

Workers' Welfare: Labour and the Welfare State in 20th-century Australia and Canada

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Volume 38, 1996

URI: <https://id.erudit.org/iderudit/ilt38art06>

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Publisher(s)

Canadian Committee on Labour History

ISSN

0700-3862 (print)

1911-4842 (digital)

[Explore this journal](#)

Cite this article

Garton, S. & McCallum, M. C. (1996). Workers' Welfare: Labour and the Welfare State in 20th-century Australia and Canada. *Labour/Le Travailleur*, 38, 116–141.

Article abstract

This article investigates the historical dimensions of the labour movement's relationship to the welfare state in Australia and Canada during the 20th century. It assesses existing class and party politics theories of this relationship and by proposing particular historical accounts of the welfare state in a comparative context, it seeks to move beyond the limitations of these theories. The article argues that such approaches focus too narrowly on social security and wage regulation as the key parameters of the welfare state, ignoring major fields of welfare intervention for women, indigenous peoples and war service. In attempting to provide a more comprehensive narrative of the welfare state in a comparative context the article seeks to provide a clearer conception of the distinctive features of settler society welfare states. And by placing the role of the labour movement in this broader history it critically assesses the successes and limitations of the labour movement's engagement with the welfare state.

Workers' Welfare: Labour and the Welfare State in 20th-Century Australia and Canada

Stephen Garton and Margaret E. McCallum

ANALYSING THE NATURE and effects of labour's relationship to the welfare state has been a vexed enterprise. On the one hand, labour has long been suspicious of the welfare state as a weapon to undermine working-class radicalism. On the other hand, labour has sought to support the welfare state as a means of easing the worst excesses of capitalist exploitation. This ambivalence, in part, reflects conflicting labour traditions — one committed to the overthrow of capitalism and the other to the "civilising" of capital. And it is these diverse traditions that have allowed labour to play an active role in both contesting and shaping important features of the modern welfare state. In recent years, however, labour's relationship to the welfare state has become more problematic; indeed, its status as a progressive and radical critical voice has been questioned by the emergence of alternative political movements such as feminism, gay rights and queer politics, movements of indigenous peoples, ethnic communities, environmentalism, and disability groups in both Australia and Canada. And while sections of the labour movement have sought to find common cause with these movements, these alliances have sometimes disturbed, even alienated, labour's traditional constituency. Moreover, these different politics have challenged many aspects of labour's compact with the welfare state. Additionally, extensive new right critiques of the welfare state, trade unions, and labour parties have forced labour to defend the hard won gains of a century of welfare state development, blunting any critical labour position. Labour's relationship to the welfare state is being questioned from all sides. An historical understanding of the development of this relationship may illuminate some of these contemporary dilemmas, especially if we escape from a narrow national exceptionalism. A focus on particular national or regional developments obscures broader

Stephen Garton and Margaret E. McCallum, "Workers' Welfare: Labour and the Welfare State in 20th-Century Australia and Canada," *Labour/Le Travail*, 38 (Fall 1996)/*Labour History*, 71 (November 1996), 116-41.

patterns that transcend national boundaries; we try to discover these patterns through a comparison of Canada and Australia.

Defining the Welfare State

Any attempt to develop an understanding of the complexities of labour's relationship to the welfare state has to contend with some difficult problems of definition. As we have tried to suggest, labour itself is far from being a simple and stable category. It can be variously discussed as a material activity, a political ideology, a representative political actor, an institutionalized and organized movement, and as a broader social class. Equally, labour as a social and political force is a product of material relations but also an "imagined community" (taking Benedict Anderson's useful phrase out of its original context), constantly reimagined in diverse ways, with particular factions, groups, and constituencies drawing the signifying boundaries in different ways. And each of these processes — material and ideological — is the site of contest and struggle.¹

These problems pale into insignificance when we come to define the welfare state. This is partly a consequence of the problems of theorizing a broader concept of the state. The massive effort of the 1960s and 1970s to formulate a general theory of the state is now largely abandoned.² Nonetheless, "state" remains a term of contemporary discourse and political force, more now as shorthand for a complex range of issues than as a major theoretical problem in its own right. For our purposes, the state signifies a locus of power — in many instances a locus of considerable power, especially in its coercive functions of police, prison, courts, and the military. As a locus of power it is a site of oppressive force, but it is also a diverse ensemble of institutions which are the subject of struggle. It is more something to fight for, influence, and shape than something that is essentially the tool of any one group. It is not an entirely independent agent nor entirely a captive agent, as so many general theories have tried to suggest. But the state formation at any particular historical moment is also an indicator of the nature and character of political and class struggle. It is in the interests of capital that the cost of labour be as low as possible, and the reproduction of labour be as cheap and efficient as possible. Within a context of some compromise, extensive provision of a social wage by the state shows a relatively high level of organized opposition to the imperatives of capital. It is also a measure of the concessions that capital is prepared to give for the maintenance of social order and the extent to which capital seeks to reduce the direct expenses of employers by socializing the costs of maintaining and

¹Benedict Anderson, *Imagined Communities: Reflections on the Origins and Spread of Nationalism* (London 1983).

²For a useful analysis of some of this diverse theoretical effort, see B. Jessup, *The Capitalist State* (London 1985). For an important feminist critique of the concept of the state, see S. Watson, ed., *Playing the State: Feminist Interventions* (Sydney 1990).

reproducing a labour force. In other words, the state is both an active agent in social reproduction and a weather vane for broader social and political transformations.

Discussing a particular type of state, such as the welfare state, has additional problems. Can we satisfactorily isolate a welfare state — a set of institutions, ideas and practices for the maintenance of living standards, the protection of the weakest social groups, and the advancement of social justice — from the military/industrial state, the liberal state, or the market economy state? There are good reasons to maintain a connection between these different types. The term “welfare state” entered the popular lexicon during and immediately after World War II. As commonly used, the concept implies a contrast between the laissez-faire principles assumed to prevail in capitalist states in the 19th century, and the more “enlightened” principles under which the modern state intervenes in order to mitigate the rigours of the market economy. But the welfare state, as presently constituted, accepts and supports the underlying assumptions and values of a market economy; indeed, state welfare provision is a constituent feature of capitalist markets, although there is much debate about the size, extent, and effect of welfare on the efficiencies of markets. The market economy is a key feature of liberal-democratic states, and these states seek to ensure the efficient operation of the market but historically they have also come to intervene in the market to ensure that members of the society obtain the goods and services that are necessary to well-being and to the maintenance of social order.³ The state is also active in fuelling capitalist markets, most notably through investment in the military/industrial complex, and in direct subsidies to private enterprise — “the corporate welfare bums.”⁴ The welfare state is not an easily circumscribed sphere of activity but an abstraction from an intricate set of institutional relations.

Is it useful then to talk of the welfare state? As an abstraction, can we analyze its distinctive practices in any meaningful way? Our answer is a qualified yes. While the welfare state is imbricated in a wider network of institutions, policies, and forces, there is utility, most notably in the political currency of the term and its resonance in contemporary political cultures, for seeing the welfare state as having particular characteristics and forms of measurement — no matter how blurred its

³There is an enormous literature on the welfare state, much more than can be cited here. For a concise discussion of current analytical and theoretical trends, see J. Struthers, *The Limits of Affluence: Welfare in Ontario, 1920-1970* (Toronto 1994), 5-16. On some of the problems and issues discussed here, see I. Gough, *The Political Economy of the Welfare State* (London 1979), x, 1-3; A. Moscovitch and G. Drover, “Social Expenditures and the Welfare State: The Canadian Experience in Historical Perspective,” in A. Moscovitch and J. Albert, eds., *The “Benevolent State”: The Growth of Welfare in Canada* (Toronto 1987), 13-43; Stuart Macintyre, *Winners and Losers: The Pursuit of Social Justice in Australian History* (Sydney 1985).

