

CHAPTER LX

SOCIAL WELFARE

1. *Introduction*

1. A brief sketch of the history and of the present situation regarding municipal responsibility for social welfare is contained in Chapters 2 and 5. The paper prepared by Professor A. J. Boudreau following his on-the-spot study of the administration and control of Sweden's welfare programme is published as Appendix H to our Report. Professor Boudreau's paper is a valuable document in itself and has been most helpful in arriving at our recommendations, particularly those parts of it pertaining to measures used in Sweden to control welfare expenditure. The part of Chapter 5 devoted to social welfare and Professor Boudreau's report should be read in conjunction with this chapter.

2. Prior to the passage of the Social Assistance Act in 1960, the responsibility for providing general assistance rested with the municipalities. In the counties, relief payments were administered by overseers of the poor, appointed by the council in each parish. Similar arrangements were made in the other municipalities. Some of the needy, especially the aged and infirm, were cared for in municipal homes. The balance of relief took the form of direct contributions for maintenance. This system of placing the onus for relief on the municipalities, embodied in the first poor law passed in New Brunswick in 1786, was essentially the same as that established in England by the Elizabethan poor law of 1601. The system, if it could be so called, at its best resulted in great disparities of treatment of the needy from parish to parish, and at its worst was incompetently administered and was a source of abuse and corruption.

3. The Social Assistance Act was largely a consequence of the federal Unemployment Assistance Act of 1956, amended in December, 1957, which empowered the federal government to pay 50 per cent of the cost of relief in the provinces. The provincial act provides that the provincial government will pay to municipalities one dollar per capita plus 70 per cent of the approved expenditures in excess of this amount, providing minimum standards for food allotments are met. The excess of this payment over the 50 per cent of the cost paid by the federal government must come from provincial revenues. The act also provides that the Minister may reimburse a municipality up to fifty per cent of the approved administrative costs of providing assistance to persons in need,

subject to the regulations made by the Lieutenant-Governor in Council.

4. As was stated in Chapter 5, each municipality is required by legislation to organize as welfare districts and to appoint for each district a welfare committee of three or more resident rate-payers whose responsibility it is to furnish assistance to persons in need in the district. To qualify for the administration grant, the entire municipality must be organized as a single welfare district with a properly qualified full-time director of the programme. The municipality may, with provincial approval, enter into an agreement with a Children's Aid Society or other recognized welfare agency for the administration of municipal assistance. The administration grant is intended to induce the municipalities to centralize all municipal welfare services under a competent administration.

5. The act also provides for a Welfare Advisory Board of not less than three persons, two of whom must be women, appointed by the Lieutenant-Governor in Council, to advise the Minister.

II. *Fundamental Weaknesses of the Present Programme*

6. Although the new administrative structure envisaged in the Social Assistance Act is a vast improvement over the old one, there are two inherent and fundamental weaknesses in the new programme:

(1) The programme is essentially one of distributing money to the needy. There is little provision for rehabilitating them. The number of trained social workers participating at the local level is negligible. There is, consequently, practically none of the careful investigating and counselling that are frequently necessary for the degree of rehabilitation of the needy that would, as one report puts it "lift the people from a bleak level of dependency to a better life of self-support, independence and status in the community."¹ Failure to provide such services

¹ Public Administration Service, *Report IX on the Organization and Administration of the Public Services of New Brunswick: The Administration of Welfare Services in the Provincial Government.*

is imposing an enormous social and economic cost that the province can ill afford. A further consequence of the present programme is that some of those most in need of financial aid are not receiving it, while, it is convincingly contended, some are receiving help who do not need it.

