

Charity and Public Welfare in History: A Look at Ontario, 1830–1950

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Several historical works have described 19th-century Ontario as lacking a conception of public welfare, where the poor were largely left to the benevolence of religious charities. Consider here Stephen Speisman's claim that "prior to 1900, the very religious character of Toronto mitigated against the assumption of social welfare responsibilities by the city government."¹ This assumption, however, ignores the complex web of relationships that characterized the delivery of social services in Ontario and in many English-speaking regions across Canada. More recent studies have attempted to revise our understanding of Canadian social welfare history by bringing to light the long-standing exchange between public and private institutions.² At least since the 1830s, governments have been in the business of regulating and funding charities. And the expansion of the voluntary sector historically, as in the contemporary context, has always hinged on substantial government involvement. According to Richard Splane, the history of social welfare in Ontario before Confederation can best be described as "a sharing of responsibility between public and private bodies that was to become an enduring characteristic of social welfare organization in Ontario."³

The objective of this article is to highlight the historical linkages between the state and charities. It begins with a review of the early collaboration between public and private institutions in the management of the poor. It then describes a gradual incremental interrelationship between charities and local governments that gave rise to a bureaucratic architecture designed to bring individual charities under central control. The account is not intended to be comprehensive but rather to identify significant historical developments that characterized the early development of the voluntary sector. The article focuses mainly on Ontario and, more specifically, on the association between Toronto's municipal government and voluntary agencies; however, the analysis has wider relevance. The dealings between Toronto's public officials and charities typifies trends that affected the voluntary sector as a whole. The focus is primarily on local municipal dealings with charities because, historically, federal or provincial interest in the voluntary sector was filtered through local governments.

The Beginning of Public Involvement in Voluntary Initiatives, 1830s–1860s

It was in the 1830s that charities began to attract government interest and intervention. Prevailing understanding of the problem of poverty and respon-

sibility for the poor was changing. Disillusionment with laissez-faire liberalism, along with the Depression of 1837 and a series of cholera epidemics that disproportionately affected the poor, challenged the image of the poor as an indolent class. Early social reform movements called for public involvement in the management of the poor and an end to the practice of imprisoning the homeless in city gaols. Reformers lobbied government to erect houses of refuge to care for the growing number of destitute. Charities had been operating in the city but, increasingly, responsibility for poverty was beginning to be redefined as more than a private matter; local governments were under pressure to respond to the growing crisis.⁴

Upper Canada's rejection of the English Poor Law in 1792 is often interpreted as evidence of the government's early reluctance to assume responsibility for social welfare. Yet, as Rainer Baehre and Richard Splane suggest, public opposition to the Poor Law reflected a concern with the use of property taxation to support poor houses, rather than a dismissal of the principle of public support.⁵ By the 1830s, this opposition began to dwindle, and in 1837 the province passed the *House of Industry Act* allowing municipalities to collect taxes on ratable property for the purpose of erecting houses of refuge. A series of amendments in 1846, 1849, 1853, and 1866 strengthened the power of municipalities to extract taxable income in support of local charities. By 1866, the *Municipal Institutions Act* enabled taxes to be appropriated from general revenues.⁶ Although most of these measures had little effect, since few were routinely enforced, they do reveal a growing commitment by provincial and municipal governments to poor relief.⁷

By the 1830s, governments were routinely channeling grants to charities. In 1828, Upper Canada bestowed a small subsidy on Toronto's Emigrant Temporary Asylum for the poor and, by the late 1930s, annual public grants were allotted to Toronto's House of Industry, a Protestant poorhouse.⁸ At this time, the structure of charity varied considerably across the province. In cities with an established voluntary sector, partial state subsidies were distributed to select charities. In many smaller communities, charities were almost non-existent. In places like Ingersoll, Cobourg, Mount Forest, and Belleville, municipal councils, for the most part, provided the bulk, if not all, of the poor relief budget. Public funds, however, were not directly handed out by local government. Lynne Marks describes, how, for the most part, local women's associations were recruited to distribute the money to those deemed deserving.⁹ Channeling funding through local charities or women's organizations served as a political mechanism to obscure the extent of government involvement in relief. According to Jane Lewis, this tactic ensured "that the poor could never claim relief as a right."¹⁰