⁴David Lewis, leader of the New Democratic Party, popularized the term “corporate welfare bums” in the 1972 federal election campaign. See his book, *Louder Voices: The Corporate Welfare Bums* (Toronto 1972).

edges may be. Although state provision for some social welfare is one of the defining characteristics of the modern state, not all modern polities have adopted the same social welfare regime. Generally in the western world, the state provides more welfare measures in Europe than in the US, Australia, or Canada. Additionally there are significant differences in the means of welfare provision. While most Western states have relied on insurance systems for the funding of benefits, Australia has funded most from consolidated revenue. There are also differences in the eligibility for, and delivery of, benefits. Canada in the 1970s and 1980s, for example, spent proportionately more on unemployment benefits and less on provision for the elderly than most other capitalist democracies. In all of the capitalist democracies, old age pension programmes are the single largest social welfare expenditure, yet there is considerable variation in the composition, value, and structure of the available benefits. These differences cannot be explained solely as policy choices reflecting national differences in the preferences of the electorate, since popular demand for generous state pensions for the elderly is uniformly high. For old-age pensions as for other social welfare benefits, the timing, nature, and extent of social welfare provision is determined by the relative power of those who want the benefit and those who oppose it.⁵

In this paper we are limiting our focus to the formation of the welfare state in Australia and Canada, ever mindful of these broader issues and problems. Our concern is the nature of the historical relationship between organized labour — defined as trade unions, specific political parties, and social democratic ideas — and the welfare state — a set of practices and institutions seeking to promote public welfare and social justice. Our concern is how organized labour has been able to influence the development of the welfare state and the ways in which the welfare state has served the interests of labour and social justice during the first half of the 20th century. One way of exploring this problem draws on the important work by Frank Castles on comparative welfare history.⁶ Castles posed the question of whether party politics or class politics was the key factor in explaining changing welfare state policies and practices. In other words, have the significant changes in the welfare state been a consequence of labour capturing control of the state through parliamentary processes or have the greatest advances been at times of strong labour mobilization, thus ensuring concessions from the state whether controlled by labour, liberal, or conservative forces? Much of Castles' book ruptures this easy dichotomy, but his argument points to class politics as the most

⁵ A. Moscovitch and G. Drover, "Inequality and social welfare," in Moscovitch and Drover, eds., *Inequality: Essays on the Political Economy of Social Welfare* (Toronto 1981), 7 and John Myles, *Old Age in the Welfare State: The Political Economy of Pensions* (rev. ed., Lawrence, Kansas 1989), 2-19, 52, 71-76. In 1972, Ireland and Canada were the only OECD countries to allocate less than 50 per cent of social welfare spending to old-age and disability pensions, and more than 9 per cent to unemployment benefits.

⁶ F. G. Castles, *The Working Class and Welfare: Welfare in Australia and New Zealand* (Sydney 1985).

important factor. It is the strength of mobilization, and as Castles makes abundantly clear, the forms in which this mobilization takes place, the strategies labour pursues, the policy outcomes it seeks to achieve, and, underpinning all this, the broader cultural frameworks and languages that shape struggle, strategy, and policy, that are vital to understanding the relations between state and labour.

Since Castles' formulation of the problem, other studies have pointed to the limitations of seeing labour and state only in terms of class or party politics. Labour's perception of the problem of the welfare state and participation within it was oftentimes shaped and circumscribed by liberal discourses of citizenship, participatory democracy, and social justice. This is not a matter of false consciousness, as an older tradition tried to argue, for, as recent work has suggested, labour was able to use claims of citizenship and social justice to the benefit of its own constituency and to the detriment of other disadvantaged groups.⁷ Of course underpinning these problems is the question of whether the state should maintain the individual or the family as the basic social unit. Castles' formulation is primarily concerned with explaining the evolution of benefits for the individual worker. But family policy has been of equal importance and the class/party politics model is of limited benefit in explaining its development. Interest in family policy, and more specifically, in the connection between paid labour force participation and welfare provision for women and children, has lead to the recent proliferation of adjectival modifications for the welfare state. Work on maternalist, chivalrous, paternalist, patriarchal, or two-channel welfare states, from, among others, Jill Roe in Australia and Theda Skocpol in the United States, point to the state as the locus of gender as much as class politics.⁸

Recent attention to ethnicity and disability also stands to complicate our understanding of the operation of welfare states. Even more importantly, Canada and Australia raise, in pointed fashion, the need to analyze the function of the welfare state in the dispossession of indigenous populations. In all of these political contexts — race, gender, ethnicity, and disability — organized labour is just one force, supporting particular welfare state compacts and opposing others. Here it is possible to question Hancock's famous definition of labour parties as parties of

⁷P. Beilharz, Mark Considine and Robb Watts, *Arguing About the Welfare State: The Australian Experience* (Sydney 1992).

⁸J. Roe, "Chivalry and Social Policy," *Historical Studies*, 22 (1987); C. Pateman, "The Patriarchal Welfare State," in A. Gutmann, ed., *Democracy and the Welfare State* (Princeton 1988); Nancy Fraser, "Women, Welfare and the Politics of Need Interpretation," in *Unruly Practices: Power, Discourse and Gender in Contemporary Social Theory* (Minneapolis 1989); B. Nelson, "The Origins of the Two-Channel Welfare State in the U.S.: Mothers' Aid and Workmen's Compensation," in L. Gordon, ed., *Women, the State and Welfare* (Madison 1990); T. Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States* (Cambridge, MA 1992); J. Lewis, *Women and Social Policies in Europe* (Aldershot 1993); S. Pedersen, *Family, Dependence, and the Origins of the Welfare State, Britain and France, 1914-1945* (New York 1993).

initiative.⁹ In these wider political contexts they might equally be seen as parties of resistance. Our task then is to move beyond the confines of class and party politics to see labour in a broader political constellation.

These are problems that require historical address. They are in many respects specific and contingent, and the point of continued struggle and contest. Here the comparative method is of considerable importance in pinpointing the particular trajectories of labour's negotiations with the welfare state — not just in terms of the class/party politics argument but also in a broader assessment of the effects of labour's actions on other social groups. This will be the central focus of our discussion and we attempt some tentative arguments on the basis of a comparison between Australia and Canada. The utility of this specific comparison requires some preliminary discussion.

Comparative Perspectives

When analyzing the history of the welfare state in the 20th century in a comparative context we are obviously drawn in two directions — that which is common across a specific set of comparisons and that which is unique to a specific social formation. Both offer insights. In terms of the welfare state, are Australia and Canada more similar to each other than a comparison with, say, Britain or the US? Can we talk fruitfully about invader/colonizing welfare states or is our comparison going to suggest that such a category is meaningless?

At first glance this type of specific comparison is tenuous. What constitutes a welfare state is well-known and obvious — state-run health, housing, child welfare, and education schemes, a wage regulation system which serves as a safety-net for the least powerful workers, workers' compensation schemes to safeguard against the consequences of employment-related illness and injury, and a large social security system to provide benefits for the aged, unemployed, ill and injured, for single parents, and for the victims of war. Now, with obvious differences in the timing of their introduction, funding mechanisms, and the modes of delivery, this catalogue of services and benefits is provided in most western nations.

The marked similarity in state welfare services and benefits is paralleled in the historical scholarship concerning these developments. In most western nations there is a body of "progressive" or "whig" historical literature which has charted the decline of selective charity and the rise of "universalist" welfare. This literature flourished in the 1950s, 1960s, and 1970s, at a time when significant advances had been made in the diversity and extent of welfare services throughout the west.¹⁰

⁹K. Hancock, *Australia* (London 1930).

¹⁰Notable examples for Australia include T. H. Kewley, *Social Security in Australia, 1901-1972* (Sydney 1972); R. Mendelsohn, *The Condition of the People: Social Welfare in Australia, 1901-1975* (Sydney 1979). For Canada, see D. Guest, *The Emergence of Social Security in Canada* (Vancouver 1980). For an early comparison of Canada and Australia, see R. Mendelsohn, *Social Security in the British Commonwealth* (London 1954).

Critical scholarship has likewise flourished in the 1970s and 1980s at a time of crisis in the welfare state, marked by a reduction of welfare benefits and the more precise targeting of recipients in many countries. The last two decades have been marked by what observers have called "the fiscal crisis," "the legitimization crisis," and finally "the retreat from the welfare state," and this retreat is again apparent in most western nations regardless of political culture, economic fortune, welfare state tradition, or the party in power.¹¹ In fact if one wished to work within the parameters of the "progressive" tradition it might be possible to present a Gibbonesque narrative of the rise of the welfare state, reaching its apotheosis in the early 1970s, followed by a rapid decline, with the onset of global stagflation, the collapse of the Keynesian foundations of economic theory and policy, and the rise of monetarist and new right discourses of the minimal state and the virtues of self-help.

