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THE STATE AND OLD AGE PENSIONS

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AN INVESTIGATION OF THE
1927 OLD AGE PENSIONS ACT OF CANADA

By

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ABSTRACT

Marxist theory demands the differentiation between the appearances of social phenomena and the social reality underlying them. The introduction of old age pensions in Canada is studied from this perspective. Of importance are the Marxist concepts of commodity and value, class, and the structuralist and instrumentalist interpretations of state power. Through a class trajectory model of class definition based on objective class interest, the dependent aged are located in the working-class. The economic structures inherent in the transformation from simple commodity production to a capitalist mode are examined. It is seen that the stratum of dependent aged arises from these structures. The demand for pensions on the part of organized labour is analysed. Changes in the internal composition of labour demonstrate a further form of pressure which is exerted on the state. When radical elements in organized labour appear to be dominant the threat to the state increases. State action involves both coercive and conciliatory measures, the latter being the promise of pensions. Examination of the conservative wing of labour discloses that labour action may not be equated with working-class interest. The timing of the passage of pension legislation establishes that

labour unrest and economic need are not always sufficient causes to result in pension legislation. Political crisis can also influence the precise timing of pension enactment. The examination of pension legislation itself demonstrates that pensions can function as measures of control over the aged as well as the working-class. Control is exerted through the existence of pensions which bind the pensioner to the state in a subsistence relationship similar to that of the wage-earner and the capitalist, as well as through the regulations and their administration. Finally the study of pensions in Canada, particularly the evidence of lack of capitalist oppositon, indicates that welfare measures must be analyzed individually. One cannot generalize from one form of welfare legislation to another.

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To Bud,

Megan, Vicki, John,

Charles, Joseph, Melissa.

I

THEORETICAL PROBLEM

Erik Olin Wright states that "one of the central epistemological premises of Marxist theory is the distinction between the 'level of appearances' and the underlying social reality which produces those appearances".[1] There are structural mechanisms, he argues, which "generate the appearances which people encounter in everyday life".[2] Marxist research should be designed to explore the dynamics of those structures. It must not simply generalize about the appearances themselves. For "if we remain entirely at the level of appearances we might be able to describe social phenomena, and even predict those phenomena, but we cannot explain them."[2]

The principal argument within this thesis is based upon this premise. State sponsored old age pensions are an 'immediately encountered reality'. Analyzed at the level of appearances they can be described and their trends predicted. However, the structures behind their

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[1] Erik Olin Wright, Class, Crisis and the State, (London: New Left Books, 1978), p. 11.

[2] Ibid., p. 12.

emergence and the functions of their initiation become hidden. The social reality of old age pensions becomes mystified and in the process their very existence inexplicable. At the level of appearances, old age pensions are accepted as a mechanism for the relief of those unable to provide for themselves. The question why there should emerge within capitalist social formations a group of aged in need of state sponsored pensions remains unasked. The underlying social structures which create a dependent aged population remain undetected. The social functions of old age pensions remains unexplored. The significant differences between old age pensions as one form of welfare legislation and other forms of welfare legislation remains undelineated. The immediately encountered reality of pensions - the pension cheque - becomes the rationale behind the appearance. The structural reality becomes obscured.

Institutional analyses of old age pensions remain at the level of appearances.[1] Pensions are analyzed within a framework which assumes the neutrality of the state vis-a-vis the social classes found within the particular social formation. In doing so they fail to

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[1] See Kenneth Bryden, Old Age Pensions and Policy-Making in Canada, (Montreal and London: McGill-Queen's University Press, 1947).

differentiate between different forms of class pressure upon the state for the enactment of welfare legislation. Since pensions in Canada were publicly demanded through the agency of organized labour it is assumed that this pressure plus that of the elderly themselves resulted in state concessions, the Old Age Pension Act of 1927.[1] However, at the level of social reality organized labour's interests cannot necessarily be equated with working-class interests. In addition even though the demands of organized labour appear to be the only real demands exerted upon the state, social reality suggests that other 'hidden' demands were perhaps more pressing.

Class conflict models which attempt to uncover the class nature behind the adoption of state welfare measures have at times tended to assume that all welfare measures emerge through essentially the same processes. In particular, some class conflict models tend to emphasize the opposition of capital, or the capitalist class, to welfare measures. It is assumed by some that all welfare legislation evolves out of class conflict. There is no logical necessity to assume that capital is opposed to

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[1] Old Age Pension Act, Canadian Statutes, 1927, C 35, (Ottawa: King's Printer).

all forms of welfare assistance. This point is demonstrated particularly well in the case of old age pensions in Canada. There is no concrete evidence of opposition on the part of capital, or factions of capital, to the introduction of public pensions as they were designed in 1927.

At the level of appearances, pensions adopt the form of economic relief as well as a mechanism for the downward redistribution of income. Analyses remaining at this level are unable to fully explain why these two effects failed to materialize. They fail to explain why pensions neither provided economic relief nor significant downward income redistribution. Explanations typically outline the constraints upon the state in the matter of finances. They fail to entertain the possibility that the lack of economic relief might have positive benefits for both the capitalist state and the capitalist social formation as a whole. Pensions, as immediate encountered reality in the form of state response to economic need on the part of the working-class or a faction thereof, give the state the appearance of neutrality vis-a-vis the classes found within the social formation. In addition this perspective obscures the source of the problem leading to the acceptance of an individual explanation for the rise of the need versus a structural explanation.

The crux of the thesis, then, is that the

emergence of state sponsored old age pensions in Canada, as exemplified by the Old Age Pension Act of 1927, must be analyzed not at the level of appearances but at the level of the structural realities involved. These realities include a) the structural forces which produced the original problem, that is the growth of a stratum of indigent, dependent aged, b) the forces which orchestrated the demand and response dialogue which went on between organized labour and the state, and c) the nature of the solution, the Old Age Pension Act of 1927. The general theoretical framework adopted is based on Marx's theory of the capitalist mode of production and the effects such a mode of production has upon social formations[1] dominated by this mode. This involves the elaboration of several Marxist concepts, namely, commodity and value, class and its relationship to age, as well as the structural and instrumental nature of state power.

Commodity and Value

In Marxist theory the prime concept which distinguishes the capitalist mode of production from other

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[1] This terminology is adopted from Poulantzas who viewed capitalist social formations as complex unities in which the capitalist mode of production is dominant but not necessarily the only mode of production. See Nicos Poulantzas, Political Power and Social Classes, (London: New Left Books, 1973).

modes is that of the commodity.[1] Capitalist production, unlike other modes, is concerned solely with the production of goods for the purpose of exchange. Goods, then, are not produced for the purpose of direct consumption. Marx designated these goods produced for exchange as commodities. Commodities have both a use-value, (a consumption capacity) and an exchange-value. The production of commodities gives capitalist social relations their particular appearance. Commodity production shapes both the forces of production and the relations of production. From this economic base, the superstructure containing the state and ideological apparatuses arises. The form of this superstructure is also shaped by the particular forces of production of capitalism. Thus, the superstructure reflects both the forces of production and the relations of production.

The act of exchange between commodities assumes the existence of an objective, exchange relationship between all commodities. Commodities though vary in their physical properties as well as in their use-values. Marx argued that the exchange standard which determines exchange relations must derive from a third property which

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[2] Karl Marx, Capital, Vol. I, (New York: International Publishers, 1967), p. 35-41.

all commodities hold in common. This property, states Marx, is labour. All commodities are the product of labour, or labour-power to be precise. It is that labour-power which becomes congealed within the commodity which gives the commodity its value. This in turn determines the exchange relationship between one commodity and all other commodities. This exchange relationship Marx termed the exchange-value of the commodity.

Logically then labour has both a use-value and an exchange-value. It has use-value in as much as it is necessary for production. It has exchange-value in as much as it is exchanged for wages. Wages, are the market expression of the value of labour-power. They are determined by the labour-power necessary to produce the labourer, or in other words the value of the goods necessary to maintain and reproduce the worker. This Marx terms the worker's means of subsistence. The worker sells, or exchanges, his labour-power to the capitalist for this subsistence. This exchange though, argues Marx, is not one of equivalence. Labour as a commodity is unique. It alone is capable of producing a value greater than it receives. The value received by the worker is his subsistence. The extra, or surplus, is appropriated by the capitalist in the form of surplus-value. Surplus-value is then reinvested in the form of capital and the

process of accumulation proceeds. The exploitation of labour occurs through this appropriation of surplus-value. The degree to which capital appropriates surplus-value from labour constitutes the rate of exploitation of labour within the social formation. In other words, the ratio of the time the productive worker works to create surplus-value for the capitalist (surplus labour time) to the time the productive worker works to produce his own subsistence (necessary labour time) is equal to the rate of exploitation. The more time the worker spends in surplus labour and the less time he spends in necessary labour, the greater will be the rate exploitation; the greater will be the accumulation of surplus-value. Since accumulation is the driving force behind capitalist production, exploitation indirectly becomes a driving force as well.

Within this perspective two effects can be noted. First, labour-power becomes the sole source of the creation of surplus-value. Second, the relations of production become divided into two components, labour and capital. The social relations of the forces of production then become divided into worker and capitalist. These relations are characterized by an owner/non-owner, exploiter/exploited relationship. Capitalist production dictates the creation of a capitalist class. Intrinsic within the very concept of a capitalist class is the need for a working-class, or proletariat. The two

classes stand in a dialectical juxtaposition to each other. Their class interests become diametrically opposed to each other. For the capitalist, class interest focuses on the reproduction and expansion of capitalist forces of production and the capitalist system. For the worker, class interest becomes the destruction of the capitalist mode of production and the capitalist system resulting in its replacement by a socialist mode of production and socialist social formation. Both classes become locked in a perpetual class struggle.

The inherent logic of capitalism is the reproduction and expansion of the capitalist system. This expansion can only be accomplished through the further exploitation of the worker. The greater control the capitalist is able to wield over the worker, the greater will be his ability to exploit the worker to the fullest extent and thereby maximize surplus-value. Surplus-value may be increased both absolutely and relatively. In order to achieve an absolute increase in surplus-value, the capitalist may simply extend the length of time the worker spends producing surplus while maintaining the same wage schedule. Or the capitalist may attempt to increase the speed, or intensity, with which the labourer accomplishes his tasks within the given time period, again maintaining the same wage schedule. To acheive a relative increase in surplus-

value the capitalist must increase the productivity of production. The capitalist must attempt to produce commodities more cheaply than before. By lowering the value of commodities through greater productivity, the capitalist simultaneously lowers the value of the workers' subsistence. This shortens the necessary labour time in relation to the surplus labour time resulting in greater surplus-value being created.

The first two mechanisms for increasing surplus-value, the lengthening of labour-time and the increasing of labour intensity, have historically been accomplished through the introduction of factory methods of production. This method, which involves the collecting of individual labour under one roof and under the control of one capitalist, gives the capitalist greater control over his work-force. The third mechanism has been historically achieved through the introduction of machinery as a replacement for, and extension of, human labour. This increases the organic composition of capital, that is the ratio of machinery (constant capital) to human labour (variable capital).

However the development of an efficient, controlled labour-force capable of meeting the needs of industrial capitalism requires the destruction, in part at least, of the independent commodity producer and his replacement

by rationalized, mechanized labour. The mechanism through which this replacement is accomplished is the detailed division of labour into its simplest components. Detailed tasks are parcelled out to the worker piece-meal according to the needs of capitalist production. Labour as an act of creation becomes destroyed. Manufacture according to specifications received from outside the factory floor takes over. The unity of mental and manual labour is shattered. The labourer's link with the finished product becomes remote and indirect. That very distinction which Marx postulates separates man in his humanity from animals, the ability to produce his own means of subsistence, becomes weakened and blurred. Man is alienated from production and thereby from his own humanity. The process is not one which the worker accepts willingly. In his active resistence to the imposition of production according the needs of capital, the worker furnishes the dynamics of the class struggle. The processes through which the transference of control over the forces of production from the hands of the worker into the hands of the capitalist is achieved creates antagonism and resistance on the part of the worker and the need for further control on the part of the capitalist.

The mechanization of production has yet a further effect. Mechanization inflates the number of workers

who become expelled from the work-force during the above processes. The introduction of machinery increases the size, in absolute and in relative numbers, of what Marx terms the industrial reserve army.[1] With the installation of machines within the forces of production, those workers with redundant skills become repulsed from the labour-force. Simultaneously with this repulsion of the skilled and redunant worker there occurs the attraction into the labour-force of the unskilled, the untrained labourer. The result is 1) the general degradation of the work-force into unskilled labour as well as 2) the further growth of the reserve army of labour. Typically at the start of the process, as well as throughout it, the aged worker is among the skilled workers who are repulsed while the young worker is among the unskilled, untrained, who are attracted. Thus on the one hand there develops an industrial proletariat characterized by unskilled, impoverished workers. On the other there develops a growing number of dislocated aged workers among the unemployed.

Marx divides the industrial reserve army into three forms, latent labour, floating labour, and stag-

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[1] Karl Marx, Ibid., Vol. I, pp. 640 ff.

nant labour. The latent form is comprised of labour which "is constantly on the point of passing over into an urban or manufacturing proletariat."[1] Latent labour is labour which is available to the capitalist but which has not yet been utilized. Prominent among this group is the agricultural labouring population which becomes surplus labour with the capitalization of agriculture. Thus, argues Marx, the constant flow of labour from rural to urban centres "presupposes . . . a constant latent surplus-population" in the rural areas.[2] The floating form of surplus-labour consists of those labourers who "are sometimes repelled, sometimes attracted again in greater masses" to the centres of industry. However while the "number of those employed increas[es] on the whole" it is always in a decreasing proportion to the scale of production.[3] Thus at least in relative terms the floating form of reserve labour is constantly increasing. The stagnant form of reserve labour consists of those workers who form a part of the active labour army, "but

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[1] Karl Marx, Ibid., Vol. I, p. 642.

[2] Karl Marx, Ibid.,

[3] Karl Marx, Ibid., p. 641.

with extremely irregular employment."[1] Its recruits come from those who have been superannuated from "the forces of modern industry and agriculture, and specially from those decaying branches in industry where handicraft is yielding to manufacture, manufacture to machinery."[2] It is among this latter group that Marx places those 'beyond the average age of work'. However this implies a very specific definition of age. It will be argued later that his limited definition of age exists only on the level of appearances.[3] On the level of social reality, age becomes much more flexible and open to wider interpretations. Within a wider interpretation the aged, as defined within capitalist social formations, can be seen to occupy all three forms of reserve labour but especially the latent form and the stagnant form.

The transformation from a simple commodity mode of production to a dominant capitalist mode has two significant results. One effect is the development of an industrial proletariat characterized by unskilled, impoverished labour. The implications of this for the aged

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[1] Karl Marx, Ibid., p. 643.

[2] Karl Marx, Ibid.

[3] See Chapter II, pp. 47-48

worker are profound. As an industrial worker he is unable to adequately provide for his future. As a member of the reserve army of labour, he becomes an impossible financial burden upon his working-class family. A second effect occurs as the processes of capitalist production become dominant over the other modes or production. The capitalist processes create in their wake an ever-growing stratum of aged characterized by indigency. These aged become dependent upon outside sources for their livelihood. However the processes of capitalism have a tendency to destroy the traditional sources of support provided for the aged,-the family and the community. The aged are compelled to turn to the state for their support.

Class Location of the Aged

Within the capitalist relations of production two classes become defined. These consist of the capitalist class and the working-class. These classes are characterized within the sphere of production by their antagonism toward each other. One class is the exploiter, the other the exploited; one class is dominant, the other dominated. These relations of production are reflected in the social relations of the social formation. However at any given moment in time social formations may be characterized by several modes of production. Thus within the capitalist social formation, there exists

side by side with the capitalist mode of production other modes of production. While there is a tendency for capital to destroy all previous existing modes of production, this as yet has never been historically a completed process. Capitalist social formations are marked by the complex co-existence of several modes of production under the domination of the capitalist mode. In like manner capitalist social formations are marked by a complexity of class groupings. There are areas in which the defining limits of working-class and capitalist class become blurred. Yet a complete analysis of the structural realities of capitalist social formations must be rooted in the reality of the class struggle. Opposing protagonists must be located within a realistic framework consistent with that struggle.

Erik Olin Wright suggests one method of locating age within the class structure of capitalist social formations.[1] Wright argues that at the highest level of abstraction, the level of the capitalist mode of production, there are two distinct classes - the capitalist class and the working-class. These are defined by the capitalist

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[1] Erik Olin Wright, Class, Crisis and the State, Ibid., pp. 73-96.

relations of production which contain three components, the ownership and possession of the means of production, and the control of labour. The capitalist retains all three components, the worker none. At the next level of abstraction, the social formation, other class positions appear. These provide ambiguous and contradictory locations within class analysis at this level. Contradictory locations can be found between the proletariat and the bourgeoisie, between the petty bourgeoisie and the bourgeoisie, and between the proletariat and the petty bourgeoisie. In the first case workers located within the contradictory locations are those workers occupying positions at the foreman, supervisory levels of production, through the mid-management, technocrat range to the top management levels. At the lower end of the continuum control over labour is minimal and ownership and possession absent. At the other end, control and even possession may be present but ownership tends to be absent. In the second case, the small capitalist is seen as occupying a contradictory location between the capitalist class and the petty bourgeoisie. The small capitalist does produce surplus-value but the surplus-value which he expropriates from his small number of employees is "likely to be less than the surplus product

generated by the petty-bourgeois producer him/herself."[1] Exploitation is minimal. In the third case Wright includes those "categories of employees who have a certain degree of control over their own immediate conditions of work."[2] They are no longer self-employed as is the petty-bourgeoisie but they still retain some control over "how they do their work, and have at least some control over what they produce."[3] These contradictory locations are "situations in which these three processes [ownership of the means of production, possession of the means of production and control of labour] did not perfectly correspond to the basic class forces within the capitalist mode of production or the petty bourgeoisie in simple commodity production."[4] The economic sphere clearly does not define the class location of all categories found within the social sphere. At the social level of abstraction a further criterion that of class interest must be introduced.

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[1] Erik Olin Wright, Ibid., p. 80.

[2] Ibid.

[3] Ibid., p. 181.

[4] Ibid., pp. 87-88.

Two forms of class interests can be defined. There are those interests which are termed immediate interests and those which are termed fundamental class interests. The immediate interests of the working-class are those interests largely determined by the market relations. They encompass the struggle for wages, better living conditions, better employment, and employment opportunities, etc. While all of these constitute the struggle for objectives defined within the basic structures of capitalism, they are not necessarily class interests. Rather they represent 'incomplete' interests. However, "the durability of capitalism depends, in part, on the extent to which struggles over fundamental interests are displaced into struggles over immediate interests."[1] Thus immediate interests may both help and deter the working-class struggle. Fundamental class interests "in capitalist society are those potential objectives which become actual objectives of struggle in the absence of the mystifications and distortions of capitalist relations."[2] Socialism under these circumstances becomes recognized as in the interest of the working-class. For

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[1] Erik Olin Wright, Ibid., p. 91.

