



## STATEMENTS AND SPEECHES

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SOCIAL WELFARE AND SECURITY

Address by the Hon. Paul Martin, Minister  
of National Health and Welfare, to the  
Canadian Welfare Council, Niagara Falls,  
Ontario, May 8th, 1947.

In speaking to you today on Social Welfare in Canada, I think it is essential to have a clear understanding of what is involved in such a program. Social Security needs are not necessarily the same in all countries, nor is the machinery for achieving social security always exactly the same. We have to recognize that in Canada we are working within the framework of a federal state. This means that in many respects the machinery for achieving social security must be established on a different basis from that which is possible in unitarian states like Great Britain and New Zealand.

We must also keep in mind for our Canadian requirements the fact that Canada has, during the past few decades, been moving from a rural to an increasingly urban and industrialized type of life. But this transition is not yet complete; consequently we are faced with the problem of devising a social security plan that will meet the needs of two-thirds of our Canadian community which is following an industrialized and urban way of life, without overlooking the entirely different pattern of requirements for that very important third of our population which continues to live on farms.

ELEMENTS OF AN ADEQUATE SOCIAL WELFARE PROGRAM

Keeping in mind these factors, I would say that the first and probably the most important elements in the development of an adequate program of social security for Canadians on the farms and in the factories are those which centre around the concept of "economic maintenance" which is part, but by no means all, of the more comprehensive concept of "social" security.

The first step in the achievement of economic security is, of course, the provision of employment, at the highest possible national level. This involves two sets of considerations, - one which centres around the problem of the wage earner, and the other centering around the problem of the self-employed primary producer on the farm or in our fishing industries.

The Government has already made its position clear with respect to this particular aspect of the problem. It did so first in its White Paper, issued by the Minister of Reconstruction in the Spring of 1945. In keeping with the policies set forth in that document, the Government set before the provinces in August, 1945, objectives in Social Security, National Health and Public Investment designed to maintain a high and stable level of employment, with a consequently high level of national income. Already certain fundamental steps have been taken to prepare the way. The extent to which those policies have been successful up to date is shown by the fact that in his recent budget speech the Minister of Finance announced that our estimated gross national production for the current fiscal year would reach the all-time total of \$12 billion.

As for the primary producer, the Government, took steps by legislation to place floors under the prices of agricultural products during the transition period in order to ensure our farming population of an adequate return from the fruits of its labours. By a high level of employment at

adequate wage levels and by adequate prices for farm and other primary products, the Government can provide for the vast majority of the Canadian people the fundamental basis of economic security which is an essential condition of our national prosperity, and indeed of our national existence.

### SOCIAL INSURANCE AND SOCIAL SECURITY

But this in itself does not complete the picture. There are those for whom these fundamental provisions on the broadest possible economic basis do not solve the problem. There are those who face the hazards of economic and social insecurity even in times of fullest employment, even in times when the prices of our primary products are at their most adequate levels. They are the people most in need of some further measure of protection if they are to achieve the degree of economic security that we wish to see available.

These social insurances are devised to protect against those risks which may prevent the individual wage earner from maintaining the full degree of economic security.

It was in considering a social welfare program for this nation that the Canadian Prime Minister, speaking before the annual convention of the American Federation of Labour in Toronto in October 1942, said:

"The era of freedom will be achieved only as Social Security and Human Welfare become the main concern of men and nations. It is necessary that Social Security and Human Welfare should be expressed in definite terms. Of the kind of objectives I have in mind I would merely mention the following as a national minimum: Useful employment for all who are willing to work, standards of nutrition and housing adequate to ensure the health of the whole population; social insurance against privations resulting from unemployment, accident, the death of the breadwinner, ill health and old age".

No one can say that unemployment represents precisely the same problem on the farm that it does for workers in our cities. The problem in this area for our rural population is not so much the provision of work as maintaining adequate returns from the fruits of farm labour. Adequate prices for the farmer's products are the counterpart, in the rural sections of our country, of a high level of employment and the protection offered by unemployment insurance to the wage earners in the urban areas.

Through these measures of protection which I have outlined up to this point it should be possible in normal times for most Canadians to achieve a measure of economic security. These provisions, together with the basic public assistance services which we in Canada are familiar with, such as provincial mothers' allowances schemes, child welfare programs and the like provide on various levels a measure of protection which assures to the maximum possible extent remunerative employment or gainful occupation for the family head, - insurance against the major hazards from which it is possible to protect him on a social insurance basis, and assistance on the basis of his need, if he requires it and does not come within the scope of any insurance measures.

### A FAMILY MAINTENANCE PROGRAM

This leaves one problem still unresolved, - a problem which Sir William Beveridge, in his famous report of 1942 on social insurance and allied services in the United Kingdom, listed as one of the major causes of poverty in that country. He referred to the problem of family maintenance, - the problem posed by the fact that in our industrial society we make no provision in our wage structure for the varying size of our families. The answer to which we have already found in Canada, is provided through the medium of family allowances, supplementing wages earned with an allowance as a matter of right and not of need for every child in the family unit. This, together

with our income tax structure which provides exemptions for children in the families of our income taxpayers, recognizes the differences which exist in the size of the family responsibilities which our various wage earners or primary producers have to bear.

With Family Allowances, Unemployment Insurance, the Veteran's Charter and our farm prices support program as the basis of our structure, we can build co-operatively in this country, through the medium of provincial and local public assistance programs and more comprehensive national programs of insurance and security, a network of social security provisions which will stand in good stead as a solid secondary measure of support, together with our basic and fundamental economic measures designed to provide a high level of employment for the industrial worker and farm security for the rural third of our population.