Of course most of us would not be content with such a narrative. Recent investigations of the welfare state have done much to problematize this historiography. Some have argued that the so-called "retreat" is not so much a regression as a resurgence of the powerful discourses of individual self-help and the work ethic that helped constitute 20th-century welfare.¹² From this perspective there are significant continuities between Victorian charity and modern welfare states. But regardless of the specific character of welfare or the nature of its historical evolution it seems evident that there are some remarkable similarities in the general shape and development of welfare states in the west over the last 100 years.

This powerful commonality in the development of welfare in the west — in the types of programs embraced and the groups most likely to be assisted — suggests that along with processes for the globalization of capital there is a cultural globalization, a shared political culture and discursive framework that shaped how the social problems concomitant with capitalism were perceived, and that in turn restricted the responses to a rather narrow set of policy solutions. Urbanization, the breakdown of local communities, and the paternal relations which sustained them, and extensive movements of people and capital, to name but a few global developments, rendered charity an inadequate response to the problem of people unable to sustain themselves in the labour market and displaced from old and new networks of support. The manufacture of poverty has been enormous and the need to

¹¹G. Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Princeton 1990); Claus Offe, *Contradictions of the Welfare State* (London 1984); A. Graycar, ed., *Retreat from the Welfare State* (Sydney 1983); J. Habermas, *Legitimation Crisis* (Boston 1975); J. O'Connor, *The Fiscal Crisis of the State* (New York 1973); on Australia, see J. Roe, ed., *Social Policy in Australia: Some Perspectives 1901-1975* (Stanmore 1979); B. Dickey, *No Charity There: A Short History of Social Welfare in Australia* (Melbourne 1980); on Canada, J. S. Ismael, ed., *The Canadian Welfare State: Evolution and Transition* (Edmonton 1987); Linda McQuig, *Canada's Social Programs: Under Attack* (Toronto 1992).

¹²This was a key argument in S. Garton, *Out of Luck: Poor Australians and Social Welfare, 1788-1988* (Sydney 1990). See also A. O'Brien, *Poverty's Prison: The Poor in New South Wales 1880-1918* (Melbourne 1988).

minimize its impact imperative. But liberal discourse, with its emphasis on the market, individual initiative and self-help, and its suspicion of those living outside the market, remained central in shaping the response to poverty in many parts of the west. Social democratic discourses have been powerful oppositional, or more often, moderating, voices to liberalism and have offered an alternative point to argue for the development of universalist social policies. The strength of these different discursive forces has obviously varied from nation to nation but they have been felt to greater or lesser extent throughout the west. In one sense then, when we examine labour and the welfare state across different countries we are looking at variations on a theme.

Thus Canada and Australia are just two instances of a broad historical struggle. But such generalizations are hardly surprising. More fine-grained investigations are needed to chart some of the equally remarkable differences in the character of the welfare state. Why one country adopted the living wage, for example, and another did not, is of vital importance for understanding the character and effects of welfare policies. The articulation of entitlement and disadvantage embedded in such policies is important for informed social action. Here our comparison of Canada and Australia is pertinent. Their common origin as invader/colonizing societies and their different welfare state developments may provide the basis for a useful analysis of the relationship between labour and welfare.¹³ We will focus not only on the problem of class and party politics but also on the characterization of benefits for women and children, the function of war in the articulation of entitlements, and welfare for indigenous peoples. How might we see labour in each of these contexts? What forces have shaped the peculiar and unique features of labour and the welfare state in Australia and Canada?

Class and Party

Perhaps the most familiar motif of welfare state history in Australia is, using Jill Roe's pithy phrasing — "leading the world" and "left behind." Almost every study of Australian welfare has subscribed to this in some form or other. In summary, in the late 19th and early 20th centuries a flurry of reform activity in Australia included factory and shop legislation; old age and invalid pensions; workers' compensation; conciliation and arbitration (which instituted a living wage principle); a maternity allowance; votes for women; immigration restriction; compulsory education; and child welfare allowances for foster parents. These were all in place by 1912, although there were differences between the various Australian states in the timing, extent, and character of some of these reforms. In important areas, such

¹³The Canada/Australia comparison is explored in A. Fenna, "Social Origins of Social Policy: The Emergence of Welfare States in Australia and Canada, 1900-1945," PhD thesis, York University, 1992 and in G. Gray, *Federalism and Health Policy: The Development of Health Systems in Canada and Australia* (Toronto 1991).

as immigration, female suffrage, pensions, and conciliation and arbitration, the new federal government assumed sole, or in some instances substantial, control and acted ahead of other countries, making Australia an object of particular interest for European, British, and American liberals and social democrats.¹⁴

Australian reforms were not isolated and piecemeal, aimed at the most obvious social problems confronting the new federation. Immigration restriction, conciliation and arbitration and, to a lesser extent, pensions, were part of a broader reform package known as "new protection." Australian liberal governments maintained high tariff barriers to protect business from foreign competition and immigration restriction to prevent workers' wages from being undercut by cheap foreign labour; in return both capital and labour submitted to government industrial regulation (conciliation and arbitration) which sought to guarantee fair but not excessive wages for workers. Women would be encouraged to produce children through the maternity allowances (a universal one-time payment on the birth of a child), and older workers would be compensated with pensions for a lifetime of working for the national interest. Here was a compact between capital and labour brokered by powerful liberal political interests that aimed to ensure reasonable benefits for both parties.¹⁵

After 1912, the picture is substantially different. In the following decades there were very few new social security measures, particularly at the federal level, and there was sustained pressure on the arbitration system to keep wages down. Australia's subsequent failure to implement unemployment, health and medical schemes, or child and motherhood allowances meant that social security development lagged well behind the rest of the western world with the exception of the US. This lack was partly redressed during the 1940s when the Curtin and Chifley governments introduced unemployment benefits, child endowment (family allowances), widows' pensions, and some limited hospital and pharmaceutical benefits.¹⁶ But it failed in its efforts to introduce a health benefits scheme, and the policies it did introduce were limited in scope. In the 1950s Australia had one of the lowest expenditures on social security as a proportion of Gross Domestic Product in OECD countries. Australia continued to lag behind the rest of the world until the Whitlam Labor government in the early 1970s sought, with some success, particularly in the health field, to redress this neglect through the introduction of universalist welfare schemes. From being a welfare innovator at the turn of the century, Australia, until recent years, has struggled to introduce benefits for its citizens comparable with those available in many western nations.¹⁷

¹⁴Roe, *Social Policy in Australia*, 1-24, 101-13.

¹⁵See Macintyre, *Winners and Losers*, 40-58, and Garton, *Out of Luck*, 62-83.

¹⁶The best analysis of the Curtin and Chifley government reforms is Rob Watts, *The Foundations of the National Welfare State* (Sydney 1987).

¹⁷For general overviews of these later developments, see Dickey, *No Charity There*, 131-86; Garton, *Out of Luck*, 131-71 and M.A. Jones, *The Australian Welfare State: Growth, Crisis and Change* (Sydney 1983).

It was not just the timing and extent (and later lack of extension), which characterized the emergence of the Australian welfare state. There were particular characteristics that differentiated Australian welfare from that in other comparable countries — most notably the centrality of a government regulated conciliation and arbitration system and the funding of many social security benefits from consolidated revenue rather than insurance. It seems apparent that the trajectory of the Australian story is shaped by the peculiarity of its beginnings. In stepping out ahead of most other nations, Australian reformers experimented and sought to create policies that were appropriate to Australian conditions. Many other countries later opted for alternative welfare systems. This does not mean that Australian governments invented from nothing. The idea of state social initiative was commonplace by the end of the 19th century. Factory and shop legislation was well established in Britain by the 1880s, new liberal ideas of social intervention and market regulation for the uplift of workers were prevalent from the 1870s, conciliation and arbitration mechanisms were the object of lively discussion in British, North American, and Australian political economy circles in the 1880s and policies for the support of the aged were already in place in Germany. Australian reformers drew from this stock of ideas and forged an interesting policy mix. The result, as many have noted, was a wage regulation system designed to guarantee the welfare of the working man and his dependents. For those outside the labour market, primarily the aged, and later widows and deserted mothers, means and income tested pensions were the preferred remedy.