(2) The present practice of the province providing the lion's share of the money that the municipalities are spending is an invitation to extravagance and irresponsibility in the spending of funds, about which the Commission heard complaint after complaint. This situation might be remedied in part if the payments were made on the advice of well-trained social workers and other competent administrators, but the principle itself is faulty, and there is little likelihood that an adequate staff of properly qualified social workers and other administrators can ever be mustered to administer the programme within the confines of municipal jurisdiction. Moreover, if the programme were administered and financed by the provincial government, and its administration decentralized into regions, the provincial staff could then administer all aspects of the provinces' welfare programme, as well as those for which the municipalities are presently responsible, in a co-ordinated way, as is necessary for satisfactory results. In other words, they could administer aid for the blind and otherwise disabled, the aged, the ill, the youth, and the indigent adults and children, only the last two of which are presently the responsibility of the municipalities. The greater scope for exercising the training and ability of competent social workers and the higher salaries that would likely prevail under completely provincial jurisdiction would greatly enhance the prospect of developing the well qualified staff that is essential for a successful and efficiently administered welfare programme.

II. The Necessity for Provincial Assumption of the Responsibility for Social Welfare

7. There was probably no other issue about which those who presented their views to the Commission were more united or more vehement than in their condemnation of the present programme and in their insistence on the appropriateness and the necessity of the provincial government assuming full responsibility for the social welfare programme. At the same time, it was emphasized that administrators and social workers should develop an intimate knowledge of local circumstances if they are to be fully effective.

8. Much concern was expressed about the

widespread "something for nothing" attitude engendered by the too free and indiscriminating way in which relief payments were being made and about the deterioration in self reliance that has resulted. Statements like the following one were common: "the social assistance programme has simply run wild, with many people considering social assistance payments to be their legal right rather than a means of temporary assistance."

9. In one municipality gross disbursements for relief increased from \$8,000 in 1958 to \$35,000 in 1961. In another they increased by 70 per cent in two years. These increases were apparently not attributable to any significant increase in need, although they may in part be attributable to the inadequacies of the old programme.

10. The opinion was frequently expressed that the best possible control of costs is having the programme administered by adequately paid, well-trained social workers and other administrators. At the same time the opinion was frequently expressed that there was little prospect that this situation would ever come about under municipal administration. The appearance in a provincial paper of an advertisement by a municipality for the important and highly responsible post of welfare worker, requiring only a Grade 10 education, is only one indication of the validity of this view.

11. Table 5: 3 of Chapter 5 vividly documents the rapid increase in expenditures with the introduction of the new social assistance programme. Gross expenditure by the municipalities for welfare increased by 168.7 per cent from 1959 to 1961. Moreover, in spite of more than 70 per cent of the costs being paid by the provincial and federal governments since 1960, the net cost to the municipalities has actually increased. The large over-all increase no doubt reflects in part the inadequacy of the previous provision for relief, but it is likely, in view of the evidence presented to this Commission, that much of it is accounted for by the present lack of proper administration and control. In any case, it gives credence to the widespread alarm about the programme getting out of control.

12. The dissatisfaction with the present programme is not directed at the present provincial administrators. The staff of the social assistance division of the Department of Youth and Welfare have been working ably and tirelessly to improve the administration of the programme at the local level. A good deal of progress has been made in a short time; but it is virtually impossible to develop efficient administration of relief payments and a satisfactory programme of rehabilitation under municipal administration and with divided jurisdiction. Most of the senior administrators are quite cognizant of the programme's weak-

nesses, but they are powerless under the present legislation, and given their inadequate staff, to have much influence over it. The provision of financial aid to students undertaking professional training in social work and the holding of short courses in Fredericton are commendable steps in the effort to acquire a competent staff, but they are no substitute for the thorough-going reform that is required.

13. We are firmly convinced by the weight of evidence and opinion that the provincial government should assume responsibility for the whole programme of social welfare. We are also convinced that the administration of the programme must be free of political pressure. There is probably no area where the goals of a programme can be more seriously subverted by political interference than the disbursement of welfare payments. That there is presently such interference at both the local and provincial levels is indicated by information communicated to the Commission both directly and indirectly.

IV. The Need for Revision in Federal Cost-Sharing Arrangements

14. One of the aspects of the provision of social welfare that has bothered the Commission from the beginning of its deliberations is the particularly great burden in providing a satisfactory welfare programme that is imposed on a province like New Brunswick, which is not only a low income province, whose per capita personal income is only two-thirds of the Canadian average, but also an area where the level of unemployment is persistently higher than in Canada as a whole.

