

The tremendous expansion of social welfare expenditures that followed World War II was accompanied by a further upward thrust in federal responsibility for such expenditures and by a considerable curtailment of municipal financing of welfare programs. By 1945-46 expenditures had increased to \$573,800,000, or \$47.52 per capita; a decade later, in 1955-56, they had been further augmented to \$1,907,300,000, or \$121.50 per capita; and in the next five years they continued to climb so that by 1960-61 total outlays of the three levels of government had reached \$3,347,000,000, or \$187.89 per capita.

The share of these expenditures carried through federal programs jumped to 71.6 p.c. in 1945-46, which represented a new plateau of federal participation. During the next decade and a half, the Federal Government's share ranged between 74.6 p.c. and 68.3 p.c., standing at 70.5 p.c. in 1960-61. Municipal expenditures on social welfare continued to decline relative to federal-provincial outlays. The municipal share dropped to 7.4 p.c. in 1945-46, or less than half that of the late 1930's and early 1940's, and this downward trend continued after the War so that in 1960-61 the municipal share of government expenditures on social welfare was only 3.0 p.c., the lowest in Canadian experience. The proportion of expenditures borne by the provinces was also much less in the postwar period than in any previous period since Confederation; it fluctuated between 18.9 p.c. in 1946-47 and 27.0 p.c. in 1950-51 and stood at 26.5 p.c. in 1960-61.

Federal Expenditures.—Expenditures by the Federal Government in the form of cash benefits under various social security programs as well as on the financing of public health and welfare services reached about \$2,538,000,000 for the year ended Mar. 31, 1962. General welfare payments in the form of family allowances for children under 16 years of age and old age security pensions for persons 70 years of age or over accounted for a very large share of this expenditure. Thus, the magnitude of the outlay involved is resulting in a redistribution of income of sizable proportions in favour of children and senior citizens. Federal expenditures under these two programs will reach \$1,273,000,000 in the fiscal year 1962-63.

The Federal Government has made provision for social assistance payments under a variety of programs. The first major venture in this area took place in 1927 when the Government introduced a sharing program with respect to the cost of old age assistance. During the 1930's, federal war veterans allowances were introduced and the federal-provincial program of old age pensions was extended to cover blind persons. In the mid-1950's, federal programs were implemented to share with the provinces the cost of allowances for the permanently and totally disabled and general assistance payments. Expenditures under these programs are small in comparison with those for general welfare payments; in 1961-62, war veterans allowances amounted to about \$75,000,000, and the federal share of provincial payments for old age assistance, allowances for the blind and disabled, and unemployment assistance amounted to \$141,000,000.

Canada has tended to employ the techniques of general welfare payments and of social assistance in the provision of income maintenance payments rather than to depend to any considerable extent on social insurance programs. Unemployment insurance, the principal federal program utilizing the insurance approach, was introduced early in World War II; insurance benefits under this program reached \$514,000,000 in 1960-61. The announcement in the Speech from the Throne in January 1962 of the intention of the Federal Government to introduce an old age, survivors and disability insurance program if agreement can be reached with the provinces on a suitable constitutional amendment ensuring constitutional authority for such an undertaking, suggests that in the years ahead the social insurance technique may be utilized as a part of Canada's social security system to a far greater extent than in the past.

The Federal Government is also financially involved in the provision of health and welfare services. Some of these are programs administered by the Federal Government, such as treatment and welfare services for special groups; in 1961-62, \$24,400,000 was expended under the Indian and Northern Health Services program and \$49,000,000 was expended on hospital accommodation and treatment services for veterans. Other measures