



THE CAMPBELL REPORT: THE ORIGINS OF MODERN PUBLIC ASSISTANCE IN ONTARIO

AN ARTICLE BY JOHN STAPLETON AND CATHERINE LAFRAMBOISE



The report of Wallace R. Campbell and the Advisory Committee on Direct Relief to the Provincial Government of Ontario resulted in the first standardized welfare policy in Ontario and laid the foundation for welfare as we know it today — cash assistance to needy families and individuals.

When the British introduced the main body of English law to the newly-established Province of Upper Canada (Ontario) in 1791, it did not enact a poor law. As a result, Ontario lacked a formal, legal system of public responsibility for the poor. Prior to World War One, the only public assistance available to families outside of institutional relief was provided on an emergency basis by private charities and municipalities. Most assistance was given in the form of food, clothes, fuel, etc. Cash was rarely, if ever, provided.

The amount and manner in which relief was distributed varied from municipality to municipality. In one town, the mayor or the police might dispense relief, while in another, it could be the responsibility of the sanitary inspector. The funding of relief varied considerably as well. Generally, relief was provided from a combination of municipal resources and donations from local private or semi-private organizations. In Toronto, for example, relief was provided through eight separate agencies.

Social attitudes towards poverty only exacerbated the problem of providing relief to the needy. In the absence of its own Poor Law, Upper Canada had adopted the British principles of poor relief which made individual parishes (i.e. local governments) responsible for providing relief to its poor. It also categorized poor people into two groups. The “deserving” poor were the sick, the disabled, widows, orphans and the thrifty elderly. The “undeserving” poor were criminals, unmarried mothers, vagrants, the unemployed and the elderly who had no savings.

At the beginning of the 20th century, Ontario was a society that emphasized self-discipline, frugality and hard work. Government intervened as little as possible, believing that the free market would take care of the economy and that churches and charities would take care of the deserving needy. Poverty was viewed with suspicion. Any able-bodied person who was poor obviously didn't work hard enough. Unless you were a “deserving” poor person (i.e. a widow, sick or disabled),

When the Department of Public Welfare was established in 1930, Ontario, for the most part, lacked a public welfare structure to alleviate poverty. Ontario had a program of old age pensions (funded on a 50/50 basis with the federal government) which provided a pension to eligible British subjects 70 years of age and older. Apart from the Mothers' Allowances Act of 1920 which provided a form of income maintenance to eligible widows with two or more children, and the Soldier's Aid Commission of 1915 which provided financial assistance to World War One veterans and their families, Ontario's relief to the poor was rudimentary and unevenly distributed. When the Great Depression began in 1930, Ontario lacked a provincial public welfare structure for assessing and alleviating widespread need.

your poverty was your fault — the result of personal failure, a defect of character. That attitude started to change with the post World War One reconstruction effort when it was better understood that many in society were disadvantaged through no fault of their own. In 1921, a sudden, post-war slump in the economy brought about widespread unemployment. Especially hard hit were war veterans. Those who had given so much during the war could not be left jobless and unaided. The Ontario government, in conjunction with municipalities, embarked on a series of job-creating public works programs.

By April 1930, however, it was apparent that the economy wasn't recovering and unemployment was deepening. The provinces asked the Federal Government of Mackenzie King to contribute towards the cost of their public works programs. In the House of Commons in April, 1930, the Prime Minister thundered, "With respect to the giving of moneys out of the federal treasury to any Tory government in the country for these alleged unemployment purposes, with these governments situated as they are today with policies diametrically opposed to those of this government, I would not give them a five cent piece."

The Great Depression, relief and the Government of Ontario

The decade we now refer to as the Great Depression started in the hot, dry summer of 1929 when crops on the western prairies burned up and stock market speculation drove share prices to inflated levels. Even when the market crashed on October 29, 1929, everyone thought that the economic collapse was temporary. Governments, including Ontario's, continued to concentrate on public works programs.



Many factors are believed to have caused the Great Depression: there was a frenzy of stock market speculation in the weeks prior to the market collapse on September 29; consumer spending had dropped; Canada was suffering a trade deficit; and a devastating drought on the Prairies wiped out wheat crops.

The year 1930 was terrible, characterized by wrenching cutbacks in government revenues and services, industrial and farm sector job loss and little light at the end of the tunnel. "I shudder to think what is facing us in this country ... unless something is done to improve conditions, I believe we are going to pass through an experience such as we have never had before since back in the early seventies (1870's)."

G. Howard Ferguson, Premier of Ontario, summer, 1930



At the height of the Depression one in five Canadians was unemployed. Between 1931 and 1932, the cost of relief spending in Ontario jumped from \$4,300,000 to more than \$13,500,000.