15. Professor Boudreau conducted numerous discussions with responsible Swedish officials during his investigation for the Commission. Those consulted unanimously expressed the conviction that to embark upon an over-all programme of social welfare with eight to ten per cent of the labour force unemployed, such as there has been in New Brunswick, inevitably leads to economic bankruptcy. They were also appalled at the legal prohibition of relief in lieu of direct assistance embodied in the federal Unemployment Assistance Act, both because of the unproductive cost of such enforced idleness, and because of the general deterioration of the moral fibre of the unemployed, and the systematic breeding of irresponsibility.

16. The provincial and local governments do not, of course, bear the full responsibility for the over-all programme of social welfare in the province. For example, family allowances, old age pensions for those 70 and over, and unemployment insurance are all federally administered. The point is this: if complete social security can only be economically feasible in a context of full

employment, it naturally follows that shared-cost welfare programmes initiated by central governments cannot, and should not, be unilaterally imposed on provincial or local governments without basing the cost-sharing on the percentage of unemployed persons not receiving unemployment insurance benefits prevailing in a given area at a given time and on provincial fiscal capacity. Otherwise, the whole system becomes a source of grave social injustice, penalizing low-income areas with chronic unemployment and underemployment and impeding social and economic rehabilitation where it is most needed.

17. We are fully aware that this proposal for revision of the basis for cost-sharing requires action by the federal government, and so lies outside the sphere of direct provincial action. But few would deny the need to have better co-ordination of federal and provincial policies if the country as a whole is to have a satisfactory welfare programme, nor would they deny the desirability of the provincial government using all its influence on the federal government to join with it and the other provinces to provide such a programme.

V. Brief Résumé

18. The present structure of social welfare programmes in the province is seriously defective. Particularly, there are grave dangers involved in having the disbursing municipalities responsible for raising less than 30 per cent of the amount disbursed for social assistance. In addition, with the administration of much social assistance at the local government level, where in nearly all cases it is carried on without the benefit of qualified social workers, it is difficult to achieve uniform application of sound social work principles and practices. It is considered that assumption by the provincial government of all social assistance activities, including child welfare, will lead to better control and the more extensive use of qualified social workers in the rehabilitation of chronic welfare cases. It is also considered that although centralization will probably increase short-run costs, in the long run effective centralization is likely to be more productive and more efficient in directing expenditures toward areas of greatest need and in effecting substantial gains to the province through rehabilitation.

VI. A Rational Objective for the Social Assistance Programme

19. The objective of social assistance programmes should be something that is clearly understood, and perhaps should be spelled out in the preamble to the appropriate provincial legislation. As the Commission sees the programme, the objective of social assistance is not to provide

a "free ride" -for the irresponsible or to discourage initiative, but rather to assist needy and deserving citizens toward the goal of self-sufficiency, and, at the same time, to provide adequate care for those incapable of achieving this goal.

VII. *Conditions Required to Meet Objective*

20. To meet this objective, it is considered that greater discretion must be given to qualified social workers. Such discretion should extend to the determination of the kind and amount of assistance and the person receiving it. Great legislative detail regarding the administration of social assistance is only likely to create harmful administrative inflexibilities. There is probably no area more subjective than the administration of social assistance. Each individual must be treated as a separate case. It is therefore extremely difficult, particularly for the layman, to assess the performance of social workers. This underlines the need to have the most highly qualified senior administrators obtainable. The task is enormous. It will be difficult enough for a poor province like New Brunswick to supply enough funds to care adequately for even legitimate welfare cases. In the long run, of course, the most effective means of cutting social welfare costs is through investment in public education, health, and economic development, but these investments are relatively slow in yielding their return and do not meet the short run problem of providing for persons who need assistance now. Moreover, the field of welfare administration is extremely vulnerable to political pressure, both in individual cases and in regard to the total resources applied to social assistance.