These policies, however, were advanced by an argument about the peculiarity of Australian labour conditions. The staples base of major sectors of the economy meant a considerable amount of casual and seasonal labour in turn of the century Australia, which in turn made it very difficult for many working men or women to sustain weekly insurance payments. Labour saw provision from consolidated revenue as a more equitable way to provide for those least able to provide for themselves, while business and business-oriented politicians saw contributory social insurance as the means to reconcile welfare needs to market imperatives.¹⁸ Moreover, in a culture of high home ownership where so much individual income was devoted to home loan repayments there was a general reluctance to accept an expanded income tax burden. Means and income tests were one method of providing for the most needy from consolidated revenue without undermining the legitimacy of the tax system. Colonial liberals had to shape their reforms to the perceived realities of Australian class relations, if the delicate compact between capital and labour was to survive.¹⁹ What is remarkable is the longevity of this particular structure. Despite repeated efforts to introduce insurance schemes, the

¹⁸Fenna, "Social Origins of Social Policy," 178, referring specifically to the debate on the maternity allowance.

¹⁹J. Lee and C. Fahey, "A Boom for Whom? Some Developments in the Australian Labour Market 1870-91," *Labour History*, 50 (1986); Garton, *Out of Luck*, 95-101.

original system of residual welfare funded from consolidated revenue continues (with the exception of the health and new superannuation schemes) to be the basis of social security in Australia.

The Canadian state, both at the provincial and federal level, was later than the Australian state in accepting responsibility for social welfare provision. As in Australia, the Canadian federal state promoted domestic manufacturing with high protective tariffs, but labour was not granted equivalent protection through immigration restrictions. Under the division of powers negotiated at Confederation, responsibility for wage regulation and social welfare provision was given to the provinces. Until World War II, most welfare initiatives were limited to provincial programmes for workers' compensation, mothers' allowances paid to women who through no fault of their own were left to raise children without the support of a male breadwinner, factory and shop legislation, and minimum wages for women. Coverage and benefits varied from province to province, and not all provinces adopted all programmes. In 1927, the federal government moved into social welfare provision with an offer to pay half (and then three-quarters in 1931) the costs of a means-tested old age pension, with the provinces to determine benefit rates and pay the balance. Apart from the adoption of the old-age pension programme in all of the provinces by 1936, in Canada as in Australia the Depression generally was a time of resisting new responsibilities and even resiling from existing social welfare commitments.²⁰ The renewed war-time prosperity, however, prompted the federal government to introduce two major programmes, unemployment insurance and a family allowance payment (child endowment) for each child.

In Canada, governments resisted labour's efforts to obtain state support for the principle of a living wage, regardless whether it was defined as an individual or a family wage. Social welfare benefits were provided for deserving individuals who were unable to participate in the labour market, or, in limited circumstances, when their market participation was inadequate for the support of family members. With the determination of wage rates left to the market, where individuals bargained as individuals rather than as heads of families, social welfare programmes provided benefits that would fill the gap between the wages the individual male breadwinner could secure in the market, and the cost of supporting dependents.²¹ Moreover, some important social welfare programmes, notably for injured workers and the unemployed, were established on the insurance principle, to be self-funded by contributions from employers and employees, rather than being financed from consolidated revenue. Although, as in Australia, the staples base of the Canadian economy fostered casual and seasonal labour, the argument that insurance pro-

²⁰K. Bryden, *Old Age Pensions and Policy-Making in Canada* (Montreal 1974), 7, 61-92.

²¹For an elaboration of this argument with respect to social welfare and labour market policies at the federal level, in Ontario and in Manitoba, see J. Ursel, *Private Lives, Public Policy* (Toronto 1992).

grammes were therefore inappropriate received scant support. Indeed, the insurance programmes that were implemented denied coverage to the most needy, because to include them would render the programmes actuarially unsound. Seasonal workers, and those who worked in agriculture or domestic service were excluded from unemployment insurance when it was introduced in 1941.²² In the absence of a living wage and the greater reliance on insurance, Canadian labour can be said to have had less success than its Australian counterpart in influencing the character of the welfare state.

What accounts for this relative difference in the role of labour in welfare state development? One factor is that organized labour in Australia was more effective than labour in Canada both in party politics (capturing control of the state through parliamentary processes), and in class politics (mobilizing to ensure concessions from the state whether controlled by labour, liberal, or conservative governments). Measured both by degree of unionization and electoral strength of left-wing and labour parties, working-class power was greater in Australia than in Canada. With its greater power, the Australian working class was able to secure greater state commitment to the ideal of the living wage. This reflected the emphasis of both liberals and labour in Australia on the ideal of the male "breadwinner," able to support a family in "frugal comfort." What was required for a living wage, however, remained subject to downward pressure. Initially a wage to support a man and his dependents, in New South Wales the Basic Wage was redefined in 1927 as a wage sufficient to support a man and his wife, without children, during the debate over introduction of that state's child endowment.²³

In Canada, policy-makers rejected the idea of state support for a living wage, leaving the market to allocate compensation for labour. For example, attempts by labour to argue for a minimum payment in workers' compensation cases, sufficient to prevent the recipient from becoming the object of charity, were rejected. William R. Meredith, head of an Ontario Royal Commission set up in 1912 to recommend workers' compensation legislation, dismissed the idea of a minimum benefit: "That would be most unjust It is just an amplification of the idea that every man, good or bad, should get the same wage, that there should be a minimum wage for a man whether he is worth it or not." Clearly, if workers wanted a decent living, they had to look to the market, not the state. As Meredith said, "You must jack up the wages if you want [a minimum level of compensation]."²⁴ Individual bargaining offered

²²Between 1941-1957, an estimated one-third of Ontario's labour force was excluded from unemployment coverage; the figure would be higher in less industrialized provinces. See Struthers, *Limits of Affluence*, 165-6.

²³Fenna, "Social Origins of Social Policy," 16-7, 239-43; the New South Wales child endowment was funded by a payroll tax.

²⁴Ontario Legislative Assembly, *Final Report on Laws Relating to the Liability of Employers to Make Compensation to Their Employees for Injuries Received in the Course of Their Employment*, Minutes of Evidence, 16 January 1913, 456-8, quotation at 458.

the prospect of high wages for workers in times of labour shortage, but when workers tried to force up wages, they were faced with a legal regime which, in the name of freedom of contract and private property, limited their rights to picket their employer's property, to organize boycotts in support of their demands, or to claim a property right in their continued employment. The same state which refused to interfere with the workings of the market in order to ensure that employees received a living wage was quite willing to repress workers who tried to improve their bargaining position through organization.²⁵

Here a clear difference emerges in the historical context for labour in Canada and Australia. Australian labour was an early political force and in the crisis of the 1890s strikes and depression, it turned to the state to safeguard its interests. The same crisis, and the strength of labour mobilization, convinced liberals and conservatives of the need to have some effective mechanism for accommodating the demands of labour without undermining market mechanisms. Conciliation and arbitration, supported by "new protection," was the means to this end. It placed constraints on "excessive" demands by labour but guaranteed a minimum wage for weaker sections of the movement, sufficient to maintain at least a modicum of respectability and dignity. Canadian labour came later to the political bargaining table, certainly well after the crisis of the 1890s, and long after the creation of a federal state in 1867. Having to function at three different levels — municipally, provincially, and federally — made it harder for labour to mobilize politically. In contrast, in Australia, the labour parties were able to work from power bases already established in each colony before 1901.

Despite the congruence of greater working-class power with earlier and more extensive protection for a living wage and related welfare benefits in Australia, neither the Australian nor the Canadian story provides easy verification of either the party politics or the class politics model. In Australia, in terms of party politics there is no doubt that significant advances in welfare benefits have resulted during periods of Labor government, both federal and state. The modern welfare state is largely a product of legislation introduced by the Curtin and Chifley governments of the 1940s and the Whitlam government of the 1970s. But the early policies of the 1890s and 1900s, which shaped so much subsequent development, were legislated by liberal, not labour, governments and much of the ideological context for their articulation came from new liberal and progressivist ideas which had increasing currency in Britain, North America, and Australia. Even the argument that many liberal administrations acted because they depended on labour votes for their survival does not hold true for all the states nor all federal ministries. Some of the policy frameworks, namely new protection and immigration restriction, were well established before these parliamentary compromises were necessary. Labour undoubtedly pushed liberals hard in support of these policies but they were part of

²⁵H. Glasbeek, "Labour Relations Policy and Law as Mechanisms of Adjustment," *Osgoode Hall Law Journal*, 25 (1987), 179-81.

