributed by thousands to social workers throughout Canada and to labour organizations. The last one I received refers to this enquiry, and it says:

Labour Unions are peculiarly interested in the question since Family Allowances have a close connection with wages. I am persuaded personally that the establishment of the system would benefit workers. In many countries; where this was put into practice, workers' organizations, after a first period of opposition, have completely rallied to the principle; in others, they have maintained their opposition, it is true; but what they battle with is not so much the principle of Allowances itself as the wrong manner in which they were applied.

Canadian workers should then be attentive to the developments of this inquiry made by our Government and take provisions in order that their interests be thoroughly preserved if the system of Allowances is ever established in Canada.

[Miss Charlotte Whitton.]

I therefore take this opportunity to send you again my booklet on the subject. Should you desire some more copies to be distributed among the members of your union, I will gladly send you any number at five cents a copy, franco.

The introduction of this matter by witnesses before the Committee is justified by the advocacy of it in that every piece of literature throughout the country bears that statement or implication.

Q. It is not our custom for members of the Committee to argue with a witness, but I would say this, that my friend Mr. Letellier urged that we make a study of family allowances, and in connection with that study we are seeking to bring any witnesses here who have any definite information pro and con. Father Lebel was one of the witnesses asked to appear, because he was known as an advocate of the scheme. But his proposals are not in any sense endorsed by the Committee; he is merely one witness, as you are a witness.

The CHAIRMAN: I think Miss Whitton understands that.

Mr. WOODSWORTH: I do not think it is fair because all three witnesses have assumed that there was a definite proposition being advanced in this Committee. Mrs. Kensit went so far as to speak about an Act or Bill, thus showing I think somewhat of a misapprehension as to the stage we are at, and I think it would be well to have that point cleared up.

Discussion followed.

By Mr. Woodsworth:

Q. Another thing you suggest, Miss Whitton, is that you would not like to admit that wages are low in Canada, or so low that a measure of this kind would be at all necessary. You are very familiar with statistics, and I think you have read a report of this Committee with regard to the minimum wage. Will you not admit that at the present time the actual wages paid are far below the minimum considered necessary by social workers to maintain a family in decency.—A. I recall my statement. I stated I would not admit that they were low over any broad general group. That they are too low in certain groups, I would say, but I would not subscribe entirely to some of the evidence in regard to the relations of wages and income which was given before the Committee last year, and in some of the budget relation. Mrs. Kensit's evidence would show that in certain groups and in certain industries they are too low, but what the social workers of the country have repeatedly asked and urged is that we should be given an economic study of wages of the cost of living, the cost of dependence in this country, so that we might ascertain once for all whether it is the wages paid or whether it is the unemployed period, and the lack of organization in the equalization of the employment that is not the more serious problem which we have to face, because that is the manifestation of it that recurs again and again and again in our work. We can get a man and his family started, or employed for a period with a fairly decent income, but it is the long periods of unemployment. Then there is the problem of the unemployable man, or the man who can be employed at so little; his service is worth so little to the state or to industry that it creates a problem. I would not claim that wages generally throughout the country are absolutely capable of maintaining a decent standard of living in every industry, but I do think the question of their being too low over a broad general group would be open to question.

Q. Statistics show that in all manufacturing industries in Canada the average wage is in the neighbourhood of one thousand dollars; I cannot give it to you to the exact dollar, but in the neighbourhood of one thousand dollars. Would you consider that a very low wage on which to maintain a family?—A. That is the point I wish to make. Taking the whole range of wages over

[Miss Charlotte Whitton.]

a twelve-month period, if you take the hours and the wages in Canada and go into them on a weekly basis for the employed period, the wages will approach much more nearly to the proper budget.

Q. The actual income to the family is that much?—A. The actual income over the whole range?

Q. Of all manufacturing industries?—A. All manufacturing industries. But there are the periods of unemployment, the unemployable man, and the man employed at very low wages. All come in to pull down what would be the average income in a fairly large group of wage workers, so that if you will take out all this unemployed group, or those subject to long terms of unemployment, taking the Canada Year Book, you will find that the wage scale is much better.