Building a Bureaucracy to Manage Charities, 1870s–1890s

In the decades following Confederation, provincial spending on the voluntary sector steadily increased. Initially, government subsidies to charities consti-

tuted only a small fraction of the total spent on voluntary organizations. In 1870, Ontario allotted a mere \$12,610 to be distributed among 16 charities. By 1876, this amount almost doubled to \$21,367.26 and, by 1890, a total of \$77,731.82 was apportioned to 72 charities.¹¹ As public funding increased, governments became ever more interested in overseeing their investments. In an effort to bring charities under public scrutiny, a new cadre of inspectors was hired to monitor the internal operations of grant recipients. This marked the beginning of a bureaucratic mechanism designed to regulate philanthropy.

Ontario's first Inspector of Asylums, Prisons and Public Charities, John Woodburn Langmuir, was appointed in 1868.¹² Two additional charity inspectors were hired by the turn of the century, and in 1893 a Superintendent of Neglected and Dependent children was hired. Their task was to monitor the internal operations of charities and remodel the system of public grants.

Upon appointment, Inspector Langmuir set out to overhaul the practice of allocating grants on the basis of partisan preference. He preferred a system whereby allotments were determined according to the type and amount of service provided by each charity. His recommendations, while controversial at the time, were incorporated into the *Charity Aid Act* of 1874. Under the *Act*, lump-sum grants to organizations were replaced by a new system of per diem rates in which funding was tied to the number of cared-for individuals. Under this new funding system, charities were divided into three general groups: a) hospitals, b) poorhouses, and c) orphanages and rescue homes. A different but standard per diem rate was devised for each category.¹³

Prior to the *Act*, haphazard information was collected on the internal operations of charities, but, henceforth, detailed accounts were maintained on charges cared for. Institutions in receipt of aid now had to submit annual reports documenting all sources of revenues including the amount received from private donations. Every aspect of their program was subject to enumeration and scrutiny by centralized authorities. A gradual and incremental bureaucratic apparatus was instituted to systematize and regulate the voluntary sector. The net effect, according to Valverde, was to reduce the Protestant lobbying advantage by "taking grants to charities out of the realm of politics and into the realm of administration."¹⁴

Centralizing Benevolence, 1900–1930

By the 1900s, business philanthropists and politicians were determined to transform philanthropy and inject the charity sector with a new scientific management logic informed by Taylorism.¹⁵ The market logics of efficiency, bureaucracy, and centralization formed the centerpiece of this new ethos. In Toronto, the effort was led by the political economist Morley Wickett; elsewhere it was influenced by such prominent individuals as J. S. Woodsworth in Winnipeg and Herbert B. Ames of Montreal.¹⁶ The result was the creation of various central governing bodies designed to streamline charities and impose

fiscal, professional, and administrative accountability. The lack of central administration, which left charities to operate independently, was said to have given way to widespread inefficiency, a duplication of services, and the mismanagement of philanthropic dollars. In Toronto, pressure from business reformers led to the formation of organizations like the public Social Service Commission in 1912, the privately run Neighbourhood Workers Association in 1914, and the Federation for Community Services in 1919. By the 1920s and into the early 1930s, federated fundraising organizations were formed in major centres across Canada. Similar attempts to consolidate the charity sector were occurring throughout Canada and the U.S. According to Brown and McKeown, in the U.S., consolidation and modernization were “the dominant concerns of charities leaders between 1900 and 1930.”¹⁷

The formation of the Social Service Commission (SSC) in 1912 was one of the first attempts by Toronto’s municipal government to introduce a management model to the charity sector.¹⁸ The SCC took over the business of administering government funding. Voluntary agencies that had previously applied directly to the government for grants now had to appeal to the SSC for public funding. New reporting requirements were introduced, and charities found in breach of SCC regulations risked having their funding revoked. The SCC also attempted to restructure the services provided by agencies. If the SCC deemed a service redundant or inappropriate, it had the power to reduce or terminate funding. The corporate-style management practices imposed by the SCC were met with considerable resistance by voluntary agencies. Many felt that the SCC board, which was composed of five businessmen, was unsympathetic and lacked an understanding of the services provided by charities. Clashes with aid workers initially led to the scaling down of the SSC’s duties and eventually it was disbanded. Despite its short career, the SSC was an important step in the process towards the bureaucratic management and the centralization of relief work at the municipal level. It forced charitable institutions to respond to the growing demand for the maximization of charity dollars and the efficient administration of service delivery.

