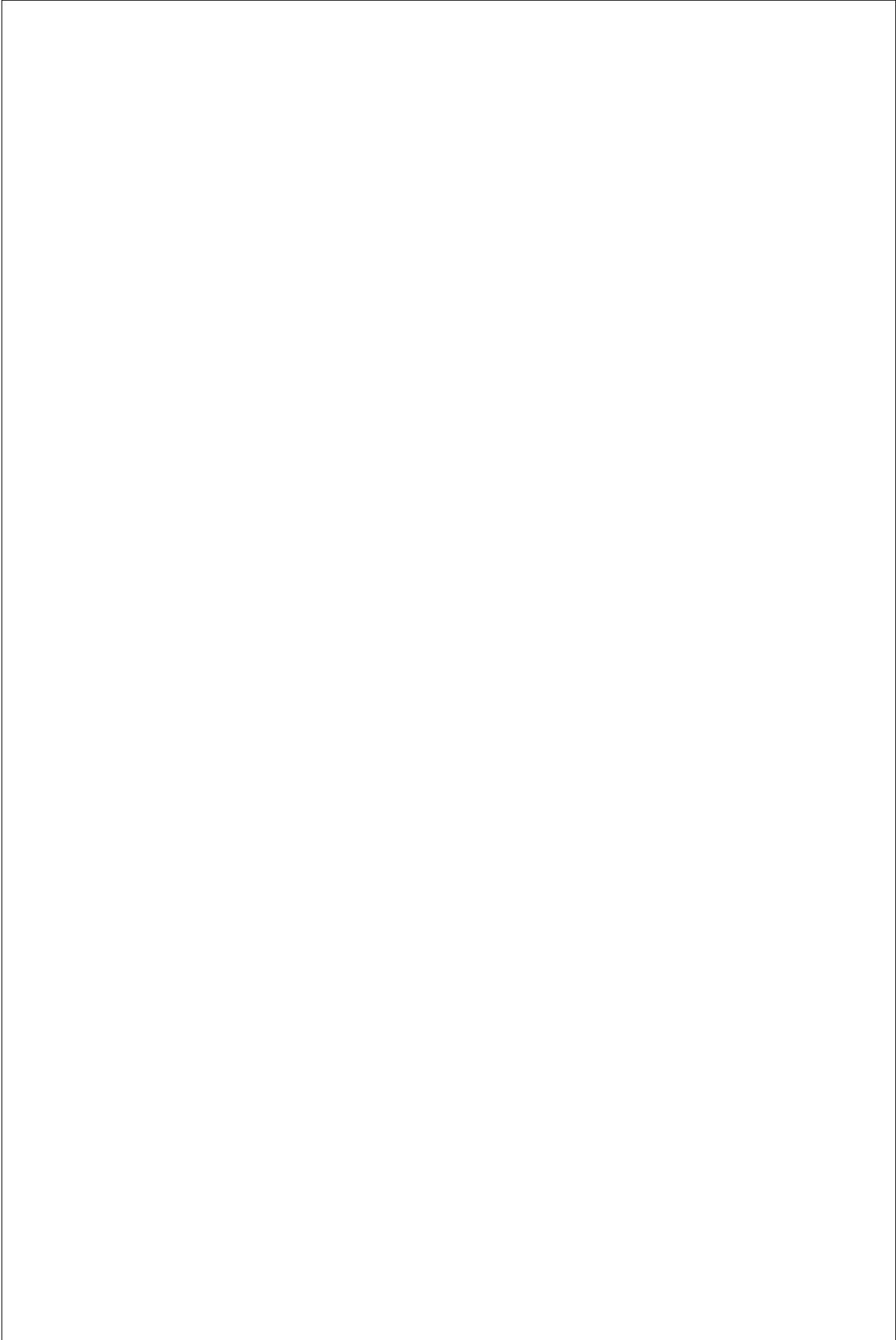


Contributing Citizens



Contributing Citizens

Modern Charitable Fundraising and
the Making of the Welfare State, 1920-66

..... Shirley Tillotson



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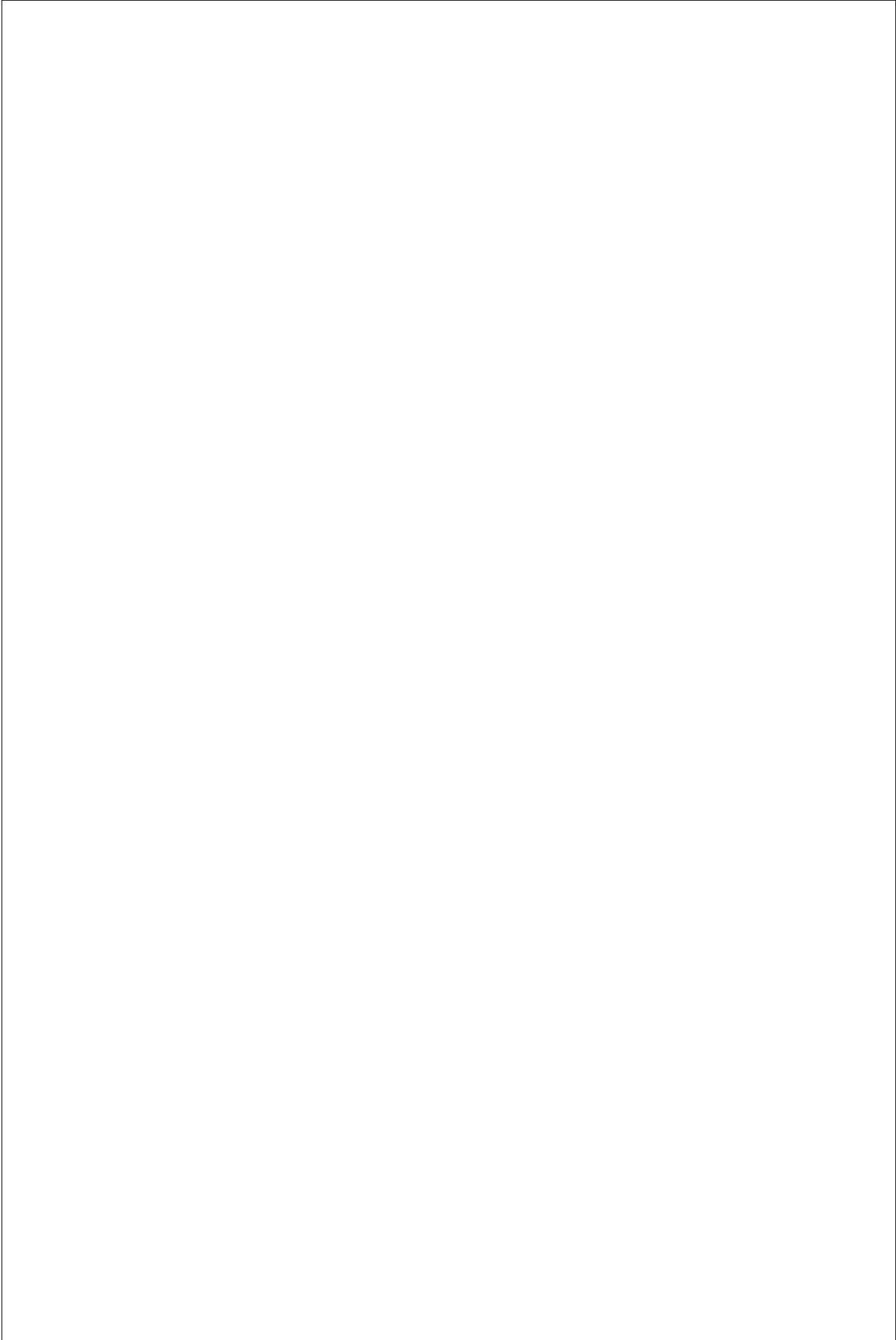
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Contributing Citizens



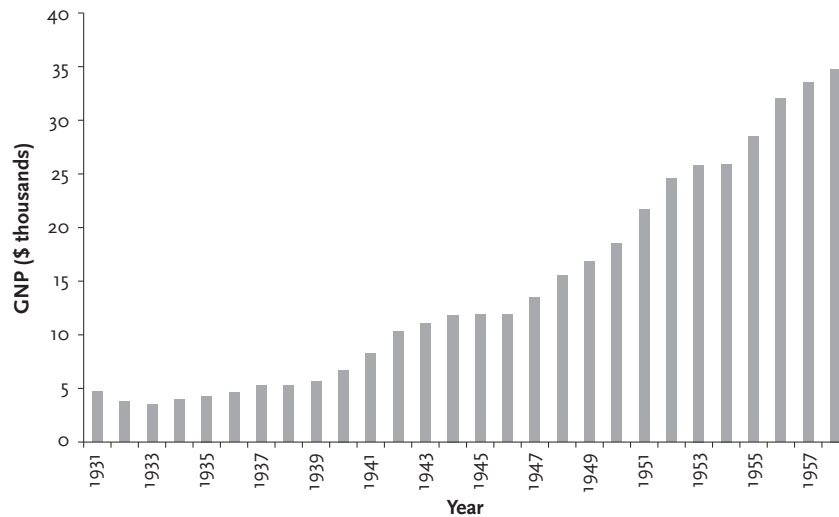
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Introduction: Public and Private in Welfare History

Now that I know what I know about the history of charitable fundraising, I find it difficult to take seriously the view that the welfare state was to blame for a decline in charitable giving. But I understand why that idea is plausible to us as potential donors. There is an effort and an emotional strain entailed in truly thinking about need and in deciding how much to give and to whom. If we imagined that adequate state programs existed, then we might think ourselves relieved of that effort. As an explanation of how public provision affected giving, however, this overlooks a major phenomenon of twentieth-century fundraising: its modernization. Many of the innovations that made fundraising modern were designed to free donors from exactly the work of feeling and choosing that charity supposedly entailed. Several decades before Canada's welfare state was well established, modern fundraisers tried to make efficiency and impersonality the basis for giving. They failed – but only after making modern charity look like the welfare state in waiting.

The development of the Community Chests is the defining story of how charity became modern in twentieth-century Canada. When Charles Darrow created the board game Monopoly in 1934, the Community Chest (featured as the good luck square) was as well known as the street names on the board. In almost 400 American cities, there was a Community Chest that annually made an appeal for funds on behalf of the cities' charities. In Canada, too, all of the major cities had similar organizations, as did several smaller centres. These organizations (sometimes called "federations" or "united appeals") were a new expression of the rationalizing impulse that, in the nineteenth century, had produced associated charities groups such as the Charities Organization Society. In the 1920s and 1930s, the federations represented what was innovative in charitable fundraising. The first welfare federations in the United States had begun just before the First World War. In Canada, they emerged in the war's immediate aftermath.¹ By 1958, the number of

FIGURE 1

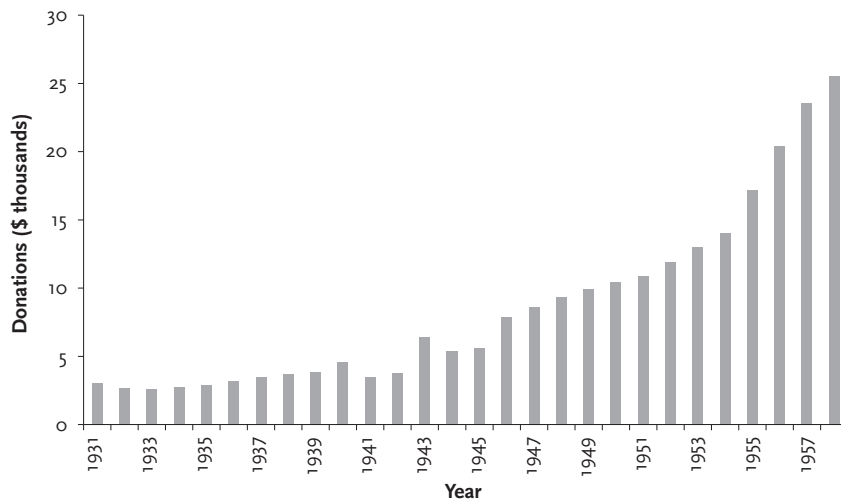
GNP, Canada, 1931-58

SOURCE: F.H. Leacy, ed., *Historical Statistics of Canada*, 2nd ed. (Ottawa: Statistics Canada, 1983), Table F13.

welfare federations in Canada had grown to seventy-four from eight in 1934. They had become a normal element of the system of welfare provision in Canada. Although not yet present in Newfoundland, they were increasingly found in rural centres such as Truro, Nova Scotia, and Joliette, Quebec.² And, rather than shrinking as the welfare state grew, the donations they collected grew as the economy grew (see Figures 1 to 4).