the liberal platform well before labour was a significant parliamentary force. Moreover, as Watts and Rowse suggest, the so-called welfare initiatives of the Curtin and Chifley years were as much liberal as social democrat measures.²⁶ Labor governments worked, at least in the welfare field, within the parameters set by new liberal prescriptions for work as the basis of welfare and safety-nets for those outside the labour market — not welfare as a right of citizenship. They did not, unlike social democratic parties in Europe, seek significantly to advance, following T. H. Marshall, “social citizenship.”²⁷

Nor is it reasonable to see the conservative parties as purely parties of reaction or resistance. True, Australia's period of social experimentation slowed markedly after liberals lost their control of Australian parliaments and party politics was transformed, around 1910, into labour parties and anti-labour parties.²⁸ But the most profound and far-reaching reforms to the Australian welfare state were proposed by conservative parties in the 1930s. The Lyons' government sought to introduce a comprehensive welfare scheme of health and medical benefits and wider access to old age and invalid pensions, and widows' and orphans' pensions. The proposal aimed to bring Australia into line with overseas countries by converting to a compulsory and contributory insurance system, funded by employers' and employees' contributions. The legislation was passed in 1938, against the opposition of vested interests such as doctors and the friendly societies, but not proclaimed due to continuing opposition, war, and the collapse of the conservative government. Labour did not support the legislation, because it did not include unemployment benefits and it was to be funded by contributions rather than from consolidated revenue. One might question the character of this insurance style scheme, as labour did, declaring it to be “class taxation,” but its principles were more in line with social democratic reforms in Europe than labour's ever were.²⁹

What then of the class politics argument? Again there is much evidence to support this model. The period of Australia's great social experimentation was one

²⁶The emphasis on labour political influence is apparent in such classics as Kewley, *Social Security in Australia*, 28-95. The more critical perspective is developed in such works as Macintyre, *Winners and Losers*, 40-58 and Garton, *Out of Luck*, 84-101; Watts, *Foundations of the National Welfare State*, 1-24 and T. Rowse, *Australian Liberalism and National Character* (Melbourne 1978), 127-88. Fenna, “Social Origins of Social Policy,” 164, notes that the invalid and old-age pensions of 1908 were enacted by a majority bourgeois government backed by a Labor Party that was keenly committed to the measures.

²⁷T. H. Marshall, “Citizenship and the Social Class” (1949), reprinted in his *Class, Citizenship, and Social Development* (Chicago 1977); on Australia's failure to implement principles of social citizenship, see Beilharz, Considine, and Watts, *Arguing About the Welfare State*.

²⁸See J. Rickard, *Class and Politics: New South Wales, Victoria and the Early Commonwealth 1890-1910* (Canberra 1977).

²⁹Kewley, *Social Security in Australia*, 143-65; Garton, *Out of Luck*, 132-7; Fenna, “Social Origins of Social Policy,” 254-88; “Legislative Summary,” *Australian Law Journal*, 12 (1938), 132-3.

of considerable working-class mobilization, class conflict, and significant political success for labour. This was a context that fostered liberal programs to use the state to defuse the conflict between capital and labour and part of this process involved constraints on capital and concessions to labour. But again, closer scrutiny threatens these easy equations. Although welfare historians, notably Dickey, have seen the wrenching battle between capital and labour during the 1890s as the foundation for Australia's welfare initiatives, in fact many of the proposed reforms of the period had been considered for some time before this. Of course, class conflict preceded the 1890s, and the new liberalism was a response to a much longer history of social unrest. Although this rejoinder holds true for arbitration and the living wage, for old age pensions the correlation is less clear. More than a response to overt class conflict or economic depression, pensions were necessitated by the rising number of dependent aged, the failure of charities to cope with this rise (already evident in the 1880s), and the inadequacies of the longstanding institutional approach to charitable and government aged care. The fiscal crisis of the colonial state in the 1870s and 1880s provided the impetus to abandon institutionalization for the treatment of the aged, invalid and infirm, as well as children, criminals, and the insane. It was cheaper and more effective to maintain such groups with government subsidies and pensions. Significantly, the non-institutional approach facilitated an expansion in new forms of social surveillance, while the benefits provided were those least likely to impact on the labour market, in that able-bodied workers were excluded from coverage. The contrast between arbitration, which seems to have arisen in direct response to class conflict, and old age pensions, which did not, points to the difficulties of trying to develop general theories about the welfare state.³⁰

Most social welfare initiatives in Canada cannot be linked directly to labour parties, nor is class politics a fully adequate explanation of progressive welfare legislation. Indeed, in the Depression, governments which were conservative in name showed more willingness to respond to the crisis of unemployment than did their liberal counterparts. Conservative Prime Minister R.B. Bennett, in a pre-election frenzy, passed legislation providing for unemployment insurance, minimum wages, and a 48-hour work week. The threat from the left was a major impetus for Bennett's "New Deal" promises, which he hoped would undercut support from small business for a new party led by a defector from the Conservative caucus, and support from the left for the farmer/labour alliance of the Co-operative Commonwealth Federation (CCF). The new legislation, however, was not enough to save Bennett's government from defeat, and was subsequently ruled unconstitutional.³¹

³⁰Dickey, *No Charity There*, 72-5. For the opposing argument, see Garton, *Out of Luck*, 74-101.

³¹J. Struthers, *No Fault of Their Own: Unemployment and the Canadian Welfare State 1914-1941* (Toronto 1983), 126-37; J.H. Thompson and A. Seager, *Canada 1922-1939: Decades of Discord* (Toronto 1985), 258-66, 272-6; C.A. Curtis, "Dominion Legislation of

During the war years, labour militancy and the growing electoral appeal of the CCF prompted the Liberal government led by Mackenzie King to introduce unemployment insurance and family allowances, and to promise other major social welfare programmes. Thus, the exigencies of electoral politics allowed for some labour and left-wing influence; the structure of the Canadian parliamentary system created more substantial opportunities to participate in policy-making. When the traditional parties lacked a secure majority in the House of Commons, small third parties could impose their agendas. Federal old age pensions were the price Mackenzie King had to pay for the support of the two Labour MPs whose votes permitted the Liberals to hold on to power after losing control of the House of Commons in the election of 1925.³² Despite the absence of a party of labour or labour governments in this period, then, limited public support for the reform parties could be parleyed into legislative gains.

In Canada, moreover, social welfare policy was shaped by financial and constitutional constraints as well as by class, party, and parliamentary politics. Both federal and provincial governments used the issue of overlapping jurisdiction or confusion about where jurisdiction lay as an excuse for delaying or avoiding action on social welfare. Introduction of unemployment insurance in the 1940s required a constitutional amendment; agreement on the amendment, which required consent of all of the provinces, was facilitated by the war emergency, in which the federal government had assumed control over many aspects of the economy ordinarily within provincial jurisdiction. Equally important in persuading the federal government to implement unemployment insurance was the full employment of the war years, and the opportunity to use the fund built up by employers' and employees' unemployment insurance premiums to finance the war effort. Notwithstanding the government's motives, and the programme's limited coverage and miserly benefits, unemployment insurance did meet a long-standing labour demand.³³ In contrast, the family allowance programme (child endowment), was introduced at the instigation of high-level bureaucrats working closely with business leaders in an attempt to stifle, rather than respond to, labour demands. The government hoped that the family allowance payments would be an alternative to lifting the federally imposed wartime wage freeze. The enormous expense of the family allowance programme (an estimated \$200 million per year, more than the annual welfare expenditures by all levels of government in Canada in 1936 to 1939) would be

1935: An Economist's Review," *Canadian Journal of Economics and Political Science*, 1 (1935), observed that of the three considerations behind Bennett's "New Deal" legislation — the election, social reform and the Depression — the most significant was the election.

³²K. McNaught, *A Prophet in Politics* (Toronto 1959), 217-20; the King government's first pension legislation, a bill passed in 1926, was rejected by the Conservative-dominated Senate, a fact which King used to help the Liberals regain a majority in the election of 1926.