[2] Ibid., p. 89.

when the "workers have a scientific understanding of the contradictions of capitalism, they would in fact engage in struggles for socialism."[1] In this manner the definition of class becomes linked to the concept of class struggle. " T o define a position as located within the working class is to say that such a position can potentially sustain socialist objectives in class struggles."[2]

Within this perspective, class positioning of ambiguous and contradictory locations can be facilitated by the determination of their relationship to the fundamental interests in the class struggle. The housewife's interest in socialism, argues Wright, may be no less than that of her working-class husband despite the fact that she is not a productive worker, that is she does not directly produce surplus-value and therefore is not directly exploited. In addition those not yet in the working force or those who have left it are linked to specific class destinies through a "class-trajectory", that is " a life-time structure of positions through which an individual passes in the course of a work

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[1] Erik Olin Wright, Ibid., p. 89.

[2] Ibid.

career."[1] Students comprise the first stage of such trajectories, pensioners the last or post-class location. Pensioners' class position, then, can only be understood in the terms of the trajectories of the class positions to which they are linked.[2] But it is the fundamental class interests of these trajectories, not the class origins of the aged which defines their class location. Those aged who under the conditions of a full "scientific understanding of the contradictions of capitalism" and in the absence of the mystifications and the distortions of capitalist relations, would sustain socialist objectives in the class struggle, are located within the working-class regardless of their class origins. Fundamental objective class interests would dictate the positioning of all dependent aged, as well as those experiencing relative dependency, within the working-class, whether they originated from that class or not.

cannot accept this

Theories of State Power

In Marxist theory there have developed two trends in the analysis of state power. The first is the instru-

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[1] Erik Olin Wright, Ibid., p. 93.

[2] Ibid.

mentalist position as exemplified by the early writings of Ralph Miliband.[1] The other is the structuralist position best exemplified by Nicos Poulantzas.[2] As Carl Cuneo has pointed out, Marx himself was not unduly concerned with the problem of state intervention at the economic level. The problem had barely arisen in his time.[3] However with the introduction of state sponsored welfare legislation the theoretical analysis of state power within capitalist social formations became more critical for the full understanding of both the nature of the capitalist state and the nature of the various forms of welfare legislation.

Miliband, along with other instrumentalists, tended to view the state as the instrument or tool of the capitalist class. The power of the state apparatuses was derived from the control exercised over them by the bourgeoisie. This control was manifested in the dominance

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[1] Ralph Miliband, The State in Capitalist Society, (London: Quartet Books, 1973). His later book, Marxism and Politics, (Oxford: Oxford University Press, 1977) adopts a more structuralist position.

[2] Nicos Poulantzas, Political Power and Social Classes, (London: New Left Books, 1973).

[3] Carl Cuneo, "Class exploitation in Canada", Canadian Review of Sociology and Anthropology, 15:3 (1978), p. 289.

of members of the bourgeois class occupying state positions of power. In addition those middle class personnel who do move into state positions tend to adopt a conservative bourgeois perspective. To demonstrate this thesis, instrumentalists concentrated their research efforts on the analysis of the relationships and linkages between state personnel and the bourgeoisie. However such a concentration on state personnel tended to ignore the structural constraints which limit state action and the unbridled exercise of power.[1] The instrumentalist position created a one-dimensional perspective of state power. It implied that the state was an institution which stood apart from the other institutions of society, that its power was derived from the penetration of the bourgeoisie within its positons, and that state power is always wielded in the interests of the capitalist class.

Nicos Poulantzas viewed the capitalist state and state power from another perspective.[1] For Poulantzas social formations dominated by the capitalist mode of

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[1] For the debate between Poulantzas and Miliband see, Ralph Miliband, "The Capitalist Society: A Reply to Nicos Poulantzas", New Left Review, 59 (Jan./Feb., 1970), "Poulantzas and the Capitalist State", Ibid., 82 (Nov./Dec. 1973) and Nicos Poulantzas, "The Capitalist State: A Reply to Miliband and Laclau", Ibid., 95 (Jan./Feb. 1976).

production are complex systems of unities consisting of three levels, the economic, the political, and the ideological. None of the three levels are autonomous from the others but rather they all three are interrelated. The function of the state is seen as mainly an integrative one. The state insures the political unity of the social formation through its ability to resolve the contradictions which arise from the economic level. Thus the need at the economic level for a collection of workers under one roof is contradictory to the need of the capitalist system to maintain a fragmented working-class which is incapable of either class-awareness or class action. The state strives to counteract these potential contradictions. When political unity is demanded in order to enable further accumulation, the capitalist state promotes itself as a unifying force. At the level of appearances, the state acts in the interests of both worker and capitalist. The state must thus legitimize its actions. At times, though, it is not sufficient that the state <u>appear</u> to act in the interest of the working-class. At times it <u>must act on behalf of these interests</u> or lose its legitimacy. In order to do this, the capitalist state must enjoy a relative degree of autonomy from the capitalist class. Thus it is argued that the state does not always necessarily act instrumentally in the interests

of the capitalist class. Rather it does what is necessary to enable the reproduction and expansion of the capitalist system. At times this requires that it act in the interests of the working-class.

The instrumentalist and structuralist positions may appear to be in opposition to each other. However, in reality the analysis of state sponsored old age pensions in Canada suggests a synthesis of the two positions. The seemingly different perspectives may best be reconciled through the adoption of Wright's differentiation between immediate interests and fundamental class interests. Presumably the capitalist class, like the working-class, has an array of immediate interests some of which are not consistent with the smooth reproduction of the capitalist system. This is not to suggest that capitalist's immediate interests are necessarily antagonistic to capitalist fundamental class interest. Rather there may be more than one way in which the capitalist class can achieve its fundamental class interests. The state as the unifying force within capitalist social formations may select methods which seem to be inconsistent with capital's class objective. While the array of alternatives are structurally defined, as is the problem with which the state is confronted, the selected solution may at times not be in the immediate interest

of the capitalist class but in the immediate interest of the working-class. This is not the same as being in the fundamental interest of the working-class and therefore is not antagonistic to the fundamental class interest of the capitalist class.

However within the state apparatuses themselves immediate interests can arise. Again while these immediate interests cannot be seen to be against the fundamental class interest of capital they may at times dictate elements of state action. In the case of old age pensions this is an important point. Structural factors can be seen to create both the contradiction with which the state was faced and the sphere of alternative solutions possible. Immediate interests, though, dictated the precise timing when old age pensions would become an 'immediately encountered reality' in Canada. The use made of these immediate interests was instrumental in nature.

Conclusion

The following analysis of the introduction of state sponsored old age pensions in Canada will proceed from the following premises. First, it is hypothesized that there is a distinction between the level of appearances and the underlying social reality. This distinction is revealed through the investigation of phenomena at the level of appearances, historical events, personal

ties, manifest economic variables, and demographic distributions.[1] From these phenomena the structural reality underlying the appearances becomes evident. Second, it is argued that at the level of production, the forces of capitalist production are divided into two antagonistic classes - the capitalist class and the working-class. The capitalist class's fundamental class interest is the reproduction and expansion of the capitalist mode of production and thereby the capitalist social system. The working-class's fundamental class interest is the struggle for a socialist mode of production and a socialist social system. Thus the two classes are at all times engaged in a dynamic class struggle.

Third, it is assumed that within a class framework at the level of the social formation those aged who become dependent upon the state for their subsistence can be classified as working-class on the basis of their fundamental class interest. Fourth, the state is assumed to enjoy a relative degree of autonomy from the immediate interests of the capitalist class though it is constrained by structural forces in its selection of

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[1] Erik Olin Wright, Ibid., p. 14.

alternative solutions for the contradictions which emanate out of the economic level of the social formation. Finally, it is argued that instrumental elements may dictate the precise time when the state decides to place its solutions into 'encountered reality'.

II

HISTORICAL CHANGES IN INDUSTRIAL CAPITALISM AND THEIR EFFECTS ON THE AGED

Marxist theory states that the processes by which the capitalist mode of production becomes dominant within capitalist social formations are characterized by two general, and overlapping, trends. One is the introduction of the factory method of manufacture. This entails the transformation of labour from artisan, or skilled, labour to detail, unskilled labour. The other is the growing tendency of capitalist production to utilize mechanization and technology in order to further break down the labourers' tasks into simple parts requiring little or no skill. These trends become dictated by the logic of capitalist accumulation by virtue of the possibilities for control of labour inherent in them. The advance of capitalist production entails both the expansion and refinement of capitalist techniques of production and labour control as well as the decline and potential destruction of all existing pre-capitalist modes of production. This dual process has far reaching effects upon the working populations, agricultural, entrepreneurial, and industrial, within capitalist social formations. First, the process has profound economic effects as independent commodity

producers become transformed into wage-earners. Second, the process has social effects as the new mode of production impinges upon the community and the family organizations. Both of these effects are manifested in the rural-urban transition, the decline of the petty commodity producer, and the development of an industrial proletariat.

Rural-Urban Transition

The transition from pre-capitalist modes of production to a dominantly capitalist mode of production occurred in Canada during the last half of the nineteenth century and the first decades of the twentieth century. During this period several significant structural changes emerged. Among the first was the increasing trend towards a shift in the population from the rural areas, particularly in the eastern provinces, to the urban areas. In 1871 18 per cent of the Canadian population resided in urban areas. By 1901 34.9 per cent resided in urban areas and by 1931 over 50 per cent.[1]

John MacDougall, in his book on the rural life in Canada, investigates the problem of the vanishing rural population at the turn of the century up to 1913.

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[1] See Appendix, Table 1.

He indicates that during the decennial census period of 1901-1911 the population of Canada increased by 1,833,523 persons. A large proportion of this figure came from immigration. However, of this total, only 574,878 contributed to rural growth while 1,258,645 persons were added to the urban centres. While the country grew as a whole by an additional 34.13 per cent during 1901-1911, only 17.6 per cent of that gain was accorded to rural areas.[1] In the eastern provinces of New Brunswick and Prince Edward Island, the rural population actually decreased by a total of 11,039 persons. This was merely a continuation of the trend already started in the decennial period of 1891-1901 when Nova Scotia, Ontario, New Brunswick and Prince Edward Island all experienced a loss of population in rural areas.[2] However, even in the western provinces, frequently thought of as agricultural regions, the proportion of gain in population favoured the urban centres as early as the end of the nineteenth century. In Saskatchewan the rural areas experienced a 389 per cent incaease during the 1901-1911 decade but

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[1] John MacDougall, Rural Life in Canada: Its Trends and Tasks, (Toronto and Buffalo: University of Toronto Press, 1973), p. 30.

[2] See Appendix, Table 2.

the urban areas experienced a staggering 648 per cent increase. In general, then, by the turn of the century the proportion of rural population to the total population had fallen in every province as Canada experienced a steady increase in the proportion of the urban population to the total population.[1]

MacDougall argues that the simple calculation of rural population change versus urban population change does not reveal the full impact of the losses experienced. In Ontario the net increase which would have been expected between the years 1901-1911 was 1.5 per cent per annum through the excess of births over deaths. Thus, under normal circumstances, the rural population might have been expected to experience a net gain of 200,184 persons. In addition, at the ports of entry, 404,000 immigrants, a full 30 per cent gave farming as their occupation. From this additional source alone the province could have expected to experience an increase in the rural population of 121,000 persons. Instead it experienced a net loss of 52,184 persons.[2] Given these figures the actual loss in rural population could be interpreted to be closer

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[1] See Appendix, Table 1.

[2] John MacDougall, Ibid., p. 29.

to 373,567. This figure might be said to more accurately reflect the impact of urban growth on rural decline. For in spite of heavy waves of immigration which peaked in absolute numbers in 1913, Canada continued to experience a decline in its rural population.[1] By 1921 five of the nine provinces had over 40 per cent of their population residing in urban centres and three had over 50 per cent.[2] Hand in hand with this shift in population from rural areas to urban areas went the decline of the independent commodity producer and the rise of the industrial proletariat.

Decline of the Individual Commodity Producer

The transition from a pre-capitalist mode of production to a predominantly capitalist mode of production dictated the decline and potential destruction of the independent commodity producer. In order to realize surplus value, the capitalist must utilize the most efficient labour force possible. However, since labour power is a variable factor in production, that is the capitalist cannot be sure that the labour power he purchases will actually be realized, capitalist control

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[1] Appendix, Table 3.

[2] Appendix, Table 1.

over labour becomes mandatory. Labour in independent commodity production remains outside the control of capital. In the act of transforming independent production into wage labour, capital creates conditions which make it difficult, if not impossible, for independent production to exist. In this manner the rise of capitalist production leads to the decline and destruction of the independent commodity producer. This process occurred in Canada in conjunction with the rural-urban migration.

Among the independent commodity producers one of the hardest hit groups were the owners of the small, self-sufficient farms. While there was an overall increase in the number of farm units during the late nineteenth and twentieth centuries in Canada they signalled a new form of farming - 'agribusiness'. The increase in farm units were due largely to the expansion of agriculture to new areas in the Prairies and British Columbia[1] where agriculture was designed for export rather than direct consumption. In Ontario where agriculture had mainly consisted of small, somewhat self-sufficient, units directed at consumption by the producer, the number of farms occupied between 1901 and 1931 fell from 204,045 to

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[1] Leo Johnson, "The development of class in Canada in the twentieth century", in Capitalism and the National Question in Canada, Gary Teeple, ed., (Toronto: University of Toronto Press, 1971), p. 148.

192,174. Coincidentally the number of farms held in tenure, that is farmed by other than the owner, increased steadily during these years.[1] This decline in the small independent farm was accelerated by the "competition and the rapid expansion of capital investment in agriculture." This led to an increase in farm size and the emergence of absentee ownership. The rapid increase in the capitalization of farming forced the weak and undercapitalized farmer out of business and a decrease in farm employment.[2]

As agriculture became 'agribusiness', farm work became increasingly mechanized. The introduction of the gang-plow meant the use of steam power. The adoption of the silo and the modern barn with its trolley unloader and installed water systems changed basic farm structures. Concepts of storage and immediate consumption altered. The introduction of improved field machines, the hay-loader, potato digger, manure spreader, along with the employment of traction engine and gasoline motor, meant the neglect and destruction of old skills. Skilled farm labour became replaced by unskilled farm labour. All of a sudden one man, with the aid of modern equipment could accomplish, with little or no training, the results

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[1] Appendix, Table 4.

[2] Lee Johnson, p. 148.

achieved by many in the days of hand labour.

In a report from the Census Bureau of the United States a comparative table covering the production of nine principal farm products indicates the vast differences in labour time involved. Whereas 570,000,000 days of labour were required in 1850 to produce the nine products - that is the labour of 1,900,000 persons for 300 days - the same amount of the same staples in 1890 were accounted for by 400,000 persons, or 120,000,000 days of labour. This was slightly over one-fifth the requisite labour time forty years before. MacDougall, writing in 1913, suggests that the ratio of change during the ensuing twenty years had doubtlessly been accelerated. He estimates that "we would probably be not far wrong in supposing that the efficiency of labour . . . is not far from seven times what it was two generations ago."[1] The capitalization of agriculture not only contributed to the demise of the independent farmer and his subsequent improverishment but to the decrease in the demand for farm labour. Farm labour was pushed out of the rural areas into the urban centres in the search for employment opportunities. There they joined the ranks of the industrial proletariat.

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[1] John MacDougall, Ibid., p. 69.

Mechanization of farm labour was not used to lighten the load of the farmer and provide leisure time. Rather it was used in the interest of capitalist production. First, it was used to increase the productivity of agriculture and transform agriculture into agribusiness. Second, it was used to break down farm labour into simple tasks requiring little skill and training resulting in the devaluation of farm labour, its degradation and the impoverishment and proletarianization of the farm labourer.

However not all those affected by the changing agricultural scene were farmers or agricultural workers. Concomitant with the decline in independent farming came the decline and partial demise of two other groups, the village craftsman and the village commercial entrepreneur. MacDougall describes a village as he remembers it in 1870 and as it was at its demise in 1913.

> A village forty years ago was industrially a better place than now. Each hamlet had its corps of trained and skilled workmen with sturdily built independent homes, making the rich contribution to community life that skilled craftsmen bring. The essential industries were everywhere represented, the village had a fairly self-sufficing economic life. Spencerville fourteen years ago supported

> two tailors. My acquaintance with the locality is just sufficiently long-standing to have seen this handicraft disappear. Other tradesmen have gone since then, the shoemaker being the last to leave - within the present year. The flour-mill also has recently been dismantled of its machinery and converted into a feed-supply depot to the produce of distant milling companies, ...
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> . . . . . .
>
> Tradesmen such as these have as a class almost disappeared from our present-day industrial world. Their going deprives the countryside of a variety of openings in life for persons of different tastes, and confines the choice of occupations to one, that of agriculture. It has removed varied types of life from the community, reducing social groups to the monotony of a single class. It has withdrawn intelligent, capable, prosperous and contented populations from the country.[1]

Coincident with the transition from independent farming to agribusiness was the decline and threatened demise of the skilled craftsman and independent commercial entrpreneur. Their potential demise signalled the

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[1] John MacDougall, Ibid., pp. 57-60.

successful transition from a pre-capitalist mode of production to a predominant capitalist mode of production, a mode of production characterized by the development of an impersonal labour market and an industrial proletariat.

The rise of the industrial proletariat

As already noted, capitalists in their drive for the maximization of surplus-value utilize both the factory method of production and mechanization and technology in order to maximize the use of labour power. As argued by Braverman both the use of technology and factory conditions involves the breaking down of production jobs into simple, repetitive tasks requiring little, or no, skill or training.[1] The rise of capitalism creates the need for an unskilled labour force capable of performing simple tasks and amenable to constant control. Expansion of production made possible by the newer more 'efficient' methods of production creates world-wide demand and distribution. Openings for thousands of unskilled labourers come upon the labour market. Capital does not hesitate to use the world labour market. Manual labour to man the factories and production historically has been provided by the steady influx of rural workers displaced from both

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[1] Harry Braverman, Labor and Monopoly Capital, (New York: Monthly Review Press), 1974.

the Canadian rural scene and the European one. "Immigration and large-scale capital formation drastically transformed the Canadian economy from small-scale craft production to large-scale machine production based upon readily available cheap labour."[1] Between the years of 1890 and 1910 the expansion of capital and the transition to the capitalist mode of production accelerated. Yet despite the expansion of production which saw the labour force increase by 52.8 per cent between 1901-1911, the massive waves of immigration kept a surplus of unskilled labourers available at all times. Employers were able to utilize this available supply of cheap, unskilled labour to hold down wages. As a result between 1901 and 1915 real wages dropped and failed to return to 1900 levels until 1925.[2] The development of an industrial proletariat designed to eliminate the need for skilled, artisan labour, created in its wake an impoverished stratum of industrial workers who became frozen into low skill and low income positions.

In addition, capital in its reorganization of the labour force, particularly in its attempts to replace

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[1] Leo Johnson, Ibid., p. 169.