The "chest idea" was that all the charities making public appeals in any given city would unite to make one common appeal each year and that the amount asked would be the precise amount required to meet the needs of efficiently organized welfare agencies.³ A single appeal combined with competent spending would efficiently use the publicity dollars and volunteer energies that were available to charity. Central oversight of services would prevent duplication and unnecessary spending. Businessmen sitting on management boards and the male and female office workers in the various agencies would be saved the work of planning, managing, and record keeping for many separate, smaller fundraising campaigns. Door-to-door canvassers, mainly women, would make the circuit once a year rather than repeatedly.

FIGURE 2

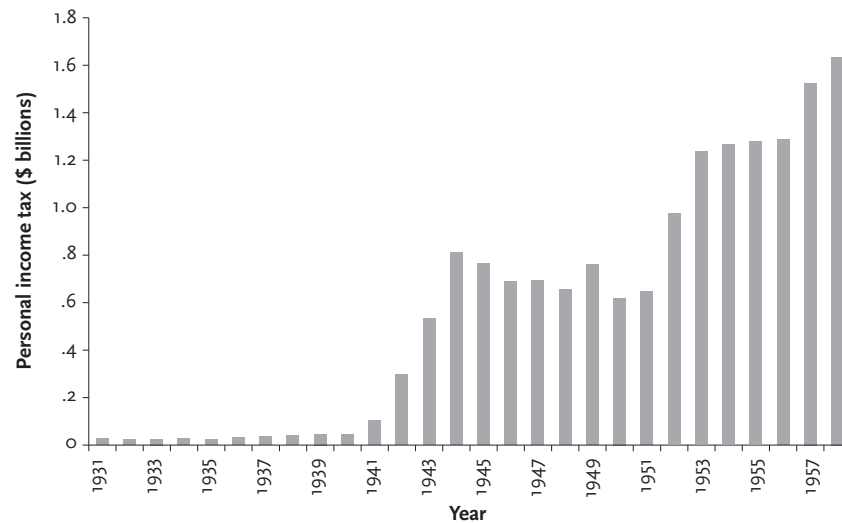
Community Chest donations, Canada, 1931-58

SOURCE: *Canadian Welfare*, various issues.

As a result of these efficiencies, charities would be able to give up on risky and irritating fundraising methods. No longer would social work have to take the risk of relying on events such as teas, dances, and fairs, which required lots of effort but produced unreliable, often small, returns. And the chest promoters promised that their fundraising would be less irritating than, for example, the infestation of store foyers and downtown streets with "taggers": people soliciting donations for charity, giving out little lapel labels to each donor. Retail merchants thought that having shoppers run a gauntlet of taggers was bad for business. They hoped the annual appeal would eliminate this nuisance. Finally, the annual appeal of a federation of charities was supposed to increase charitable giving. A welfare federation, larger than any of its single member agencies, would command greater and better fundraising resources. It would be able to mount a modern sales campaign. Systematic record keeping, co-ordinated publicity, team organization, and a military-style chain of command would provide fundraisers with data for strategic planning and the means to motivate and support canvassers. Moral suasion, frail on its own, would be empowered by the tools of modern business.

This new method of charitable fundraising, as I will show, helped to make the welfare state possible. Some people intended to use fundraising for private welfare services to make tax-funded services unnecessary; however, even though federated appeals funded more and more charities over the decades between 1920 and 1960, they ended up helping in several ways to make public provision increasingly attractive. First, the chests succeeded during the 1920s and 1930s in increasing the number of donors, using a model of citizen obligation that was identical to the one that legitimated the cross-class, progressive income tax. This model of obligation, though widely discussed in North America since the 1890s, was introduced in the tax system in Canada (and the United States) only during the Second World War.⁴ I argue that the ideological work of fundraisers during the interwar years had helped to make the progressive income tax model politically acceptable. And this model of taxation, with its low threshold of exemption and progressivity of liability, became the model of obligation on which the welfare state's revenues would be based. Second, the chest campaigns used various advertising and public relations techniques to redefine charitable giving as a general

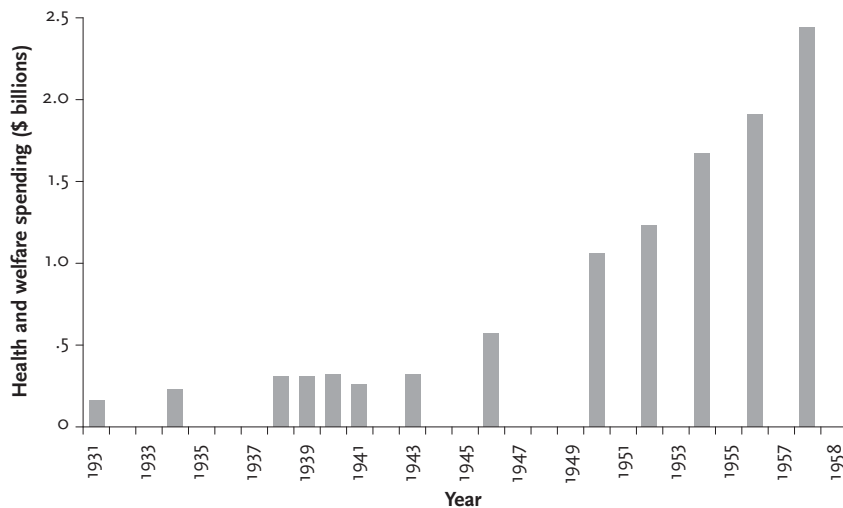
FIGURE 3

Personal income tax, Canada, 1931-58

SOURCE: Canada, Department of National Revenue, *Taxation Statistics* (1961), 20.

civic duty rather than a more specific gender, religious, ethnic, or fraternal obligation. In this way, they promoted conceptions of private duties that appeared increasingly similar to public ones. Third, their fundraising methods generated a particular kind of awareness of welfare needs, a kind that, paradoxically, made it logical to meet those needs through tax-funded programs rather than donation-funded ones. This was especially important during the war years and the 1950s, when better economic conditions seemed to make the needs of the poor less pressing. Fourth, these fundraising organizations built a network of social leaders, from business, labour, religious organizations, and professional social work, who, by the 1950s, became an influential policy community with a broad social base. Their influence was substantially derived from their record of fundraising success. As fundraisers, their purpose was to support private charity, but one of their means of protecting private charity's viability was to advocate for the expansion of particular tax-funded social programs. By the 1950s, the united appeals had become part of the new welfare regime. The charities they helped to finance were complements and not alternatives to public programs.

FIGURE 4

Government health and welfare spending, Canada, 1931-58

SOURCE: Dennis Guest, *The Emergence of Social Security in Canada*, 3rd ed. (Vancouver: UBC Press, 1997), 305.

Our present historical knowledge of the development of welfare in Canada does not prepare us to understand the coexistence of increasing charitable giving and a growing welfare state. The headline news of twentieth-century welfare history was, rightly, tax-funded programs. In the decades from 1920 to 1960, while the Community Chest movement was surging ahead, public programs of welfare provision also grew dramatically. Beginning with workmen's compensation, veterans' pensions, and mothers' allowances, and proceeding to old age pensions, unemployment insurance, family allowances, and unemployment assistance, the provision of relief to the needy was radically transformed. In the same period, tax funds also became increasingly the sole or fundamental support for social services such as hospitals, public health nursing, child protection, recreation, and housing for the elderly. The beginnings of all of these developments together can, in short form, be called "the origins of the welfare state." And as the diversity of these developments indicates, the welfare state is not a single thing with a common underlying causality. But in the various histories written of its component parts, there has typically been a theme of these new phenomena replacing older, inadequate agencies, usually ones that relied substantially on private funding: in a word, charities. Thus has grown up in historical writing, as well as in journalistic history and popular memory, a common-sense story in which the welfare state (its agencies at first called "public charities") took over when "private charity" (usually a family welfare bureau that administered both donor and municipal funds) collapsed.⁵

This story has begun to be reconsidered. Inspired or appalled by some governments' attempts to dismantle programs of social provision, historians on both the right and the left have been questioning the apparently inevitable historical movement from private to public welfare. As Colin Jones wryly observed about the savaging of social spending, "Western society's loss has been the historian's gain."⁶ The politics of the 1980s and 1990s opened up for historians new lines of inquiry and interpretation. James Struthers, who, in the late 1970s and early 1980s, had written about the origins of unemployment insurance in the 1930s, focused in the late 1980s and early 1990s on the dynamics that led both to expansion and to contraction of social assistance, ending, not at a triumphalist moment in the early 1960s, but at "the limits of affluence" in the early 1970s.⁷ As social welfare moved from being an object of apparent consensus to a central focus of political controversy, researchers began to analyze which crucial contingencies made the welfare state's expansion in the twentieth century possible. Economists,

philosophers, and sociologists have all made contributions in this area.⁸ Historians have been particularly interested in revisiting the 1930s to understand the conditions that made state expansion politically viable.⁹ One set of conditions that has emerged as significant has to do with the role of private welfare agencies. Were private agencies no more or no less able than public ones to respond to the crisis of the 1930s? Did they lose ground only when government agencies, for ideological reasons, took over? Or were reluctant governments pressed into relief provision (and other forms of social work) only because no system of donations or private insurance could meet the manifest and socially accepted needs? If, metaphorically speaking, private welfare in the 1930s took a dive off a tall building, did it jump, or was it pushed?¹⁰

Some of the newer studies echo the older common sense on this question. Elizabeth Cohen, for example, shows that, for Chicago's working class, it was the failure of private charities and mutual aid in the face of structural economic change that destroyed the old ways of dealing with need and made the intercession of the state, with its resources of taxation and borrowing, necessary to finance the response to new and larger-scale kinds of need. She regrets the loss of some of the older forms of security provision, emblematic as they were of working-class cultural norms. But, from Cohen's perspective, the eclipse of, for example, mutual aid societies was inevitable. These privately funded welfare agencies were part of a cultural response to insecurity that ceased to be effective in the face of the Depression's sweeping structural unemployment. Working-class collective response to insecurity took newer, more relevant forms in campaigns for state-managed, tax-funded social provision.¹¹

In other interpretations of the change from private to public provision, the phenomenon was not an inevitable response to the magnitude of need (at least for male workers) but a deliberate enactment in law of ill-advised state-collectivist ideologies. For example, David Beito argues that fraternal societies would have continued to be viable means of providing institutional care for orphaned children and the elderly had not governments provided competing programs such as old age pensions and mothers' allowances. Faced with this kind of competition, some fraternal orders closed their homes, and most had reorganized by the 1940s as social clubs or life insurance businesses. In losing the practical programs of fraternal societies, Beito argues, the United States lost relationships of "voluntary reciprocity and autonomy" and relegated its poorest citizens to the standing of disparaged dependents.¹²

While he acknowledges that there were many contributing factors in fraternalism's decline, including structural change in the workforce and market competition from commercial insurance, Beito emphasizes the primary causal weight of government intervention in the security business. His is a "crowding out" argument that owes its basic logic to libertarian macroeconomics. In an interview with Manitoba's Frontier Centre for Public Policy, he made clear his belief that his argument also applies to Canada.¹³

Canada's most recent treatment of the Depression's role in state formation is Nancy Christie's. In *Engendering the State: Family, Work, and Welfare in Canada*, Christie acknowledges both the charities' struggles and the ideological critique of private welfare. But a welfare state ideology did not necessarily and directly lead to government takeover. Charities that served women workers begged for help but were left to private funding auspices. Men's income needs, inadequately met by private organizations, attracted the attention of governments, however, and the ideology of support and discipline for male breadwinners justified unemployment insurance and family allowances.¹⁴ In this view, public programs were the result of private charity's inadequacies, to be sure, but the ideological push came from gender politics more than class.

