

NEW CENTURY, NEW RISKS: THE MARSH REPORT AND THE POST-WAR WELFARE STATE IN CANADA

Antonia Maioni



The social rights of citizenship in Canada were first articulated in conceptual terms by the *Report on Social Security for Canada* in 1943. Chaired by McGill Principal F. Cyril James and named for research director Leonard Marsh, the report laid the foundations of the post-war social welfare state in Canada. Besides unemployment insurance and disability, Marsh also recommended paid maternity leave, a concept as visionary in its way as his proposal for national health insurance. Marsh's "holistic view of social security," writes the director of the McGill Institute for the Study of Canada, was one "that considered health as a central part of the welfare state, rather than a separate item and expense." Sixty years later, Antonia Maioni suggests, "it is family risks that represent the biggest change" from the Marsh vision. "Lone-parent families, recomposed family structures, and Aboriginal families are of increasing concern, as are the challenges of demographic changes, fertility patterns, the needs of an aging population...and discussions of early childhood development and work-life balance." All of which must be worked through in the governance framework of federal-provincial relations.

Les droits sociaux des citoyens canadiens ont d'abord été définis en termes conceptuels dans le Rapport Marsh sur la sécurité sociale au Canada de 1943. Produit sous la direction de F. Cyril James, alors recteur de l'Université McGill, et nommé d'après son directeur de recherche Leonard Marsh, ce rapport a posé les jalons de l'État-providence d'après-guerre. Outre l'assurance chômage et invalidité, Leonard Marsh y préconisait les congés de maternité payés, un concept tout aussi visionnaire que sa proposition d'un régime d'assurance-maladie national. Sa vision holistique de la sécurité sociale, écrit la directrice de l'Institut d'études canadiennes de McGill, faisait de la santé un élément central de l'État-providence plutôt qu'une question et un investissement distincts. Soixante ans plus tard, estime Antonia Maioni, ce sont les enjeux familiaux qui ont surtout changé au regard de cette vision. Familles monoparentales, recomposées et autochtones suscitent des préoccupations grandissantes, note l'auteure, sans oublier l'évolution démographique, les schémas de fécondité, les besoins d'une population vieillissante, le développement de la petite enfance et l'équilibre entre vie personnelle et professionnelle. Autant de questions à examiner dans le cadre de gouvernance fédérale-provinciale.

A few years ago, while still an assistant professor of political science at McGill University, I was invited to debate a senior colleague in the Department of Economics on the future of the welfare state in Canada. This very likeable and articulate fellow (indeed, a regular contributor to this magazine) cheerfully set out to demolish every argument I attempted to construct about the develop-

ment of the welfare state and the importance of that social vision in post-war Canada. Frustrated, I finally snapped at him, "Sir, it seems to me that you are describing 19th century values!" His response was charming: "And what, exactly, is the matter with 19th century values?"

The point I took home from this exchange was that, in effect, the values we associate with the social vision of the

Canadian welfare state are relatively recent and may not be universally embraced. In fact, the idea of a social security state has been a relatively short-lived one in Canada, coinciding with the short 20th century period between the end of the Second World War and the end of the so-called

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and under “Dominion” (federal) administration, with the exception of provincial workmen’s compensation and medical care (co-operative contributions but provincial services). Also significant was Marsh’s holistic view of social security that considered health as a central part of the welfare state, rather than a separate item and expense.

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The other pertinent observation about the exchange is that it happened at McGill, which was in effect the birthplace, at least in conceptual terms, of the Canadian welfare state. It may seem hard to believe that the advocacy of strong centralized social policies would emanate from a Quebec university that was not — at least then — associated with bold social vision, but this was to be the legacy of Principal F. Cyril James, who was appointed chairman of the Committee on Post-War Reconstruction in 1941, and his research director and McGill social scientist, Leonard Marsh, who prepared the seminal *Report on Social Security for Canada* in 1943.

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and the eradication of poverty. The realization of this ideal, according to Marsh, meant the recognition that individual risks were part of modern industrial society, and that they could be met by collective benefits throughout the lifecycle. Full employment at a living wage would be the engine for this vision, supplemented by occupational readjustment programs. “Employment risks” were to be met through income-maintenance programs, such as unemployment insurance and assistance, accident and dis-

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ability benefits, plus paid maternity leave (a proposal definitely ahead of its time). “Universal risks” were addressed through national health insurance, children’s allowances, and pensions for old age, permanent disability, and widows and orphans.

Significantly, practically all of these programs were to be contributory

committed itself to changing the very definition of economic and social needs and marshaled the strength of the state to respond to them. Not insignificantly, Marsh had also been an active member of the CCF’s brain trust, the League for Social Reconstruction, and had contributed (along with fellow McGill intellectual Frank Scott) to the

Marsh’s social vision was rooted in the same powerful influences that would shape the discourse of the welfare state in Canada. Marsh was a student of William Beveridge, the acclaimed author of

Great Britain’s roadmap from warfare to welfare state; like his mentor, Marsh believed that governments should be responsible for constructing a postwar social order in which the responsibility of physical security would give way to an essential role in the provision of social security. Marsh was also a keen observer of the ravages of the Great Depression in Canada and the United States. In contrast to the ineffectual response of governments in Canada, Marsh was duly impressed with the way the Roosevelt administration had

LSR's 1937 blueprint, *Social Planning for Canada*, which envisaged centralized — i.e., federal — administration and financing as key instruments to realize the goals of social planning.