[2] Ibid.

high-cost skilled labour by low-paid unskilled labour, turned to women and children as a potential unskilled labour market. "Using the factory system, industrialists seized upon every poorly paid, disadvantaged groups as a source of cheap labour. Thus Blacks, Chinese, Irish and immigrants of all sorts, women and children were all drawn into the attack upon the mechanics' standard of living and status."[1] By 1871 women and children made up 33 per cent of the total work force in Toronto. By 1881 this percentage had risen to 35.[2]

The advent of women and children within the factory system meant that women and children were now direct economic competitors of men. The initial reaction of the male worker to this employment of women and children was to oppose equal wages for women and children workers. However, Johnson notes that "cooler heads among the crafts workers began to prevail."[3] Crafts workers argued that women and children were naturally inferior workers, to enforce lower wages upon them simply made their labour

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[1] Leo Johnson, "The Political Economy of Ontario Women in the Nineteenth Century", in Janice Acton, Penny Goldsmith and Bonnie Shepard, eds., Women at Work 1850-1930, (Toronto: Women's Press, 1974), p. 28.

[2] Appendix, Table 5.

[3] Leo Johnson, Ibid., p. 29.

more competitive to that of men. But if employers were forced to "pay equal wages for women and children, and to provide even higher standards of factory conditions for them than for men, the results would ultimately exclude women and children from the labour market."[1] The agitation to remove women from the labour force was largely unsuccessful as women continued to comprise a growing proportion of the work force. It did have two consequences, though. First, it changed the nature of the work which became acceptable for female employment. This forced a separation of the sexes within the factory and office. Certain tasks became designated as 'women's work' and were paid with low wages. The capitalists still could use women as a source of cheap labour, though they were no longer in direct competition with the working-class men to as large an extent as previously. Second, children became consigned to the public educational systems for proper and adequate training within industrial society. The development of free compulsory schooling beyond the first six grades forced the expulsion of children from the labour force. Whereas in 1881 children comprised

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[1] Leo Johnson, "The Political Economy of Ontario Women", Ibid., p. 29.

11 per cent of the work force in Toronto, by 1891 they comprised only 5 per cent.[1]

The effects of industrialization on the aged

The rural-urban transition was symbolized by the abandoned farm. Across the land the young fled into the urban areas to seek employment opportunities. Those families which did remain were "depleted households in the midst of a depleted countryside."[2] Household ties had become weakened as parents were left to carry on the farm alone as best they could. The first effect, then, was the 'aging' of the rural areas in relation to the urban areas. The second was the changing sex ratio within rural areas. In 1911 the Globe of Toronto published an article entitled "Why is rural Ontario unable to keep the girls on the farm?"[3] By that time the excess of females over males in the urban population of Ontario had reached 10,865 while the males outnumbered the females in the rural population by 85,940.[4] In the

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[1] Appendix, Table 5.

[2] John MacDougall, Ibid., p. 38.

[3] Globe, Toronto, December 23, 1911, cited in John MacDougall, Ibid., Introduction, vii.

[4] John MacDougall, Ibid.

rural areas exclusive of towns and villages, the sex ratio was 116 men for every 100 women. Since the elderly were frequently taken care of by the female members of the family, rather than the male, such an alteration in sex ratios would have direct bearing on the growing tendency towards removing the elderly from the family unit and leaving their care up to outside institutional organizations.

The decline of the independent commodity producer meant that those occupations which traditionally the elderly were able to fill well past the age of 60, and even 70, were systematically being eliminated. Simultaneous with the demise of farming and small enterprises as a source of revenue for the elderly was the trend in factories, offices and commerce towards the development of large impersonal organizations with rigid hiring and retirement policies. In 1938 the International Labour office issued a report in which it was noted that in the United States there had developed a trend towards higher unemployment rates as the age of the work force advanced.[1] In New York State unemployment was lowest

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[1] International Labour Office, Report of the Office on the Question of Discrimination Against the Elderly, Department of Labour, (Public Archives, Ottawa), 1/17.

among those 30 to 34 years of age. Among those 35 to 65 years of age the trend was distinctly upwards. Furthermore it was noted that undertakings had a policy "to fix an entrance limit age in the case of new employees, of 45 and in some cases even 35 and 40."[1] The primary cause attributed to this practice was the increasing mechanization of work. The older worker was presumed to be either too feeble or too accident-prone to be an efficient factory worker. In addition, though, older workers could be justified in wanting to demand higher wages in deference to their experience and acquired skills. This was inconsistent with capital's need to reorganize labour on the basis of the lack of skills. For this economic reason alone the aged would find themselves outside the active labour force. Many still represented the skilled artisans which capital was systematically attempting to eliminate. The older worker became not only redundant in the sense that his skills became outdated, but a risk in regards to efficient productive powers, and a form of labour inconsistent with the advancement of capital. Younger, inexperienced, unskilled labour became more compatible with the market demands.

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[1] International Labour Office, Report, Ibid.

Although Canadian figures are not available prior to 1921 in a reliable form, the trend at that time was clearly one of a lower participation rate within the labour force for workers 65 and over.[1] In 1936-1937 an inquiry into the employment of elderly workers was undertaken by the National Employment Commission. One question read: "In practice do you fix an age above which new employees are not hired? If so, what age?"[2] Of the 928 firms reporting a maximum age for entry, 322, or 35 per cent, reported the age to be set at 50-59 years. Fifty-three per cent of the firms reported an entrance age limit of 40-59 years. For many of the so-called 'older' workers new employment, or re-employment, was not a viable alternative to the loss of position. Even though the findings of these reports are not directly applicable to the time period under discussion, that is the late nineteenth century and the early decades of the twentieth century, there is no reason to suppose the superannuation of the older worker was not already well in effect many years earlier. The report from the

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[1] Appendix, Table 6.

[2] Department of Labour, Memorandum, "Relating to Employment of Elderly Workers in Canada", (Public Archives of Canada, Ottawa, September 16, 1939).

International Labour Office notes that the problem of the dwindling employment opportunities for the aged had indeed existed in the nineteenth century as well as in the early years of the twentieth century.

In addition it was noted in this same report that the earnings of those active within the labour force followed a regular, though asymmetrical, curve. This curve reached its highest point for males between the age of 40 to 45, falling gradually during the next twenty years. Females 'peaked' at an even earlier age. Those fortunate enough to be active participants of the labour force found themselves susceptible to a reduction in earning power. This had a direct effect upon their ability to save for retirement years. Given that the early years' income would primarily go towards the raising of a family, the reduction of income in the later years substantially reduced the ability of any worker to save for his old age.

Age within capitalist society appears to be determined on the basis of physiological and mental attributes which are correlated with the number of years an individual has lived. That is to say, within western societies those seventy years and over are generally considered to have experienced sufficient physical deterioration to be designated 'old', and therefore beyond the average age for work within the active work force.

Within any form of social formation the individual may age and become unable to physically or mentally carry on his previous work pace. This gives rise to a natural division of labour between the old and the young. Within this strict definitional framework, the aged in Canada, those over seventy, have not comprised in the past a significant proportion of the total population. In 1921 they comprised a mere 2.6 per cent of the population. Even by 1961 they still only comprised 4.9 per cent.[1] Seen from this perspective any problems facing the aged tend to become minimized. However, when economic reality is taken into consideration, that is, when such factors as employment and the maintenance of wage levels are considered, a more accurate definition of old age in Canada might be considered to be those fifty years and over, if not those 40-45 and over. It is at this point in the life of the Canadian worker that job security and re-entry into the labour force become problematic. It is this earlier age that capital considers to be the more realistic lower limit to old age. It is at this age that the worker must take into account the accrutements of age - loss of wage potential as well as loss of employment - which are applicable with capitalist society. This group, those

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[1] Appendix, Table 7.

40-45 and over, is considerably larger than the more limited groupd defined by physical and mental deterioration. In 1921, this group had grown to 24 per cent of the total population. It is within this proportion that the problems of age become critical. It is this proportion which more realistically reflects the size of the problem of age within capitalist social formations.

The rise of an industrial proletariat recruited from the young, the immigrants, the unskilled, provided capital with a readily available pool of reserve labour. This served not only to give added impetus to the expulsion of the aged from the active labour force but to relocate those able to gain employment among the most unskilled, lowest paying positions within the labour force. However, in general, the trend was to expel the aged from the active labour force and relocate them among the reserve army. As reserve labour they become economically non-contributing members of the family unit.

In addition the expulsion of children from the labour force and their subsequent relocation within the public school system removed the need for the aged as the repository of knowledge and wisdom. As public education took over the socialization of the child, the aged became redundant within the family confines as well as within the labour force. As far as the family unit was concerned

the aged, along with children, became non-productive members while remaining consumers, and thereby a drain upon the family resources. Strains emerged from the conditions of poverty and overcrowding which became characteristic of working-class families. Income levels and inadequate housing conspired to make the traditional three-generational family economically infeasible. Coupled with the growing difficulty in maintaining a large family unit was the development of market facitities to replace traditional social organizations. The market arose to substitute for individual, family, and community relations.[1] Food, recreation, the care of the young and the old, among other things, became available through the market and no longer an essential part of the household organization. As the aged became more and more isolated from the economically active and functioning members of society they developed into a new stratum characterized by helplessness and dependency.

Conclusions

The transition from relative importance of one mode of production to another within the Canadian social

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[1] Harry Braverman, Labor and Monopoly Capital, Ibid., p. 276.

formation created a new problem - the problem of a growing stratum of dependent aged. The destruction of the pre-capitalist agriculture economy simultaneous with the decline of the independent commodity producer and the rise of an industrial proletariat, thrust the aged from the mainspring of economic and family life. The need on the part of capital to reorganize the labour force by replacing skilled labour with unskilled labour attracted large numbers of youthful, immigrant, unskilled labour. The older, skilled worker, the independent artisan, the small independent farmer became redundant and incompatible with the needs of capital. They became expelled from the active labour force. Notable among this group so expelled were those in their advanced years. The aged, faced with the demise of their traditional sources of livelihood, were forced to either become proletarianized, where possible, or to become fully dependent upon state, charity, or family for support. Yet the processes of impoverishment of the aged and their expulsion from the labour force occurred when the aged had no capacity for even minimal savings, when the working-class family was becoming increasingly unable to sustain itself in any extended form, and public assistance was almost non-existent. Immediately encountered reality for too many of the aged in Canada became one of destitution

and/or relegation to public institutions. In the last years of the nineteenth century and the early years of the twentieth these institutions frequently were either jails or houses of providence. This will be discussed in the following chapter.

III

PRESSURES FOR OLD AGE PENSIONS

The emergence of state sponsored old age pensions in Canada may be examined from the level of appearances and from the level of the social reality behind those appearances. On the level of appearances old age pensions are seen to be a response to two factors, one, the demonstration of need and two, the demonstration of demand. The need was supplied by the existence of a stratum of aged without adequate support. The demand was provided through the aegis of organized labour and through the urging of individual members of parliament. If the analysis at this level were to be incorporated into a class-conflict model it would have to assume that the interest of organized labour were those of the working-class and therefore antagonistic to those of the state. The model would place organized labour in opposition to the state and the capitalist class.

At the level of social reality this position is difficult to maintain. First, the linkages between both the Liberal party and organized labour suggest that organized labour does not of necessity always act in the objective interest of the working-class, if even in its

immediate interests. Second, the composition of organized labour during the three periods which will be studied, the pre-World War I years, the war years, and the post-World War I years, was not necessarily the same. Third, a simple class conflict model which assumes that organized labour necessarily represents the fundamental interests of the working-class also tends to assume that capital is automatically opposed to welfare schemes of all types. In the case of old age pensions in 1927, there is no empirical evidence that confirms this position. In fact it will be argued in Chapter V that old age pensions as they were designed in the 1927 pension act, served positive functions for both the state and the capitalist class in general. This is not to say that all state sponsored schemes were unopposed by capital in general or capitalists in particular. Neither does it imply that all welfare legislation did not represent, at the level of social reality, a model of class conflict. Rather it suggests that it is necessary to analyze each form of welfare legislation separately. One cannot generalize from one form of welfare legislation to other forms.

As already stated, in order to ascertain the level of social reality underlying the immediately encountered reality, social phenomena at the level of appearances must be examined. At this level the push for old age pensions

falls into three historical periods, the pre-World War I period from 1890 to 1914, the war years from 1914 to 1918, and the post-World War I years, 1918 to 1927. Of concern in these periods is the historical detailing of the pressures exerted by organized labour and individual members of parliament upon the state to enact pension legislation. In addition the tensions and strains behind these pressures which gave them their strength or weakness must be examined. These forces behind the obvious demands of organized labour exerted their own pressures upon the state. They lay in the changing composition of organized labour and its changing objectives. As long as these objectives lay within the defined area of immediate class interests, the attainment of old age pensions, the state remained fairly cool to labour's blandishments. When the objectives appeared to be changing in the direction of fundamental class interests, that is when the socialist component of organized labour began to be dominant over the conservative component, state interest and response changed. The return of organized labour to the pursuit of immediate class interests signalled the return to state resistence to pensions.

General Background

Between 1890 and 1910 the problem arising from

the growth of a dependent aged population in Canada began to be expressed by varied groups. Those directly involved with the provision of relief and care of these aged found that the traditional facilities were no longer adequate for the task at hand. With the breakdown of the self-contained family unit at the end of the nineteenth century, the dependent aged became increasingly subject to placement under the custody of institutional keepers.[1] Despite an amendment to the criminal code that specified that the aged were no longer to be committed to jail, many of the dependent elderly continued to end up there. Some preferred jail over the county poor-houses which were being set up. Others found themselves residing in communities where jail remained the only institution available.[2] While numerous private relief organizations, usually affiliated with church and religious groups, and provincial poor-houses emerged, the lack of coordination between these various organizations led to their inability to cope with the problem. The aged poor began to place a heavy burden upon the finances of the municipalities which became responsible for them.

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[1] Joseph Laycock, "The Canadian System of Old Age Pensions", PhD. Dissertation, (University of Chicago, March, 1952), pp. 20-21.

[2] Ibid.

In 1891 the Commission on Prison and Reform Systems of Ontario reported the difficulty experienced by the officers of municipal jails in classifying persons and enforcing strict discipline. This was due to the "presence in the gaols of large numbers of vagrants, paupers, mentally ill and old people."[1] In 1899 the Canadian Conference on Charities and Corrections noticed the difficulty men over a certain age had in getting employment. The conference called on the state to see that "each respectable citizen in old age should not be exposed to want".[2] The elderly themselves made both silent and impassioned pleas for help.

Abraham Epstein in his book Facing Old Age relates some of the emotional, but silent, 'pleas' recorded in the United States during this same period. He cites the case of one old man who in "fear of losing his position because of his age" hurled himself to his death from a high bridge to the street pavement 125 feet below. Another "heartbroken because he had to go to the almshouse" took ill and died leaving "his brother to go to the almshouse alone." Epstein repeats a refrain which is found in

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[1] Commission on Prison and Reforms Systems of Ontario, Report, p. 127.

[2] Canadian Conference on Charities and Corrections, Proceedings, p. 10.

almost all pleas from the aged, "they have one ambition left, the ambition not to die in the workhouse."[1] In Canada one man wrote the following to the Department of Labour.

> What an awful thing it is for some of us who . . . arrive at old age without anything to live on and no one to show the least concern as to what becomes of us . . . What possible bearing upon this question can a provincial law that children must support their parents have? Thousands have no children - nor anyone else to look after them. I am one of the thousands . . . I am seventy three, not in good health . . . but struggling for an existence daily. Seventy-five cents is the amount that stands between me and starvation . . . I do not want to beg. When poor people grow old they are apt in the very nature of things to stand forsaken and alone as I do. Sometimes, yes often, the only recourse for men who have lived useful lives, even worked faithfully in the service of their country, is to go to one or the other of those horrible, abominable institutions, the county poor-houses - most of them run in a way that is shocking and a crying disgrace to a civilized

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[1] Abraham Epstein, Facing Old Age, (New York: Alfred A. Knopf, 1922), pp. 52-23.

> and supposedly Christian community - those plague spots of the universe as some one has called them . . . are not places for decent citizens.[1]

Yet despite the rhetoric, the protest remained isolated among individual resisters and mainly unheard and unheeded. By the turn of the century there remained in Canada an absence of any strong coordinated public pressure or the formation of any aggressive movement towards the establishment of contrete relief measures. It was not until organized labour started campaigning for state sponsored old age pensions that relief for the aged became a political affair.

The history of both the working-class and organized labour in Canada has been marked by fragmentation and schism. The fact that the early unions developed out of the separate crafts and trades created labour organizations characterized by separate and individual interests. Early attempts on the part of organized labour to attain national unity as well as to initiate unified political activity in the form of a political party were subject to divisions, splits, and schisms. As early as the 1870's organized labour in Canada became aware of the need for

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[1] Department of Labour, Correspondence re old age pensions, (Public Archives of Canada, Ottawa), RG 29, Vol. 127, File 208-1-18. (Emphasis in original.)

political activity. The nine hour day movement in Britain, as well as the eight hour day movement in the United States led to the development in 1872 of nine hour leagues in Ontario and Quebec. These leagues "were rudimentary political organizations created to agitate the question of the nine hour day among working men."[1] However, the specific form that political activity ought to take, the interests it should pursue and the relationship between labour and the established traditional parties all became points of contention.

Two main wings of labour began to emerge. One was the socialist wing. This section was in favour of the establishment of a socialist party whose political activity would be directed towards the revolutionary overthrow of the capitalist system through, in part, the medium of elected socialist candidates. The prime concerns of such a party would be education and propaganda directed at the working-classes. This would take precedence over attempts to influence the enactment of social welfare legislation. In other words fundamental class interest would be dominant over immediate interests. In addition there emerged from time to time "radical groups opposed to any methods of

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[1] Martin Robin, Radical Politics and Canadian Labour, 1880-1930, (Kinston: Industrial Relations Centre, Queen's University, 1968), p. 17.

elected political action, whether social or independent labour."[1] These "syndicalists sought industrial salvation through the institution of the political general strike and revolutionary industrial unionism."[2]

The second wing which emerged was the conservative wing of labour. This group favoured the formation of a labour party designed to gain the election of labour candidates to the legislatures in order to gain immediate social reform measures. This, it was frequently felt, was best done through the cooperation of labour with the state. Cooperation tended to take the form of 'partyism'. Members of organized labour became not only members of, but paid helpers in, the established traditional parties. The conservative wing, thus, was characterized by the dominance of immediate interests over fundamental class interest.

Organized labour itself tended in the early years to be dominated by the more conservative groups. In order for unions to attract members, a prime concern in the early years of union formation had to be the actual attainment of better conditions for the workers. Thus

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[1] Martin Robin, Ibid., p. 1.