Q. The Manufacturers' Association told us last year that these workers were fairly steady in their work. We are talking about those engaged in industry, not the transient workers. Their wage is only about one thousand dollars, and that is for a very large group. I think you will admit that that is a very low income?—A. I would admit that one thousand dollars is—if that is what the member means. X

Q. You referred to the father as the head of the family. I would be glad to hear that he is properly characterized in that regard. X

Miss MACPHAIL: As to that, I cannot agree.

WITNESS: The titular head.

By Mr. Woodsworth:

Q. You went on to say that it was the obligation of the parent to support the child. I think no one will quarrel with the general statement; but how is that obligation lessened or removed, if it is generally agreed that certain bonuses or amounts would be paid to the parents or to the mother on behalf of the child?—A. I think that was brought out in Mr. Mills' evidence. We assume that the increased family obligation is not an accident, and that consequently, in a state of self-contained, disciplined and self-supporting independent citizens, where family obligations are imposed by the State the man who has in mind his obligations and has attempted to provide for them will not carelessly assume liabilities beyond his proper discharging, and if the State says in effect that he has assumed something beyond his present ability or his potential ability within an appreciable time, then we shall subsidize him so that he may discharge them. That is our logic in advancing that argument. /1

By Mr. Thorson:

Q. May I ask one question here? I recollect that you referred to the State taking a special interest in certain matters of child welfare. Is it not true that the State has done so to some extent, because the titular head of the family has either not been able to do so or has failed to do so?—A. Not as a normal condition.

Q. Is that not one of the causes and one of the reasons for the increasing interest of the State in the child, that the old idea of the father being completely responsible for the welfare of the child has not worked out, and that the State is coming to the aid of the child, because the head of the family has either failed or has not been able to do all that the State thinks ought to be done for the child? I think perhaps your generalizations on that head were too wide. I may see a distinction there, which is not so obvious. The State's present methods are directed in two ways. They do not deal with a situation which is believed to be a normal situation. In our child's welfare work they are directed towards the idea of enabling the parent to perform and discharge his or her responsibilities. Our health work, and everything else centres around

that, rather to make conditions possible whereby a parent can himself or herself discharge them. If I might, with the permission of the Chairman, I would suggest that you ask Mr. Mills to deal more fully with that question because he at one point went into it more exhaustively than I did in my material, because I had been working on some phases of it only.

By Miss Macphail:

Q. I would like to ask you a question Miss Whitton. Somehow or other without having read Father Lebel's evidence or even having heard it, I had the idea that at least one of the things involved in the family allowances scheme was an increase in population. I would like to ask you if you think that an increase in the population necessarily raises the standard of life, that is, if it is good for this country or any other?—A. If I might refer to a discussion which Mr. Mills and I had on the subject, it varies with the condition of the country. Take countries like Canada and the United States, which have a constant influx of population, the birth-rate is not as essential to its survival as say in countries like Belgium, Italy or some of the European countries which have no source of population but the natural increase. As to the other question, I would answer it in the terms of Mr. Mills' evidence, that it is the quality of the population as well as the quantity which must be considered in looking to the welfare of the State and of the family. Speaking generally of Canada, I do not and cannot subscribe to any argument for a sudden and vast increase of population in this country by immigration or otherwise. I think our best periods of development in that way and in the standards of life have followed upon a slower and more moderate rate of development. On the other hand, I think there is a real question whether a very high birth-rate, unless it were accompanied by all these improved standards of life, might not depress the standards of life unless resources developed at a very rapid rate, to employ potential workers. Obviously if there are three men to go to any piece of labour available, the same rates will not be paid as if there were only one. The question goes into such broad ramifications that one cannot answer it in a few words, but that would be my opinion, that a young country inducing immigration all the time, should have a birth rate which would maintain its basic stocks, if we wish to maintain the nature of a country which is not in the desperate straits of the old European countries, where they have no population but their own.