Despite its “intellectual and symbolic” weight, historians Bothwell, Drummond and English remind us that the content and provenance of Marsh's report were enough to generate a great deal of hostility, not to mention embarrassment, on the part of Mackenzie King and his Liberal cabinet. Beveridge's report may have become the blueprint for post-war social security in Britain, but his Canadian protégé found his report was hastily buried away, although it did receive considerable media comment and business protest, and was associated with a surge of support for the left in public opinion polls of the day.

Still, Marsh's foundations became, at least in part, the pillars of the social architecture of the welfare state in Canada. Although the key premises of the report — namely the concept of full employment and centralized administration — were not completely realized, its tone and tenets infused most of the programs that flourished in the post-war generation of the welfare state in Canada, including unemployment insurance, family allowances, hospital and medical insurance, the Canada Assistance Plan, and the guaranteed income supplement.

The Marsh report also became an emblem of what the famed British sociologist T.H. Marshall has referred to as the social rights of citizenship, to be fashioned and protected alongside established political and civil rights. Even though the foundations of Marsh's social architecture have been eroded in many places, or were never poured in others, or were transformed by provincial artisans, the ideal of a social citizenship remains embedded somewhere deep in the Canadian imagination. This ideal persists despite the differences of opinion expressed by my colleague, or the dif-



Karsh, from archives of The Gazette, Montreal

Dr. Leonard Marsh, visionary research director of the 1943 *Report on Social Security in Canada*, chaired by McGill Principal F. Cyril James. The report laid the foundations of the post-war social welfare state in Canada, and took “a holistic view of social security in Canada,” writes Antonia Maioni.

ferences of ideology expressed by political leaders in Canada. It has persisted, as well, despite the transformation of the welfare state, and the

landscape in which social programs have operated, since the 1970s.

These changes are far-reaching. Across the industrialized world, a situ-

ation of what Paul Pierson refers to as “permanent austerity” has shifted policy-makers’ focus from social policy expansion to program retrenchment. The costs of certain programs, health care in particular, are changing perceptions about the sustainable limits of state responsibility. The impact of globalization is also relevant; in par-

ties are of increasing concern, as are the challenges of demographic changes, fertility patterns, the needs of an aging population and their care givers, and discussions of early childhood development and work-life balance.

And, of course there are the issues of “governance” which are framed quite

such as the “co-operative” era of the 1960s, is derived from the way in which a welfare state evolved out of such negotiations and agreements, not to mention provincial innovations. Although the jurisdictional conflicts around social policy are as evident as in the past — and more rancorous given the higher stakes and more pressing fiscal burdens — they now involve a broader emphasis on roles and responsibilities, and a wider discussion of multilevel governance. Today’s political environment brings other players and concerns into the governance mix: cities are now key elements in any discussion of social development in Canada, as are citizens in their communities as architects of the social economy.

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ticular the effect of limited parameters for domestic policy and the dominant role of technological change and deregulated markets. The global economy is also associated with the new social risks that face Canadians in a panorama of diverse territorial, population, and economic challenges. Some may have echoes in Marsh’s own observations: for example, the labour-market risks associated with non-standard work or with a living wage resonated then as now; others, such as those associated with the knowledge-based economy, have less apparent parallels. The exclusion risks of permanent poverty for certain groups were evident in the past as well, but today there are the additional challenges of specific geographical situations (i.e., the urban concentration of low-income households) and the challenges of social and economic integration in a country where Canadians are of increasingly diverse immigrant backgrounds. And while Marsh was exceptionally sensitive to the needs of families, and in particular women, it is family risks that represent the biggest change from his worldview of 60 years ago.

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differently today than in the days of Dominion-provincial relations. Marsh’s social vision emphasized a “comprehensive system” of social security that necessitated a heavily centralized administrative structure, one that in the context of Canada’s war effort and in comparison to the US’s recent experience, would have appeared a promising precedent to follow. He was not unaware of jurisdictional realities; in fact, he makes reference to the need for constitutional amendment in the report. But his claims were based on a real concern for fiscal coordination and regional economic disparities (in a pre-equalization situation) and the need for acceptable standards across Canada (in a pre-*Canada Health Act* era). Nevertheless, his recommendations were odious to conservatives in Quebec and Alberta alike, not to mention Mackenzie King himself who recoiled at the enormous fiscal responsibilities that would be placed on the state.

Since the 1940s, social programs have occupied the limelight in successive rounds of constitutional negotiations, and indeed in the evolution of federalism in Canada. Part of the nomenclature around the pendulum swings of federal-provincial relations,

All of these challenges point to a new social world for Canada in the 21st century, but not necessarily one that resembles 19th century values. The Marsh Report laid out a vision of social security and a definition of social citizenship that effectively confronted the lacunae of the past. Marsh emphasized the nature of risks in modern society and described how they could be met: sixty years later, the beginning of the 21st century presents an opportunity for Canada to examine new social risks and the effectiveness of the social architecture in place to face them.

Antonia Maioni is Director of the McGill Institute for the Study of Canada, where plans are underway for a major conference on social policy to be held this fall at McGill University, in partnership with Social Development Canada, entitled “New Century, New Risks: Challenges for Social Development in Canada.” She is the author of Parting at the Crossroads: The Emergence of Health Insurance in the United States and Canada, published by Princeton University Press. antonia.maioni@mcgill.ca