[2] Ibid.

it has been argued that the distribution of material goods and values through legislative enactment by both Grit and Tory parties was proportional to the degree of political pressure trade unionists and labour reformers could exert on the parties and the electorate.[1] As a result the central labour councils and the national organizations such as the Canadian Labour Union and the Trades and Labour Congress of Canada became "foci for reform agitation and legislative pressure."[2] The leaders of these organizations became the principle agents for social reform legislation. Whether they could be said to be acting purely in the interest of the working-class is questionable. First, organized labour represented only a fraction of the working-force, that part which was unionized. At no time has this represented a majority of the working-force as a whole, much less the working-class. Second, as previously noted, labour leaders were highly prone to partyism. Many were both publicly and privately committed to the established parties which represented the political apparatuses of the capitalist state. As such labour leaders frequently served to legitimize state, and thereby capitalist, practices for their rank and file.

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[1] Martin Robin, Ibid., p. 4.

[2] Ibid.

These dissensions and divisions not only affected the strength with which labour presented its causes but the nature of the causes as well. As long as the conservative wing remained dominant, labour agitation was centered around the attainment of immediate interests. When the socialist, or more radical wing, became dominant labour tended to become more concerned with fundamental class interests. This had a profound effect upon state action. Any analysis of the pressures exerted upon the state to initiate old age pensions must include an examination of the formal deputations and representations made on the behalf of organized labour both within and outside the House of Commons, the demand arising from individual members in the House, and the changing relationship within organized labour of the conservative and radical wings.

The Pre-World War I Years: 1905-1914

Two concurrent historical developments prompted organized labour to become directly concerned with the problems of the aged and with the demand for public pensions. First, there had emerged in Great Britain a "prolonged campaign for old age pensions."[1] This campaign

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[1] Bryden, Ibid., p. 45.

had been proceeding uneventfully since 1870. The second development occurred in 1898 when New Zealand adopted a means-tested public pension plan. The enactment of pension legislation in New Zealand revived the flagging British campaign turning pensions "into a prominent political issue."[1] By 1905 Great Britain had also enacted pension legislation.

As Bryden suggests, this activity did not go unnoticed by Canadian labour. In 1905, Canadian labour, through the aegis of the Trades and Labour Congress, proceeded to raise a demand for public pensions in Canada. This demand was preceeded only by demands of organized coal miners on both the east and west coasts who sought public pensions within their own localities. The Trades and Labour Congress, however, sought federal pensions, legislated and administered by the federal government. In 1905 at its annual convention the Congress adopted the recommendation that "the time is opportune to introduce legislation making provision for the maintenance of the deserving poor, old or disabled citizens, who are unable to maintain themselves."[2]

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[1] Bryden, Ibid., p. 45.

[2] Convention Proceedings, 1905, p. 44.

In the following year, 1906, a pension resolution was introduced within the House of Commons by the Conservative member for West Hastings. The resolution was not debated. In 1907 the subject was once more initiated when R.A. Pringle, the Conservative member from Stormount, moved that "in the opinion of this House the subject of improving the condition of the aged, deserving poor, and of providing for those of them who are helpless and infirm, is worthy of and should receive the early and careful attention of the government and of parliament."[1] The initiative of labour in pension demand was supported by various individual members of the House of Commons, members who incidentally were in the ranks of the opposition. However Pringle in a rather contradictory statement was careful to make note of the kind of pensions which would probably be acceptable. Stating that a universal scheme, that is a scheme in which all persons over a stipulated age would receive benefits, would probably be ruled out, Pringle still suggested that a "good pension scheme, giving nothing more than a small amount of money at the age of seventy years, would be infinitely better

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[1] House of Commons, Debates, 1906-1907, II, (Ottawa: King's Printer), p. 3374.

than no pensions scheme at all."[1] During the ensuing debate Pringle received support from Alphonse Verville. Verville was simultaneously a president of the Trades and Labour Congress and the elected member from Montreal-Maisonneuve. Presumably he spoke on the behalf of labour. Sir Wilfrid Laurier, the Liberal Prime Minister, brought a modicum of capitalist rationality to the debate when he closed it with the following statement: "to ask purely and simply that there should be an old age pension whether a man has been thrift, or the reverse, whether he has been sober, or not, whether he has been a good citizen or a bad citizen" would requires considerable inquiry and investigation.[2] Pringle withdrew his motion. However, the ground rules had been laid out. Pensions were to be considered within the House of Commons but within defined limitations. The concept of a universal plan was unacceptable to the government. The concept of large benefits was equally contrary to rational thinking. The government felt obliged to maintain the capitalist work ideology. Pensions were not to be considered a right under any circumstances.

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[1] House of Commons, Debates, 1906-1907, Ibid.

[2] House of Commons, Debates, 1906-1907, Ibid., p. 3387.

During the year of 1908 pensions again became the topic of discussion within the House of Commons. Pringle moved that a "select committee of nine be appointed to inquire into and consider a scheme or schemes by state aid or otherwise for making provision for the aged, and deserving poor."[1] On this motion he was backed once more by a labour representative, Ralph Smith from Nanaimo, British Columbia. Smith, a former Trades and Labour Congress president as well as a "professional labour representative", purportedly entered Parliament as a "Liberal but was elected to protect the interests of organized labour."[2] He suggested that there should be a universal, non-contributory old age pension plan. The government responded that it had already decided in favour of a voluntary annuity plan through which workers could purchase inexpensive annuities from the government to cover the contingencies of their old age. Despite Smith's argument that it was impossible for "any man obliged to earn his living - any working man, whether in factories, or public works or otherwise - to lay aside any thing which would enable him to contribute"

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[1] House of Commons, Debates, 1907-1908, II, Ibid., p. 2398.

[2] Bryden, Ibid., p. 47.

to such a fund, and despite the fact that such a fund would not solve the problems of the current indigent aged, the government proceeded to enact annuity legislation in the form of the Government Annuities Act of 1908.

There seems to be no question that the government annuities act arose from the government's desire to circumvent pension demands. Sir Richard Cartwright, the minister of Trade and Commerce, introduced annuities in the Senate in 1907 when he presented a draft for the intended plan. Cartwright argued that to promote pensions was "to encourage extravagance, and the result would be that the thrifty industrious workingman would find himself ultimately compelled to bear the burden of his less industrious, and possible dissolute, companion."[1] Annuities, on the other hand, represented an opportunity in which "there is very little risk of any hardworking, industrious, able-bodied man not being able to make adequate provision for his old age".[2]

"An annuity is a series of regular payments either for a specified period or for life."[3] Pensions, states

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[1] Senate, Debates, 1906-1907, (Ottawa: King's Printer), p. 331 ff.

[2] Ibid., (Emphasis added.)

[3] Bryden, Ibid., p. 3.

Bryden, are simply "group annuities" or an annuity "resulting from a formal group arrangement - whether undertaken by the state, by an employer or groups of employers acting on behalf of their own initiative or in conjunction with a trade union, or by a voluntary association."[1] However, annuities imply payments by the individual. Pension contributions can be negotiated. They may involve contributions from the individual employee himself, the employer, or the state in varying ratios. Non-contributory state pensions did not involve direct contributions by the ultimate recipient. At best annuities can be considered a form of contributory pension in which the state was a partial contributor through its absorption of administrative costs and through the fact that the annuities were based on an interest rate of four per cent. This rate was higher than the rate paid by the government for money at that time. The prime contributor was still the individual buying the annuity.

The government offered two kinds of annuities, immediate and deferred. Immediate annuities were paid for by a lump sum of money at the commencement of annuity payments. As such only those aged who had amassed

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[1] Bryden, Ibid., p. 3.

some savings could take advantage of immediate annuities. For those aged who had no savings, annuities represented an impossible attainment. In fact, immediate annuities were not designed to aid the impoverished but "to make it possible for old people who have been thrifty to make better provision for their declining years."[1] As a result immediate annuities were a small proportion of the total number of annuities purchased.

Deferred annuities were of greater significance. Deferred annuities could be purchased throughout a person's working life. They were available in a variety of plans but payment for all plans could be either regular or intermittent. At the start of the plan, the upper limit of an annuity purchased was six hundred dollars. This limit applied to husband and wife as well. They were unable to purchase a larger annuity either jointly or by two separate contracts. In 1913 this upper limit was raised to one thousand dollars, with husband and wife able to each take out contracts for that amount.

Annuities never became an adequate substitute for pensions. First, they failed to reach those members of the working-class for whom they were presumably designed

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[1] Francis A. Carman, "Canadian Government Annuities", Political Science Quarterly, 30, No. 3, (September, 1915), pp. 426-7.

and who would benefit most from pensions. Senator Ferguson, who had been opposed to annuities, felt that the proposed plan "[would] prove on trial to be a system of annuities for the middle class."[1] Later studies proved this forecast to be accurate. By 1915, Carman had demonstrated that annuities had "not reached the poor". They had in fact been "purchased in large proportions by persons of moderate income."[2] Despite the fact that government annuities were less expensive than those offered by private insurance companies and much promotion was expended on their behalf, few persons took advantage of the plan. Many simply could not afford even the limited contributions required. By 1931, the number of yearly governmental annuity contracts finally passed the 1,772 mark. At this point the insurance companies began to feel the threat of competition. Along with their 'allies', the Financial Post, and the Chamber of Commerce, to name but two, the insurance companies began to attack the government plan from the outside. The Department of Insurance launched its attack from the inside. By 1951, the plan was well on its way to ex-

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[1] Senate, Debates, 1906-1907, p. 702.

[2] Francis Carman, Ibid., p. 446.

[3] Bryden, Ibid., p. 53.

tinction. By 1967 "existing contracts were still being serviced, but new contracts were . . . issued only to those who sought out the branch."[1]

Meanwhile the Trades and Labour Congress kept up its petitions for pensions. In 1908, it reported that it was preparing a comprehensive brief in support of public pensions.[2] Deputations were sent regularly to the cabinet and the members of parliament. However by 1911, the Trades and Labour Congress had to admit the a "sickening silence in parliament follows every request for old age pensions."[3]

In 1912, the subject of pensions was once more introduced in the House of Commons by J.H. Burnham, a Conservative member from West Peterborough. He moved that a "select Special Committee should be appointed by this House to make an inquiry into an Old Age Pension system for Canada."[4] The committee was concerned with two aspects of pensions, the potential costs and the extent of demand and need evident throughout the country.

George D. Finlayson, an actuary in the Department

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[1] Bryden, Ibid., p. 57

[2] Convention Proceedings, 1908, p. 8.

[3] Convention Proceedings, 1911, p. 56.

[4] House of Commons, Debates, 1911-1912, I, p. 1362.

of Insurance, submitted estimates of possible costs. These estimates were drived from existent means-tested, non-contributory plans. They were based on eligibility at age 70, age 65 and age 60. From these estimates, Finlayson concluded that the minimum number of elderly who would be eligible for pension benefits was 36.4 per cent of those 70 years of age and over. The maximum number would be 44.2 per cent of those aged 60 and over. Thus assuming that Canada's dependent aged comprised similar proportions as those countries from whose data the estimates were derived , over one third of those 70 and over and close to one half of those 60 years and over in Canada could be described as dependent according to the government's own stringent definitions.[1]

Testimony concerning both need and demand was forthcoming from other sources. John J. Foy, a prominent labour leader in the city of Halifax, testified that "there is a considerable public opinion favourable to pensions." J.J. Kelso, a superintendent of the Children's Aid, submitted evidence that "there are a great many who live in dread of their old age and who have the fear that they are becoming poorer . . . People

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[1] Insurance Department, Ottawa, April, 16, 1913, Exhibit 'J', pp. 2-3, Public Archives, Ottawa.

are now coming to the conclusion that we ought to spend money to create better social conditions." J. Morgan Shaw, from the Department of Prisons and Public Charities, testified that of all the admissions into the hospitals for the insane in Ontario in 1911, "17 per cent of the cases of insanity were due to adverse conditions and worry." Of the admissions in February and March, 1912, 18 per cent were over the age of 55 years. Shaw concluded from this that "it was not the young people who worry, but the people advanced in years where there are adverse conditions. If we had a pension fund for them they would have that peace of mind that would in many cases prevent mental derangement."[1]

The government remained unmoved. The Minister of Finance, Sir Thomas White, replied that "there are, no doubt, men of humanitarian feelings and kindly instinct who have brought to their attention the condition of the deserving poor in their municipalities who will say: Let us have a system of old age pensions for the Dominion. But this is very different from the active public opinion without which legislation cannot well proceed." As far as he and the Government were concerned, there had been

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[1] Department of Labour, Memorandum, "An Old Age Pension System for Canada", Public Archives of Canada, Ottawa, p. 13.

no public agitation for pensions, either politically, through the press, or otherwise. White argued that there was "little or no unemployment in Canada . . . wages are good . . . and we find the need supplied by provinces and municipal charity and by the filial piety of the sons and daughters of Canadians."[1] In addition he reasoned that any working man with reasonable thrift could raise a family and still provide for his own old age. If one failed to do so it would be due to an individual failure and not a fault of the system. Thus he concluded that "on the whole the poor in Canada are looked after" and because of this, coupled with the lack of a "widespread movement . . . for old age pensions in Canada" neither need nor demand could be demonstrated. Furthermore even if need and/or demand could be demonstrated, the "obligations that will devolve upon Canada to furnish money for the development of the country, its coasts, waterways, transportation routes and public buildings" prohibited the spending of moneys on pensions. Thus "having regard to all these considerations and the fact that Canada can be differentiated without difficulty from other countries that have successfully adopted old

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[1] House of Commons, Debates, 1911-1912, I, p. 1375.

Bert - this was before the committee was appointed, Not after it reported!

age pensions . . . the Government is of the view that the legislation contemplated . . . is premature and in advance of necessity or private opinion."[1] The debate was adjourned. Except for a short resolution in the parliamentary session of 1914 calling once more for an old age pension system, no further mention was made of pensions in Parliament until after the conclusion of the First World War.

In summary, then, the demands made on the behalf of the aging worker by organized labour during this pre-war period went largely unrecognized and unheeded. Objections to pensions on the part of the government centered around the question of ethics and costs. A universal plan whereby all over a designated age received benefits was seen to be against the ethic of industriousness, thrift, and frugal living. In fact pensions, per se, were seen as violating the concept of future planning and saving. To 'reward' those who reached old age in a state of poverty was unthinkable. To be in this position of need, it was assumed, was to have been at fault in some way, either lack of foresight, lack of industrious habits, or whatever. To reward this lack was a slap in the face of those men of virtue. In addition the costs of a pension

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[1] House of Commons, Debates, 1911-1912, I, p. 1375.

scheme were deemed to be too prohibitive. Other needs had higher priority. Thus while the government was willing to entertain the notion of pensions and engage in 'pension talk', it obviously had little intention of proceeding with concrete implementation of any scheme. It even refused to acknowledge the existence of either demand or need. In effect it totally ignored labour's demands and pressures.

However, the government was not unaware of the composition of organized labour, its tensions, its strengths and its weaknesses. During these years between 1890 and 1914, organized labour was subject to two distinct divisive trends. The first was the tendency among labour leaders to espouse 'partyism'. Martin Robin states that during the early years of the confederation of Canada, 1867-1900, the electoral and ideological disciplining of the working man was achieved through the limitations placed upon the franchise. At the time of Confederation, property was the determinant of the franchise. However by 1900 the franchise was no longer considered a "trust accompanying property" but had with its extension to the masses become "a right normally accompanying citizenship."[1] After this

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[1] Martin Robin, Ibid., p. 2.

period electoral discipline had to be achieved through 'partyism' or the co-optation of organized labour leadership. Because political parties are "first and foremost instruments for the distribution of material consideration", they are able to lure labour leaders into their fold. In Canada, "as patronage distributers, the Grits and Tory parties co-opted into their political machines leading labour leaders and reformers."[1] From 1900 to 1920, and the election of J.S. Woodsworth, "all . . . labour M.P.s had been unable or unwilling to withstand the pressures of political conformity."[2] Ralph Smith, president of the Trades and Labour Congress in 1891 and 1899, "maintained and consolidated close personal and political ties with the federal Liberal Party."[3] Though elected as a 'professional labour condidate', Smith was in 1900 a "paid Liberal organizer." During that year he assisted the government in setting up a Labour Bureau. It was rumoured that he would head it up.[4] Simultaneously he had

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[1] Martin Robin, Ibid., p. 2

[2] Ibid., p. 270.

[3] Ibid., p. 22.

[4] Ibid., p. 62.

received the official backing of the Trades and Labour Congress in a resolution recommending that "efforts be made to elect Ralph Smith to the House of Commons" and that "wherever such men are put in the field they should receive the pecuniary support of the Congress."[1] Thus it would seem that in that year of 1900 Smith received emoluments from both the Trades and Labour Congress and the Liberal Party. Verville was elected as an Independent Labour candidate in 1906. According to Robin, he was "safely in Laurier's pocket a year later."[2] In 1911 the Industrial Banner accused Verville of being "so complacant as to allow his bill to be butchered up." The Wage-earner earlier that same year had "cited his [Verville's] intention to enroll himself as an 'out and out supporter of the government'."[3] It can only be concluded that during this period union leadership cannot safely be judged to be independent of the interests of the traditional parties nor labour candidates necessarily responsive only to labour's needs.

In as much as unions must gain membership, and this period is marked with the need for unions to recruit workers,

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[1] Martin Robin, Ibid., p. 65.

[2] Ibid., p. 270.

[3] Ibid., p. 115.

leadership is constrained to adopt specific causes on the behalf of the worker. To maintain its legitimacy among the rank and file, labour becomes compelled to 'deliver the goods'. However, given the dual nature of organized labour's responsibilities in this period, those causes which labour adopted were limited to the sphere of reformism. Unions, then, were pressed to become associated with those working-class demands which are both immediate concerns of the workers and concerns adaptable to traditional party platforms. Pensions fell nicely into both categories. Labour made its point by enunciating the demands. The government publicly listened, then rationalized the situation for the working-classes. What might appear to be debate, or conflict, becomes in actuality dialogue.