These three broad levels of protection,-

1. High level of employment at adequate wage levels (or adequate prices for primary products), together with family allowances;

2. Social Insurance fully developed;

3. Public assistance on the level of need, - will, in my opinion, accomplish the objective that we seek of economic security for our Canadian people. It should be by this standard that we judge the adequacy of what we have developed to date in Canada. It should be equally by this standard that we measure the gaps that still exist and plan our programs for the future.

#### THE RECORD OF TWENTY YEARS

In the last twenty years Canada has gone a long way in the direction of establishing an adequate social welfare program. An impressive list of social security measures have been established both by the provinces and the Federal Government. Old Age Pensions and Pensions for the blind, workmen's compensation (a provincial measure) and a comprehensive program of public health and health measures have been developed. We have seen the establishment and extension of measures such as -- child and maternal health care, industrial health and accident prevention, drug control and proprietary medicine protection.

We have dealt with certain organic aspects of social security for the family -- the home -- employment -- welfare and health. We have seen the establishment of the Unemployment Insurance Act, Family Allowances, Veterans Legislation and the National Housing Act. We must consider, too, the whole range of our farm program -- agricultural prices support, farm loans, farm improvements which have raised the economic and productive level of our farm communities.

In the same relations we must consider the basic part of a social security program the stabilization measures of which have been undertaken.

Controlling increases in the cost of living is as much a part of a social security program as unemployment insurance, old age pensions, or mothers' allowances.

Reference should be made to the fact that today all nine Canadian provinces have a Department of Public Welfare established on a permanent basis and the Federal Government has, also, established a Department of Public Welfare which is allied with the Department of National Health. On three levels of Government -- local, provincial and federal -- we are making progress in the field of social welfare. Through the development of a local and provincial child welfare program, provincial Mothers' Allowance program, the setting up of Provincial Workmen's Compensation which provides protection in the case of industrial accident and disease, as well as general relief programs and the provision of hospital and medical care

for indigent old age pensioners, we have come a long way in a comparatively short time. I could not deal with this subject without paying a real tribute to what has been done by local and provincial authorities in the development of a more adequate social welfare program. I would like now to make a brief examination of what has been done under the Federal responsibility and what the Federal Government has proposed in the further development of the program.

**OLD AGE PENSIONS**

In 1927 when the Old Age Pensions Act was passed it was regarded as a pioneering and progressive step.

The Act originally provided for a pension of \$20.00 a month with an outside maximum income allowable of \$125 a year apart from the pension. At that time the cost of Old Age Pensions was borne of a 50-50 basis between the Provinces and the Federal Government.

A later amendment in 1931 reduced the Provincial share of the cost to 25% and increased the Federal Government's share to 75%. The Act itself was first amended when a Government under the leadership of the present Prime Minister introduced amendments to extend the benefits of Old Age Pensions Legislation to the blind in 1937.

Since 1941, a number of provinces have been paying a supplemental allowance to pensioners in addition to the pension paid under the Old Age Pensions Act. These payments have ranged in amount from nothing at all in some Provinces to as much as \$10.00 in British Columbia.

In 1943, through Order-in-Council, the Government increased the maximum pension payable by \$5.00 and a few months later increased the maximum income allowable under the Act from \$365 to \$425 a year inclusive of pension.

With the exception of these changes, the Old Age Pensions Act today remains essentially the same as it was in 1927. There is no doubt of the desirability of increasing the amount of Old Age Pensions and the need for liberalizing the conditions under which it is paid. You will recall that the Speech from the Throne this year referred to the Government's intention to amend the Old Age Pension Act at the present session of Parliament. Only a week ago I had the honour of introducing in the House of Commons the resolution preliminary to the introduction of the Bill to amend the present Old Age Pension Act. While I cannot at this time give details of the proposed legislation, I can say that the Government has recognized the need for a revision of the scales of benefit presently provided for our aged and blind people.

#### UNEMPLOYMENT INSURANCE

It is nearly six years since the Unemployment Insurance Act came into operation on July 1st, 1941. Since that time up to the end of 1946, total revenues from the joint contribution of employers, employees, and the Federal Government, amount to \$427,374,298. Benefits first became payable on the 27th January 1942 and from that date until the end of December, 1946 a total of 702,308 persons have received benefits in the amount of \$70,151.

Workers earning more than \$2400 a year are not covered under Unemployment Insurance. Nor are workers in certain specified industries or occupations such as agriculture, forestry, fishing.

While the introduction of Unemployment Insurance was undoubtedly a major step in progressive social legislation, the Canadian Government recognizes the necessities for extending the benefit to include workers who are not at present covered by its terms. I will refer later to the Government's objectives in this direction.

FAMILY ALLOWANCES

The outstanding development in Social Security during the war years was the introduction of Family Allowances. Canada was the first country in the western hemisphere to introduce such legislation on a universal scale. Great Britain followed one year later after our Family Allowances Act became effective in July, 1945.

At the end of March this year, our records show that 1,576,459 families are in receipt of allowances covering a total of 3,602,841 children. In that month \$21,491,640 was dispersed by cheque from the regional offices.

In the twenty months family allowances has been in operation, it has been possible to assess the value of the measure in terms of betterment for the family. For many families, particularly those in receipt of marginal income, Family Allowances have made it possible for them to manage without supplementary assistance from Social Agencies. For most families in the lower income group, it has meant an increase in purchasing power which has definitely improved the standard of living. On the whole, payment of the allowances has helped to keep children at school more regularly and older children at school longer before leaving school to seek work. The extra food and clothing has been reflected in better school reports. In general, clothing seems to be the main item upon which the family allowances are being spent and it has been found that children are more adequately and warmly clothed.