21. In these circumstances, it is vital that the administration of social assistance be insulated as much as possible from political activity, but at the same time remain subject to desirable overall budgetary controls exercised through the Treasury Board. For this purpose, the Commission proposes the establishment of an independent Social Welfare Commission with complete responsibility for developing and administering the province's welfare programme.

22. It would be to this independent commission rather than at political level that persons denied social assistance would have to direct their appeals for further consideration. There should be a permanent secretary, who is a first-rate trained social worker or who has other comparable qualifications for the post. He should be responsible for collecting all relevant information on cases to be considered by the Commission. All Commission members and the secretary should be appointed for fixed terms.

23. As in the cases of the other administrative commissions, we are recommending a pro-

cedure for nomination of the appointed members of the Welfare Commission that will assure that they will be completely removed from political influence and that they will be the best-qualified persons available for their important task. We accordingly recommend that the Welfare Commission consist of seven members, with the Minister of Youth and Welfare as chairman and six other members, three to be nominated by the provincial Protestant Ministerial Association and three by the Roman Catholic bishops of New Brunswick. These two groups have been chosen for the following reasons: their integrity is beyond reproach; they are vitally concerned with social welfare; they should be cognizant with the qualities required for service on the Welfare Commission, and they should be capable of discovering men and women possessing these qualities. The responsibility of these two bodies for selecting the best persons available is clearly very great; for the success of the proposed new welfare programme will depend very largely on the qualities and qualifications of the members of the Welfare Commission.

24. We have already referred to the fact that, under the Unemployment Assistance Act, the federal government will contribute only toward the cost of direct relief. If a municipality or the province puts a person in need of assistance to work at some productive activity, it receives no federal assistance. We consider this a most undesirable provision. It no doubt makes the programme much easier to administer; but by giving the municipalities and the province a strong financial inducement to give direct relief rather than provide jobs, it has a most damaging effect on the morale of the people and works at cross purposes with programmes of rehabilitation of the indigent. It is also very wasteful of valuable productive resources. An alternative to the present programme that is worthy of consideration would be for the federal government to provide funds to the provincial government, based upon need and provincial fiscal capacity, which the province would be free to use to help support a rational and humane programme of relief and rehabilitation with no restrictions with respect to the form of relief. The success of such a programme would depend upon it being exceptionally competently administered. It should not be implemented under municipal administration; but it could be successfully administered if our recommendation for provincial administration by the proposed Welfare Commission is adopted.

VIII. *The Vital Importance of Acquiring Skilled Social Workers*

25. One of the greatest difficulties, even with provincial administration by the proposed Welfare

assistance payments, there also appear to be many instances of such payments being inadequate where claims are legitimate. It is likely that with provincial administration the total disbursements would increase, but that the restriction of payments to those with legitimate claims would increase the benefits in greater proportion than the increase in payments. We have very roughly estimated that the payments for Social Assistance, Part II, might have increased by about 50 per cent, or by about \$1,300,000, of which the provincial share would have been about \$650,000. We have estimated that the increase in administrative costs of the social welfare programme would have been about \$225,000, for both central and regional administrators. Finally, if the maintenance of indigent children in foster homes were raised to \$2.00 per day from the present \$1.34 per day and the costs of administration increased by 50 per cent, the increase in the costs of child care would have been about \$644,000. Such a raise would increase the choice and improve the quality of foster homes that were available for children, a goal that we believe should have a very high priority. All of these increases would total \$1,519,000 or, in round figures, \$1,500,000.

31. We emphasize that 'under efficient administration as proposed, the improvement in services and benefits would be far greater than is indicated by the estimated increase in cash outlays, for the province would then have a fully integrated social welfare programme which would operate completely free of improper political interference. At the same time, by means of decentralized administration, with voluntary local bodies acting in an advisory capacity, local circumstances would be adequately taken into account. The function of the Legislative Assembly would continue to be to determine the general lines of policy, and the functions of the Welfare Commission would be to develop a programme in conformity with that policy and to administer this programme in the most efficient manner possible.