Along with debates about the value of the shift from private to public provision and its causes has come a literature that questions whether the public/private division ever existed in the pure form that political ideologists assume. In 1995, Mariana Valverde made the beginnings of a case for Canada having had, not a purely private welfare regime, but a "mixed social economy," with significant participation by government, since at least the mid-nineteenth century.¹⁵ Others have followed in developing this thesis.¹⁶ In this view, governments have always participated in welfare provision, whether through subsidy, regulation, licensing, criminal law, or direct service. What has changed over time, and what is therefore a subject for historical inquiry, is the actual blend of state and private citizen direction and financing. Thus, historians can study what figuratively has been called the boundary or the frontier between the public and the private provision of welfare.¹⁷

The most fully developed historical empirical study of a mixed social economy is Geoffrey Finlayson's 1994 publication *Citizen, State, and Social Welfare in Britain, 1830-1990*. Part of what is admirable about Finlayson's survey is its rich description of the private side of welfare. Following British

social policy vocabulary, Finlayson calls this the “voluntary” sector and distinguishes it from the “statutory” sector. Voluntarist welfare includes not only agencies that fund their work through collecting donations but also a range of non-profit economic organizations such as fraternal mutual benefit societies, unions and co-operatives, and penny savings banks. From the two ends of an altruism scale of welfare work, Finlayson also includes, at one extreme, profit-making insurance companies (because of their risk-pooling and educational aspects) and, at the other limit, informal mutual aid, especially the poor helping the poor. The general picture that emerges from this rich description is one of diversity, multiplicity, and patchiness of provision, especially in the voluntary sector but also in statutory programs throughout much of the nineteenth century. Commercial insurance ventures and fee-charging services, meanwhile, ebbed and flowed with demographic and other market forces.¹⁸ The varied picture of private agencies that Finlayson offers, even though it is specific to Britain, informs my efforts in this book to depict federated fundraising within an encompassing world of diverse private and public provision.

In addition to scholarship that reveals the diversity of the private side of the public-private relationship, there has been valuable work on the many mechanisms by which the state has taken a hand in voluntary enterprises. Here some examples will suggest that there are common patterns in the North Atlantic anglophone world but also some significant national variations. In Britain, for example, an early-nineteenth-century crisis surrounding the use of charitable endowments led to the creation of a reformed and permanent Charity Commission, a national state agency that oversaw these matters.¹⁹ However, in Canada, the constitutional location of welfare agencies made any such national regulation impossible. Some provinces incorporated particular charitable societies and conferred quasi-police powers on certain ones.²⁰ But no province appears to have erected an overarching regulatory framework for all charities; Quebec’s Public Charities Act of 1921 and Ontario’s Charities Aid Act of 1874 did exercise some kind of control over the subset of agencies that received provincial grants. In Valverde’s depiction, the Ontario legislation effectively enforced modern administrative practices. The comparable American regulatory apparatus, state welfare boards, were, according to Robert Bremner, much less effective, unable to do more than exercise “shadowy supervision” and to advise legislatures.²¹ The existence in the United States of legal precedent that protected voluntary associations from state

intervention set real limits on the extent of government regulation. The same body of precedent made legal incorporation the basis of charities' autonomy.²² Thus, in the United States, federated fundraising's national body was, in the 1920s and 1930s, the Association of Community Chests and Councils, Incorporated. In Canada, national co-ordination began not with a legally incorporated enterprise but with the community organization division of the voluntary Canadian Welfare Council.²³ Differences in tax law also regulated philanthropy distinctively in Canada: for example, the 1930 amendment that allowed Canadians to deduct charitable contributions from up to 10 percent of their taxable income came thirteen years after its more generous (15 percent) equivalent in American tax law.²⁴ The federated fundraising movement was both American and Canadian, to be sure, and much that I will say about the Canadian case may be true also of the American case. But, as the examples above begin to suggest, the constraints and possibilities set by the legal, institutional, and political contexts of each country were significantly different.

A final dimension of the public and private relation in welfare is the role of the familial private sphere. In this respect, the Canadian urban experience approximates the American and British ones closely enough to make work done elsewhere on women, welfare, and social work relevant to this study. This well-established literature shows that both public and private agencies relied on and helped to reinforce a breadwinner/housewife division of labour in family welfare.²⁵ In the social work profession, it has become equally clear, masculine and feminine roles were differentiated and hierarchical. A field dominated by women in the 1910s became, by the 1950s, a mixed-sex one, with a pattern of male administrators and female staff emerging as the norm in all three countries.²⁶ Less well studied is the question of how gender figured in changes in the organization of fundraising. Frank Prochaska argues, for the British case, that nineteenth-century charity canvassing was utterly dependent on women's labour, whether as volunteers or as commission-paid collectors.²⁷ Evidence from Canadian research, especially in the history of religion, supports in large measure his depiction.²⁸ Wives and widows of wealthy men also played a part in large-scale philanthropy, as Kathleen D. McCarthy and Ruth Crocker have shown in American case studies.²⁹ And Laura Tuennerman-Kaplan's superb study of popular charitable practices in Cleveland argues persuasively that charitable giving formed an avenue to power for women as well as for racial and ethnic communities.³⁰

It is remarkable, then, that women as fundraisers and donors do not appear in the most recent Canadian study of this aspect of social work. In *A Marriage of Convenience: Business and Social Work in Toronto, 1918-1957*, Gale Wills has applied a gender analysis to the relationship of fundraisers and service providers. In her interpretation, this relationship became a clash of gender cultures, with a male-dominated business class championing business efficiency in fundraising and spending against the feminine culture of the social work side, which valued social efficiency and emphasized planning and justice. Hers is a provocative and important thesis that contributes a persuasive account of how the chest movement helped to create an apolitical, feminized, social work profession in the 1950s. But in telling that story, Wills leaves the impression that chest fundraising was simply anti-statist, masculine, and business dominated.³¹ In so doing, she overlooks some of the positions and powers available to women in the financing side, as distinct from the service delivery side, of private charity. The questions of women's citizenship that were still so controversial in the period of the chests' origins made the gender politics of the welfare federations more complex, I will argue, than a social worker/businessman binary can capture. Moreover, the mixture of forces that shaped the relation of masculinity to fundraising for charity also needs to be explored if we are to understand the gender politics in this aspect of private welfare and the relation of private welfare to government, high politics, and the growth of the welfare state.

If we consider the welfare federations as fundraising mechanisms and not primarily in light of their goals of service, then they become very useful means of viewing the multiple links between public and private welfare in the period of the welfare state's formation. As I will show in Chapter 1, these organizations were created by people who hoped that the application of business methods to fundraising would both relieve pressure on existing donors and increase the funds available to existing charities, all the while making the most efficient use of the time and effort of the social agencies' staff and volunteers. In this hope, the promoters of federation often spoke in both their private charity and their public charity roles – that is, both as donors and as taxpayers. Efficient charity, they anticipated, would help to reduce and keep to a minimum the calls on tax-funded services of income assistance, child welfare, and health care. Some key figures also spoke both as fundraisers and as past, present, or aspiring politicians and civil servants. In these and other ways, the work of fundraising mixed commercial motives,

power brokerage, policy activism, associational loyalties, and partisan networks. The federated appeals both used and were used by elements of the state, whether civil servants, police and hospital administrators, or politicians. They built on and sometimes challenged the private sphere social relations on which much public policy was based. In short, the federated fundraising organizations formed a thick tissue of connections between private and public welfare worlds. And these connections worked more often in favour of state expansion than against it.

If the federated charities were so much a part of the making of the welfare state, why is it that they have not been more centrally featured in the Canadian or the international welfare literature? The first reason may be that historians have been satisfied with early interpretations of the chests as conservative forces necessarily left behind in the progress toward public provision. This is certainly how they figure in Robert Bremner's 1960 *American Philanthropy*. But Bremner describes them only briefly, as he does for most of the topics in his short survey of a long subject.³² A fuller and more analytical treatment of federation in its first decades is the one Roy Lubove offers in his 1965 history of American social work. He presents the chests as the high point of the bureaucratization and professionalization of social work and argues that, despite their early co-operative democracy rhetoric, they were a force that militated against voluntarism of the individualist sort and that regimented both canvassers and donors.³³ Walter Trattner's 1974 history of social welfare in the United States situates the federation movement in an explanation of why social work became more conservative in the 1920s, adding the sin of impeding reform to the federations' fault in contributing to impersonal, bureaucratic social work.³⁴ Daniel Walkowitz's study of social work and middle-class identity focuses, like Wills' Toronto study, on the conflicts between social workers' professional culture and the sometimes competing priorities of the businessmen who dominated the chests.³⁵ In spite of the consensus in this American historiography, however, I am not convinced that the welfare federations were an unambiguously conservative force, at least not in Canada.

Canadian historians have had less to say about the chests (and charitable fundraising more generally) than have American historians. Dennis Guest's survey *The Emergence of Social Security in Canada*, which takes as its focus the description of the progressive increase of statutory programs and the recent threats to those developments, describes private philanthropy only in schematic terms, making it a mere cartoon figure of what progress left behind.

With his focus thus firmly on the system that apparently replaced private charity, Guest does not describe developments in fundraising, and its role in the explanation of statutory change goes unexamined. More inexplicably, given what the research for this book has uncovered, the federations are absent from Allan Irving and Patricia Daenzer's article-length survey of the social work profession's relation to unemployment policy. Focusing as they do on the Canadian Association of Social Workers (CASW), they might seem to be justified in their conclusion that "social workers moved out of the 1950s having made no significant contribution to policy direction."³⁶ But "social workers" were a larger group than the professionals in CASW. Other organizations, namely the fundraising federations and their associated welfare councils, seem to better represent social work, defined more broadly to include not only social workers from member agencies but also fundraisers, volunteers, and donors. Closer attention to the work of these organizations brings to light considerable and effective policy activism by social work in the 1950s.