³³Struthers, *No Fault of Their Own*, 198-206.

borne by all taxpayers, not just employers. The country could afford it — Canada was spending an equivalent amount on the war effort every two weeks.³⁴

Despite the difficulties in attributing social welfare initiatives to any single group, force or political context, both the Canadian and the Australian cases, as Fenna concludes, seem to confirm Castles' view that class politics (levels of mobilization) are crucial to welfare reform. Nonetheless, the history of these two countries also points to the political, constitutional, administrative, and ideological obstacles to reform.³⁵ In both cases it took the unusual crisis of war to provide the conditions for a greatly expanded welfare state. Although labour was comparatively strong during both world wars (bolstered by high employment, and in Australia, actually governing), it is doubtful that significant advances would have been made without the war context to fuel the popularity of a "new order," and to force governments to generate the bureaucratic expertise to implement it.³⁶

War, Citizenship, and Welfare

World War I facilitated important social welfare developments in both Canada and Australia. The significant loss of life demanded some form of compensation for self-sacrifice in the national interest. Here the criteria for eligibility were related to losses arising out of war — death, disability, widowhood, reduced earning capacity, illness, and later unemployment. And the schemes to alleviate these problems — pensions, employment preference, training, access to land, education, hospital and medical benefits — while still emphasizing the virtues of independence and self-help, were sharply delineated from civilian welfare systems by the assertion that these were rights earned as a consequence of fulfilling one's responsibilities as a citizen, rather than gifts based on failure to provide for oneself. In providing allowances to the dependents of soldiers and pensions to injured veterans and the dependents of men killed overseas, leaders of charitable organizations, politicians, and even bureaucrats spoke of paying a debt owed to those who had made sacrifices

³⁴Family allowances, Canada's first universal social welfare programme, have attracted considerable scholarly attention. See J. Ursel, *Private Lives, Public Policy*, 190-7; B. Kitchen, "The Introduction of Family Allowances in Canada," in Moscovitch and Albert, *The "Benevolent State"*; R. Watts, "The Origins of Canadian Family Allowances: Reflections on the History and Theory of Welfare States, 1940-1945," *Australian-Canadian Studies*, 3 (1985), 28-43; D. Jean, "Family Allowances and Family Autonomy: Quebec Families Encounter the Welfare State, 1945-1955," in B. Bradbury, ed., *Canadian Family History: Selected Readings* (Toronto 1991); Guest, *The Emergence of Social Security in Canada*, 128-33.

³⁵On the difficulties of establishing cause and effect for any legislative initiative, see P. O'Malley, "Law Making in Canada: Capitalism and Legislation in a Democratic State," *Canadian Journal of Law and Society*, 54 (1988), 53-85.

³⁶On World War I and the creation of a modern state apparatus in Canada, see D. O'wram, *The Government Generation* (Toronto 1986), ch. 4.

for their country. The recipients were not receiving charity, but a payment to which they were entitled by their sacrifice. The financial commitments to war compensation were enormous. By the 1930s, 230,000 Canadians and 270,000 Australians were supported by war pensions. This amounted to a second welfare state, running parallel to that of the ordinary welfare state, but supporting citizens more generously and with fewer restrictions.³⁷

The rhetoric of the war years and the practical consequences of substantial government expenditures on social welfare programmes for war veterans and their dependents functioned in contradictory ways. These massive welfare payments took funds that might otherwise have been spent on alleviating the effects of widespread unemployment or extending welfare benefits to other citizens. In a direct way, war benefits retarded the provision of welfare to other citizens.³⁸ Yet the justification for these expenditures provided an alternative discourse to the diatribes about the dangers of pauperization that remained popular with many politicians and business leaders. Once the idea of welfare payments as a right became accepted for one group, it could be transferred to others. Thus, advocates of mothers' allowances argued that these payments were not charity, but salaries to mothers who, left without a male breadwinner, would otherwise be forced into waged work. These reformers also argued that juvenile delinquency would surely follow if mothers were unable to fulfil their highest responsibility as citizens and maintain a home for their children.³⁹

In Australia, war-time rhetoric of citizenship and sacrifice undercut rather than reinforced the extension of social welfare benefits to other citizens, particularly women. Australia granted women's suffrage in 1902, well before Britain, Europe, the US, or Canada. Campaigners for women's political citizenship demanded social citizenship as well, pursuing an extensive programme of protective legislation in the workplace, measures to safeguard women from sexual exploitation, allowances

³⁷On welfare benefits for soldiers and their dependents see D. Morton and G. Wright, *Winning the Second Battle: Canadian Veterans and the Return to Civil Life 1915-30* (Toronto 1987); M. McCallum, "Assistance to Veterans and Their Dependents: Steps on the Way to the Administrative State, 1914-1929," in W.W. Pue and B. Wright, eds., *Canadian Perspectives on Law and Society: Issues in Legal History* (Ottawa 1988), 157-77; C. Lloyd and J. Rees, *The Last Shilling: A History of Repatriation in Australia* (Melbourne 1994); more Australians than Canadians received war pensions because of a higher casualty rate among Australian forces and Canadian restrictions on pensions for war neurosis.

³⁸Skocpol, *Protecting Soldiers and Mothers*, looks at the impact of the Civil War on social welfare policy in the US. She argues convincingly that the extensive programme of benefits for Civil War veterans and their dependents was more of a barrier to, than a model for, state support of the poor and elderly.

³⁹V. Strong-Boag, "'Wages for Housework': Mothers' Allowances and the Beginnings of Social Security in Canada," in S. Brickey and E. Comack, eds., *The Social Basis of Law* (Toronto 1986), 91-105; V. Strong-Boag, *The Parliament of Women: The National Council of Women of Canada, 1893-1929* (Ottawa 1976), 323-48.

and greater legal rights for mothers, health reform, and improved wages and working conditions for female workers. But as Jill Roe has argued, the war stymied the women's campaign by effectively redefining citizenship in terms of "blood sacrifice" and masculine nation-building endeavour. The large investment in war pensions prevented any expansion of the welfare state to ordinary citizens. This drove conservative governments to explore insurance as an alternative means of increasing benefits. But the opposition of labour to insurance, and their insistence that reforms such as child endowment not undermine the commitment to the family wage cemented clear divisions within the welfare system. War pensioners were the most privileged welfare recipients, receiving their benefits as entitlements. Male wage earners and their dependents were supported by the wage system, and the aged, the permanently incapacitated, widows, deserted wives, single mothers, and their children received meagre welfare services and more often private charity.⁴⁰

Some of these divisions were not overcome until World War II. In both Canada and Australia war mobilization affected all citizens. Total war demanded sacrifices from all, not just front-line soldiers. And in Canada in particular, memories of post-1918 labour militancy and political victories by left-wing and populist protest parties impelled the parties in power to include labour in their post-war planning, and to adopt some Keynesian economic techniques for avoiding a post-war recession. In this context, the state promised more extensive welfare services to all citizens to maintain national support for the war effort and to ensure continued economic growth after the war. Planners began to discuss the need for post-war reconstruction and a "new order"; central to these ideals were commitments to full employment, national prosperity and an adequate social security safety-net for all citizens, not just those who fought. The war not only provided the context for greater federal involvement in welfare in Canada and Australia, and a realignment of financial relations to the benefit of central government, but also provided a rationale for universal welfare services. Labour may have articulated this forcefully in Australia, but in Canada liberals performed the same function, and the consequences were similar — a considerably increased federal system of welfare benefits.⁴¹

⁴⁰Jill Roe, "Chivalry and Social Policy."

⁴¹For a critical assessment of these changes and developments in Australia, see R. Watts, *The Foundations of the National Welfare State* (Sydney 1987); less critical is J.L. Granatstein, *The Politics of the Mackenzie King Government, 1939-1945* (Toronto 1975), ch. 7. See also D.A. Wolfe, "The Rise and Demise of the Keynesian Era in Canada: Economic Policy, 1930-1982," in M. Cross and G.S. Kealey, eds., *Modern Canada, 1930s-1980s* (Toronto 1984).