Q. What do you think the effect of family allowances would be? You did not mention it, but would you care to say; what would the effect be upon the woman as a personality, as an entity?—A. Not beyond emphasizing what I said, that I do feel, and I do not think any social worker can but feel at the present time that marriage and the home are strained, beaten upon from every source, and that the survival of our brand of civilization depends upon the Christian concept of marriage. That in turn raises the marriage relationship to a very high ideal, and the depression of that by bringing in economic considerations in relation thereto cannot but ultimately, as I submit, affect that attitude, especially among certain portions of the population, and that in turn could not but react upon woman's position as a woman. I would take that position. I think one glimpses it, like a thread, here and there.

By Mr. Woodsworth:

Q. If motherhood is noble and so important, how would it depress the ideal by allowing it to be adequately supported?—A. If it is a question of recognizing motherhood, the question of the prohibition of the employment of women in industrial life, and in agriculture and the provision of maternity

[Miss Charlotte Whitton.]

aid and bonuses through a system of health insurance is logical. This is very definitely a proposal that the family shall be subsidized by the birth of each additional child. If I might illustrate, a man who was not good workman might be in receipt of a wage say of \$100 a year and in ten years, by the birth of eight or nine children, and without any improvement in his work, with no increase in income and perhaps with a decrease of his independence, but by the birth of children, might have an increased income of \$700 or \$800. I cannot think—I leave it to the Committee—that that would tend to dignify motherhood or marriage or the family relationship. If we were to do as France is doing, by her maternity service and maternity bonuses, it would be a more logical measure.

By Mr. Plunkett:

Q. Do you believe that the conditions of family life could be improved more through health insurance than through family allowances?—A. I would say that my own concept is the gradual enforcement of a decent minimum wage, which would eventually allow for contribution to dependency arising from ill health, unemployment, old age and death. That is an ideal for the state to enable the family to make better family conditions possible. An increased expenditure on nursing and health services, and on bringing knowledge and the means of applying knowledge within the reach of the family, together with the development towards a decent minimum wage would be the natural line of defence. I think Mrs. Kensit or Mr. Mills could tell from their own experience of the development of families that had been turned over as helpless, through measures that bring them service and give them the touch of personality to go on, as well as economic assistance.

Witness retired.

ROBERT E. MILLS recalled.

By Mr. Plunkett:

Q. Mr. Mills, in your evidence you intimated that you believed the responsibility should be upon the parents, if I might put it that way, and that it would be better to help the family life if built up under these conditions with these characteristics, than with a family allowance, that by family allowances being brought in, people would assume that the state was to take care of the families, and that they would more or less lose their responsibility by that situation. Is that the attitude you wish to take?—A. Yes, that is it practically I thought it would be a measure that would encourage them in taking no thought for the future; in fact it would not only encourage them, I feel myself, that it would make it extremely difficult for the young man to build up a place for himself before he embarked upon the responsibilities of bringing up a family. I do not think it is entirely an unmixed evil that the age of marriage has increased; I do not think it is entirely an unmixed evil that our young people want a better standard of living before they marry and take the responsibilities of bringing up a family. Of course I think every encouragement should be given to them to reach out for that sort of thing rather than to say that they do not need to bother about this thing, that the State will look after us. You will simply go on turning the crank. I hope I have answered what you have in mind.

By Mr. Woodsworth:

Q. Mr. Mills, you said a scheme of family allowance would be an unwarrantable interference with individual opportunity and initiative. May I remind you that the same argument was made against free education?—A. My

[Mr. Robert E. Mills.]

comment on that would be this, that I think there are many interferences with individual opportunity that are warranted. I can conceive of no real liberty that does not involve interference for the benefit of the rest of the community. In this case I value very highly the initiative of the individual, the right and power of the individual to decide whether he is going to spend his income or whether he is going to save it, whether he is going to buy an automobile, or whether he is going to plan to get married and have a family. If the State or a group of employers were to say to him, "The money you will normally have at your disposal, or a share of it at any rate, shall be put aside so that when you marry you will have an income for each child" that is what I think is an unwarranted interference with the individual to decide his own affairs.

Q. You deprecated palliatives; I rather have the idea that social workers are engaged most of their time in administering palliatives?—A. Quite true; but social workers do not certainly conceive of their job as a process that attempts to justify or attempts to make possible a normal situation that is not satisfactory. We are trying to put into a line that is normal things that are abnormal. We are doing it feebly, but we are doing it to the best of our ability.