But the Canadian welfare history in which charitable fundraising does appear takes it up without considering it as an intrinsic factor in state formation. Social work scholar Gale Wills investigates the conflict between the chests and social workers and, like the American historiography, depicts the business element in the Toronto federation as a constraint on social workers' projects. She sees the policy impact of the chest as largely conservative.³⁷ Others who have worked with chest archives have had even less interest in the relation of this private charity work to public policy. Historian Anne MacLennan's history of Montreal's anglophone federations in the period before their merger in 1972 with their francophone counterparts serves mainly to preserve a positive memory of one of the city's anglophone institutions. Similarly, Stephen Speisman treats Toronto's Federation of Jewish Philanthropies as an element in the formation of that city's Jewish community. For James Struthers, Toronto's Federation for Community Service forms a relatively small part of the background of social assistance politics.³⁸ On fundraising beyond the chests, Desmond Morton's study of the Canadian Patriotic Fund (CPF) describes an immediate precursor of the chests. Unlike them, the CPF was a service agency. Its fundraising rhetoric was in one sense distinctive to the wartime emergency: the appeal was "fight or pay," thus framing the donation as an exchange of money for freedom from a specific guilt or debt. Nonetheless, the CPF resembled the chests in targeting a mass public as prospective donors and in functioning as an alternative to increased taxation.³⁹

But this relative neglect of fundraising in the history of twentieth-century state formation should not be taken to mean that it was insignificant in the key years of social policy innovation. Two sociological studies from the 1950s indicate that contemporaries understood the chests' importance for the post-war period. The University of Toronto's John R. Seeley studied the Indianapolis Community Chest, and McGill University's Aileen D. Ross examined the fundraising federations in a pseudonymous city that was identifiably Montreal, albeit a Montreal perceived wholly as an anglophone community.⁴⁰ These studies treat the chest phenomenon as an intriguing innovation that marked important social currents: Ross notes that large-scale, organized philanthropy was distinctively North American and barely forty years old. The changes that she found socially significant were "the change from giving as a sporadic individual affair to giving through the carrying out of highly organized campaigns; from giving by the pious and wealthy to giving by all sections of the community; from giving as a means of securing reward in heaven to giving as a means of establishing good relations with the public; from giving where the stress was on need, to giving where it is on the efficiency of the agencies involved; and from giving as a monopoly of the church to giving as a monopoly of business." She also notes, as changes less significant to her analysis, a shift from enthusiasm to "apathy and weariness," from amateur to professional social work, from individual choice to group pressure, and from a private matter to a matter of social status.⁴¹ Her purpose was to describe the development of "organized philanthropy," to analyze its place in the social structure, and to identify its social function. She was not interested in state formation.

One notable feature of welfare studies has made it easy for Canadian welfare historians to overlook the importance of the financial federations. International comparison is methodologically central to welfare research, and most of the countries to which Canadians compare themselves – Britain, Scandinavia, Australia, Germany, and France – did not take up the federated fundraising system. The only real point of comparison is to the United States. In Lubove's account of the movement's American origins, the associated charities, when transplanted to the New World, were rendered into a new hybrid by means of a distinctively American voluntarist graft, found only on this side of the Atlantic.⁴² If the organizers of federated fundraising were progressives of a sort, they were not, however, those importers of European ideas that Daniel T. Rodgers has described.⁴³ They seem, in fact, to have

been exceptions to the European trend when they created the welfare federations, even if the logic of rationalization they embraced was part of the larger progressive culture shared across the Atlantic. A distinctively American element of anti-statism marked the chests at their origins. The extent of that element in the whole of the American federated fundraising movement is beyond the scope of this study to determine. But a Canadian study can help to illuminate the subject. After all, American influence was always present in twentieth-century Canadian welfare history. Social workers, volunteer and professional, participated in conferences and associations and labour markets in which the Canada-US border was largely invisible. To study the chests in Canada allows us to see how the range of available policy ideas was produced in a country that was part of the American social work sphere, even while not being politically, institutionally, or culturally exactly like the United States. The history of the federated fundraising movement draws our attention not to Atlantic crossings, then, but to border crossings at the forty-ninth parallel.

Perhaps the most fundamental and important reason for scholarly neglect of the fundraising federations has to do with definitions of the welfare state and the political priorities of welfare historians. Not only in Canada, but also in welfare history generally, the focus on income assistance, and in particular on unemployment relief, helped to make the chests invisible to the generations of historians formed politically and intellectually in the 1960s and later. In the 1960s and 1970s, the New Left made a compelling critique of the helping services as mechanisms by which the dominant classes imposed their values on others and sought to preserve their wealth and privilege.⁴⁴ In this critique, the path to a better welfare state (if such a path existed other than through revolution) seemed to lie straightforwardly in programs that redistributed wealth to the working class. In the short term, this meant that struggles to improve income assistance were politically central. From this viewpoint, the united appeal federations of the 1960s were at best irrelevant. Although the chests had helped to fund relief-giving agencies in the 1920s and 1930s, the united appeals of the 1950s tried to get away from funding income support. By the 1960s and 1970s, they had largely succeeded in doing so.⁴⁵ Their member agencies provided counselling, advocacy, recreation, health education, crisis intervention, and a diverse array of other services. It is easy to see how they might thus have seemed of little interest to those interested in the politics of income. In recent years, however, social

agencies have returned to the centre of welfare planning as we discuss the financing of and need for services such as home care, transition houses, suicide prevention, foster care for children, addiction treatment, child day care, and community integration of people with disabilities. Once the importance of this aspect of welfare work comes into focus, the chests and their successor organization, the United Way, re-emerge as part of the main story of the welfare state. And understanding the historical relations of the welfare federations and the state then becomes a means of thinking anew, and less dismissively, about the relationships, actual and theoretical, between social services and income assistance, care and money.

If studying modern charitable fundraising can help to improve our explanation of how and why public provision changed, it is because the relationship between voluntary associations and government is not as distinct as American-influenced political ideology would have us think.⁴⁶ In making this observation, I am drawing on various bodies of Foucauldian, Gramscian, and feminist social and political theory that consider the complicated relationships between state and society.⁴⁷ In different specialized vocabularies, each of these bodies of theory offers tools for analyzing a complex problem: how do we describe, so as to explain, changes in freedom and constraint, oppression and liberation, if we no longer believe liberal simplicities? Moreover, if state and civil society interpenetrate and neither is uniquely the source of tyranny or the guarantor of security, how do we understand the complicated nets of limitation and possibility made by the intersection of public and private powers?

In *Contributing Citizens*, I tell a story that shows how some significantly situated Canadians encountered this problem and addressed it. Fundraisers faced both toward civil society – the economy, popular culture, family, and associational life – and toward the state. In relation to each of these fields of reference and sets of social relations, they found obstacles to and opportunities for their project. Taking their material from these fields, they shaped notions of need, authority, obligation, and resources. These notions in turn became available to other social actors, including politicians and other policy makers. Different sets of conceptual tools and terms served as vehicles for this traffic between fundraisers, the state, and other elements of civil society. These vehicles included religions, social sciences, political ideologies, and managerial models. While such vocabularies have native habitats, so to speak, they can also be redeployed in other discursive contexts as metaphor. Consequently, actors can carry them across the boundary between society

and the state, between public and private life, or between market relations and personal ones. For example, references to family obligations can be brought into political life, to be used as models for proper order, and images from politics can be used to underpin authority in families. Similarly, images of efficiency in organizing industrial production may provide useful analogies to advance a project of change in social organization. Because of this metaphorical capacity for translating experience between supposedly distinct fields of life, terms that are drawn from various large conceptual systems help to organize the interactions among their native fields and others.⁴⁸ Fundraising as a project required of its performers that they operate effectively in relation to a wide array of social fields and interact legibly with multiple layers of the state. To do so, they became adept at translating their project into multiple languages: religious, commercial, familial, social scientific, and political. To trace how a major charitable fundraising movement framed its project and pursued it over four decades, then, is to watch from the front bench the development of the relations between the state and multiple dimensions of society. Narrative makes it possible to explain the interaction and relations of determination among different kinds of human organization – economic, cultural, political – in networks of various sizes – interpersonal, urban, national, and international.

In fashioning these narratives, I have drawn on a conception of power relations based mostly in materialist traditions, such as neo-Marxism, although there is a Foucauldian element to my analysis as well.⁴⁹ I have investigated the use by fundraisers, donors, and others of appeals to common cultural terms, in tandem with the coercive tools available – police, economic leverage, and control of access to material and social resources – to co-ordinate collective action for the purpose of wielding power. This investigation is materialist, insofar as I see the tools of coercion as distributed differentially among classes or class fractions defined by their relations to the means of production, and I see this distribution of “tools” as tending to determine all power relations. But I have also been attentive to the power resources and interests of other categories of people: for example, racialized groups (as such rather than as class fractions) or women and men as gendered beings (and not only in reproductive labour). These non-class interests and resources for power are sometimes economic in a narrow sense and sometimes not. Combined with a focus on economic interests and economic resources for exercising power, this view of power has enabled me to explain most of the changes that charitable fundraisers made in their own methods

and, over time, the consequences of fundraising activity in building support for tax-based programs.

But I have not always found the relations of determination between the ideological or cultural work and the interests and powers of the parties involved to be analyzable solely in material terms or illuminated by taking interests and resources as given by social position. While this is common, there are also aspects of the story that seem more Foucauldian in their logic. That is, the story here includes not just the use of available tools for power, whether discursive or coercive, in the pursuit of interest but also the consequences of changes in the tools themselves. It seems that changes in the tools of power can alter the definition of the problems (including interests worth pursuing) to which the exercise of power is addressed. In other words, some of my questions are about whether and how tools alter strategies. The tools I consider are mainly the social technologies: the routine practices of publicity, organization, and representation and management of data.

In this sort of analysis, cultural and material realities are related in ways that can only be seen by means of both local micro-history and broad-brush cultural, economic, and political description. The design of the research and of the book thus reflects my general interest in analyzing the interactions among levels of social and political organization.⁵⁰ I have studied, in local history terms, the politics and personalities, conditions and circumstances, of the federated fundraising movement in three Canadian cities: Vancouver, Ottawa, and Halifax. In each of these cases, I was fortunate to be able to build on the work of two scholarly generations of urban historians interested in welfare, elites, gender, and labour.⁵¹ In this study, Vancouver represents the top tier of Canadian cities, whose fundraising history shows what was possible and impossible for large, wealthy, and nationally significant community elites. Vancouver as a case study also had the advantage of a well-studied and politically engaged labour movement, which made more easily visible the competing and converging class ideologies of charity. I chose Ottawa from among other central Canadian cities for its combination of francophone and anglophone communities, a key element of Canadian political culture in the formative years of the welfare state. Ottawa was also simply a more manageable size than the other "bicultural" city, Montreal. For studying the Ottawa chest, there was the additional advantage of Charlotte Whitton's presence as a player during its organizing years and, later, her more peripheral involvement as mayor. This leading Canadian social worker was a prolific, thorough, and frank correspondent on all sorts of welfare

questions, and her papers provide detailed descriptions of the chests' organizational strategies. Halifax, the city where I have lived during my research for this book, had the advantages of proximity but more importantly the benefits of a small scale: here, more easily than in Ottawa or Vancouver, I could decipher the politics of elite networks. In regional terms, an equally adequate (and equally inadequate) approach might have used Montreal, Hamilton, and Winnipeg. It may be that Canada cannot be truly represented by any partial sample of its various regions and that a complete sample of every important regional variation may be impossible in one volume. In that sense, Canada may not be a manageable object of generalization. But the sample I have used is based on the belief that, for the history of charity and the welfare state, to have considered only Montreal or Toronto would have entailed mistaking local politics for national ones.

The detail and texture that local history methods offer to this study are complemented by the efforts I have made to see the events in particular cities in relation to national and international developments. It was not difficult to see the effects of these larger systems in each of my cities. Whether through the field workers of the Canadian Welfare Council or through the movement of professional social workers among these cities for their own career reasons, social workers acted as transmission vectors for national and international ideas. Another source of broader influences was the impact in each of these cities of controversies about fundraising or other welfare questions that erupted in Toronto or Montreal, New York or Detroit. These controversies were reported in the national mass-circulation press and broadcast media and were taken up at conferences and in social work and business publications. Other national networks also reflected and influenced the strategies of specific welfare federations. Fundraisers in each of these cities, while responding to local conditions, were also influenced by the nationally or internationally devised projects of the labour movement, the service clubs, the first wave women's movement, social scientists, and political parties, to name some of the most central I have identified. By combining the methods of local and national history, I have tried to bridge a gap that has troubled those of us who, though trained as social historians, regret the limitations of history with the politics left out.