Canadians went to the polls in the summer of 1930 and ousted Mackenzie King's Liberal government. The Conservatives under R.B. Bennett brought in a federal Unemployment Relief Act and set aside \$20 million for public works for the whole nation in partnership with the provinces. Ontario signed an agreement on October 2, 1930 to secure the federal one-third subsidy on direct relief and 25 to 50 per cent on relief works. The first Ontario Unemployment Relief Act was passed in April, 1931, ratifying this agreement retroactively. For administrative purposes, the Ontario Unemployment Relief Fund was set up under a committee of five cabinet ministers and managed not by the Department of Public Welfare, but by the Department of Labour. In fact, the Minister of Public Welfare was not a member of the committee of five.

The Department of Public Welfare was established in 1930 to coordinate the work of Ontario's institutions for the sick, the elderly, orphans and neglected children, not to deal with the emerging unemployment crisis. Relieving unemployment was not at first considered a welfare type of activity. The government created capital works programs to stimulate employment.

By May 1931, Ontario's provincial-municipal relief work projects had exhausted the \$4 million allocated by the province and Ontario refused to pay more to municipalities. After all, spring was supposed to bring the customary upsurge in employment. That didn't happen.

Ontario and the municipalities disagreed over the real extent of unemployment. During August and September, 1931, municipalities who were engaged in relief works registered the numbers of unemployed. They reported that 130,000 men were looking for work. The provincial government, however, disagreed saying that 70,000 was a more realistic figure. During the first two years of the Depression, the provincial and federal governments continued to bicker over their respective responsibilities and who should pay for what. There was little concerted effort given to determining who should get relief, how much, and how it should be distributed.

"Coincidence can look like cause, and we might think from our perspective half a century onward that the Department (of Public Welfare) was a timely response to the economic disaster. The opposite is true. If anything, the Department came out of the prosperity that brightened the first and last years of the 1920s, when new welfare benefits seemed affordable and the lengthened list of services suggested a need for administrative unity."

Decades of Service, Clifford J. Williams

With the growing numbers of unemployed, municipalities began to break under the burden. Then (as now) municipalities were only able to levy property taxes to cover their expenditures. With the economic collapse, even that base was shrinking. Provincial legislation permitted municipalities to borrow for welfare purposes, but this was a double-edged sword. Already the large, urban municipalities were defaulting on interest payments. With relief costs soaring, municipal finances shrinking, some municipalities sank into bankruptcy while others came perilously close.

In search of a job — any job

By the end of April 1932, with 12 per cent of Ontario's population on relief, there was still no sign (for the third year in a row) of economic recovery. The tough economic times were making working people re-think their previous attitudes towards poverty. Despite their best efforts, more and more people were jobless, hungry and desperate. People started to blame the economy and the government for their hard times.

This, in turn, led many to see solutions in the form of communism and state socialism. A communist revolution such as the one that had occurred in Russia fifteen years earlier started to be seen as a viable way to improve the economy while placing the blame on the current system of government for the present predicament. By the spring of 1932, signs of real social unrest had started to show themselves. It was the third year in a row of economic downturn. The long-awaited recovery that was supposed to be just around the corner, failed to materialize.

Things were getting desperate and something had to be done.

Between 1931 and 1932, the cost of relief spending in Ontario jumped from \$4,300,000 to more than \$13,500,000.

At the height of the Depression one in five Canadians was unemployed. Until the Second World War, unemployment never declined below 12 per cent.

"To many observers, the recruits for revolution seemed to be at hand. Single men without jobs or homes began to wander in thousands in search of elusive employment opportunities. The transients boarded freight trains in such numbers that they looked like troop trains of a rag-tag army. Baton swinging police halted the freights and unloaded the 'trespassers' amid scenes of distressing anger and violence."

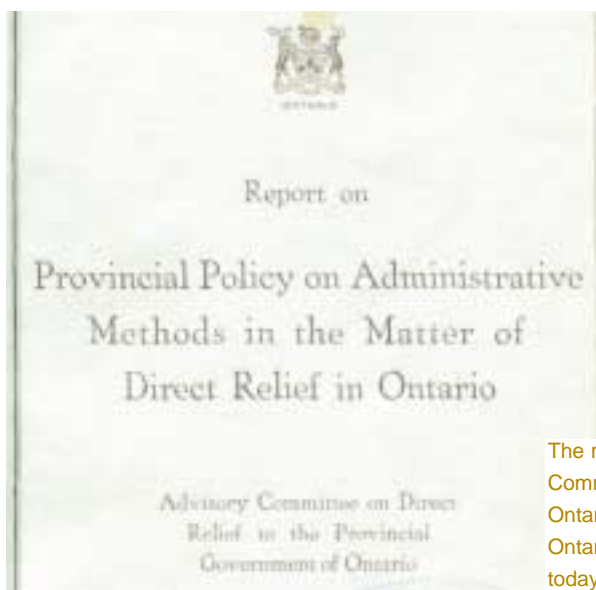
Decades of Service, Clifford J. Williams