Women and the Welfare State

Women and children are the majority of those living in poverty and their poverty persists, despite the introduction of social security and welfare systems.⁴² Neither markets nor the state compensate women for the work of child-rearing and household maintenance, and even in the workplace, sex segmented labour markets and pervasive traditions of lower wages for women ensure that women have fewer opportunities to escape from poverty. But should welfare payments mirror the market or correct it? Historically, welfare systems have operated to create and enforce social norms. In deciding whether to allow for the support of dependents in setting benefit rates in social welfare programmes, policy makers were grappling with a fundamental issue in liberal-capitalist states: how to resolve the disjunctures in resource allocation that follow from regarding the individual as the basic unit of society when workers are negotiating their wage contracts, while requiring male workers to finance the cost of reproducing the labour force through assigning to them the primary responsibility for the welfare of mothers and children. In Canada, employers insisted that wage rates for male workers be set according to the work done, not the needs, personal responsibilities, or other attributes of the individual. Australia, by contrast, implemented a living wage principle that recognized and allowed for men's responsibility to support women and children. But in both systems, the wage for women's work outside the home was linked to their gender, not their effort or job performance; women were paid less because they were women, not because of their capacity or the nature of their work. And it was this practice which undermined the capacity of women to live independently of men.⁴³

Attempts to guarantee women a measure of welfare security through wage regulation perpetuated these biases. Invariably, women's minimum wage regulations in Canada and Australia based their estimate of a living wage on the needs of a woman without dependents. Indeed, women's minimum wage rates ensured that most wage-earning women faced the prospect of poorly-paid employment until they escaped into marriage to a man, whom they hoped would treat them decently and earn enough for their support. If, through no fault of her own, a woman was left with dependent children and no male breadwinner, she could look initially for support to private charity. In Canada, beginning in World War I, "deserving"

⁴²For a detailed study of women, poverty and social welfare provision, based on interviews with eighty Victorian women receiving state assistance, see M. Montague and J. Stephens, *Paying the Price for Sugar and Spice* (Canberra 1985). One chapter is entitled "What Do Women Want: Work, Welfare or a Spouse?" For an examination of the feminization of poverty in Canada, see National Council of Welfare, *Women and Poverty Revisited* (Ottawa 1990).

⁴³P. Armstrong and H. Armstrong, *The Double Ghetto* (Toronto 1978); Armstrong and Armstrong focus on the women's labour force experience in Canada from World War II to the mid-seventies; for women's experience in the United States over a longer period, see C. Goldin, *Understanding the Gender Gap* (New York 1990).

mothers could also apply to some provincial governments for support. By 1920, Ontario and the four western provinces provided mothers' allowances for narrowly defined categories of women with dependent children — primarily widows and wives of men confined to mental hospitals, tuberculosis sanatoriums, or prisons, sometimes deserted wives, but never mothers of illegitimate children. Although recipients were vulnerable to having their allowance cut off if they were suspected of having an intimate relationship with a man, or proved themselves in other ways to be unfit mothers, the rhetoric surrounding the programme emphasized that women without a male breadwinner were state employees, paid to act as guardians of their own children.⁴⁴

In Australia, women were forced to rely on a range of inadequate child welfare payments from state governments. Attempts to shift the balance of welfare provision towards assistance for dependent mothers through child endowment met with firm resistance from the trade union movement. Women in the labour movement incurred the wrath of their male colleagues when they pushed for motherhood allowances to recognize the claims of mothers to a welfare right. Men in the union movement maintained their commitment to the breadwinner principle. They acted to defend this principle against liberal reformers who sought to tie child endowments to the living wage. These reformers argued that some men were being paid for children they did not have while others were not being paid enough for the children they did support. Families would be paid an endowment for the precise number of children they had, but to compensate, reformers demanded that the living wage be reduced. Trade unions in Australia opposed this measure and as a consequence women with dependent children were denied social security payments until the 1940s.⁴⁵

Men's wages, however, were hardly sufficient to support dependents in either Canada or Australia. The 1931 Canadian Census showed that the average annual earnings of an unskilled male worker in Canada were below \$500, less than half the minimum necessary for family subsistence. Yet in the 1930s, when some provinces began finally to set minimum wage rates for boys and men, employers

⁴⁴M. McCallum, "Keeping Women in Their Place: The Minimum Wage in Canada, 1910-25," *Labour/Le Travail*, 17 (1986), 29-56; L. Kealey, "Women and Labour During World War I: Women Workers and the Minimum Wage in Manitoba," in M. Kinnear, ed., *First Days, Fighting Days: Women in Manitoba History* (Regina 1987); B. Russell, "A Fair Wage or A Minimum Wage? Women Workers, the State and the Origins of Wage Regulation in Western Canada," *Labour/Le Travail*, 28 (1991), 59-88; V. Strong-Boag, "The Girl of the New Day: Canadian Working Women in the 1920s," *Labour/Le Travailleur*, 4 (1979), 131-64; Strong-Boag, "Wages for Housework"; Struthers, *Limits of Affluence*, ch. 1; Ursel, *Private Lives, Public Policy*, 156-9.

⁴⁵M. Lake "The Independence of Women and the Brotherhood of Man: Debates in the Labour Movement over Equal Pay and Motherhood Endowment in the 1920s," *Labour History*, 63 (1992), 1-25; F. Jelly "Child Endowment," in H. Radi and P. Spearritt, eds., *Jack Lang* (Sydney 1977) and Dickey, *No Charity There*, 132-4.

were successful in resisting a family wage rate.⁴⁶ Family allowances and other welfare benefits were one response to concerns about the gap between a man's earnings and the needs of his dependents. By providing for a payment to the parents for each child in the family, the state assisted the male breadwinner to provide for children within the nuclear family, without forcing employers to pay a family wage. The state, by assuming some responsibility for the welfare of all families, not just those which had traditionally been the objects of charity, could ensure that workers received a living wage while leaving capital free to pay wages that were insufficient to cover the real costs of labour power, that is, the cost of maintaining the individual worker in the short-term, and the costs of raising children to supply replacement workers in the long-term.⁴⁷

But the Australian living wage system was not an adequate alternative for women and children. Throughout the 1920s and 1930s, government inquiries revealed that the living wage fell far short of that needed to guarantee "frugal comfort" for a family. And throughout the inter-war years, employers persistently argued that living wage determinations had to take account of the "capacity of industry to pay," a factor also considered by Canada's minimum wage boards in setting women's wage rates. The acceptance of this principle by arbitration tribunals further undermined the capacity of the wage system to provide for women and children. At the same time, labour fought to prevent wage rates being undercut by female competition — urging equal pay for women when they were in direct competition with men and supporting lower minimum wages for women when they were not. This acted to maintain the importance of the male breadwinner family in the articulation of the wage and the welfare system. It operated against the interests of those who did not have a male breadwinner to support them.

State welfare policy thus underwrote liberal assumptions about the market economy in complex ways. In Canada minimal regulation of the employment relationship and meagre welfare benefits to some of those who were unable to provide for themselves through waged work, helped contain labour unrest and maintained the separation between production and reproduction. In Australia, state welfare policy underwrote the same liberal assumptions about the market economy and a normative family structure of male breadwinner with a dependent wife and children, but the state, through its support for the family wage, was willing to force employers to assume some of the costs of reproducing the labour force which the Canadian state transferred to the taxpayer in general. In both instances women with dependent children were the least protected by these arrangements. But with some

⁴⁶For the Depression and unemployment see Struthers, *No Fault of Their Own*, 4-5. For a discussion of Ontario's efforts to regulate the wages of men and boys, see E.J. Campbell, "'The Balance Wheel of the Industrial System': Maximum Hours, Minimum Wage, and Workmen's Compensation Legislation in Ontario, 1900-1939," PhD thesis, McMaster University, 1980, 401-7.

⁴⁷J. Urse!, *Private Lives, Public Policy*, 27-58.

Canadian provinces establishing mothers' allowances for those women and children without a male breadwinner, the weakness of Canadian labour in the wages system was partially offset by liberal, and in Skocpol's terms, maternalist, benefits. These benefits, however, reinforced female dependence by supplying state support and supervision in place of the missing breadwinner.

Indigenous Peoples and Welfare

The group most excluded from the benefits of social security are indigenous peoples — the Aborigines in Australia, and the First Nations and Métis people in Canada. In Australia at the very moment (1890s-1900s) when there was a shift away from institutionalization towards social security for many disadvantaged populations, Aborigines were placed under new forms of confinement. Through a rigorous system of reserves, missions, and protection legislation, many Aborigines were confined to specific institutions, stripped of almost all civil rights and had their children forcibly removed from their care. Here was another manifestation of state-sponsored dispossession. In the Northern Territory where there were shortages of labour, Aborigines on reserves were leased out to local employers in the pastoral and pearling industries, at exploitative rates of pay (which were not paid to the workers) and housed in often appalling conditions. Here, despite gross exploitation, many Aborigines in the workforce and on reserves and missions were able to maintain a sense of cultural identity and forge meaningful roles within these systems of regulation and confinement. In the 1950s, however, with the push towards policies of assimilation, reserves and missions were gradually dismantled. This was the context for new forms of regulation of Aboriginal life — through the criminal law. Aborigines now form a grossly disproportionate number of the prison population, and there is a crisis of Aboriginal deaths in custody.⁴⁸ Only with the emergence of a large and vocal Aboriginal rights movement have governments slowly moved towards granting Aborigines some measure of self-determination, most notably through the recent federal native land title legislation, passed in the wake of the Mabo decision that recognized aboriginal claims to lands occupied since the Europeans arrived.⁴⁹ Similarly, only belatedly and in response to this movement, have Aborigines begun to receive increased social security, health, and welfare funding to redress the neglect and abuse of the past.