The second trend, which grew out of, and simultaneously with, the above pattern of partyism, was the varying splits and schisms within labour itself. The Trades and Labour Congress, which developed mainly out of the old crafts and trades unions, endorsed the "independent labour representation" form of political activity. This was based on the premise that working-class gains could best be achieved through the election of independent labour representatives to the legislatures. This led to the founding of the Canadian Labour Party by the Trades and Labour Congress in 1906. The party was based on a plat-

form of reform. The attempts in 1907 to found provincial extensions of the Labour Party met with varied results. In Manitoba and Ontario, Labour Parties were actually formed. However, in British Columbia the socialist wing of labour was dominant. This wing was vehemently opposed to the formation of a Labour Party which would run candidates in opposition to socialist candidates. At the founding convention of the British Columbia section of the Canadian Labour Party on October 29, 1906, the socialists issued the following resolution:

> Whereas the Dominion Trades and Labour Congress at its 22nd annual convention, held in Victoria, British Columbia, September 17-21, 1906, took steps to organize a labor party in the province, and this convention has been called in compliance with that action; and whereas no political party can correctly express the labor movement unless it stands for the abolition of capitalist exploitation and the wage system under which it is affected; and whereas, a labor party is already in existence, which does stand for that change, and which has achieved the most emphatic endorsement possible from the different labor organizations throughout the province, inasmuch as nearly every labor organization in the province has written to the representatives of that party in the

> local legislature requesting them to take up their grievances and endeavour to get legislation passed for the betterment of their conditions, thereby showing their confidence in the said party as a labor party; therefore be it Resolved that in the opinion of this convention it is unwise to organize another labor party as it would cause confusion among the working class, thus dividing their vote so rendering it ineffective; and be it further Resolved that we recommend to the working class throughout the province the careful study and investigation of the principles and platform of the Socialist Party of Canada. That we further recommend the earnest study of the principles and program of Socialism, as we believe that in the accomplishment of its aims lies the only true and permanent solution of the labor problem.[1]

The above resolutions neatly summed up the conflict between the Socialist and Labour perspectives. Elections for the Socialists were not "opportunities to gain power in order to enact legislation", but "barometers by which party theorists could measure the 'level of class consious-

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[1] Vancouver World, October 30, 1906, cited in Robin, Ibid., pp. 84-85.

ness' and so opportunities to raise the level of proletarian awareness through vigorous propaganda and education."[1] As early as 1901, though, the Trades and Labour Congress had endorsed the principle of independent labour representation over that of a socialist party. Opposition between the two wings of labour did not diminish as socialists developed a 'dual unionism' position in the west setting up socialist unions in opposition to labour unions. By 1912 in the provincial election of British Columbia, the Socialist Party of Canada found its candidates forced to compete with other labour candidates for the labour vote as well as with other socialist candidates with the emergence of yet a further split - the Social Democratic Party. In Manitoba and Ontario the socialist movement underwent similar schisms. This "plethora of competing loyalties . . . was equally prevalent at the national level."[2] By 1912 adherents of the Socialist Party of Canada, the Social Democrat Party, and the Independent Labour Party were all competing for the endorsement of the Trades and Labour Congress. None received it.

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[1] Robin, Ibid., p. 97.

[2] Ibid., p. 115.

The dominant characteristic of Canadian labour in the years from its formation to the years preceeding the First World War was one of division. Organized labour was rife with sectarianism. Its political formations became equally sectional. "The political loyalities of labour leaders and followers were divided between the two ground floor parties, Grit and Tory. The radicals were divided among themselves."[1] Labour was unable to act politically with any degree of unity. This inability to gain cohesive action, coupled with the involvement of labour leaders in the established parties, left labour a negligible threat to the state. The government had no real need to take either labour or its causes too seriously.

World War I Years: 1914-1918

During the First World War there was no mention of pensions within the House of Commons. The Trades and Labour Congress continued to address briefs to the cabinet and parliament concerning pensions but more pressing matters occupied the House's attention. The war had brought forth the contentious issue of conscription. This issue had two significant effects. First, it split the Liberal

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[1] Robin, Ibid., p. 118.

Party into two sections, those Liberals, who with Laurier, were anti-conscription and those Liberals, who with the Conservatives, were in favour of it. This latter group of Liberals split with the Liberal party and formed with the government a "union" group. This left the Liberal Party weakened and fragmented.

Second, conscription gave labour for the first time a common cause, a cause around which they were able to rally and form a degree of unity. In addition by 1914 the Trades and Labour Congress leadership was no longer safely controlled by the Liberal and Conservative Parties. The socialist wing of labour was starting to come into its own. "Under the pressing war conditions the T.L.C. drifted further away from the safe anchor of the Liberal and Conservative Parties."[1] As the resources of the country were marshalled by the state for the objective of winning the war, labour ranks began to become discontented. The war effort meant for the worker the "repudiation of labour and the abrogation of traditionally won rights."[2] This led to the rise of tensions within labour as "the burden of sacrifices fell on the

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[1] Robin, Ibid., p. 118.

[2] Ibid. p. 119.

worker [while] many of the benefits accrued to the capitalist."[1] Workers, fearing that conscription would be used by the employers for the purpose of interfering with union labour and the establishment of open shops,[2] rallied around the labour parties. Labour began to adopt a more militant stance. As the Industrial Banner noted in 1917 organized labour was no longer talking to the government in whispers.[3]

In 1917 a general strike was threatened if "conscription of manpower was carried through without conscription of wealth and nationalization of all industries."[4] The depth of the workers' feelings and growing consciousness was expressed by R.A. Rigg, a trade unionist.

> When people cry aloud for reforms and threaten capitalist profits, the capitalists start a war. When people cry for old age pensions, woman's suffrage, workmen's compensation, the capitalists start a war. The working men of one country

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[1] Robin, Ibid., p. 119.

[2] Ibid.

[3] Cited in Robin, Ibid., p. 129.

[4] Charles Lipton, The Trade Union Movement of Canada, 1827-1959, (Toronto: NC Press, 1973), pp. 175-176.

> have no quarrel with the working men of another country. The common enemy the world over is the capitalist class.[1]

This strike position was endorsed by the Trades and Labour Congress as a method to force the government to conscript wealth as well as manpower. The Trades and Labour Congress further recommended that the delegates endorse the formation of a national labour party to contest the approaching federal election. In October 1917, the initiation of a Canadian Labour Party was endorsed.

In addition the Russian Revolution of 1917 and the establishment of the Third International had a deep effect on Canadian socialists. They led to a further integration of the labour and socialist movements as well as the radicalization of labour. The radical sections of the Social Democrat Party and the Socialist Party of Canada abandoned the old orthodoxies in favour of international communism.[2] Old divisions were left behind as radical socialists agreed to "a new unity to the far left" which would be built on the basis of common support for the principles and strategies of the Bolshevik re-

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[1] Lipton, Ibid., pp. 169-170.

[2] Robin, Ibi., p. 145.

volution.[1] The Russian inspiration resulted in the birth on April 30, 1919 of a new communist movement which culminated in the founding of the Communist Party of Canada in 1921.

The war crisis had "wrought important changes in labour politics. The national regimentation resulted in radicalization of the entire labour movement and forged a unity of outlook between organized labour and the radical political sects."[2] Robert Borden, the Prime Minister during the war years, failed to recognize labour's needs or to respond to labour's demands in matters which were of vital concern to labour. This failure wakened "a sleeping giant". The entry of the Trades and Labour Congress into independent politics in the 1917 federal election served as a warning to the government that organized labour was no longer content to remain a passive entity. Labour had become a force with which the state would have to contend.

Post World War I Years: 1918-1926

The post war years brought economic decline, civil unrest and labour agitation. The success of the

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[1] Robin, Ibid., p. 146.

[2] Robin, Ibid., p. 158.

Russian Revolution of 1917 had a continuing effect on both Canadian Labour and the Canadian state. The revolution "had captured the imagination of the more radical Canadians."[1] It promoted the spread of Marxist thought among both radical labour and trade unionists. Its very success brought into acute relief the potential and possibilities inherent in labour unrest. In addition, the growing dissatisfaction experienced by the returning Canadian soldier was exacerbated by the ordered dispatch of a Canadian military expedition to defeat the new Russian government. Canadian soldiers, who had just participated in a war in which the Russisn Tsar was a principal ally and who had been reassured that at last the world was going to be a happy place within which to live, found themselves returning to unemployment, cramped living quarters, high living costs and the overt evidence of wartime profiteering. Now they were asked to "die to defeat the government which had replaced the Tsar."[2] This led to a growing number of demonstrations among both workers and soldiers.

Along with this growth of militancy and radicalism within the labour force there arose a growth in union

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[1] Lipton, Ibid., p. 186.

[2] Ibid.

membership and strike activity. At the beginning of 1919 union membership was 248,887. By the end of the year it had risen over 50 per cent to 378,047.[1] Strike activity also reached a peak in 1919 with 148,915 workers involved in 336 strikes and lockouts. This represented 3,400,942 man-working days lost.[2] For the first time in Canadian history strike activity threatened to become a Canada-wide movement.

Further evidence of the growing strength of labour emerged within the political sphere. Throughout the nation both labour and farmer parties were uniting in opposition to the domination of big business and the traditional party caucuses.[3] In the provinces the influence of the United Farmers Parties was growing stronger. In the 1919 Ontario election, the United Farmers scored an unexpected victory. A United Farmer administration was formed which contained within its cabinet two Independent Labour Party ministers. In Nova Scotia and New Brunswick, Farmer and Labour candidates were successfully elected in 1920. In 1921, in Alberta and in 1922 in Manitoba, the

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[1] Lipton, Ibid., p. 185.

[2] Appendix, Table 8.

[3] Bryden, Ibid., p. 64.

Farmers Party emerged with added strength, while in both the Saskatchewan and the British Columbia elections labour members were successfully elected to the legislatures. Finally in the 1921 federal election, 65 seats were won by the Progressive (farmer) candidates and 2 by the labour representatives.[1]

State response to the above developments utilized two tactics. In the early stages of unrest and labour radicalization, the Conservative government adopted coercive measures to forestall further growth in both radicalism and union cohesion. In September of 1918 the federal government issued an order-in-council banning eight left-wing bodies. Another order-in-council aimed at preventing all strike activity was issued in 1918.[2] In 1919 the government, under the directives of Sir Arthur Meighen, Justice Minister, forcibly squashed the Winnipeg strike through the use of the Royal Canadian Mounted Police and the arrests of the main strike leaders. Among these leaders was a future parliamentarian, J.S. Woodsworth. The Winnipeg strike had represented the high point in Canada of labour militancy and labour unity. The forceful

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[1] A. Scarrow, Canada Votes: A Handbook of Federal and Provincial Election Data, (New Orleans: Hauser Press, 1962)

[2] Lipton, Ibid., p. 184.

breaking of the strike was followed by both economic . . . sanctions on the part of employers and further coercive action on the part of the state. In July of that year, military police raided the Winnipeg Labour Temple, the Ukranian Labour Temple, and the homes of labour activists in Winnipeg. Further raids were carried out at Calgary, Saskatoon, Brandon, and Montreal. Scores of trade unionists and sympathizers were arrested. In Winnipeg, itself, union meetings were banned.

The second tactic adopted by the government was the utilization of conciliatory tactics. In 1919 the government announced that a commission was under way to discover the causes of the rising discontment. The commission, headed by Chief Justice T.G. Mathers, recommended that an "immediate inquiry by expert boards into state insurance against unemployment, sickness, invalidity and old age" be instituted.[1] The National Industrial Conference held in Ottawa in September of that year proposed "that, as a first step, studies be undertaken immediately by the public service to provide at an early date the necessary information on which to base decisions regarding concrete programs."[2] Finally, at the

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[1] Labour Gazette, Supplementary, July, 1918.

[2] Bryden, Ibid., p. 65.

start of 1921 it was announced in the speech from the throne that "an investigation is being conducted by the Department of Labour into systems of Unemployment Insurance and Old Age Pensions."[1] In 1921 provincial legislatures added their voice to the appeal for old age pensions. Both Nova Scotia and Ontario adopted motions calling for old age pensions and in British Columbia the legislature "unanimously passed a government-sponsored resolution dealing exclusively with old age pensions in its operative section and asking specifically for federal legislation on the subject."[2] In 1922 New Brunswick also adopted a motion on old age pensions.

Suddenly in 1923 the federal government became unsure whether old age pensions were possible under a federally administered scheme. Of concern now ware two factors, the question of constitutionality and the question of costs. Under the British North America Act it was not clear whether a fully federally organized plan would be considered constitutional or ultra vires. In addition J. Murdock, the Minister of Labour, felt that while pensions were a "matter that this federal government

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[1] House of Commons, Debates, 1921, p. 2.

[2] British Columbia Journals, 1921 2d sess., p. 152, cited in Bryden, Ibid., p. 67.

could deal with" it would only be "if and when it is prepared to do so, when it finds the money is available for this purpose and a proper method of dealing with it can be devised."[1] Church, the Finance Minister, was more blunt. "No provision has been made in the budget for old age pensions" he stated. "Unfortunately, the war debt and the railway debt have made it impossible for many years to come to extend aid towards the improvement of the public health and the advancement of humanitarian work . . . I think the matter of old age pensions should be taken up by the provinces and the municipalities."[2]

In 1924, in response to pressures from primarily the labour members of parliament, a select committee was formed to investigate once more old age pensions. Evidence was gathered from the town and municipalities concerning the need for help for the aged and the current costs of supplying that help. In addition the Trades and Labour Congress submitted its recommendations concerning pensions. The Congress recommended the following, that the Federal Government should bear the entire responsibility for the protection of the aged workers, that pensions should be granted to all who have reached the stipulated age limit

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[1] House of Commons, Debates, 1923, p. 2817.

[2] House of Commons, Debates, 1923, Ibid.,

with provisions that those who have assured incomes of reasonable amount should not be eligible, that pensions should be available to those who have reached the age limit of not more than 65 years, and that costs should be financed from state funds, payments being at least $40 a month. This, Tom Moore, the president of the Trades and Labour Congress, argued was the minimum amount required to maintain an individual adequately at the age of 65.[1]

On July 1, 1924, the Committee submitted its recommendations. It recommended that an old age pension system should be established at the earliest possible date for deserving indigent persons 70 years of age and upward. Applicants should be British subjects of at least 15 years' naturalization and 25 years' residence. The maximum rate of pensions should be $20 per month. This should be lessened by private income or partial ability to earn. One half of the amount of the pension payable should be borne by the Federal Government. The other half should be borne by the Provincial Governmetns of such provinces as express by legislation their desire to adopt the system. The cost of administration

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[1] Report of the Special Committee, 1924, House of Commons, Journals, 1924, Appendix No. 4, pp. 52-53.

should be borne by the provincial governments.[1]

The government's reply to the report was that it would "communicate to the provincial governments the report . . . and ascertain for the information of parliament what action if any, they are prepared to take with reference to these recommendations."[2] This was done in 1925 and the replies tabled in the House of Commons in July of that year. The provinces had universally intimated that they were not interested in participating with the federal government in any pension scheme, at least not at the current time.[3] The government then decided that since the "subject matter of pensions has been entrusted to the provinces rather than to Parliament" the enactment of a fully federal plan would "involve the assumption by the Dominion of obligations involving heavy expenditures" and might "intrude upon the subject matter of property and civil rights in the provinces, as for example by obligating any province or person to contribute to the scheme."[4]

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[1] Report of the Special Committee, 1924, Ibid., p.54[illegible].

[2] House of Commons, Debates, 1924, p. 4554.

[3] Meighen in 1927 questioned the government's reading of the replies suggesting that the provinces had been more willing to participate than King implied.

[4] House of Commons, Debates, 1925, p. 4429.

The government therefore concluded that only a non-contributory pension scheme in the form of enabling legislation could be successfully legislated by the federal parliament without either a change in the British North America Act or the consent of all the provinces. Such a plan was not then, nor had it ever been, seriously contemplated.[1] In respect to the attainment of provincial consent, Irvine noted that this could not be expected "this side of the next thousand years."[2] Public pensions were dropped from the government's agenda altogether.[3]

Conclusion

While pensions may appear as the response to the solicitations of organized labour on the behalf of the needy aged, in actual fact, the degree to which organized labour appeared to the state to be developing radical tendencies, affected state response more directly. As long as organized labour appeared to be 'in the pocket' of the traditional parties, as long as organized labour appeared to be more concerned with working-class immediate interests and not working-class fundamental interest,

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[1] Laycock, Ibid., p. 56.

[2] House of Commons, Debates, 1925, p. 4425.

[3] Laycock, Ibid., p. 56.

state response was indifferent. Once labour became active in greater strike activity, once it developed a sense of unity and a potential for unified political action, once labour displayed a tendency to espouse radical causes, the state acted with vigor. The response of the state was two-pronged. First, it utilized coercive measures to break both radical tendencies and strike activity. Second, it adopted temporarily a conciliatory stance and entertained the possibility of labour's demands. However, once labour 'settled down', pension talk diminished. In 1925 little hope could be realistically entertained for the early attainment of old age pensions.

IV

INTRODUCTION OF OLD AGE PENSIONS

Although organized labour persisted in its campaign for the enactment of state sponsored old age pensions, Mackenzie King had perceptibly cooled towards the subject by 1925. Three factors contributed to this decline in pension interest on the part of the government and its leader. First, economic conditions had altered since the recession years of 1920-1921. Second, strike activity had diminished significantly. Third, the composition of organized labour had once more changed, the conservative wing was back in power. By 1925 pension talk had been effectively shelved. Yet suddenly in 1926, King introduced pension legislation in the House of Commons. Although his proposed plan passed in the House, it failed to receive the support of the predominantly Tory Senate. Again in 1927, King successfully introduced pension legislation in parliament. This time the Senate, with reservations, gave its consent. The Old Age Pension Act of 1927[1] became immediately encountered reality.

In order to fully explain the sudden change between the position held by King and the Liberals in 1925

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[1] Canadian Statutes, 1927, C 35.

and that endorsed in 1926 and 1927, it is necessary to examine the economic structures, the conditions of labour, and the political conditions during those years. Economic conditions tend to contradict any thesis that all welfare legislation is a product of economic need or crisis. Labour conditions, also, contradict assumptions that all welfare legislation arises during periods of labour and civil unrest. Finally political conditions indicate that political crisis can play a part in the introduction of particular welfare measures. Furthermore, political conditions suggest that the separation of structuralist and instrumentalist theories of the state must be re-examined and the possible interaction between the two assessed.

Economic conditions

By late 1924, business in Canada had begun to revive from the post-World War I recession of 1921. Andre Raynaud, in his study of Canadian economic conditions, lists four economic cycles which occurred between the years of 1919 and 1938. Within this period he locates four peaks of prosperity: June 1920, June 1923, April 1929, and July 1937. The corresponding troughs are located in April 1919, September 1921, August 1924, and

March 1933.[1] The years under scrutiny, 1924-1927, were part of an extended expansionary period. During this period both government and business thrived financially.

In November of 1925, J.A. Robb, the Finance Minister in Mackenzie King's cabinet, reported to King that he anticipated a "fair surplus" for the year ending March 31, 1926. He even went so far as to suggest a reduction in the current income taxes.[2] Such a reduction was effected in 1926. Yet government revenue receipts were still $14 million larger than in 1925. In addition the government found sufficient funds to advance $10 million to the Canadian National Railway.

In a memo prepared for King in 1926, it was reported that Canada was undergoing "what may be described as economic convalescence from the post-war depression."[3] In the agricultural sector the value of field crops had increased nearly 30 per cent between 1923 and 1925, "while

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[1] Andre Raynaud, The Canadian Economic System, (Toronto: The Macmillan Company of Canada Limited, 1967), p. 77.

[2] Mackenzie King Papers, "Memo from J.A. Robb", (Public Archives of Canada, Ottawa), C 44520.

[3] King Papers, "Memo on the Economic Conditions in Canada", Ibid., C 44521-44545.

the value of the things [the farmer] had to buy was declining." Canada, the report stated, had now become the largest producer of newsprint in the world. Within the mining sector the value of production in 1926 was the largest on record. In addition, the number of people employed on the average in manufacturing in 1926 had exceeded that of 1925 by at least 25,000 persons. The excess of exports was declared to be even greater than that of "our neighbour", the United States - $401,000,000 for Canada as against $351,000,000 for the United States. This favourable balance of trade was one of the factors which enabled Canada to resume gold payments on July 1, 1926.