In the spring of 1932, the Ontario government under Premier George Henry embarked on a process towards developing some provincial standards and uniformity in relief administration. By Order-In-Council, the government appointed the Advisory Committee on Direct Relief¹ "to assist the government in dealing with the problems arising out of unemployment, including the distribution of relief to the needy, and the special assistance that may be required by municipalities which have difficulty in meeting their percentage of the cost of unemployment relief."

Wallace Campbell, General Manager of the Ford Motor Company of Canada in East Windsor, was appointed the chairman of the committee. Without the modern benefits of air conditioning, the Campbell Committee

toiled for four straight weeks in Toronto in the early summer of 1932. By the end of July, the committee presented its recommendations on the provision of direct relief in Ontario.

"The term 'direct relief' is used herein as covering the issuance of the materials and assistance necessary to relieve the needs and safeguard the health and well-being of those who are indigent and which are issued without charge to the recipients. While various factors may contribute to or cause indigency, it is recognized that in the present crisis the preponderating cause is a lack of employment. In undertaking to assist municipalities to supply the needs of those unemployed your Government has defined direct relief as including food, clothing and shelter ..." (Wallace Campbell)



The report of Wallace R. Campbell and the Advisory Committee on Direct Relief to the Provincial Government of Ontario resulted in the first standardized welfare policy in Ontario and laid the foundation for welfare as we know it today — cash assistance to needy families and individuals.

“The wide spread in costs of weekly food issues in different municipalities indicates the need of a general standard. The great diversity in municipal organization for welfare and relief administration has resulted in widely varying degrees of efficiency and economy”.

Wallace Campbell

The report also recommended that the province establish a public welfare board in each Ontario community composed of provincial appointees. This was seen as a necessary step in order to remove the administration of relief and public welfare services from the influence of municipal politics. Standard relief investigation and food voucher forms were issued to all municipalities by December 1932. The province established a network of district relief inspectors, who began regular visits to municipalities to make sure that no community was charging Queen's Park more than the Campbell Report ceilings for food, shelter and other necessities.

So novel and symbolic was Wallace Campbell's invention that his name became synonymous with the (welfare or relief) rate table devised by his Commission. Like 'Kleenex' and 'Hoover', the invention took on the name of its brand rather than its

subject. When rates were increased throughout the pre-war period, the amounts paid were known as 'Campbell + 20' or 'Campbell + 25'. The amounts were not called welfare rates as they are called today.

Looking closely at Campbell, it is possible to set out a relief rate for a single person of approximately \$11 a month (approximately \$224 in 2004 dollars)² for a single individual. But nowhere in the Campbell report did the committee actually call for this amount to be paid in cash. Direct relief was certainly what Campbell called for and he had monetized the amount that should be paid out directly. Although it would be almost three full years before the first cash would be paid, it was the work of Campbell that paved the way.

The reasons that cash relief were not on the table was not because it was not yet conceived. There were simply much more pressing problems. The first of these problems was that municipalities were going bankrupt and even if willing to participate in a standardization process, few were in a fiscal position to pay out any standardized amount. The second was that there was no distribution system to handle cash payouts. Distribution systems were based on goods and services rather than money. The third reason was that there was no way yet available to supervise how cash would be spent. According to the prevailing views of the time, anyone who was receiving direct relief should be provided with the actual goods and services required.

(2) *Maximum Food Allowances*

Your committee feels that, in view of the indefensible spread in costs among Ontario communities, an obligation rests upon it to suggest some sort of general standard in respect to food allowances. It is not proposed that the maximum will be generally applicable to every family receiving assistance. We believe, however, that throughout the Province as a whole and under existing market conditions the standard of cost here put forward is sufficiently high to take care of the food needs of persons and families on relief.