XII. *Recommendations*

32. Our recommendations in the field of social welfare are as follows:

(1) All welfare services and non-contributory benefits should be divorced from political pressures, and administered by an autonomous provincial Social Welfare Commission. This Commission would be composed of seven members, as follows:

- (a) The Minister of Youth and Welfare as Chairman, and
- (b) Six other members to be appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of

Youth and Welfare, but nominated as follows :

- (i) three members by the provincial Protestant Ministerial Association,
- (ii) three members by the Roman Catholic bishops of New Brunswick.

(2) Members of the Commission need not be members of the clergy. It is suggested that laymen should perhaps constitute a majority.

(3) The members shall be appointed for three-year terms and shall be eligible for reappointment. To permit continuity, however, the first appointments shall be made for the following terms :

- (a) *By the Ministerial Association:* One member for one year, one member for two years and one member for three years.
- (b) *By the Roman Catholic Bishops:* One member for one year, one member for two years and one member for three years.

(4) When a vacancy occurs, the party responsible for the position vacated shall nominate a replacement to serve the balance of the unexpired term.

(5) The Commission shall appoint a chief executive officer, who shall have the title of Director-General of Welfare. This Director-General should be a graduate in social work, or have had suitable comparable training, and have gained recognition as an able administrator.

(6) The Commission shall meet within the province at the call of the 'Chairman, at his own discretion or at the request of one or more members, provided that there shall be at least one meeting each month. The Commission shall establish its own rules of procedure.

(7) Members of the Commission shall receive such remuneration as may from time to time be determined necessary by the Lieutenant-Governor in Council to attract the services of fully qualified personnel.

(8) The Commission shall assume all the powers normally attributed to a Department of Youth and Welfare, and any other power necessary for its effective operation. In developing its programme, the Commission should take into account the various suggestions and criticisms made in the body of this chapter and in chapter 5. In particular, the Commission shall assume control of old' age and blind assistance, child welfare, social assistance, and youth services.

(9) The Commission shall assume all of the powers and responsibilities for social welfare

presently delegated or assigned to the municipalities.

(10) Direct assistance should be based on a means test, and distributed with a view to rehabilitation, either in cash, in loans, in goods, in services or in relief work.

(11) The provincial government should strive to persuade the federal government to amend its legislation that prohibits relief work in lieu of direct cash assistance, in accordance with the proposal in paragraph 24 of this chapter.

(12) Children's Aid Societies and other voluntary organizations, should be encouraged to co-operate with the Commission, mainly in an advisory capacity.

(13) Serious thought should be given by the Welfare Commission to the gradual development of a "Home Samaritan" service in New Brunswick with properly qualified personnel.

(14) The provincial Welfare Commission should set up a youth committee, with special provisions for leadership training, leisure-time organization, and *cultural promotion, as a preventive measure against the necessity for assistance.

(15) The provincial government should make representations to the effect that the federal share of cost-sharing welfare programmes should be based on a maximum level of unemployment. For example, the provincial share of the cost should be reduced by 10 per cent for each 1 per cent of unemployment above 3 per cent.

(16) The provincial Welfare Commission should carefully consider the recommendations in the report entitled, *The Administration of Welfare Services in the Provincial Government*, made by the Public Administration Service, with a view to implementing those which are consistent with and in the spirit of the above recommendations.

XIII. The Effect of These Recommendations

33. The effect and implementation of these recommendations would be to provide New Brunswick with a fully-integrated, efficiently-administered social welfare programme, at uniform standards throughout the province. The administration would be sufficiently decentralized to maintain close contact with all communities. The establishment of an independent and adequately staffed Welfare Commission to develop and administer the programme would assure efficient and impartial administration, eliminate undesirable political influence, and, at the same time, preserve fully the prerogatives of the provincial government and the Legislative Assembly to determine policy and to exercise over-all scrutiny over its administration. Only with this form of administration can the necessary controls be effected to eliminate extravagance and corruption and to assure that those and only those in need receive aid. The reader is urged to read those sections in Chapters 1, 7, and 16, which explain further the need for and role of administrative commissions, such as the Welfare Commission, under present circumstances in New Brunswick.