Determined to preempt the municipality from imposing a new governing body, charity leaders organized their own central governing structures. In Toronto, the Protestant Neighbourhood Workers Association and the Catholic Charities organization were formed in 1914 and 1913 respectively. These umbrella organizations were designed to coordinate and centralize the work of previously independent voluntary institutions and to oversee admissions to individual charities. Local charities were to limit their mandate to service delivery; eligibility and funding structures would be determined by central bureaucracies.

Charity consolidation was touted as a means of minimizing costs while maximizing the quality of service. It also served to reduce the autonomy of individual associations such that they could no longer embark on independent initiatives. Charities run by lay organizations or religious orders, many of

which were administered and staffed by women, now had to submit to regulations and forms of accountability determined by central agencies typically headed by men.

In 1919, the secular Federation for Community Services (the predecessor of today's United Way of Greater Toronto) was formed to coordinate the funding of voluntary associations. The Federation fostered an alliance between charity workers and local philanthropically minded businessmen; it streamlined the fundraising efforts of charities and introduced new techniques of budget discipline, cost accounting, and auditing. The Federation was designed to amalgamate the fundraising efforts of Toronto's charities into a single drive. Subsequently, donations were distributed by the Federation according to the needs of and services provided by affiliated agencies. The amount of funding given to charities would no longer be determined by benefactors who gave money to their favorite charities; rather, the Federation would base its funding decision on an in-depth assessment of anticipated need. Through such governing practices, individual charities increasingly lost their autonomy to determine the direction of their organizations.

Controversy over the disproportionate allocation of resources to Catholic organizations by the Federation for Community Services led to a splinter, and the Federation of Catholic Charities was formed in 1927 to amalgamate the fundraising of all Catholic charities. This continued until 1943 when all charitable federations, including Toronto's Federation of Jewish Philanthropies and the Catholic Charities, were united under the auspices of the United Welfare Fund. In 1944, the Fund was renamed the Community Chest of Greater Toronto. It became the United Community Fund in 1957 and evolved into the United Way of Greater Toronto in 1973. This union continued until 1976 when the Catholic charities broke away following a controversy over the inclusion of the Planned Parenthood Association of Toronto. The Catholic Church subsequently formed the ShareLife annual campaign.

The integration of business principles into the voluntary sector coincided with the growth of schools of social work and the professionalization of charity workers. Departments of social service were initially opened in Montreal and Toronto, and increasingly their graduates were hired to replace voluntary workers. Historical works on the Canadian welfare state generally hold that the rise of such modern, secular institutions resulted in the near eclipse of religious voluntary organizations. Professional social work is often associated with the secularization of society, which is understood as having displaced the work of religious charities. However, though a social scientific professionalization imbued the voluntary sector, many religious charities, like the Catholic ones, flourished during this time period. By the 1920s, many religious charities had embraced the social scientific ethos and had hired university-trained social workers from Canada and the U.S. The ability of denominational charities to

professionalize and incorporate social work techniques ensured their continued presence and influence during the expansion of the welfare state.