Sir Herbert Holt summed up the situation when he reported to the shareholders of the Royal Bank in Montreal that "we have definitely emerged from the discouraging conditions of the post-war period. The year just closed has been one of steady and substantial improvement in almost every department of Canada's business life . . . all of the familiar indices . . . give testimony to the greatly improved state of business."[1] J.H. Logan of the

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[1] Mackenzie King Papers, "Memo on the economic conditions of Canada", Ibid.,

Bank of Commerce corroborated, adding "the general situation . . . undoubtedly is sound but the outlook for the future . . . bright."[1]

Labour conditions

By 1923, the splurge of labour unrest had begun to settle down. Strike activity decreased. Whereas in 1920 strike activity had occupied .60 per cent of the estimated working time, by 1923 it had dropped to .32 per cent and by 1926 to .05 per cent.[2] Of equal significance was the decline in radical political activity.

By 1926, labour's attempts at unified political organization had become a failure. Moderates, socialists, trade unionists, and now communists, had been unable to form any permanent form of political unity. Each had effectively worked against the others. The first organization to fall apart was the United Farmers-Labour coalition in Ontario. Their rise to electoral power and governing position had served, not to unite their interests, but to revive the very issues upon which they found themselves adamantly opposed. Thus while the exceptional post-war conditions had "wielded a temporary community of

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[1] Mackenzie King Papers, "Memo on the economic conditions of Canada", Ibid.

[2] Appendix, Table 8.

outlook between the U.F.O. and labour based on a common opposition to the 'vested interests'"[1], the fundamental differences between the two groups quickly re-emerged. Differences over such issues as the eight-hour day, unemployment relief, and other matters reappeared. Legislation consisted "mostly of a modification of existing statutes rather than of passing bold new measures."[2] As a result, in June, 1923, the U.F.O.-Labour government of Ontario was defeated. In the ensuing election labour only managed to return 4 candidates although 21 had been nominated and had run. The U.F.O. gained 14 seats and the Tories, 72.[3]

The Independent Labour Party had also become the victim of internal strife and political schisms. It had become split between the conservative and moderate factions of labour. In addition organized labour, which had been "a friend at the party's inception soon turned on its creation and succumbed to the psychology of success when the goods did not soon arrive."[4] This left the Canadian

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[1] Martin Robin, Ibid., p. 251.

[2] Ibid.

[3] New Democracy, July 5, 1923, cited in Robin, Ibid., p. 251.

[4] Martin Robin, Ibid., p. 251.

Labour Party as the only viable labour political organization. Yet it too was having trouble. Its strength had remained predominantly located in Ontario. In Manitoba and Alberta it had received divided support and in British Columbia the socialists had declined to offer it any support at all. By 1925 its decline had begun. In the Ontario provincial election of 1926 only three labour candidates were nominated. This dismal showing was attributed to the alleged infiltration of communists within the party. Communism was no longer 'in' with labour. According to the Communists, attempts to unite the Canadian Labour Party with the Communist led Worker's Party had failed because of the conservative Trades and Labour Congress. The Communists accused the Congress of generating hostility against the Worker's Party. The Trades and Labour Congress, in its turn, declared the members of the Worker's Party to be "union wreckers" and advocates of dual unionism. In 1925, the president of the Trades and Labour Congress, Tom Moore, adopted a firm stance. He declared that the Trades and Labour Congress was the recognized authority to speak for the trade unions of Canada on legislative matters.[1] Again, in 1926, speaking to the Empire Club

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[1] Fifteenth Annual Report on Labour Organization in Canada, 1925, p. 163, cited in Robin, Ibid., p. 297.

in the Crystal Ball Room of the King Edward Hotel in Toronto, he made it quite clear that "the Labour Political Party is in no way representative of organized labor in Canada. The officials of this party cannot speak for labor; they are extremists and little importance is attached to their utterances."[1] The Trades and Labour Congress had retreated to its traditional conservative position. It withdrew its endorsement and support from both the moderate and the social democratic wings of labour. By 1927, unionists, socialists and independent labourites, had all withdrawn their support of the Canadian Labour Party on the grounds that it had become infiltrated by extremists. Its carcass was left to the communists.[2]

Thus the "pull of left and right proved too strong and the apathy of the rank and file too complete to raise the sect to the status of even a minor party. With the failure of the Canadian Labour Party, the ideal of independent political unity seemed more distant than ever."[3] The internal pressures of labour no longer provided the same degree of threat that they had provided during, and

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[1] The Labor News, September 20, 1926.

[2] Robin, Ibid., p. 267.

[3] Ibid., p. 268.

just after, the war years. All was relatively quiet on labour front.

Political conditions

The political situation did not reflect the same degree of stability and quietude. The years of 1925 and 1926 were marked by political crises and the need for tight political manouvering on the part of the two established political parties. Mackenzie King became Prime Minister of Canada in 1921 following the massive upheaval and violent resolution of the Winnipeg strike of 1919. He was no stranger to labour conflict. As leader of the Liberal Party, King won the election with his personal image "as conciliator and reformer".[1] His publicly stated personal belief was that "the role of political parties in Canada was to bring together the diverse and even conflicting groups and interests so as to secure a working agreement and a measure of common action."[2] Furthermore he was fully aware that the Winnipeg strike had demonstrated the "mounting ability of labour to

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[1] R. MacGregor Dawson, William Lyon Mackenzie King: A Political Biography, (Toronto and Buffalo: University of Toronto Press, 1958), p. 286.

[2] Ibid., p. 319.

disturb profoundly the national economy."[1] King was convinced that he alone could find a common program of policies acceptable to not only the Liberals but to the parties of protest, the Farmers' and labour parties. While the Conservatives had continued to push the need for protective tariffs, big business, and a nationally owned railway, King attempted to direct his party's appeal to the heart of the people. He promoted himself and his party as the vehicle of reform and reconciliation. In December 1921, he wrote an open letter to the electorate, urging their support for his "administration which in all its policies is prepared to avoid the extremes of reaction and radicalism, and which in itself is broadly representative of all constituent elements of our population - farmers and labour, the business and professional classes . . . "[2] The tenure of his appeal was the reunification of the electorate, in particular the reintegration of the two disaffected blocs - the farmers and labour - in support of the Liberal Party.

King managed to win the 1921 election. He was forced, though, to face a problem of representativeness which has become almost chronic within Canadian politics.

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[1] MacGregor Dawson, Ibid., p. 301.

[2] Ibid., p. 356.

The Liberals were able to elect only three Liberal members west of the Ontario border. This left King with a formidable problem in the selection of his cabinet. In Canadian politics, the foremost criterion for the selection of cabinet minister has traditionally been regional representativeness. Every Prime Minister has attempted to include within his cabinet members from every province. This King was unable to do without including non-Liberals among his cabinet ministers. In order to resolve this difficulty, he was forced to consider the cooptation of members from the splinter factions. King was forced to make overtures to the Progressive Party and the independent labour members of parliament. These overtures often involved the adoption of programs and policies which neither the Liberals nor the Progressive-labour contingent would find antagonistic to their causes. Thus King developed a history of conciliation, reconciliation, and bargaining. It became literally his trademark.

In 1924, J.S. Woodsworth, a labour member of parliament, had moved an amendment to the 1924 budget calling for a moderate revision of the tariff in line with the platform of the Progressives and the independent labour members. By so doing, Woodsworth gained the support of the so-called Ginger Group. The Ginger Group had broken off from the Progressive caucus. They "shunned the word

Progressive, met separately, were admitted to separate representation on committees of the House, [and] voted together."[1] While fourteen members broke from the Progressives, the Ginger Group was made up of eight of these. The appearance of the Ginger Group in the House of Commons "guaranteed that the views and policies of an independent left and labour would be strongly pressed in the national assembly."[2] In gaining an ally, labour, with its representation of two, became an active part of the bargaining scheme.

In 1925, King was forced to call an election. This time he did not fare as well as before. From most perspectives King in fact lost the election. The Liberals only retained 101 seats, while the Conservatives gained 116, the Progressives 24, and labour 3.[3] But King refused to step down and hand over the reigns of power to his opponent, Sir Arthur Meighen. In order to maintain the confidence of the House, King had to gain some support from both the labour-Ginger Group contingent and the

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[1] Robin, Ibid., p. 272.

[2] Ibid.

[3] Blair H. Neatby, William Lyon Mackenzie King, Vol. 2, 1924-1932, The Lonely Heights, (Toronto: University of Toronto Press, 1963), p. 95.

Progressive Party. When it became apparent that King needed a cabinet minister from the province of Manitoba, he offered a cabinet position to J.S. Woodsworth.[1] Woodsworth, however, writes Robin, "did not follow his predecessors into the camp of the old parties. His idealism had been forged by a tough prairie gospel and Christian socialism, and his entry into the labour movement facilitated by the political protest of the war period. The Winnipeg general strike raised him to the House of Commons where he determined to remain free of old party entanglements."[2] Woodsworth, himself, once commented that "when the Meighen Government arrested me, it nominated me for Ottawa."[3]

In fact, Woodsworth, and his labour colleague A.A. Heaps, quickly capitalized on the situation in which King found himself. Despite the many earlier abortive attempts to gain pension commitments in the House, Woodsworth and Heaps wrote the following letter to both King and Meighen (leader of the opposition) at the beginning of

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[1] Both Woodsworth and Heaps were offered the position of Minister of Labour by King. K.W. McNaught, A Prophet in Politics, (Toronto: University of Toronto Press, 1959), p. 219.

[2] Robin, Ibid., p. 270.

[3] Grace MacInnis, J.S. Woodsworth: A Man to Remember (Toronto: MacMillan Company of Canada, 1953).

the 1926 session of parliament.

> As representatives of labour in the House of Commons may we ask whether it is your intention to introduce at this session legislation with regard to:
>
> a) Provision for the unemployed and
>
> b) Old Age Pensions.
>
> We are venturing to send a similar enquiry to the leader of the Opposition.[1]

No mention had been made of old age pensions in the Speech from the Throne. This oversight had led the Canadian Congress Journal to pessimistically comment that "taken all in all, the Speech from the Throne must be a very disappointing one to the wage earners of this Dominion. No mention of their problems can be found in it . . . had the number of labor members returned to Parliament been as great as that of the farmer group, reference to old age pensions . . . would have been found in the Speech from the Throne in place of promises of the Hudson Bay Railway, reduction of taxation, etc.."[2] Yet King promptly replied to Woodsworth that "it was the in-

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[1] House of Commons, Debates, 1926, pp. 560-561. Also letter in Mackenzie King's Papers, J1, Vol. 165, pp. 119473-76, Public Archives of Canada, Ottawa.

[2] Canadian Congress Journal, Vol. V, No 1 (Jan) 1926, "Canada's fifteenth Parliament Assembles", p. 11.

tention of the government to introduce at this session legislation with respect to Old Age Pensions."[1]

Meighen, on the other hand, replied that "the thing to do for the unemployed is to get them work" and that while he recognized that Old Age Pensions were of importance to Woodsworth, he, Meighen, felt that "there are subjects demanding attention in more pressing form at the present time."[2]

It was King's affirmative reply regarding old age pensions coupled with his subsequent tabling of a bill providing for pensions within a non-contributory, means-tested, scheme which provoked Meighen's cynical remark that the Old Age Pension Act was "the result of a compact made at the opening of the House to get the votes of labour members."[3] Senator Lynch-Staunton later expressed his appraisal of the situation. "The ultimatum from Mr. Heaps compelled [the Liberals] to bring in some legislation during the last Parliament so they framed up as unworkable a position as ingenuity could suggest to them."[4] However,

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[1] House of Commons, Debates, 1926, p. 561.

[2] Ibid.

[3] Ibid., p. 2474.

[4] Senate, Debates, 1927, p. 137.

despite their leaders objection and an attack on the bill which declared the bill to be "an unfair transfer of income which would discourage thrift", five Conservative members announced that they would support the bill. In the final analysis "no one was prepared to vote against the bill, and it passed all stages without division."[1] The bill was then referred to the predominantly Tory Senate. There it was attacked vigorously, primarily on the grounds that it "represented an unwarranted intrusion into the provincial field."[2] However, all the old familiar arguments that pensions would discourage thrift, family responsibility, penalize the industrious worker while rewarding the non-industrious, etc. were revived. The bill, consequently, was defeated on the second reading by a vote of twenty-one to forty-five. Forty-three of the forty-five votes against coming from Conservative senators.[3]

King, himself, was subsequently defeated on a motion of confidence and in a highly controversial move

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[1] Bryden, Ibid., p. 70.

[2] Ibid.

[3] Senate Journals, 1926, p. 282.

the Governor General, Lord Byng, summoned Meighen to form the government. Meighen, himself, was shortly thereafter defeated and a federal election called.

Mackenzie King promptly took the problem of old age pensions directly to the electorate as an election issue. Meighen, though, was somewhat reluctant to take a definitive stand on the subject. When Meighen was urged to take a strong position advocating old age pensions, the response given was, "it is an exceedingly delicate thing for one to suggest to our Leader what line of policy he should publicly announce . . . [however Meighen] could profitably promise compliance with the report of the Parliamentary Committee but . . . unless the issue is raised by others, and the declaration of policy demanded, I doubt the desirability of Mr. Meighen projecting the question of Old Age Pensions into this political campaign."[1] The recommendation of the committee mentioned was that no action should be taken concerning pensions until after a conference of Provincial Governments was convened to discuss the matter. Liberals argued that Meighen was adamantly opposed to pensions, and the Ottawa Citizen had condemned him editorially for having "outraged

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[1] Letter to W.K. Esling, Meighen's Papers, Public Archives of Canada, Ottawa, Vol. 87, 49772-49774.

the humanities by engineering the downfall of the old age pensions bill", in the Senate in 1926.

The election resulted in the return of Mackenzie King and his Liberals to the House of Commons armed with a comfortable majority and a public commitment to pensions. In the month of Februrary, 1927, King reintroduced the old age pension bill of 1926, literally unchanged. It was quickly passed in the House of Commons and returned to the Senate. This time the Senate, though opposed to pensions per se and King's bill in particular, found itself in an unenviable position. The public had just given King a solid mandate. King had argued in the House of Commons that this meant that the public had endorsed his pension plan. The Senate did not wish to be seen as opposing aid for the needy aged once again. In addition the Senators were acutely aware that if the bill were to be rejected by a Tory Senate once more the Liberals would gain the desired credit and the Conservatives the blame. Thus, with repeated reservations, the Senate passed the bill. State sponsored old pensions became an immediately encountered reality in Canada.

Quantitative studies cited in Bryden suggest that there is a positive correlation between the competiveness of the political system and the instigation of welfare

policies.[1] From these Bryden concludes that "it seems logical to assume that competitiveness will usually open up channels to lower income groups which would otherwise be closed to them."[2] Piven and Cloward have also suggested that the instability which arises within the sphere of electoral control plays an active part in the determination of welfare policies. They note that "during periods of electoral upset . . . political leaders proffer concessions to win allegiance of disaffected voting blocs." The need to reintegrate "disaffected groups . . . impels electoral leaders to expand relief programs."[3] The existence in Canada of a universal franschise and the necessity of holding regular elections in conjunction with a two, or more, party system provides the opportunity for the passage of welfare legislation. In as much as political structures arise from, and are shaped by, the basic economic structure this argument is not inconsistent with the structuralist position of state power and state action.

Marxist theory does not view the political and the economic spheres as completely autonomous. Rather they

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[1] Bryden, Ibid., p. 9-10.

[2] Bryden, Ibid., p. 10.

[3] Piven and Cloward, Ibid., p. 41.

"interpenetrate one another."[1] Historically the structures of the political sphere has arisen from the economic structures. The economic sphere sets "the conditions upon which the democratic political institutions themselves developed; . . . the logic of the economic system permeates and sets distinct limits to the political process."[2] However, the rise of a democratic political system incorporating both universal franschise and party competition also provides for both the development of separate, competing, political immediate interests and the opportunity to achieve them. Thus King and the Liberal Party found themselves with the need to seek support to maintain the confidence of the House of Commons and later re-election. Party competition indicated the need for the Liberals to adopt a more progressive, conciliatory platform in contrast to the Conservative big-business alliances. The political crises which arose within the electoral sphere provided King with the necessity to use welfare legislation to accomplish his election.

Had King won the election of 1925 with a solid

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[1] Reginald Whitaker, "Scientific Management Theory as Political Ideology", Paper prepared for presentation to the ECPR-CPSA Joint Workshop on "Authority in Industrial Societies", Brussels, April 17-21, 1979, p. 1.

majority it is highly improbable that a pension act would have been enacted in 1927. King's need to gain support from outside of his own party ranks severely limited his alternative actions. It was to labour that King primarily looked for this support. The bargaining unit was a form of welfare legislation. It must be noted that King did not offer labour everything that it had demanded. He totally ignored their request for unemployment relief. Rather he acceded to the least of their demands - pensions. Unemployment insurance, as later demonstrated[1], were a highly contentious issue. Any attempt to implement such a program was bound to be met with vigorous objections on the part of capital and its agents. Pensions, on the other hand, were not as intrusive from the capitalist perspective as other forms of welfare demands. While there was some evidence that outside of the government a contributory plan was more often advocated, there is no direct evidence of any concrete measures on the part of capital to forestall pension legislation. Thus, Bryden reports that the Canadian Manufacturers' Association was an "early and consistent advocate of the contributory

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[1] Carl Cuneo, "State, Class and Reserve Labour: The Case of the 1941 Canadian Unemployment Insurance Act", Canadian Review of Sociology and Anthropology, 16:2 (1979).

principle", but "it manifested only an academic interest . . . in the 1926 and 1927 bills".[1]

As for labour, its persistent advocates for pensions found themselves efficiently stifled for the moment even though the pension plan they finally received was not that for which they had agitated.

King, for his part, used pensions as a means whereby he could attain his own private, and his political party's, interests. In so doing he utilized instrumental means to determine the precise timing of the enactment of old age pensions in Canada. The point need not be laboured. However, it should be noted that individuals act as agents and not structures. Structures may shape the conditions under which individuals act and in this sense the state assumes the form of an 'it'. But in the last moment it is the personnel of the state who make the decisions when and how to act and in that the sense the state assumes the form of 'they'. While in theory it may be more efficient to separate the 'it' from the 'they', empirical research indicates the necessity to synthesize the two. For in real life the interaction of the two is observable and empirical research must make note of both aspects.

V

THE FUNCTIONS OF OLD AGE PENSIONS

At the level of immediately encountered appearances old age pensions are seen to provide relief for those in need as well as a degree of downward redistribution of income within a social formation based on inequality. It is of some importance to note that pensions in fact do provide minimal relief to a limited number of persons. Otherwise the appearance of relief functions could not be sustained.