Q. You are afraid that family allowances will relieve men engaged in industry from responsibility; is that not pressing upon them their responsibilities?—A. I do not think so, that is all I can say.

By Mr. Plunkett:

Q. Would it relieve industry of responsibility if they were taxed as some of the European countries are now?—A. As I visualize the situation, this is my understanding of it. I see two groups, the unmarried and childless and the married with children. The proposal, whatever form it takes, would find some with the proper living wage which we would like to see paid to all workers because they are workers, and because they have a potentiality and have the right to have a family, diverted from the childless to subsidizing the family people, instead of compelling industry by economic processes and otherwise to provide a wage that would be a living wage for both groups. I hope I have made that clear. I am not skilled in expressing these things, never having had to do it before.

The witness retired.

MILDRED KENSIT recalled.

By Mr. Letellier:

Q. I do not know if I got your remarks properly, but I think you said that it was the unfit that had the large families. What did you mean by that?—A. I meant, Mr. Chairman, that there is a tendency for people who are irresponsible, who do not know what they are undertaking, to have the larger families, that the responsible people who are fit to undertake responsibilities are the people who restrict the families, and that those who are willing to let other people carry their responsibilities for them bring a large number of children into the world. ↓

By Mr. Woodsworth:

Q. You have suggested in this connection that a scheme of family allowances would enable the unfit to bring more children into the world. Do you suggest that the present scheme retards or restrains them from bringing more children into the family?—A. You mean, lack of income?

Q. Lack of things?—A. Yes, I think it does, to a certain extent.

[Mrs. Mildred Kensit.]

Q. Restrains those irresponsibles?—A. If they bring more than a certain number of children into the world?

Q. They bring them in?—A. To a large extent, but if they had additional income, they would bring still more children into the world.

The CHAIRMAN: Father Lebel's exact statement on the size of a family is as follows:

Economists maintain that a family must number at least three children in order that it shall not dwindle from one generation to another. It is, therefore, families of four or more children which make up for the celibates, for the childless and small families, and, consequently, a nation which does not contain a certain proportion of large families is doomed to more or less rapid extinction.

There is the number in the family; he speaks of three in the family, also four, the minimum and the maximum.

Mr. WOODSWORTH: Who is that?

The CHAIRMAN: That is Father Lebel's evidence before the Committee on February 26th.

The witness retired.

Miss WHITTON: Might I supplement that with one of the sections in the statement to which I referred? My reading and my understanding of that is that in view of the fact that three is the minimum family necessary to carry on the population at an even rate, that a great number of the population, as shown in Canada in the 1921 census, 49.8 had less than three children, that there are a large number of celibates, or unmarried, and that consequently large families from four upwards are necessary to bring the average of three all over the population; therefore I would read that paragraph as giving a certain amount of support to the large family of from four upwards as necessary to the maintenance of an average family ratio of three children. That is the way I read it.

Mr. THORSON: And that will adjust itself without artificial aid.

The witness retired.

The CHAIRMAN: If that finishes the questions, I have a letter here from Mr. J. Howard Smith, Executive Director, Financial Federation of the M.C.S.A., addressed to Miss Mary Jennison, Assistant Secretary, Social Service Council of Canada, Toronto, Ontario, which should be incorporated into the record:—

In response to your request I will try to advance one or two reasons why in my opinion action should be delayed by the Government in this matter until much more is known as to the conditions, which such legislation is supposed to be going to remedy.

1. It is claimed that F. A. will increase population, there is no evidence to prove this contention. Paul Douglas does not claim that it will do so, and even Father Labelle admits now that he has studied the question further, that it is improbable that this would result.
2. It has been claimed that it would encourage men who now go from Canada to the United States to stay in Canada. Father Labelle admits that he has no statistics as to the social state of the men, who leave Canada for the States. It seems more than likely that a very large percentage of them may be single men.

3. F. A. are included to raise the income of the married man to a subsistence level. Father Labelle, questioned as to whether insufficiency of income was as much or more a question of low rates of wages as of unemployment or under-employment, admitted that he had no information on this point.

The Committee adjourned until Friday, May 3, 1929, at eleven o'clock a.m.