Stepping-Up Public Welfare, 1930s–1950s

The economic collapse of the 1930s was a catalyst for the expansion of state welfare programs. As the number of families seeking relief soared, benevolent organizations found themselves unable to deal administratively or financially with the burgeoning poor. They began to demand greater government involvement. Increasingly, municipal, provincial, and federal governments became directly involved in the coordination of relief. Municipal governing bodies, like Toronto's Department of Public Welfare, were formed and invested with the power to coordinate and administer both direct and indirect relief work. As governments began to step up and assume a greater role in the provision of social services, so too did charities. The new public relief programs, far from displacing the work of charities, intensified cooperative ventures, or "partnerships," between voluntary institutions and municipal departments. In Toronto, for instance, the Neighbourhood Workers Association, along with other agencies such as the Catholic Welfare Bureau, became the central organizations through which the city funneled its relief to the poor. As Ontario's Director of Unemployment Research, Harry Cassidy, attested, the "stimulation and coordination of private effort" was one of the central strategies adopted by Toronto's City Council.¹⁹

Prior to the 1930s, there was no distinction made between different types of poverty at the level of government policy. Typically, the management of the poor was, for the most part, left to charities. Governments were content to play a distant role providing funding, but left the day-to-day regulation of relief to voluntary agencies. With increased involvement of federal, provincial, and local governments in social welfare, this soon began to change. William Walters' study of unemployment in Britain describes how mass unemployment during the 1930s "designate[d] an arrangement whereby, for the first time in industrial history, a large majority of the victims of industrial depression [were] registered, relieved and counted, i.e., governed, as 'unemployed' persons - as opposed to vagrants, paupers, deserving cases, etc."²⁰ Increasingly, distinctions were made between those whose need was a direct outcome of lack of employment opportunities and the "dependent" poor whose loose morals, lack of control, and unsanitary habits were deemed the root cause of their poverty. Distinctions between the "chronic poor" and the "unemployed" did occur prior to the thirties, but such categories were not inscribed in public policy. This changed dramatically by the mid-1930s. Those classified as "unemployed" were redefined as an economic problem; they became a public priority, a group that as of 1940 could claim a right to public assistance under Canada's unemployment insurance legislation. By contrast, the dependent poor continued to be constructed as a social and moral problem. Rather than extend full rights and social provisions to dependent cases, governments preferred to play

a distant supervisory role that left these cases primarily under the care of private agencies. As state welfare increasingly took the form of cash benefits, the voluntary sector continued its role in the provision of social and community services.

Many individual charities prospered in the forties and fifties, in part due to public funding, but also because federated charities began to expand their donor base. In the early years, charities relied primarily on benefactors from the elite or middle classes. By the forties, federated appeals had begun to solicit money from working-class Canadians. Appeals to the working-class emphasized how social services served their communities and, for many, their own families. According to Tillotson, charitable donations to Community Chests increased eight fold between 1931 and 1959. As governments increased income taxation in order to finance burgeoning public welfare services, private charitable giving to federations also blossomed. This challenges conservative arguments that presume increased taxation stifles private benevolence. According to Tillotson, “rather than being *replaced* by tax paying, charitable giving helped prepare the way in public culture for income tax paying as a feature of citizenship in the welfare state.”²¹

Conclusion

The ability of the charitable sector to expand rapidly to encompass a broad array of social services was made possible, in large part, by government support. Local and provincial governments provided the legal framework and essential financial resources that enabled the formation and proliferation of voluntary organizations. Public provisions, however, were not unconditional; they were nearly always tied to expanding bureaucratic supervision in the form of cost accounting, inspection, standardized forms, annual reports, and centralized bureaucracies, all of which extended the ability of governments to monitor the independent operations of charities. Increasingly, municipal and provincial governments assumed greater responsibility for the provision of social services, a process that entrenched links with the voluntary sector. Charities were not casualties of state expansion. As governments stepped up their responsibility in social welfare, voluntary organizations were restructured and transformed, but they were not displaced. In fact, as public provisions expanded during the forties and fifties, voluntary agencies likewise benefited from substantial public support.