In analyzing the cultural world in which all of these groups operated, I have borrowed the methods of intertextual analysis from scholars of literature.⁵² Intertextual analysis is based on a theory about how cultural products are made and have their effects. This theory posits that we understand any

particular text only in relation to our experience of other similar kinds of speech and writing in its contemporary world or its generic tradition. On this assumption, to understand fundraising rhetoric, we need to look at other kinds of persuasive texts and, in particular, texts whose purpose was to induce audiences to exchange dollars in return for a mix of personal and social benefits. The method of intertextual analysis is primarily useful for understanding how local strategies were affected by national and international currents in the methods of advertising (especially for insurance), public relations, and electoral politics. Borrowings among and allusions to these different textual worlds help to explain what cultural producers thought would be effective in each. Whether or not they were right was measurable in funds raised, market share captured, and votes won. Among fundraisers, as among advertisers and politicians, no one could ever be sure that these effects were solely the results of their efforts or entirely within their control. But in each of these fields, men and women relied on their intuitive (and later social scientific) readings of what would work and were admired as successful when the results confirmed they had read well the anxieties, hopes, and needs of their publics. What was successful in one realm was certain to be appealing to practitioners of other, related genres.

I conclude that the tools modernizing fundraisers developed had the effect of increasing charitable giving, as they had hoped. But they also, unintentionally, helped to make the financing, the administrative methods, and the justice standards of the welfare state more acceptable. Pointing to this unintended effect is not merely an exercise in making bitter fun of shortsighted businessmen and their middle-class wives, widows, and daughters. Rather, I want to show how politically fertile the federated fundraisers' project was. It attempted to combine in a common action a diverse array of social groups, all of whom exercised some degree of real material power and who cherished conflicting ideologies.⁵³ In orchestrating common action, the fundraisers were forced into a search for common ground. They found that common ground but developed it only by promoting double-barrelled, seemingly paradoxical ideals – sentiment and reason, particularity and universality, altruism and self-interest, personal care and abstract rights, communitarianism and individual freedom. Once the fundraisers fashioned and purveyed such a complex and ambiguous discourse, and tested it in the field for its power to extract dollars from donors, it is only a small wonder that their enterprise fed other, and (to some of them) unwelcome, innovations in state formation.

Contributing Citizens is, then, a story of a project, its struggles, and its transformation. Chapters 1 and 2 describe the project, its proponents, and the circumstances from which it grew. In these two chapters, I establish the common moral and conceptual framework that links taxation and charity: the culture of contribution. I also present examples of the sort of people who could be found promoting both Community Chests and tax reform. In Chapter 1, Halifax represents the beginning of the chest movement. Chapter 2 maps the common ground between the conceptual worlds of taxation and charitable fundraising. The development of the chest idea into a movement is the subject of Chapters 3 and 4. The concepts of fair contribution and efficient management were sold and promoted by means of intense political and cultural work in the highly charged circumstances of the 1930s. In Chapter 3, Vancouver serves as the focus for my discussion of the cultural politics entailed in selling the chest idea, and Ottawa, in Chapter 4, illustrates the deployment of the sharp and dirty tools of local politics in the service of this ideal of welfare provision. By the end of Chapter 4, the Community Chests, having been created in a world where reformed charity had seemed to have a chance of forestalling the welfare state, are established and appear as both an alternative to the welfare state and its prototype.

In Chapter 5, the strategic circumstances of fundraising shift. The chests felt themselves to be on the defensive as they faced competition from war charities, the new unemployment insurance and family allowances, and the apparent promise of a more systematic welfare state for Canada. While local stories continue to feature in my narrative, and to have counted in the past, the scale of the remainder of the book is national. So, too, by this time, was the emerging welfare system. In Chapter 5, I look back to the national debate in the 1930s over the role of private charity and show how challenges of the war years, such as rising social work salaries, exceptional demands from the member agencies, and flat-out refusals to donate, made a fundamental reframing of the public-private relationship necessary in the 1940s.

After the war, as I show in Chapter 6, it remained to be established whether this new form of the relationship could be made to work. I explain how it was that the chests neither collapsed in the face of reconstruction crises nor found themselves reduced to insignificance by an aggressive state. I show that they were essential players in postwar state formation and, in particular, in the creation of the federal Unemployment Assistance Act in 1956 and the Canada Assistance Program in 1966. Finally, in Chapter 7, I return to the

cultural dimension of the public-private relationship to discuss the working out in the 1950s of the relationship between principles of justice and practices of care. Against the dichotomous thinking that associated the former with statutory entitlement and the latter with charity, I argue that the postwar chests managed to contribute to a welfare state culture of universal entitlements and inclusive citizenship – a culture of justice – while also attempting to preserve for charity a role in promoting care. Faced with postwar donor fatigue, they invented more coercive pressures, increased their conceptual borrowing from consumerism, and devised ever more abstract images of need. In all of these cultural tactics, the fundraisers again demonstrated that private means of legitimating contribution were not very different from public ones.

Overall, what I hope to show in this book is that the welfare federations became an institution through which a modern common sense about social obligation and its appropriate expression emerged. By means of the fundraisers' work, a modern citizenship of contribution was constructed in tandem with the period's growing citizenship of entitlement.⁵⁴ The chests operated within a local framework but were also positioned on the national social and political stage, increasingly so in the 1950s. Ideas about social obligation flowed into the chest movement not only from intellectuals in universities but also from international service clubs and business organizations, from international unions, from churches and synagogues, and from chest canvassers meeting individual Canadians and reporting back on this experience. The mechanisms of reporting and strategic analysis that framed the canvassers' work produced a flow of information into the planning processes of the chests and out again into the community in the form of fundraising rhetoric. The result was significant innovations in ways of both knowing and shaping what a community could afford to give and what images of need would incite increased donations.

In their increasing but never entirely successful efforts to be inclusively representative and publicly accountable, the welfare federations resembled a kind of democratic government.⁵⁵ More inclusive by the 1950s even than any institutional religion, these organizations brought into an interactive relationship Canadians from different classes, genders, ethnicities, and generations.⁵⁶ Then as now, they were a training ground or a staging platform for political careers, legitimately so because they provided opportunities for people to demonstrate the kinds of leadership power and community responsibility that were valued in their time.⁵⁷ The significance of the welfare

federations thus rests on the most general claim this book advances, that the work of governing and the activity of social citizenship were and are shaped by a common cultural framework.

This is more than just a point of theoretical interest. It suggests that, once a spirit of individualism or a family-only model of social obligation takes hold in economic relations, cultural rhetoric, or electoral politics, it cannot easily be confined to its original habitat. It seems that, whatever conception of self and society is current in one of these spheres will be communicated, often by fundraisers or their critics, to the others. This interconnectedness may explain why Swedes are enthusiastic participants in voluntary organizations but also elect welfarist politicians. Similarly, it might suggest why Japanese support neither social spending by their governments nor a large non-profit sector.⁵⁸ And the difficulties in Russia of establishing private charitable giving as a norm also make sense in this light. They follow clearly from problems that affect both democratic state formation and the organization of civil society alike – expectations of cheating, suspicion of the needy, fear of coerced contribution.⁵⁹ At the least, the connections I demonstrate between public and private modes of contribution should make us wary of assertions that an anti-tax position is necessarily a position in favour of private charitable giving. Which needs require a social response and how each of us as individuals will give of our own money and time are not decided separately in private benevolence and public citizenship. They are the questions we answer through both charity and taxation, from a common culture of contribution.

1

..... The Citizenship of Contribution: Taxation in the 1920s

Of the three Community Chests studied here, Halifax was the first. It belongs, with Toronto and Montreal, to the small group that took their first steps in the latter years of the First World War, amid concerns about the postwar taxation regime and the crisis in social welfare. During the war, the dominion government had attempted to co-ordinate the soliciting of charitable donations, by means of the War Charities Act of 1917, but after the war it was an open question whether this form of government management of the private sector, like the public regulation of manufacturing, could or should be continued. The wartime experience of co-ordinating charity, with its various frictions and failures, provided an example that might desirably be either emulated or avoided. And it was not entirely clear whether methods adopted to serve the extraordinary needs of war mobilization would be relevant to the peacetime economy or the postwar social imaginary. Fundraising for a great common cause had been celebrated as the expression of collective will. But did Canadians want more collectivism in peacetime?¹

Soon after the war, a sense of crisis about welfare needs encouraged the renewed discussion of co-operative solutions and not only on the left. High levels of unemployment triggered this crisis mood. Seen in relation to the new threat and promise of communism, masses of men out of work became an incentive for new, if temporary, government support for the unemployed. Charities, too, understood that postwar unemployment required exceptional relief efforts. As important as unemployment was to the sense of crisis, other postwar problems also demanded more from social agencies. Wartime dislocations and disasters meant, in the postwar period, abandoned wives, orphaned children, disabled veterans, the influenza epidemic, and a spike in tuberculosis rates.² The scope of the welfare needs Canadians faced in these years was so great as to be difficult to grasp, then as now. Compounding the challenges were the taxation problems of the 1920-23 period. During

wartime, new taxes had been introduced by the dominion government. After the war, major decisions had to be made about whether these taxes would be continued and how to organize postwar public finance at all levels of government. The federated fundraising method appeared in this context as a potential co-ordinating but non-governmental solution to two problems: how to respond effectively to the onslaught of welfare needs and how to minimize the increase in tax-funded social services.

In this chapter and the next, I want to anatomize for the interwar period the ways in which charitable fundraising and taxation were related, not just as alternatives (either more charitable giving or more taxation), but also as overlapping projects. In the first of these two chapters, I outline the taxation debates of the 1920s, focusing especially on 1920-23, also the period in which federated fundraising was first proposed in Vancouver, Ottawa, and Halifax.³ In my discussion of this period, I seek to show that taxation debates were not only about the defence of particular economic interests (although they were that) but also about the morality of citizenship. The central moral questions in these debates were what constituted fairness of contribution and what relation should exist between financial contribution and a voice in public questions. Particular answers to these questions were also central to the claims that fundraisers made for the superiority of the federated appeal method. Common underlying concerns about moral citizenship, then, were one kind of link between innovations in charities and taxation. Another was overlapping leadership. In the course of discussing the taxation debates, I draw attention to the connections between the leaders in those debates and the leadership of and participants in the instigation of the federated fundraising movement. Among the members of these connected groups, parallel solutions to the problems of social contribution and social need were being proposed.

In my discussion of taxation problems and fundraising leadership, I draw on information about all three of my cities and from national sources. In this chapter, to give a richer description of taxation and charity networks and issues than the national viewpoint will allow, I focus in greatest detail on Halifax. I chose Halifax because, of the three cities, it was the only one able to quickly and successfully move from a proposal in the early 1920s to a functioning campaign organization in 1925.

War finance had introduced significant innovations in Canadian taxation. The central government's revenue-raising methods had multiplied, with war income taxes and the business profits war tax added to the earlier mix of

customs and excise duties and bond sales. Of these new taxes, the income taxes on personal and corporate incomes were the most important new departure because of their great potential as a revenue source. Previous dominion governments had avoided income tax for three reasons. One reason was that its collection would require the creation of a whole new mechanism of federal tax collection. Unless rates were high, its cost would initially outweigh its benefit. A second reason was that there were already some provincial and municipal income taxes; to introduce a dominion one would strain relations with those governments and with taxpayers in those jurisdictions. And the third and most important reason was that Canada risked losing citizens and businesses to the United States if it levied income taxes before the United States did. Not until the imposition of the US national personal income tax of 1913 did income tax become a practical possibility in Canada, and even then the US tax was so low and the levels of income it affected so high that, for Canada, the revenue of a comparable tax would scarcely have covered the cost of its implementation and enforcement. Only in 1917, after the US tax was set at higher rates on a broader base of incidence, were Canadian authorities convinced that it would be a good source of revenue and free of the risk of driving Canadians and capital out of Canada. That risk was also low because, even after 1917, the vast majority of Canadians were exempt from paying income tax: ordinary levels of salaries and wages fell below the level at which the war income tax was targeted. Only 1 or 2 percent of the population paid this tax in its early years.⁴ Income tax was a particular responsibility of some, not a universal obligation of all, income earners.