However, Bryden asserts in his analysis that "income redistribution in favour of the aged through the instrumentality of public policy became a fact between 1927 and 1935."[1] This, Bryden argues, signified the adaptation of the market ethos to "the changing environmental requirement."[2] Yet it has been demonstrated, by Bryden himself, that old age pensions were not successful instruments for the downward redistribution of income. Within Canada, Bryden states farther on in his book, it became apparent that those "in the lower middle income

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[1] Kenneth Bryden, Ibid., p. 190

[2] Ibid.

range and below have been required to assume a disproportionate share of the burden in income maintenance for those who have been reduced by age to the bottom of the income scale."[1] In other words, the provision of old age pensions simply meant that a limited few who were the most deprived gained minimum benefits at the expense of the less deprived sectors of the working-class. Real downward income redistribution was not in fact achieved. In addition relief was far from adequate. Pensions have failed to eliminate the need on the part of the dependent aged. Rather this need has remained an ongoing problem in Canada.[2] It remains a problem which becomes more acute with each passing year. If, then, pensions fail to function as mechanisms for the allievation of need and mechanisms for the downward redistribution of income, what is their real function? Marxist theory suggest a different interpretation of the real functions of pensions within a capitalist social formation.

Reserve labour

In Marx's labour theory of value, the drive for

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[1] Bryden, Ibid., p. 210.

[2] See the Report of the Royal Commission on the Status of Women in Canada, (Ottawa: Information Canada, 1970), pp. 325-328, for the current poverty experienced by many elderly women.

the maximization of surplus value, of necessity, dictates minimization of labour costs. The most economical form of labour force within those social formations dominated by the capitalist mode of production is a formally free labour force. For the advancement of capital it is desirable to have a labour force that is free to sell its labour-power to whomever it desires, or at least free within defined limitations. Economic systems involving the use of slave labour, or serfs, require the upkeep of such labourers regardless of whether the labour-power is needed or not at a particular moment in time.[1] In addition within the feudal labour system, the possession of the means of production remained in the hands of the workers. This prevented the exercise of the full control of the labour force from being in the hands of the owner of the means of production. The owners were unable to necessarily dictate how production would proceed. Yet for the rapid advancement of capital and the process of accumulation it is necessary that the capitalist assume such control. Thus those social formations dominated by the capitalist mode of production have historically wit-

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[1] See H.C. Pentland, "The Development of a Capitalist Labour Market in Canada", Canadian Journal of Economics and Political Science, 25:4 (nov.) 1959.

nessed the decline and partial destruction of traditional forms of labour. These traditional forms then become replaced by a formally 'free', 'non-possessing', labour force.

Such a 'free' labour force gives the capitalist the advantage of having to hire only that labour-power which he needs at a given moment in time. In addition it transfers the possession of the means of production from the worker to the capitalist providing the capitalist with greater control over labour.[1] When an individual capitalist no longer requires a particular amount, or kind of labour-power, the labourer is released. He is then free to sell his labour-power to yet another capitalist. The competitive nature of labour implied in a free labour force provides under favourable conditions a natural upper limit to wages. Because all labourers are free to negotiate wage demands with any capitalist, a particular labourer must compete with all other labourers for his exchange wages. As long as the labour market is functioning efficiently, and there is more than adequate labour from which to draw, wages will remain at the minimum level of subsistence. As long as the capitalist is able to find

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[1] See Harry Braverman, Labour and Monopoly Capital for a description of how the capitalist gains control over the labour force.

labour willing to work for this minimum wage, he obviously will not utilize labour in any other form, machinery included, which costs more. As long as a sufficient number of excess labourers remain on the reserve rolls willing to work for any wage offered, those labourers within the active work force have no other choice but to work for a similar low wage, or face unemployment.

In like manner, if the reserve labour force were to become insufficient in number to cover capital's needs, then wages of necessity would tend to rise and surplus-value fall. Accordingly Marx states that not only is "a surplus labouring population . . . a necessary product of accumulation or of the development of wealth on a capitalist basis . . . it is a condition of existence of the capitalist mode of production."[1] The rise of such a surplus population creates for the "changing needs of the self-expansion of capital, a 'mass of human material always ready for exploitation."[2] It provides a "reserve industrial army" which "during the periods of stagnation and average prosperity, weighs down the active labour-

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[1] Karl Marx, Capital, Vol. I, Ibid., p. 632.

[2] Ibid.

army; during the periods of over-production and paroxyms, it holds its pretensions in check."[1] In conclusion, Marx adds, "taking them as a whole, the general movements of wages are exclusively regulated by the expansion and contraction of the industrial reserve army."[2] However, despite all the advantages such an army provides for the capitalist economic system, it also provides a significant problem both at the economic level and at the political level. Since the reserve labour army is comprised of both those permenantly outside of the active work-force, such as the aged, the unemployable, etc., as well as those only temporarily removed from the active work force, its existence consitutes a problem in control.

General functions of welfare legislation

Carl Cuneo has suggested that within modern capitalist society two forms of worker control have emerged, economic control and ideological control.[3] Economic control is exercised through the worker's need for a means of physical existence. The worker must enter into a wage relationship with the capitalist if he

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[1] Karl Marx, Capital, Vol. I, Ibid., p. 639.

[2] Ibid., p. 637.

[3] Carl Cuneo, "Reserve Labour in Advanced Capitalism".

is to gain access to the means of production and thereby access to the means of subsistence. Ideological control is exerted through the legitimization and hegemony of the capitalist ideology. This ideology commits the worker into the dependent wage relationship in such a manner that it tends to preclude the possibility of alternative ideologies developing within the working-class.

However these forms of control do not necessarily apply to the same degree to those who no longer form an integral part of the active work-force. Reserve labour becomes released, to varying degrees, from both economic and ideological controls. This release constitutes a loss of control on the part of capital over the inactive part of labour. In addition where the "physical means of subsistence is far below the average standards of society"[1] the possibility of opposing ideologies developing becomes more real. Those who are in a position of acute deprivation, then, pose an added threat to the maintenance of the capitalist economic system and the hegemony of the capitalist ideology.

This threat involves ultimately the possible unification and radicalization of the working-class. The capitalist state, as the guardian of the capitalist

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[1] Carl Cuneo, "Reserve Labour in Advanced Capitalism".

system, has as one of its functions the further fragmentation of the working-class when unity appears to be probable. Under these circumstances control is re-exerted at the political level to replace or reinforce the lost or attentuated control at the economic level.

Piven and Cloward also have suggested that the existence of a group of dependent, unemployed workers strains the market ideology unless public reaction is directed in negative directions. They postulate that welfare legislation arises out of civil unrest but once that civil unrest has subsided the programs initiated remain "reduced to be sure, but the shell of the system usually remains obstensibly to provide aid to the aged, the insane, the disabled and such other unfortunates as may be without economic utility. However the manner in which these 'impotents' have always been treated, in the United States, and elsewhere, suggests a purpose quite different from remediation of their destitution. For these residual persons have been universally degraded for lacking economic value."[1] Thus they conclude that welfare legislation and its administration serves the

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[1] Piven and Cloward, Ibid., p. 33.

function of giving credence to the market ideology as well as "nurturing and reinforcing that ideology."[1] Since the "market values and market incentives are weakest at the bottom of the social order", a relief system is created which effectively can "buttress weak market controls and ensure the availability of marginal labour." In this manner welfare measures actually create "an outcast class - the dependent poor . . . whose members are of no productive use. [This class] is not treated with indifference, but with contempt. Its degradation at the hands of relief officials serves to celebrate the virtue of all work."[2] In general, then, welfare legislation viewed within the above two perspectives fulfills the functions of the replacement of attenuated or lost control on the part of capital over labour when the direct wage relationship becomes inoperative and providing an additional means whereby the capitalist ideology may be reaffirmed and reinforced among those susceptible to opposing ideologies.

Within this context the existence of a stratum of unemployed, indigent, aged in Canada constitutes a problem in control and a potential threat to the leg-

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[1] Piven and Cloward, Ibid., p. 149.

[2] Ibid., p. 165.

itimization of the capitalist ideology. Their visible conditions, not only 'celebrate the virtue of work', they also reveal the inherent contradictions within a system which fails to supply the opportunity for workers to provide for their old age. This threat emanating from the existence of a stratum of indigent aged must be seen as dual in nature. Firt, there emerges, no matter hcw remote, the possibility of the radicalization of the dependent aged themselves and through them the working-class as a whole. Second, and of more potential importance, there emerges a sympathetic effect throughout the entire working-class, but in particular among those suffering various degrees of deprivation and reaching middle-age. Poverty among the aged in Canada, then, becomes a haunting spectre looming over the future of all but a privileged few. Not just the indolent, the profligate, and the intemperate, are seen to be living their final years in the most demeaning of circumstances, but 'old pioneers', and 'soldiers of industry' become consigned to the heap. When it becomes apparent to <u>all workers</u> that <u>any worker</u> might find himself in the position of the dependent aged, the issue become of concern to the entire working-force and not of concern to just those already past the average age of labour. At this point the issue has the potential of rising above the level of immediate class interest to

fundamental class interest.

When the reality of age within capitalist social formations is perceived, the development of class objectives becomes possible. When the working-class perceives the conditions of the aged in terms of the structures of capitalist society, and not in the terms of the nature of certain individuals, the working-class then becomes aware that the solution lies, not in state action, but in radical social change.

In order to prevent such an awareness from developing, the state intercedes. Welfare legislation is just one of the mechanisms devised by the state to regain control over particular segments of the working-class and to reinforce the hegemony of the capitalist ideology. In Canada the first of such welfare mechanisms federally initiated was the Old Age Pension Act of 1927.

Old Age Pension Act of 1927: its regulations and functions

The Canadian old age pension act was brief and to the point. It adopted the general form of enabling legislation. The individual provinces were not obliged to adopt the act as provincial legislation. Rather they could enter into the plan at their own convenience. All agreements made with the provinces continued "in force so long as the provincial statute remained in operation or

until after the expiration of ten years from the date upon which notice of an intention to terminate the agreement is given" to the province.[1] The Governor in Council had to approve the original provincial scheme as well as any subsequent changes. In all it took eight years before all the provinces in Canada, Newfoundland excluded, became active participants in the scheme.

The regulations themselves fell into three general categories, those dealing with eligibility and residency, those dealing with the payments of benefits, and those dealing with the recovery of payments under certain circumstances. In order to be eligible for penisons in Canada, an applicant had to be a British subject, or if a widow of a non-British subject, a British subject before marriage; seventy years of age; a resident of Canada for the twenty years immediately preceding the date of application; a resident of the province in which the application was made for the five years immediately preceding the date of application; not an Indian as defined by the Indian Act; not in receipt of an income of $365 or more a year; and must not have made any voluntary consignment or transfer of property for the purpose of qualifying for

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[1] Old Age Pension Act, 1927, c. 35, s3, s4, s5.

a pension.[1]

The maximum amount one pensioner could receive was $240 a year, or $20 a month. This was subject to reduction by any amount of income in excess of $125 a year. Income from personal property was taken to be equal to 5 per cent of the cash value of that property. If an individual had acquired property - personal or real- of $2,500, his annual income would be computed at 5 per cent of the $2,500, or $125 a year, making him/her eligible for the maximum pension of $240. But if the property was valued a $5,000, then the annual income would be computed at $250 a year allowing a pension payment of $115 a year.

If the pensioner was the owner of, or had an interest in, a dwelling in which he was residing, he could transfer these rights to the pension authority and thereby not suffer the expected reduction in pension payments. However, on the death of the pensioner or "upon his ceasing to use such a dwelling house as his place of residence", the pension authority was entitled to sell the pensioner's interest and "retain out of the proceeds . . . the amount of all payments made to the pensioner by way of pension

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[1] Old Age Pension Act, 1927, c. 35, s8.

in excess of the amount he would have received" if the interest had not been transferred "together with an interest on the said payments at the rate of five per cent per annum, compounded annually.[1] In addition the pension authority was "entitled to recover out of the estate of any deceased pensioners, as a debt due by the pensioner to such authority, the sum of the pension payments made to such a pensioner from time to time, together with interest at the rate of five per cent per annum compounded annually" except when the estate of the pensioner "passed by will or on an intestacy to any other pensioner or to any person who has, since the grant of such pension or for the last three years during which such pension has continued to be paid, regularly contributed to the support of the pensioner by the payment of money or otherwise to an extent which, having regard to the means of the person so having contributed, is considered by the pension authority to be reasonable."[2]

This latter was not a regulation to be taken lightly according to the federal authorities. However some provincial authorities appeared to be somewhat re-

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[1] Old Age Pension Act, 1927, c. 35, s9

[2] Ibid.

reluctant to proceed with such action. In 1947, W.S. Edward, the Deputy Minister of Justice, wrote in response to an inquiry from J.D. O'Neill, the Department Solicitor for the Department of Labour, that the recovery of estates section of the pensions act "imposed a duty upon the pension authority to proceed to collect from the estate of a deceased pensioner, as a debt due by the pensioner to such authority, the sum of the pensions payments made to such pensioner from time to time." The regulation was to be viewed as "a statuatory direction to the pension authority.[1] It was further added, though, that the government would prefer that this section be tested in court under favourable conditions involving clear cases of large amounts of money and therefore some discretion was to be used in the application of the regulation.

One of the major characteristics of the Old Age Pension Act was its inequity. The fact that the legislation was not wholly under the direction of the federal government and that provinces entered into the scheme at different times meant that pensioners in some

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[1] Department of Health and Welfare, Public Documents, Public Archives of Canada, RG 29, Vol. 127, File 208-1-15.

provinces received different benefits. When Prince Edward Island entered into its agreement with the federal government, it was able to negotiate a lower maximum pension payable than that stipulated by other provinces.

In addition those provinces adopting the federal legislation were given a free hand in their administration of the regulations. The federal government reimbursed the provinces fifty per cent of the amount of pensions paid out by the provinces leaving the provinces responsible for the remaining fifty per cent. In some provinces this remainder was shared by the municipalities. In Ontario, twenty per cent of the provincial costs were collected from those municipalities in which the pensioners resided. In Alberta, only ten per cent was collected in this manner.[1] Thus the burden of provincial costs fell upon different groups in different provinces. Furthermore, in the early years accounting was careless and records often incomplete. Even as late as 1940, it was noted by the federal government that "no province furnishes information which would enable us to decide whether the estate consisted of real or personal property."[2] Through-

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[1] Statues of Ontario, 1929, Chapter 73; Statutes of Alberta, 1929, Chapter 24.

[2] Department of Labour, Memo, (Public Archives of Canada), Vol. 125, File 208-1-15.

out the act's lifetime pressures were constantly being exerted upon the provinces to tighten up their administrative procedures. Essentially though each province could administer its pension scheme according to its own needs or desires with little federal interference. This meant that eligibility varied according to the degree to which the individual province enforced the 'letter' of the law over the 'spirit' of the law. Where an individual might qualify as a pensioner in one province it did not necessarily follow that he/she would qualify in another.

In theory only the Governor in Council "on the recommendation of the Minister of Labour and with approval of the Treasury Board" could define the regulations defining application time, payment periods, residence, and income. In practice it was the provincial authority which set the limits through their application of the regulations. There was no federal authority to whom individual pensioners could appeal. Decisions of the provincial authorities were not reviewed by any authority other than the provincial authority itself. This meant there were few real limits to the province's discretionary powers. If a province decided that the maximum amount for two pensioners married to each other, normally $40 per month, was too much and $30 per month more 'reasonable', the provincial authority would not be hampered in its

decision to effect this reduction.

The residency regulations complicated the receipt of both pensions themselves and the maximum allowable. If a pensioner, during part of the twenty years immediately preceding the date of the commencement of pension application, resided in a province in which he/she would not have become pensionable, the amount of the pension which would otherwise be payable to the pensioner would be reduced by the same proportion as the duration of the pensioner's residency in such another province bore to twenty years. If a pensioner applying for a pension in 1930 had lived five years in Ontario immediately before application but had previously lived fifteen years in Nova Scotia, he would be entitled only to one fourth of the normal pension for Ontario. If a pensioner moved in 1929 from Manitoba to Alberta, he would find himself ineligible for any pension at all.[1] Or if the pensioner moved outside of Canada altogether he would receive no pension payments at all. Both the older worker and the pensioner had to think twice before moving from province to province or face the reduction

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[1] See letters in Department of Health and Welfare file, Public Archives of Canada, for two cases involving this precise problem. (RG 29, Vol., 125, File 208-1-1.)

in, or potential loss of, pension payments.

The recovery of estates regulation added a dimension of 'debt due' to pensions. It removed any possible concept that pensions were a right earned or otherwise. Thus what was declared an act for the relief of the needy aged in Canada turned out to be "a loan to the aged who had only little property to be recovered by the Government on the death of the pensioner at usurious interest compounded annually . . . and a mere subsistence to those who were absolutely indigent."[1] Age, residency, and income requirements effectively kept the number of aged eligible for benefits within a prescribed limit. The recovery of estates regulation deterred even those otherwise fully eligible. Those loath to give up to the state their one symbol of status and security, the ownership of property, often preferred to suffer the hardship of absolute poverty than the blow to their pride and dignity.

The amount of pension benefits received kept those eligible in a state of abject poverty and degradation. The amount payable was based on political consid-

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[1] Senate Debates, 1927, p. 153.

erations rather than the economic need of the elderly. Labour's demands for a federally administered plan starting at age 65 and paying $30 a month was rejected by the government. In fact, labour's demands were regarded as "grave, excessivement grave"despite some evidence that this amount represented the minimum required to provide a living for an elderly person. The original sum of $20 a month recommended by the select committee of 1924 was considered more acceptable to both the Liberals and to parliament. Yet no research had ever been conducted by the government or any of its various committees into the amount of income actually necessary in Canada to provide an adequate living for an elderly person. Senator Dandurand, leader of the Liberals in the Senate, argued that the $20 a month pension would probably be acceptable to parliament since it did not involve an exorbitant cost if the provinces could be persuaded to pay fifty per cent of it. Thus he wrote that "Finlayson believes that a pension of $10 a month payable at 70 years of age would cost $10,000,000 . . . My advice is let the provinces pay $10,000,000."[1] Government concerns, then dictated

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[1] Letter from Dandurand to Hon. J.A. Robb, Minister of Finance, Nov. 1926, Department of Health and Welfare, Ibid..

the amount payable. However, during this period the average earnings of supervisory and office employees was $1,890 for 1926 and $1,930 for 1927. For production workers the average was $999 in 1926 and $994 in 1927.[2] Pensioners therefore received less than one third of the average production worker's income and less than one sixth of the average office worker's income, leaving pensioners essentially at the bottom of the income scale. Furthermore, the elderly were required to become absolutely destitute before becoming eligible to receive benefits. Pauperization was forced upon those among the aged who had retained a small parcel of land or personal property if pensions were to be received. The dependent elderly served as a symbol to reinforce the ethic of work and its just rewards.