NOTES

1. Stephen Speisman, “Munificent Parsons and Municipal Parsimony: Voluntary vs Public Poor Relief in Nineteenth Century Toronto,” *Ontario History* 65:1 (March 1973), 32.
2. Paula Maurutto, *Governing Charities: Church and State in Toronto’s Catholic Archdiocese, 1850–1950* (Montreal: McGill-Queen’s University Press, 2003); Nancy Christie and Michael Gavreau, *A Full-Orbed Christianity: The Protestant Churches and Social Welfare in Canada, 1900–1940* (Montreal & Kingston: McGill-Queen’s University Press, 1996);

- Shirley Tillotson, "A new taxpayer for a new state: charitable fundraising and the origins of the welfare state," in Raymond B. Blake, Penny E. Bryden, and J. Frank Strain (Eds.), *The Welfare State in Canada: Past, Present and Future* (Toronto: Irwin Publishing, 1997), 138–155.
3. Richard Splane, *Social Welfare in Ontario, 1791–1893: A Study of Public Welfare Administration* (Toronto: University of Toronto Press, 1965), 68.
 4. Paula Maurutto. *Governing Charities*.
 5. Rainer Baehre, "Paupers and Poor Relief in Upper Canada," *Canadian Historical Association, Historical Papers*, 1981, 65–79.
 6. In addition to legislation affecting municipalities, Canada West passed an act in 1847 forcing shipping companies to provide a bond with sureties for any immigrant they brought over who became destitute within the first year. The act was amended in 1851 to allow the collection from bonds to be given directly to charities working with immigrants. See Splane, *Social Welfare in Ontario*, 78.
 7. Susan Elizabeth Houston, "The Impetus to Reform: Urban Crime, Poverty and Ignorance in Ontario, 1850-1875," (Ph.D. dissertation, University of Toronto, 1974), 187.
 8. Richard Splane, *Social Welfare in Ontario*; Michael B. Katz, Michael J. Doucet and Mark J. Stern, *The Social Organization of Early Industrial Capitalism* (Cambridge: Harvard University Press, 1982).
 9. Lynne Marks, "Indigent Communities and Ladies Benevolent Societies: Intersections of Public and Private Poor Relief in Late Nineteenth Century Small Town Ontario," *Studies in Political Economy* 47 (Summer 1995), 61–87.
 10. Jane Lewis, "The Boundary Between Voluntary and Statutory Social Service in the late Nineteenth and Early Twentieth Centuries," *The Historical Journal* 39:1 (1996), 159.
 11. Paula Maurutto, *Governing Charities*.
 12. A Board of Inspectors of Prisons, Asylums and Public Charities had been established earlier in 1859, but the Board did little in the way of inspecting private charities.
 13. Splane, *Social Welfare in Ontario*, 80-88.
 14. Mariana Valverde, "The Mixed Social Economy as a Canadian Tradition," *Studies in Political Economy* 47 (Summer 1995), 49.
 15. The ideological foundations of the movement reside in the writings of Frederick W. Taylor. He called for centralization of administration, specialization of tasks, and the introduction of cost accounting procedures to provide management with the information they required in their role as administrators. For a more detailed account, see Paula Maurutto, *Governing Charities*.
 16. John C. Weaver, "Order and Efficiency: Samuel Morley Wickett and the Urban Progressive Movement in Toronto, 1900-1915," *Ontario History* 69 (December 1977), 218-234. See also Doug Owram, *The Government Generation: Canadian Intellectuals and the State, 1900-1945* (Toronto: University of Toronto Press, 1986), 50–79; Graham S. Lowe, "Mechanization, Feminization, and Managerial Control in the Early Twentieth-Century Canadian Office," in Craig Heron and Robert Storey (Eds.), *On the Job: Confronting the Labour Process in Canada* (Montreal: McGill-Queen's University Press, 1986).
 17. Dorothy Brown and Elizabeth McKeown, *The Poor Belong to Us: Catholic Charities and American Welfare* (Boston: Harvard University Press, 1998), 51.

- 18 The SSC superseded the Associated Charities formed in 1881, but unlike its predecessor, the SSC was officially appointed by the city.
19. Harry M. Cassidy, *Unemployment and Relief in Ontario, 1929-1932* (Toronto: J. M. Dent & Sons, 1932), 121.
20. William Walters, "The Fate of Unemployment: A Study in Governmentality," (Ph.D. dissertation, York University, 1996), 123-124.
21. Shirley Tillotson, "A new taxpayer," 131–132.