The taxation innovations of wartime were not simply reversed after the armistice. Before the war, there had been agitation for tax reform, and in the debate about the fate of the war taxes the pre-war issues persisted. In the difficult economic conditions that continued in 1919 and 1920, questions of economic justice and social need fed into a continuing debate about fair taxation. In 1920, the dominion government appointed a commission of inquiry to consider "how the country's fiscal policy was affecting the people of Canada" and to hear public opinion on whether the revenue from the tariff should be replaced or supplemented by other forms of taxation.⁵ In nation-wide public hearings during the fall of 1920, Canadians discussed public finance, with an emphasis on the taxation side of the question. The farm lobby called for elimination of protective tariffs and argued that any revenue thus lost to the dominion government could be replaced by direct

taxes on income, estates, and undeveloped land and natural resource properties.⁶ Labour kept alive the single tax idea, which emphasized a property tax on land that would return to social purposes wealth that was socially created and unearned by individual effort.⁷ Businesses protested the continuation of direct taxes such as the federal business profits tax, and retailers complained of the harmful effects of both the luxury and the sales taxes.⁸ As the United States and Britain lowered income tax rates after 1920, a chorus of Canadian business commentators clamoured for Canada to do so also.⁹

Thus, in the 1920s, the politics of taxation involved a broad array of competing interests. A sign of the times was the convoking in 1923 of the first public meeting of self-defined Canadian tax experts, the Canadian Tax Conference.¹⁰ This event, which took place annually until at least the late 1940s, was organized by the newly formed Citizens' Research Institute of Canada (CRIC). Founded in 1919, CRIC was financed by memberships and by fees for its services, such as its newsletter, *Effective Government*, and municipal finance studies. The organization's stated purpose was to collect, interpret, and publish facts, "with the aim of promoting effective government at every level."¹¹ Its board of trustees included prominent insurance executives, major newspaper publishers, wealthy industrialists, and notable professional men.¹² Modelling itself on similar American organizations (notably the Bureau of Municipal Research), CRIC became a key transmitter of tax ideology in Canada. It publicized its views through pamphlets sent to boards of trade, city administrators, and newspapers, providing them with facts and figures pertinent to taxation debates. It remained an important voice for the efficiency in government discourse into the 1950s.¹³ The public face of CRIC was its director from 1914 to 1947, Horace L. Brittain. Notably, Brittain also played an active role in the creation of Toronto's Federation for Community Service. As Wills points out, Brittain was also a hospital board member and a Rotary Club activist. He thus embodied the connections between taxation and charitable fundraising, being an expert on both mechanisms.¹⁴

In the early 1920s, the connections that Brittain represented were evident when, in the business and professional circles from which the federated fundraising project came, reflections on taxation questions led to strong assertions of crisis. Nationally, Nellie McClung (known as a suffragist, novelist, and prohibitionist but also the wife of a small business owner) expressed the fear that the new taxes would be an unfair exaction on the already heavily burdened "salaried and professional people": "To them [these taxes] will mean

a further lowering of the standards of living, and they become more than ever the new poor."¹⁵ In Vancouver, lawyer and Board of Trade member P.G. Shallcross linked the expenses of paying down the war debt to the need for increased donations to charities, so as to prevent the takeover of charities by governments and the consequent shifting of that burden, too, to the "comparatively few direct [i.e., income] taxpayers."¹⁶

In the early 1920s, some Vancouver taxpayers were also chafing under the continued existence of another direct tax – the personal property tax. This tax, which does not now exist anywhere in Canada, was based on an assessment not of real estate but of household effects. Assessors did not peer through the jewellery boxes, closets, and garages of the well-to-do. They simply estimated, no doubt conservatively in the case of the rich, the likely value of the household's goods, based on "the appearance of the exterior of the house and the supposed wealth of the owner."¹⁷ Halifax had eliminated this tax in 1916, but the Vancouver Board of Trade in 1923 was still railing against it. They called it "purely class legislation" and "vicious in its operation," perhaps because of the looseness of the assessment practices it entailed.¹⁸ Some could hide their wealth: investment income was notably difficult for assessors to see. Others – retail merchants (deemed to own their inventories as personal property) and the salaried middle class (whose taxes could be deducted at source) – had particular reasons to dislike the personal property tax.¹⁹

Although taxation concerns were voiced in general terms, provincial and municipal jurisdictions varied considerably in the kinds of direct taxes they sought to collect. The BC provincial personal property tax, for example, remained an issue for Vancouver's businessmen until it was repealed in 1927. In Ottawa, the tax problems were different: Ontario had eliminated the personal property tax in 1897. But Ottawa continued to assess a municipal income tax. Reluctance to pay that tax had prompted many of the city's wealthiest citizens to move outside the city, to nearby Rockcliffe Park Village. Profiting from the Rockcliffe tax assessor's deliberate disregard of income as part of taxable property, the residents of Rockcliffe formed one of the tax-dodging "colonies of persons with large incomes" well known to tax experts in the 1920s.²⁰ Further evidence of tax concerns in Ottawa in the early years of the chest was the enthusiastic welcome afforded to CRIC's director, Horace L. Brittain, when he attacked excessive taxation and spending at a Board of Trade event attended by many municipal politicians.²¹ In Ottawa, as in Halifax, there was a concentration of tax-exempt government and religious real estate

in Ottawa that limited the revenue generated by the tax on real property.²² Charitable institutions run by churches thus had an interest in the tax system, as property owners, and the residents of Rockcliffe involved in the Community Chest leadership brought particular tax interests into the question of how social needs should be met.²³

In Halifax, the moment of crisis between 1920 and 1923 revealed not only the obvious importance of the Board of Trade in leading the taxation debate but also the active participation of religious leaders, women's organizations, labour, and men's service clubs. In November and December 1919, committees were struck by several of these groups to discuss changes to the city's tax system. The Local Council of Women created its taxation committee in December, following the Board of Trade's initiative.²⁴ "Until women understand taxation," the committee's chair, journalist Ella Murray, claimed, "they are not in a position to undertake public life."²⁵ But the women's committee was not included in a joint group consisting of a City Council delegation, Board of Trade representatives, and men from the Trades and Labour Council. And only later would the city's leading men's service club, the Rotary, strike its own taxation committee. The city's clergy, in the Halifax Ministerial Association, added their voices to the taxation discussion in 1923.²⁶ But the joint committee, even though limited in its membership, represented in its ranks the key differences of opinion on civic taxation. Its report in April 1920 was discussed in the City Council's January 1921 meeting and again in March, with no prospect of agreement in sight. The reasons for their disagreements had to do with the specifics of Halifax's tax situation.

Halifax's tax problems after the war were in some respects shared with other nation-wide constituencies and in others distinctively local. Like other government centres (notably Ottawa and Victoria), Halifax had much valuable real estate that belonged to governments – imperial as well as dominion and provincial. In Halifax, however, expropriations during the First World War and property destruction in the 1917 explosion had worsened this situation. So, too, had the new port facilities, which converted a large tract of the city's south end from private to government property. This meant a smaller real property base in relation to population than in other cities. In addition to the shrinking assessable property base, the city had to deal with some exceptional costs. In 1918, the city engineering department estimated at \$1.7 million the cost of the city-owned buildings and infrastructure (schools, streets, etc.) that had been destroyed in the explosion. There was, in 1919, no certainty that any of the money donated for disaster relief would flow into

the city's capital spending coffers.²⁷ And the unemployment problems in 1921 that hit Canadians everywhere also exacerbated the relief needs of Halifaxians.²⁸ In the Board of Trade, the reality of Halifax's small taxable property base and extraordinary spending needs translated into claims about "heavily burdened real estate."²⁹

To this distinctive dimension of Halifax's tax situation was added in the early 1920s the Board of Trade's concern about the proposed re-enactment of the wartime business profits tax. A delegation to the dominion finance minister, Sir Henry Drayton, claimed that one Halifax firm paid thirteen different kinds of tax and protested the burden on productive capital that such multiple taxation entailed. But Drayton took a similarly tough line with them as he had with the national Retail Merchants Association in 1920: he told them that "he required money to conduct the business of Canada and was obliged to get it in a manner that would be least oppressive to the community at large."³⁰ In Halifax, the repeal of the personal property tax had served the needs of the city's many large wholesaling firms, which had been obliged to pay tax on the value of their inventories.³¹ But relief from that form of taxation seemed only to mean an increase in the rate at which real property was taxed.

On taxation questions, the board was not simply the whinging anti-tax voice of a single class interest. Criticizing tax reform that benefited some sectors or individuals more than others, the Board of Trade's monthly magazine, *Commercial News*, affirmed the importance of paying taxes: "Some revel in the fact they are escaping by paying a little less than their neighbour or competitor, but the fact remains, however, that taxes, and increased taxes, have to be paid, if the City is to be improved in keeping with other Cities of its size and prominence." The improvements in question included basics such as paved streets for the street car routes, oil on the roads to keep the dust down, and new sewer systems. The question was how fairly to finance these uncontroversial needs. When Board of Trade writers pointed out the disadvantages of various methods of taxation, they gave reasons that reached out beyond specific business interests. In relation to the business profits tax, they claimed that "in all cases, it is the consumer that pays." Opposing the municipal income tax, they contended that "it keeps people of moderate incomes out of the city." And against escalating the land tax and its attendant costs for larger residential plots, they asserted that it would punish "the workman who takes pleasure in raising his own vegetables."³² While business interests certainly can be discerned within or behind these arguments, their use

indicates a reasonable attempt to build a cross-class basis for opposition to particular taxes. Although in favour of what it considered fair and necessary taxes, Halifax's voice of organized business nonetheless positioned itself as a critic of large-scale government spending. Support of community responsibility, expressed through support of fair taxation, did not imply enthusiasm about state expansion. And conversely, opposition to particular taxes was not necessarily an indicator of ideological anti-statism.

The view of the taxpayer that makes sense of this Board of Trade position is that the taxpayer is a stockholder in a firm. In this picture, the firm is the city or the province or the country, and the government is the management committee.³³ This perspective was also apparent in the language used by Associated Property Owners Associations and, historically, by Canada's first prime minister.³⁴ The term "stockholder" was explicitly used by CRIC's Horace L. Brittain in his talks in the early 1920s.³⁵ Being a responsible stockholder, as Ella Murray of the Local Council of Women had suggested, meant having an informed view of the workings of the public enterprise, especially its finances. Here, then, is one mode of social contribution: the citizen as stockholder. In this view, citizenship is only as inclusive as the tax base.