In Canada, aboriginal peoples who are status Indians, that is, those who were defined as Indians in the federal Indian Act, were denied coverage under provincial social welfare programmes. The provinces argued that all matters pertaining to

⁴⁸ A. McGrath, *Born in the Cattle* (Sydney 1987) and "Colonialism, Crime and Civilisation," *Australian Cultural History*, 12 (1993), 100-14; H. Reynolds, *With the White People* (Ringwood 1990).

⁴⁹ There is already voluminous scholarly and popular commentary on the Mabo case and the subsequent legislation. See, for example, the special issue of *Australian Quarterly*, 65 (93), entitled "The Politics of Mabo."

Indians and Indian lands were a federal responsibility. Arguments over constitutional responsibilities and lack of respect for aboriginal peoples and the social welfare rights contained in their treaties left aboriginal peoples, on or off the reserve, with inadequate social services, educational facilities, or even basic amenities such as adequate housing. Until 1960, status Indians were denied a basic right of liberal citizenship — the right to vote. Enfranchisement meant giving up one's status as an Indian and therefore one's right to whatever welfare services the federal government provided on the reserves. The poverty of the dispossessed indigenous peoples and the lack of understanding of family relationships within aboriginal society justified removal of aboriginal children to residential schools or to white foster homes, where the policy of assimilation could be pursued relentlessly. As in Australia, only the emergence of a strong native rights movement forced governments to recognize aboriginal rights to self-determination and to compensation for loss of their land, both pre-requisites for an autonomous social welfare system.⁵⁰

The treatment of indigenous peoples attests to the inadequacy of many accounts of the welfare state. Many of these histories have argued for specific narratives of "progress," around such motifs as "charity to welfare state," or "poorhouse to pensions." But the fate of indigenous peoples, increasing rates of ill health, alcoholism, malnutrition, crime, and poverty point to the limitations of such narratives. Moreover, the trajectory of indigenous welfare, usually towards greater levels of institutionalization until the 1960s, ran counter to the development of the welfare state for other citizens. Historically, welfare systems for indigenous people have played a central part in the construction and maintenance of chronic poverty and ill health. And neither class or party politics argument can offer an explanation. Both labour and conservative governments perpetuated this oppression. Although some labour activists played an important role in criticizing these policies, the labour movement as a whole remained largely acquiescent, at least until the 1970s, and then joined in protest only after significant indigenous mobilization. There is a clear similarity in the welfare systems of invader/colonizing societies like Canada and Australia — historically they have operated to facilitate dispossession.

⁵⁰S. M. Weaver, *Making Canadian Indian Policy: The Hidden Agenda 1969-1970* (Toronto 1981), 45; H. Shewell, "The Use of Social Assistance for Employment Creation on Indian Reserves: An Appraisal," in F. Cassidy and S.B. Seward, eds., *Alternatives to Social Assistance in Indian Communities* (Halifax 1991); J.R. Ponting, ed., *Arduous Journey: Canadian Indians and Decolonization* (Toronto 1986); D.R. James, "Legal Structures for Organizing Indian Child Welfare Resources," *Canadian Native Law Reporter*, 2 (1987), 1-17; Struthers, *Limits of Affluence*, 226-30.

Labour and Welfare

The history of indigenous welfare and the obvious failure of the welfare system to deal adequately with the problems of women and children raise important questions about the nature and character of the Australian and Canadian welfare states. They attest, in a very direct way, to the pertinence of Castles' characterization of the Australian system as a workers' (and importantly non-aboriginal male) welfare system, with the market, regulated by the state, guaranteeing the material conditions of male breadwinners and their dependents, and a residual social security system assisting the most needy or those unable to participate in the labour market. In Skocpol's dichotomy of paternalist and maternalist states, the Australian case appears to be at the paternalist end of the spectrum. Canada, however, with its weaker support for the male breadwinner and greater concern with the problems of mothers, children, and more recently the unemployed, is more maternalist. But in their history of dispossession of indigenous peoples, their relative reluctance to intervene in the market, and the residual character of welfare in both Canada and Australia, these invader/colonizer welfare states fall far short of the extensive "maternalist" systems operating in social democracies in Europe.

In part this reflects the strength of capital and the pervasiveness of liberal ideologies of manly independence, respectability, and self-help in both Canada and Australia. But it also reflects some of the preferred policies of labour. In both countries labour stressed the ideals of worker's welfare, addressing the needs of the breadwinner over those of other citizens, or arguing that these needs would be best met by sustaining the breadwinner with a family wage. Here we need to return to the political culture of labour and the debate about labourism.

In both Canada and Australia, 19th-century rural populism was a significant influence on the formation of labour culture. It contributed to a virulent antagonism to the original possessors of the land and to those they feared might want to take the land from them — Asians in the case of Australia and in Canada, too, particularly in British Columbia. Of course labour was also the vehicle for collectivist, socialist, and social democratic ideas, but substantial and powerful sections of the movement drew their energy and commitment from the experience of being struggling and frequently failed small farmers. Equally frontier societies like Canada and Australia were promoted as havens from industrialization, places where an honest, hardworking man might make a decent living; on the diggings for some, more generally on the land. Even the urban male worker was said to stand a good chance of becoming independent, with his own small business. What prevented their success were the rentier classes, the unproductive and parasitic landowners who monopolized land. What was needed was state intervention to break the grip of monopoly and allow access for the worker. In the 20th century this demonology was transformed into "the money power" or the "vested interests." It is a crucial rhetorical shift — the enemy was not capitalism but the monopoly of banks, financial brokers, and in Canada, the railways. The state here had to be

rescued from the money power, because it was one of the few institutions with the capacity to smash monopoly.⁵¹

This suggests that we need to pay particular attention to the language of struggle. Language constructs the world in particular ways and shapes forms of social action. A poverty of language is a poverty of strategy. And whilst we must not fall into the trap of condescension, we must also not abrogate the task of critique. Labourism made sense, it was a viable and living strategy. It was a strategy that helped shape a particular type of welfare state, but a state that served some sections of the working class at the expense of others. It inhibited class consciousness and constructed and fostered crucial divides between the respectable and the unrespectable worker, white workers and "foreigners," men and women, breadwinners and dependents, workers and indigenous peoples — to the benefit of some and the detriment of the others.

Here were immigrant cultures, predominantly non-aboriginal male immigrant cultures, committed to respectability, social mobility, and manly independence as self-sufficient producers in their own right. This, of course, was not the only cultural stream flowing into 20th-century labour consciousness but it was a powerful and enduring one and goes some way to explaining why labour has placed great store on sustaining the role of the non-aboriginal male breadwinner as an independent and resilient worker and provider. It is not a bad tradition for the group that it seeks to sustain. The challenge for labour now is to retain that tradition while at the same time creating the space for other groups to sustain their own needs. The challenge is also to think beyond the narrow interests of the strongest groups in the organized labour movement and envision new strategies for the broader social good of other disadvantaged groups, waged and unwaged. This is a strategy of recent times. It is a program that requires labour to cooperate with and influence the state. Despite all the evidence that the state is a weapon that can be used against labour it is also a weapon that has to be used by labour more creatively than ever before.

⁵¹R. Markey, *The Making of the Labour Party in New South Wales, 1880-1900* (Kensington 1988); J. Merritt, *The Making of the AWU* (Melbourne 1986); and R. Gollan, *Radical and Working Class Politics in Eastern Australia 1850-1910* (Melbourne 1960); P. Love, *Labour and the Money Power: Australian Labour Populism 1890-1950* (Melbourne 1984); R. Cook, "Tiller and Toilers: The Rise and Fall of Populism in Canada in the 1890s," *Canadian Historical Association Historical Papers* (1984); Craig Heron, "Labourism and the Canadian Working Class," *Labour/Le Travail*, 13 (1984), 45-76; Bryan D. Palmer, *A Culture in Conflict: Skilled Workers and Industrial Capitalism in Hamilton, Ontario, 1860-1914* (Montreal 1979), ch. 4.