Pensions served to bind pensioners to the state in a manner not unlike the wage-earners' ties to the capitalist. The pensioners subsistence became dependent upon the 'charity' of the state. Possible radicalization of this group then becomes neutralized. However the

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[1] M.C. Urquhart and K.A. Buckley, eds., Historical Statistics of Canada, (Toronto: MacMillan Company, 1968), p. 99.

effects of pensions can be seen to spread beyond the meagre number of recipients of their benefits. Just as the older worker anticipating a private pension serves as a 'missionary' to the other workers, neutralizing possible radical effects, so too the existence of pensions within the public sphere reinforces this trend. The state now can adopt the posture of concern for the working-classes. In as much as this posture is accepted for reality, anti-state activity becomes eliminated. Those receiving the pensions, those anticipating its receipt, and even those aware of its existence tend to view the state in benevolent terms. The pension cheque as the immediately encountered reality takes precedence over all other perspectives. In fact, other anti-state demystifications are looked upon not only with incredulity but with fear and antagonism.

Furthermore pensions in Canada served to reinforce the divisions already in existence among working-class citizens. Residency regulations which discriminated against immigrants, in particular the non-British immigrant, simply made the ethnic splits among the working-force seem more 'natural'. The discrimination against the non-British wife mirrored the sexual divisions manifest in the working-force. While, "in the case of a man no

limit is set to the period during which the status of a British subject has been held . . . a widow must have been a British subject before her marriage." Thus, states J.L. Cohen, "she may have enjoyed wedded life for one month, on the decease of her husband have become naturalized in her own right, and lived as a naturalized citizen for fifty years and still be ineligible."[1]

Thus pensions played upon the prejudices already found among labour, adding a sense of consistency and continuity to the established working-class divisions. It becomes somehow logical that immigrants, and women, should not receive those small rewards that the British subject, the naturalized citizen and the native-born citizen 'deserves'. In this manner pensions also serve to reinforce those distinctions of income, nationality, and sex which have already been established by the capitalist economic system. Through this reinforcement, pensions serve as a deterrent to the possible unity of the working-class and its development of class-consciousness. Pensions become one more force acting for the neutralization of any working-class potential for revolutionary

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[1] J.L. Cohen, "Old Age Pensions In Canada, An Analysis and Comparison", Canadian Congress Journal, December, 1926, p. 19.

action. In the process pensions reassert the capitalist ideology and reinforce its legitimacy among the working-classes.

Conclusion

Pensions in Canada adopted the appearance of mechanisms for the relief of economic need and the redistribution of income. This appearance promoted the Canadian state as a state acting in the interest of the working-class. Appearances then imply not only the neutrality of the state vis-a-vis the classes within the social formation, but its essentially benevolent character. Social reality indicates that the state in enacting pension legislation utilizes such legislation in the interest of the capitalist class. First, pensions serve to reassert control over a segment of the working-class which has become released from economic forms of control. Second, pensions serve to reinforce the capitalist ideology and its hegemony within the working-class. See what happens to those who do not live wisely and prudently. Finally, pensions serve to reinforce the divisions already inherent within a capitalist labour force. They provide yet another force directed against the unification of the working-class and its achievement of revolutionary potential.

Pensions helped to prevent an awareness of the

real nature of age in capitalist social formations and an awareness of the functions of welfare legislation itself. What remained unperceived by the working-class was the disjuncture between the problem of the dependent elderly and the profferred solution - pensions. The problem arose from the economic structures of capitalist production. The solution, rather than altering those structures, served to reinforce them. Pensions, then, did not attempt to solve the problem for which they appeared to be designed, but another problem - that of the control of the working-class. Pensions serve to reinforce the very structures which produced the problem in the first place. Because of this the problem remains unsolved.

VI

CONCLUSIONS

Old age pensions in Canada are only fully explicable through an analysis of the social reality behind their introduction. At the level of appearances pensions are frequently seen as a response to the need of the aged. Certainly many recipients view them in these terms. In addition, it has been suggested that they are a mechanism through which a downward redistribution of wealth may be accomplished. The fact that such a redistribution is not a social reality seems almost irrelevant to the appearance of things. The aged themselves see only the fact that they receive a monthly cheque, such as it is. The propaganda which accompanies it is absorbed and the state legitimized as a source of relief and comfort. So widespread does this view become among the general public that any opposing view is looked upon with askance and fear. The potential loss of even this small remuneration for the aged keeps fundamental class interests subservient to immediate class interests. The state becomes legitimized as acting in the interest of the public, whether that public be working-class or capitalist class. The wide acceptance of the primacy of immediate interests over fundamental class interests

sustains the capitalist state and the capitalist system. The social reality of class struggle remains essentially unrevealed.

Again at the level of appearances, the consideration of pensions takes the form of the establishment of need and demand coupled with the priorities of state finances. Financial concerns are couched in terms which refer to the state's need to allocate its financial resources to the benefit of all. Economic expansion becomes accepted as in the interest of all. Indeed, it gains a primacy of consideration. The relief of the economic burden of individuals, or groups of individuals, who become dislocated in the economic and social structures of capitalist social formations becomes secondary. This becomes acceptable through the tendency of capitalist ideology to posit the cause of 'failure' within the economic structures or social structures upon the individual nature of the citizen, rather than upon the structures of the formation.

At the level of social reality, pensions become an entirely different matter. First, the problem faced by the aged can be seen to arise from within the economic structures of the capitalist mode of production. As this mode of production gains dominance within a social formation, it tends to destroy the economic conditions under

which the aged are able to gain a livelihood for themselves when they are both comparatively young and when they are past the normal age for labour, and the traditional means of support - family and community structures, available to the aged after they can no longer adequately support themselves.

Second, the solution of the problem is articulated in terms which are determined by these economic structures. A full recognition of the source of the problem would dictate a specific solution. Social reality would suggest the destruction and reformation of the economic structures. The solution which becomes profferred, state pensions, then, is not the solution to the real problem. Rather pensions are the solution to an immediate need which has arisen from, and continues to arise from, the capitalist mode of production. Pensions serve to reinforce this mode of production rather than to alter it. They impose a bond between the pensioner and the state which replaces the bond between worker and capitalist which is severed when the aged become expelled from the active work-force. Furthermore, pensions reinforce the fragmented nature of the capitalist work-force along sexual, national, income, and age lines. This serves to deter the development of class awareness and the possibility of class action.

Third, at the level of social reality pensions become a mechanism whereby the ethic of work becomes reinforced. The pauperization of the aged through both the niggardliness of the benefits received and the potential estate recovery clauses stands as a symbol of the results of imprudent living or lack of supposed industriousness. It reiterates the moral message found within the Aesop fable of the carefree grasshopper and the industrious ant. Those who work hard will live to enjoy their declining years in comfort and joy. Those who fail to work hard, beware. What becomes hidden though, is the fact that among the needy age are both the industrious and the dissolute, the prudent and the profligate. As long as this reality remains 'hidden' the nature of both the problem and the solution remains equally undetected, and the durability of capitalism insured.

Fourth, social reality reveals the real nature of the dialogue between organized labour and the state. At the level of appearances, the agitation for, and even the definition of, the solution to the problem of the needy aged assumes the form of negotiation between labour, the representative of the working-class, and the state. The state adopts the form of a neutral participant. The profferred solution appears as an act of conciliation,

or concession to the working-class interests. Social reality suggests a different scenario. First of all, the validity of accepting organized labour as acting always in the interest of the working-class must be re-examined. The linkages between the conservative wing of organized labour and the established political parties suggest that the Trades and Labour Congress, as one voice of this conservative wing, does not necessarily restrict itself to fundamental working-class interests or even immediate working-class interests. Rather it expresses those immediate class interests which are more readily attainable within the political arena. These, as we have seen, may simply provide the durability needed to the capitalist system and the mechanisms through which the state can cope with the problems emerging from the economic sphere. Thus, organized labour becomes involved in the promotion of the interests of the state and through this the interests of the capitalist system. Organized labour, then, does not always entertain 'pure' class motives in its sponsorship of working-class interests. Labour leaders tend to consider their own personal positions and interests, the interests of the established parties, as well as those of the workers. Dialogue between the state and organized labour, then, becomes less a confrontation over fundamental class interests and

more a negotiation of immediate interests.

In addition the examination of the tensions and divisions within labour itself and the state response to these suggests that the state is affected more by the threatened radicalization of labour than with deputations and representations per se. In the process of the dialogue between the state and organized labour, the radical wing of labour becomes isolated. As organized labour seeks to deliver the goods and subsequently develops a success psychology, radical labour becomes stigmatized as extremist. The exclusion of radical labour from the ranks of the official spokesmen of organized labour insures that immediate interests remain dominant over fundamental class interest. In part, the response of the state to old age pension agitation was a response to the threatened replacement of this primacy of immediate interests.

Finally, the establishment of old age pensions in Canada reveals the complex manner in which welfare legislation may be introduced. It demonstrates the need to analyze the development of each form of welfare measure by itself. Old age pensions in Canada, as they were defined in the Old Age Pension Act of 1927, indicate that it is not necessary that the capitalist class oppose all forms of welfare legislation. The apparent lack of

opposition on the part of capital and factions within capital suggest that pensions in Canada in 1927 failed to intrude into capitalist interests. As such capital neither supported them nor opposed them.

Further research is necessary to determine whether the above theoretical perspective remains valid in the study of pension administration and subsequent demands for pension changes. The change from a means-tested pension plan of 1927 through the social security act of 1951 and the introduction of a two-tiered plan in 1965 must be examined through the same exploration of the social reality behind the appearances before a complete evaluation of pensions in Canada is available. However, the examination of the introduction of the 1927 Act provides the basis for this research.

APPENDIX

Data sources

Data for the thesis was collected from both primary and secondary sources. One of the most utilized secondary sources was Kenneth Bryden's book, Old Age Pensions and Policy-Making in Canada. For data on the social conditions at the turn of the twentieth century, John MacDougall proved invaluable with his first hand accounts of the depletion of the Ontario farming communities. Other data was garnered from Canadian Census publications, demographic tables and Urquhart and Buckley's Historical Statistics of Canada. Political data was taken from the House of Commons Debates for the pertinant years, the House of Commons Journals, the Senate Debates, the Senate Journals; labour data from the Labour Gazette. The most interesting data though, was that found in the Archives of Canada. Among the sources utilized here were the Mackenzie King Papers, the Meighen Papers, the Borden Papers, and the files of the Department of Health and Welfare and the Department of Labour found in the Public Documents section of the Public Archives of Canada. Finally, available to the author were the helpful papers authored by Carl Cuneo some of which are yet to be published.

Missing from the expected data was any evidence

that business in general, and the insurance business in particular, presented written objections to the cabinet, the government, or to the senate during the period in which pensions were publicly discussed within parliament. Absent as well from the archives were any papers from the Department of Insurance indicating solicitation on the part of the department toward business in order to gain its position on the matter of pensions. The general position of business and capital can only be presumed. A report made by G. D. Finlayson, of the Department of Insurance, firmly suggests that contributory pensions were preferrable over non-contributory ones. He suggested that "if the Dominion Government decides to give assistance to any scheme of the nature of old age pensions it would appear that it can be best done by giving encouragement to voluntary contributions by workers, and to assistance in that direction by employers, by undertaking to bear a percentage of the cost of such annuities taken out by or on behalf of workers for this purpose."[1] In its reply to the Special Select Committee of 1924, the city of Westmount, Quebec, presented its preferred pension plan.

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[1] G.D. Finlayson, Memorandum, Old Age Pensions, Mackenzie King Papers, Public Archives of Canada, Ottawa, C 33119-C33123.

Westmount's plan was also a contributory one, but only on the part of the beneficiary and the state. Participation by the beneficiary would stimulate his interest in the scheme argued Westmount, one of the richest cities, then and now, in Canada. The state would provide 50 per cent of the amount required for a minimum pension and the participant the balance with an option of increasing his contribution. Furthermore, the plan suggested that all employers be required to make deductions from the wages of the employee.[1] This would not be a position shared by labour. However, in the absence of any further data it is assumed that capital was not too disturbed by the inception of pensions under the 1927 Act, though capitalist logic would suggest a contributory plan would remove "any danger that a gratuitous provision for old age on the part of the Government might weaken the individual effort on the part of citizens towards providing for their old age".[2]

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[1] House of Commons, Journals, 1924, Appendix, No. 4, pp. 94-95.

[2] G.D. Finlayson, Memorandum, Ibid., C 33122.

Table 1

URBAN POPULATION AS PERCENTAGE OF TOTAL POPULATION, CANADA, AND PROVINCES, CENSUS YEARS, 1871-1931

	1871	1881	1891	1901	1911	1921	1931
CANADA	18.3	23.2	29.8	34.9	41.8	47.4	52.5
Prince Edward Island	9.4	10.5	13.1	14.5	16.0	18.8	19.5
Nova Scotia	8.3	14.7	19.4	27.7	36.7	44.8	46.6
New Brunswick	17.6	17.6	19.9	23.1	26.7	35.2	35.4
Quebec	19.9	23.8	28.6	36.1	44.5	51.8	59.5
Ontario	20.6	27.1	35.0	40.3	49.5	58.8	63.1
Manitoba		14.9	23.3	24.9	39.3	41.5	45.2
Saskatchewan				6.1	16.1	16.8	20.3
Alberta				16.2	29.4	30.7	31.8
British Columbia	9.0	18.3	42.6	46.4	50.9	50.9	62.3

Source: Leroy O. Stone, Urban development in Canada: An Introduction to the Demographic Aspects, 1961 Monograph (Ottawa: Queen's Printer, 1967), Table 2.2, p. 29, cited in Kenneth Bryden, Old Age Pensions and Policy-Making in Canada, Montreal and London: McGill-Queen's University Press, 1974, Table 1, p. 26.

Table 2

COMPARATIVE RATES OF GROWTH OF RURAL AND URBAN AREAS, BY PROVINCES 1891-1901

	Rural Gain %	Urban Gain %
Manitoba	65.0	71.0
British Columbia	37.0	142.0
Quebec	0.39	31.0
Prince Edward Island	-5.8	4.7
New Brunswick	-6.7	36.7
Nova Scotia	-11.0	40.0
Ontario	-3.73	12.49

Source: John MacDougall, Rural Life in Canada, (Toronto and Buffalo: University of Toronto Press, 1973), p. 30.

Table 3

TOTAL DECADE IMMIGRATION AS A PERCENTAGE OF THE AVERAGE POPULATION, CANADA, 1851-1861 TO 1951-1961

Intercensal Decade	Decade Immigration as a Percentage of Average Population	Average Population*
1851-1861	12.3	2,832,965
1861-1871	7.5	3,459,445
1871-1881	8.5	4,007,034
1881-1891	14.9	4,579,024
1891-1901	4.9	5,102,277
1901-1911	24.6	6,288,979
1911-1921	17.5	7,997,296
1921-1931	12.5	9,582,367
1931-1941	1.4	10,941,720
1941-1951	4.4	12,577,334**
1951-1961	9.6	16,123,838***

Source: Data based on estimates of immigration presented in P. Camu, E.P. Weeks, and Z.W. Sametz, Economic Geography of Canada, cited in Warren E. Kalbach and Wayne W. McVey, The Demographic Bases of Canadian Society, Toronto: McGraw-Hill Limited, 1971, Table 2:2, p. 35.

* Arithmetic mean of the two successive census populations.

** Excludes Newfoundlans in 1951.

*** Includes Newfoundland in 1951 and 1961.

Table 4

FARM POPULATION, FARM HOLDINGS AND TENURE, ONTARIO, 1901-1931

Year	Number of farms occupied	Owner	Tenant	Owner & Tenant
1901	201,054	162,780	29,298	11,976
1911	212,108	174,101	29,102	8,904
1921	198,053	167,188	20,199	9,128
1931	192,174	156,678	21,514	13,233

Source: M.C. Urquhart and K.A.H. Buckley, Historical Statistics of Canada, Toronto; The MacMillan Company of Canada Ltd., 1965, Series L 1-16, p. 351.

Table 5

COMPOSITION OF LABOUR FORCE IN TORONTO

Year	Child Labour: Total No. of Children Employed	Child Labour: Total % of Work Force	Female Labour: Total No. of Women Employed	Female Labour: Total % of Work Force	Children & Women as % of Total Work Force
1871	917	11	2164	22	33
1881	1385	11	3048	24	35
1891	1070	5	7117	29	34

Source: Canada, Census, 1871, 1881, 1891, cited in Gregory S. Kealey, Hogtown: Working Class Toronto At The Turn Of The Century,(Toronto: New Hogtown Press, 1974), p. 4.

Table 6

LABOUR FORCE PARTICIPATION RATE* OF POPULATION 65 AND OVER, CANADA, CENSUS YEARS, 1921-1961

Year	Total	Male	Female
1921	32.5	59.6	6.6
1931	31.9	56.5	6.2
1941	27.9	47.9	5.8
1951	22.3	39.5	4.5
1961	18.0	30.6	6.1

Source: Frank T. Denton and Sylvia Ostry, Historical Estimates of the Canadian Labour Force, 1961 Census Monograph, (Ottawa: Queen;s Printer, 1967), Tables 3-7.

* Labour force participation rate is the percentage of the total population of the age group formed by the segment in the labour force.

Table 7

POPULATION BY SPECIFIED AGE GROUPS, CANADA, CENSUS YEARS 1871-1961

	As Percentage of Total Population			
	45-64	65-69	70+	65+
1871	11.1	1.5	2.1	3.6
1881	12.2	1.6	2.5	4.1
1891	12.9	1.8	2.8	4.6
1901	13.9	2.0	3.1	5.1
1911	14.1	1.8	2.8	4.6
1921	15.0	2.0	2.8	4.8
1931	16.8	2.2	2.8	4.8
1941	18.5	2.7	4.0	6.7
1951	17.7	3.1	4.7	7.8
1961	17.4	2.7	4.9	7.7

Source: Census reports of various years, cited in Kenneth Bryden, Old Age Pensions and Policy-Making in Canada, Montreal and London: McGill-Queen's University Press, 1974, Table 5, p. 30.
Note: Newfoundland included 1951 and 1961.

Table 8

NUMBER OF STRIKES AND LOCKOUTS, EMPLOYERS AND WORKERS INVOLVED, TIME LOSS

CANADA, 1915-1927

Year	Number beginning during year	Number of strikes and lockouts	Number of employers	Number of workers involved	Number of man-working days	% of estimated working time
1915	62	63	120	11,395	95,042	
1916	118	120	332	26,538	236,814	
1917	158	160	758	50,255	1,123,515	
1918	228	230	782	79,743	647,942	
1919	332	336	1,967	148,915	3,400,942	
1920	310	322	1,374	60,327	799,524	.60
1921	159	168	1,208	28,257	1,048,914	.14
1922	89	104	732	43,775	1,528,661	.22
1923	77	86	450	34,261	671,750	.32
1924	64	70	435	34,310	1,295,054	.26
1925	86	87	497	28,949	1,193,281	.23
1926	75	77	512	23,834	266,601	.05
1927	72	74	480	22,299	152,570	.03

Source: M.C. Urquhart and K.A. Buckley, Historical Statistics of Canada, (Toronto: The MacMillan Company of Canada Ltd., 1965), p. 107.

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