An example of how CRIC promoted and developed the image of the taxpayer as stockholder is apparent in the way one Halifax business writer used CRIC's pamphlets. In 1921, the editor of Halifax's *Commercial News* quoted extensively and approvingly from the CRIC pamphlet on municipal indebtedness.³⁶ The news for Halifax was not at all bad: it had the lowest debt per capita of eleven major Canadian cities. However, the Halifax writer did not take this as an argument for increasing the percentage of municipal spending that was financed by bond sales. Rather, he emphasized CRIC's notion that both high indebtedness and high taxation were the result of extravagant public spending. The examples of such spending that were most relevant to charity questions were giving excessive tax exemptions to educational, religious, and other institutions and making "lavish" grants to organizations that governments did not control. Because of this latter practice, accounting for how tax dollars were spent was so lax that money was inevitably wasted. Public borrowing was bad because governments had "artificial" means of making their bonds more attractive to investors than industry's bonds were and so competed unfairly in capital markets. But taxation was also bad if it financed government inefficiency or unnecessary expenditures: taxation always took away money available for productive use by business and industry, and it always reduced personal savings that would otherwise

be available for investment in productive enterprise. These were the common-sense views that any good stockholder in the public enterprise should share. And the representatives of the Board of Trade on Halifax's 1920-21 taxation committee certainly seemed to hold such views.

However, the labour members of the taxation committee had a different perspective, and so did some of the members of the Council of Women. In these constituencies, an international movement to use taxation as a means to social justice exerted a powerful appeal. That movement was American social philosopher Henry George's single-tax crusade. From its beginning in 1879, this vision of how to connect the wealth of individuals and the social good recruited many Canadian followers. George argued that the rents on land collected by property owners constituted wealth that had been created entirely by the economic activity of the surrounding community because that activity was what made land valuable. As such, that wealth was owed to the community. If landlords paid to society all of their rents excepting a small fraction (owed to them as collectors), then governments would have to impose no other tax. A single tax on land rents would finance all public spending. Both in its morality and in its simplicity, the Georgite conception of tax appealed hugely and was a serious contender in its time for an alternative to customs duties and income or personal property taxation as a means of converting socially based wealth into resources available for collective use. In Canada, single taxers proposed a variant of this approach, which consisted of making tax on land the main source of municipal revenue, with improvements on land (such as buildings, household effects, and production equipment) taxed separately.³⁷

This single-tax solution for a city's revenue problem was the one that the labour council proposed for Halifax.³⁸ This was not, however, a position so strictly dictated by economic interests that no reasonable businessman could endorse it. The two city aldermen who sided with labour against the Board of Trade were John W. Regan, an investment broker, and G.E. Ritchie, manager of Fleischman's Yeast.³⁹ Against labour and these allies, the Board of Trade representatives held to a combined real property tax that would reflect the whole value of the land and buildings. Whether for or against the single-tax model, all agreed that modest homes and small businesses should be exempt from the real property tax. But businessmen, especially the downtown merchants, opposed the single taxers for fear that the increasing need for municipal spending would lead to ever higher business taxes on the value

of the land that their stores and offices occupied. One member of the board reported that a property on the city's main retail street had had a tax bill (on land alone) of \$500 in 1915, which had risen to \$900 in the five years since, with a prospect of \$1,000 in 1921. He feared that he would soon be unable to pay the taxes and would thus lose the property.⁴⁰ For the labour members, such fears no doubt seemed merely to be part of a disproportionate lamenting of their sufferings, apparently a perpetual refrain among "Halifax merchants."⁴¹

On the joint committee, the labour council representatives were supported in their single-tax views not only by Aldermen Ritchie and Regan but also, in May 1920, by a resolution from the Local Council of Women. In the latter, we can see yet another view of how the tax system should organize the financing of social responsibilities. Their resolution tells its own story:

WHEREAS one of the most menacing things in the life of this community is the shortage of houses, which leads to extortionate rents, overcrowding, and high mortality; and

WHEREAS assessing improvements at a fixed lower rate and letting the main burden of taxation fall upon land value has resulted in fencing land, formerly held for speculation, for building sites; and

WHEREAS the past year has seen an unprecedented increase in building as a result of the separation of land and improvement for purpose of assessment and taxation; and

WHEREAS such separate assessment works out to the advantage of the small store-owned [sic] and encourages the building of homes, therefore be it

RESOLVED that the Local Council of Women of Halifax go on record as approving the action of Aldermen Ritchie and Regan and the Labour representatives on the Taxation Committee in opposing sections 2, 3, 4, 5 of the Committee report, which propose reverting to the old method of taxing improvements at the same rate as land; and further

RESOLVED that a copy of this resolution be sent to the City Council in connection with the question of assessment and taxation shortly to come up before that body when the Taxation Committee presents its final report to the Council.⁴²

In this statement of single-tax philosophy, we can see its role as a means of discouraging land speculation (and its morally questionable unearned income) and preventing poverty by keeping rents low.

The resolution came out of the work of the Local Council of Women's committee on taxation, led by journalist Ella Murray, who was part of the editorial staff of the Liberal newspapers, the *Halifax Chronicle* and the *Evening Echo*. Her committee proposed in December 1921 to forward a similar, but even more ideologically explicit, single-tax resolution to the National Council of Women. It opposed all other forms of tax as tending to increase the cost of living. But another prominent member of the council, Agnes Dennis, whose family owned the competing Halifax daily newspapers, the Conservative *Herald* and the *Evening Mail*, balked at endorsing the committee's proposal.⁴³ While she succeeded in having a vote on the resolution deferred to the next meeting, the tax committee's motion did subsequently pass, in spite of the reservations of Dennis, at that next meeting. However, Dennis took steps to prevent such untoward reverses in the future. She convoked an executive meeting immediately afterward to propose that resolutions on new matters henceforth be vetted first by the executive before being presented to the general membership.⁴⁴ Clearly, women, even among the middle-class Local Council of Women, were not united in support of the single-tax solution. But they were united in seeking a voice as taxpayers. Dennis herself was the instigator of a second motion that also went to the City Council's tax committee, seeking to make married women eligible for the civic franchise. Noting that only those assessed for taxes in Halifax could vote there, the Local Council of Women's resolution called for steps to be taken so that, in the case of married couples, the household tax would be assessed in the name of "the partner who is not assessed on real estate, whether it be the husband or the wife."⁴⁵ And once the Community Chest was organized, Dennis and others from the Local Council of Women would insist that women be represented as such on the chest's board. The "ladies' organizations" made an important contribution to the chest, they argued, and so were entitled to a voice in its management.⁴⁶

In this claim for voice in the affairs of the chest, as in the clubwomen's taxation resolutions, the conception of the taxpayer (or contributor) as stockholder was clearly present. Those who did not pay taxes in Canada in 1920 – recipients of government support in poorhouses, status Indians, and (for the purposes of Halifax city elections) married women who owned no real estate – were not, in 1920, enfranchised. They were not among the stockholders,

with voting rights attached to their figurative investment. But these exclusions were the vestiges of the nineteenth century's property qualification for full political rights, of which little now remained. In the debates on the 1920 Dominion Franchise Act, abhorrence of a property test was a norm affirmed by both parties, though its residue in the disenfranchisement of charity cases and of Indians was defended.⁴⁷ Locally, Halifax's political community was also changing. In the mid-nineteenth century, an experiment in a universal male franchise based on a poll tax had elicited elite fears that "those who owned nothing voted the money out of the pockets of those who [had] means."⁴⁸ In 1929, in contrast, property owners in the city's mainly working-class and residential north end would organize public meetings in their ward, "with a view of stirring up interest in civic politics among residents."⁴⁹ Encouraging political expression in the north end was more than just a neighbourhood aspiration. In 1921, in the midst of the taxation debates, City Solicitor F.H. Bell called for the use of a broadly based occupant's tax, precisely to encourage interest in "civic affairs," even among those without property: "It is desirable to affect directly by taxation as many persons as possible and thus compel them by the most sensitive of nerves, the pocket, to take a personal and direct interest in civic affairs. A tax on real property alone, which only filters down to the non-property owners through an increase in rents, will not arouse the same interest in civic expenditures as a direct demand from the City Collector."⁵⁰

Bell's logic echoed that of the CRIC's Brittain. "Right economy," Brittain argued, "will only become good politics when a sufficient number of the people think it worthwhile to make it good politics ... For [that] one reason, if for no other, there was value in the Federal Income Tax because it had taught many people that they were really paying taxes and were really stockholders of the country. Indirect taxation [such as customs duties] had induced a false security."⁵¹ Across the country, as the franchise and taxation systems took new shapes, there was a rethinking of who were the citizens, who had a voice in the nation's affairs, and who owed a duty of contribution in the form of taxation. Similar questions would also arise in charity.

In the Halifax taxation debate, one figure embodied the connection between contribution in taxes and charitable giving. That individual was a prominent wholesale merchant named A. Handfield Whitman. The Board of Trade's president in 1920, Whitman was also its representative on the joint civic taxation committee. At a key moment in the debate about taxation, Whitman was the chosen leader of Halifax's business community. He was

also one of the city's leading social work volunteers. In the first few days after the 1917 explosion, when a small number of the city's "big men" (and women) formed themselves into an executive committee to manage relief and reconstruction, Whitman was one of their number. In 1921, he was president of the Halifax Welfare Bureau, a service co-ordination organization that had been formed in 1914-15. It, too, was a central project of the city's civic-minded elite. In 1921, after his term as president of the Board of Trade, Whitman was fifty-one years old. Perhaps he was looking for new challenges and a project on which he could make his mark. It is not surprising, then, to find him in 1921 as the person who sparked and actively promoted the formation of the Community Chest.⁵²

From the first meeting to propose the idea in November 1921 to the end of the chest's first campaign in 1925, Whitman brought to bear on charitable fundraising and financing in Halifax his modernizing business beliefs and resources. He loaned to various charities the services of his own firm's accountant to improve the reporting of revenue in their financial statements. He put the final touches on the chest's constitution. He brought in volunteers through his connections in the Rotary Club and the Gyro Club. No doubt it was also Whitman who arranged to have the Board of Trade supply clerical support and office space for the chest. In the first campaign, he would tell Halifax that "some of the ablest financiers of the city" had given of their time and energy to organize the chest and that the least the public could do was support the welfare agencies' work, "work which MUST BE DONE."⁵³ Whitman represented, as did Britain, the sort of business idealism that saw social problems as amenable to repair through efficient use of social resources. Modern fundraising and co-ordinated social service, like proper taxation and modern government, would meet social needs by ensuring that all interests and all citizens contributed their share to the necessary civic work.

Among Halifax's social leadership in the early 1920s, then, a problem in public administration was being defined. An array of pressing needs was being presented as requiring a collective response. As civic minded as Whitman and his element of the business community were, it is also worth remembering that, on the joint taxation committee, he and the labour representatives had agreed to disagree on how taxation would be organized. They differed on which needs were most important. And the system then existing by which government could collect from citizens the funds with which to address such needs was also open to question. Who should be paying, how much, and on what basis were all unsettled matters. In Halifax, as elsewhere in the country,

it was clear that a new fiscal regime was being constructed and that the country's solvency, social peace, and prospects for growth would demand innovation in public financing.

Canadian economist W. Irwin Gillespie has argued that the taxpayer in Canada has not been "a hapless, helpless victim of a rapacious government that taxes indiscriminately." Rather, taxpayers' ability to oppose taxation has shaped government's choices about which kinds of taxation to use.⁵⁴ Accordingly, as politicians such as dominion finance minister Sir Henry Drayton sought in the early 1920s to build coalitions of support for a new tax regime, they faced a considerable job of ideological work, overcoming such resistance. Building this support entailed more than simply striking a balance between competing economic interests. Politicians and finance officials had also to advance the state's interest in maintaining an adequate revenue. The politicians, moreover, had the electoral interest of appealing to a wide variety of publics. As Martin Daunton has shown in his study of British taxation politics, these publics were defined not only by immediate financial interests but also by viewpoints on the proper sources, uses, and obligations of different kinds of property. In this way, the public was divided along ethical lines as well as economic ones.⁵⁵ Figures such as citizens and shirkers, profligates and producers, all appeared in taxation rhetoric, doing the work of organizing consent to taxation. Taxation strategies were understood as a means to manage not only the market economy but also the moral one. Even though, as Daunton acknowledges, "'real' material interests" were important, politicians' tax proposals were also designed to appeal to identities that cut across the boundaries of such interests.