Summer schedule as follows:

For one adult per week.....	\$1.50
For the second adult in a family, per week an additional.....	.35
For the third member of the family, per week an additional.....	.90
For the fourth member of the family, per week an additional.....	.85
For the fifth member of the family, per week an additional.....	.80
For the sixth member of the family, per week an additional.....	.75
For the seventh member of the family, per week an additional.....	.70
For the eighth member of the family, per week an additional.....	.65
For the ninth member of the family, per week an additional.....	.60
For the tenth member of the family, per week an additional.....	.55

The Campbell Report recommended maximum standards for food allowances. The above standard of cost was deemed to be sufficiently high to take care of the food needs of persons and families on relief. The winter food allowance schedule could be increased to a maximum 10 per cent.

"Your committee is of the opinion that these matters call for continuous relationships as between the Provincial Government and the municipalities and can best be taken care of under one of the established Departments of Government. The Department of Public Welfare appears to be the natural source from which advice, assistance and co-operation may be provided for municipalities which are seeking assistance in matters affecting welfare organization, supervision policies and welfare and relief administration generally."

Wallace Campbell

In 1934, the Department of Public Welfare took over the administration of the unemployment relief which had been a joint responsibility of the Departments of Labour and Municipal Affairs

**The Liberals come to power:
Croll creates direct "cash" relief**

In the provincial election of 1934, Mitchell Hepburn was elected Premier. He named David Croll as the Minister of Public Welfare. Croll faced two dilemmas that resulted in the provision of direct relief:

- ▲ Hepburn had run on a platform that called for mass layoffs in the public service (many civil servants were political appointees from the previous administration) and he had made good on the promise.
- ▲ Demands for relief, to the consternation of just about everyone, continued to grow.

By 1935, it became clear that many municipalities had become incapable of providing direct relief and had come under the supervision of the province. However, with large layoffs, there was no clear way

to continue direct relief that demanded large numbers of staff to administer. An easier way would be to provide direct relief in the form of cash. It would provide the standards required; it would not require as many staff; and it would provide a clear way for the province to operate in the supervised municipalities.

Croll was the champion of the idea of cash relief and he had just the blueprint for the first set of rates in the form of Campbell's report of three years earlier. With the large layoffs of staff, departmental consolidation and reorganization was almost inevitable and it seemed (especially under Croll who already had the Mothers' Allowance Commission under his Department), that the Department of Public Welfare was ideally suited to take the administration of relief over from the joint auspices of the Departments of Labour and Municipal Affairs. Croll dusted off the Campbell report to support the idea.

“Your committee feels that, in view of the indefensible spread in costs among Ontario communities an obligation rests upon it to suggest some sort of general standard in respect to food allowances. It is not proposed that the maximum will be generally applicable to every family receiving assistance. We believe, however, that throughout the Province as a whole and under existing market conditions the standard of cost here put forward is sufficiently high to take care of the food needs of persons and families on relief.”

Wallace Campbell

On or about July 1935, the first cash relief was paid to individuals in Ontario in the so-called supervised (i.e. bankrupt) municipalities. But the move to cash assistance as the primary method of dispensing direct relief took the next thirty years to implement in full. In those early months of 1935, cash assistance was a radical experiment set by the province at the rates that Campbell noted. Even the most progressive of the private charities, and the social work profession, found the idea of cash relief to be shocking. “Shall we have cash relief? asked the Board of Governors of the Canadian Council on Child and Family Welfare in a statement of January, 1934. The answer was a modified ‘no’; supervision of recipients was usually a necessity. Furthermore, the board added in a private letter to Prime Minister Bennett, cash issuances would entice low-wage workers to quit and go on welfare.”³

To be sure, in 1935, only a few municipalities actually paid Campbell rates and those that did, continued their systems of vouchers, clothes and food hampers, seeds and bag of coal and coke for fuel. Nevertheless, throughout the 1935-1939 periods, municipalities tinkered with Campbell rates and the aforementioned Campbell + 5, 10, 15, 20, or 25

became a part of common parlance. The monetization of relief now had the foothold it needed to become the modern way of distributing assistance.

The other major recommendations going back to Campbell related to bringing municipalities out of bankruptcy and this task was ably taken on by Edward Cross who became the next Minister of Public Welfare following the provincial election in October, 1937. The resolution of municipal money woes soon ended the rationale that one municipality would pay a higher Campbell rate than any other. The new irony was that Campbell had monetized the provision of direct relief in order to create standards, not to have his name associated with a very visible lack of standardization.⁴

By 1938, some municipalities, such as Toronto, were paying rates of Campbell + 39 while others were paying Campbell + 5. Government officials received more and more complaints and something had to be done. Over 1938 and 1939, the government announced that it would cap relief rates at Campbell + 25 resulting in the first rate decrease to cash relief payments in those municipalities that exceeded Campbell + 25.

“The most serious problems, both economic and social are, however, presented by the constantly increasing transient group. That transiency has become a serious menace nationally and municipally is apparent from many standpoints: (a) The trouble caused to railroads and railway crews and recurring accidents. (b) The soliciting of rides on highways and dangers involved. (c) The practice of panhandling which is increasing in the business sections of our larger cities. (d) Begging of meals at residences which also is increasing. (e) The anxiety caused by the presence of unknown and unattached men in the community. (f) The marked evidences of deterioration in capabilities and character and the growth of irresponsibility. (g) The tendency toward crime offered by indigency, idleness and being in a strange community. The general principle that planned policy is more economic and safer than a policy of drifting is emphasized by the present situation respecting transiency both as regards the hopeless situation of the transient himself and the sense of futility under which the average municipality carries on its haphazard and unsocial treatment of the transient.

Wallace Campbell

A 15 per cent rate decrease was greeted with howls of derision and scorn by social activists but the stronger voices came from municipalities that looked at the province's move as more symbolic, clearly meddling in the municipal view, where they did not belong. In the summer of 1939, great plans were conceived to fight the government at every turn.

However, this is one skirmish that did not get a chance to play itself out. On September 10, 1939, Canada declared war on Germany.

The legacy of the Campbell Report

Rates were consolidated at Campbell + 25 but over a short one-year time frame, most relief was de-funded as the war effort got into gear. Caseloads dropped dramatically and by 1943, only 16,000 families remained on relief. But unemployment relief in cash or money form had taken hold and the 1945 to 1960 period would see

the increasing monetization of relief even though eligibility remained very strict. For example, single persons were ineligible for cash relief from 1940 to 1958.



Campbell attempted to address the plight of the thousands of transient men who took to the road in a desperate search for a job — any job — or simply to find food and shelter.

“It (the committee) believes that in some measure unemployment problems will continue to challenge the resources of the Government for a long time to come and that the need of an indeterminate amount of direct relief is likely to make demands upon the public treasury indefinitely.

Wallace Campbell

In retrospect, the Campbell Report is much more than a standardization of welfare rates; it is a reflection of the times themselves. The report is a fascinating contradiction. On one hand, the report dispassionately reduces basic human need into a dollars-and-cents valuation. On the other hand, the report captures the tremendous social and political upheaval of Canadian society as it struggled to recognize and admit that the causes of poverty are complex. Peppered throughout the report is evidence that Campbell wrestled with the extent to which the market forces had failed Canadians. Underlying Campbell's dry, bureaucratic style of writing, one can get a glimpse of this when he addresses the plight of the thousands of transient men who took to the road in a desperate search for a job — any job — or simply to find food and shelter.

Those of us who were born after the Second World War grew up with Canada's social structure firmly established. It's hard for us to fully appreciate how the terrible need of that decade forever marked a whole generation. The Canada that emerged at the

end of the Great Depression was fundamentally different from what it had been just ten years before. The Canada that emerged by the end of the Second World War was one that fully believed in cash-based income security programs.

That is Campbell's legacy to the Ministry of Community and Social Services. That legacy remains to this day as it is this ministry that remains responsible for the delivery of income security and social assistance to persons without resources. The acceptance of Campbell's recommendations in 1934 meant that a new small department of government would soon be larger and more important than all the other departments combined.

Today, one dusty, tattered copy of the “Advisory Committee on Direct Relief to the Provincial Government of Ontario” still remains on the shelves in the library at Ryerson University. Another is housed in the Legislative Library at Queen's Park.

This short essay would not be possible without the work of Dr. Clifford Williams Decades of Service; Professor James Struthers, The Limits of Affluence: Welfare in Ontario, 1920-1970 (Trent University) and the numerous essays, books and articles of Professors Margaret Hilyard Little (Queens University) and Allan Irving (Kings College: University of Western Ontario).

Endnotes

Page 6

- 1 Direct relief was understood to be the provision of assistance without a work return. In the early 1930s, this was widely understood to be the provision of goods as opposed to cash.

Page 7

- 2 Note that the \$224 a month is not comparable to the \$536 allowance of today since Campbell envisioned other non-monetized forms of relief, such as footwear, transportation, clothing, personal care items and utilities (water and light).

Page 9

- 3 Decades of Service, Clifford J. Williams
- 4 “It was awful. It was Campbell plus 5, Campbell + 10 ... it was all over the place.” (Dorothea Crittenden — 1991 Interview). Dorothea Crittenden was the first female Deputy Minister in the Ontario Government. She served as the Deputy Minister of Community and Social Services from 1974 to 1978.