The link between charitable fundraising and shifts in the depiction of the taxpayer is suggested by Daunton's work. Daunton shows that taxpayer identities were moral ones. The same array of moral identities was apparent in the ways that charitable fundraisers addressed their publics. In this sense, then, both the selling of tax policy and the promotion of charitable giving were cultural exercises. Both were exercises in persuading people with money to see the justice of giving some of it over to be administered by others in service of interests that went beyond immediate gain or enjoyment. Such exercises inevitably spoke to broad questions of values and responsibility in relation to property and collective well-being. Both politicians and fundraisers could pose this sort of question – about fairness and sharing, rights and duties – and draw on common cultural reference points to carefully shift common-sense ideas. Thus, at the same time as individuals such as Brittain and

Whitman, Dennis and Murray, went about the ideological work of promoting certain taxation methods and resisting others, they were also and not coincidentally reorganizing the practices and norms of charitable fundraising. In each of these realms, they were both defending their economic positions and promoting a particular morality of citizenship.

In the ideological work of making new standards for fair contribution and new common-sense ideas of how taxation should properly work, the federated fundraisers would make an unintended contribution to politicians who needed to use and expand the dominion income tax. The chest method of fundraising would help to prepare the political ground for the great increase in the 1940s in the number of payers of income tax. By a nation-wide, decades-long campaign of public education, beginning at the moment of fiscal crisis in the early 1920s, the Community Chest movement helped to create a new conception of the taxpayer for a newly expanded state. The "citizen as stockholder" notion inherited from the nineteenth century, and evident in the tax discourse of the early 1920s, would shift subtly but importantly to a "citizen as consumer" position.

2

..... The Technologies of Contribution: Taxation and Modern Fundraising Methods

In addition to explicit discussions about what constituted fair taxation, and about which needs should be met with tax funds, there was another, less obviously ideological, aspect of the changing culture of contribution. Not only the ideas and activists but also the tools and techniques of taxation and charity overlapped and converged in the interwar years. The federated fundraisers' attempt to change the practices of charitable fundraising and the culture of giving was inspired by and, indeed, was part of larger contemporaneous changes in both business management and public administration. As Paul Pross has shown, the interwar years saw a symbiotic growth of government bureaucracy and private interest groups.¹ As both grew, their work was shaped by a common set of assumptions about what constituted legitimate expertise. Increasingly, both came to require systematic and statistically rendered social data as the basis for policy and planning.² While this sort of social science expertise was becoming important in public life, other similar kinds of data management had also become part of expertise in private business, especially in the large enterprises that had emerged in the late nineteenth century and the early twentieth century.³ In such enterprises, large-scale information gathering and organization had become an important means of achieving co-ordination, planning, and ultimately profitability. These methods became part of a business ideology of efficiency. In social work, elements of this ideology of efficient business matched up with equivalents in the conception of scientific social work. In Toronto's Federation of Community Services, as Gale Wills has shown, agreement on modern methods provided, at first, a basis of co-operation between businessmen and social workers. Later, however, social workers clashed with their business allies about standards and goals. Those ideological differences had tangible consequences for choices about which services were to be provided. When applied to actual

social service operations, it turned out that, in spite of their commonalities, the business and social work conceptions of efficiency were incompatible.

But when we shift our attention from service provision to fundraising, and from the relationship between business and social workers to the one between the same businessmen and taxation authorities, a different relationship emerges. In the interwar period, there were points of common beliefs and values between the business-inspired world of charitable fundraising and taxation expertise. This chapter identifies five of these points of connection, areas in which the tools and techniques of taxation and fundraising overlapped. They were (1) cost-effective collection, (2) accounting controls, (3) data collection, (4) use of "ability-to-pay" measures, and (5) base broadening. In the first four, the overlapping of methods bespeaks the existence of shared views on how public business should be managed. In these respects, charity and taxation innovations were growing simultaneously from a common public culture. In base broadening, an area in which the Community Chest had considerable success, charity's innovation came before its equivalent in public administration, and its success could be presented as an argument for a new model of citizenship: the citizen as consumer.

Cost-Effective Collection

A central element in the chest fundraiser's claim to superiority over traditional charities' appeals was that a single appeal was the most cost-effective means of collecting for charity. Reducing costs of collection made for the largest possible net amount of charity dollars available for their intended use. Similarly, governments, when choosing a means for raising revenue, weighed the cost of collection against the amounts that a tax might raise. For instance, one of the arguments advanced in favour of the particular form of the 1920 manufacturer's sales tax, and indeed in favour of sales taxes generally, was the low cost to the public treasury of the administrative methods involved in collecting it. The tax collectors were the manufacturers and wholesalers who handled the taxed goods, and the returns that they submitted required only about three dozen additional inspectors and auditors in the Department of National Revenue.⁴ In contrast, the chief argument against the federal income tax before 1917 had been the cost of collection compared with the prospective revenue. And once it was introduced, the cost of administering the federal income tax continued to be a concern, tracked from year to year.⁵ Moreover, the changing particulars of income tax policy would continue to

be assessed on the ground of administrative cost. For example, employment expenses for the self-employed were allowable deductions but those of employees were not: only the goal of saving administrative costs explains this difference. As increasing numbers of employed Canadians came to pay the income tax, the standard personal deduction was adjusted to cover normal work-related expenses. By this means, the Department of National Revenue in the 1940s and later was saved the work of checking millions of employee tax returns, work that would have required hundreds of additional staff.⁶

Progress in tax reform was judged by Citizens' Research Institute of Canada (CRIC) tax experts in terms remarkably like those by which the chest appeal was justified. In taxation discourse, the equivalent of the fundraisers' worry about multiple social agencies dunning donors was the "chaotic condition" of taxation discussed in the CRIC's 1938 report to the Rowell-Sirois Commission. The CRIC pointed out, for example, that several provinces might seek to collect death duties from one estate. In many provinces, individuals were required to complete two completely separate income tax returns (one provincial, one federal). Taxpayers were irritated and public money was wasted when both federal and provincial governments had to audit the securities transactions on which tax was collected.⁷ Such multiple taxes were problematic for some of the same reasons that multiple charitable appeals were. One reason both were considered objectionable was that multiple assessments, like multiple campaigns, were costly.

In a 1937 Vancouver canvasser training pamphlet, the fundraisers made explicit the analogy between the costs of collecting taxes and donations. After giving in proportional terms the costs of the fundraising methods that it wanted to disparage, the Welfare Federation pamphlet noted that

even the government spends a large amount of money to collect our taxes from us; the exact percentage is unknown, but the costs of the income tax department, assessment offices, finance departments, etc. (The Finance Department is comparable to the Federation) can safely be estimated as costing not very far short of 10% of the total revenue of city or province. In other words, the Federation, in using only 6 cents out of every dollar received and passing on 94 cents direct to service, is operating at a lower cost than any other revenue raising device, not excluding taxation departments of government.⁸

When Community Chest promoters argued for a cheaper cost of collections, then, they were thinking in the same way public administrators did in planning tax collection. And at least some of them thought that federated fundraising was better than taxation because it was cheaper administratively.

Accounting Controls

The call for particular kinds of managerial expertise was another theme that linked discussion of charity fundraising and taxation in the interwar years. In particular, tax experts and the Community Chest managers agreed that, in each of their areas of operation, sound practice required better accounting controls. The leading businessmen active in Boards of Trade and Community Chests readily moved from promoting improved financial controls in the spending of tax revenue to doing the same for spending chest funds.

While the annual appeal was the most obvious innovation that the federated appeal offered, the reform of spending was equally key and every bit as much a part of the system of fundraising as the collecting of dollars. This was so because, to legitimate the use of other people's money, an accurate accounting of that money was required as evidence of its effective use for the purposes its suppliers intended. This connection between controlled expenditure and accounting had developed both in business and in government.⁹ Over the course of the nineteenth century, as the British electoral system and methods of public administration underwent a host of reforms, an array of taxation and spending methods was developed that succeeded, by the twentieth century, in securing comparatively high levels of consent to taxation in the United Kingdom.¹⁰ All tax revenue was to go into a general fund, and budget estimates debated and approved in Parliament determined how it would be spent. To ensure that this budgetary approval really mattered, tight accounting for each penny spent was necessary. The system required a strict prohibition on spending any surplus in one budget area to cover shortfalls in the resources allocated to another. Were this sort of flexibility allowed, it was argued, there would be no effectual limit on government spending: it would always rise to the level of the revenue available. Proper budgeting, in contrast, allowed for the possibility of using surplus in some areas to pay off government debt. This system of accounting controls was crucial to the unusual level of acceptance and compliance that the British income tax system, in particular, enjoyed by 1914.¹¹ For Canadians in the 1920s, the values of

the British system were part of their political education. Not all would have agreed that it was the best system or appropriate to Canada, but it provided one influential model of just taxation.

Its influence is apparent in the CRIC's 1937 *Special Study of Taxation*, which analyzed government spending during the 1920s and 1930s. One of the criticisms that the study offered of Canadian taxation was that neither provinces nor municipalities used real revenue-expense accounting. This technical failing had worsened problems in the early 1930s, when municipalities facing a revenue shortage had to "slash rather than prune" public spending because they kept no "real expense records." They lacked the "information necessary for administrative and public control."¹² The study's readers would also have known that poor accounting practices had made it only too easy for municipal officials to steal. In Ottawa in 1930, for example, several such officials were found to have diverted into their own pockets tens of thousands of dollars of taxpayers' money. The city auditor, when called to task by an independent accounting firm, pointed out that, over the 1920s, in spite of his recommendations, he had not been allowed to develop a central accounting office and that political patronage determined how Ottawa's city business was conducted and by whom.¹³

Both to monitor the proper allocation of funds and to prevent their theft, accounting controls were required. Without them, the Ottawa experience and others suggested, governments did not deserve public trust.¹⁴ As Michael Piva and Bruce Curtis have shown, colonial Canadian governments had once relied (not altogether wisely) on the good character of public officials more than on routine audit and control mechanisms.¹⁵ Similarly, in the CRIC's view, some municipalities (and even provinces) in the interwar years of twentieth-century Canada were still operating as though to require expense records was to impugn the character of officials. This attitude could not continue. A similar sense of urgency was expressed in 1939 by a more left-wing expert in public administration, social worker Harry Cassidy. Toward the end of his tenure as director of social welfare in British Columbia's civil service, he became extremely frustrated with the cronyism and wastefulness he saw in the provincial government. He argued that amateurism in public administration only brought democracy into disrepute and gave credence to the anti-government polemics of fascists and communists. For this voice from the social democratic left, professionalism in public administration was essential for the legitimation of taxation.¹⁶

Charities, like nineteenth-century colonial governments, had relied on the prestige of their boards to produce confidence in their spending. When the Community Chest movement promised a business-like audit of all member agencies' accounts, it was promising as an inducement to charitable giving the same kind of enhancement in administrative control that tax experts were calling for in government as a prerequisite of legitimate taxation. Budget committees on Community Chests queried agency board representatives about particular items in their budgets. Agencies could be removed from the federation if their expense records failed to meet proper standards. That was the fate of several agencies in the early years of the Vancouver Welfare Federation: in 1931, it ousted from its ranks for this reason the Original Great War Veterans Association as well as the Western Association for the Blind and the Tuberculous Veterans.¹⁷ In Ottawa, a Catholic family services agency, the Joan of Arc Institute, had to be instructed that its expense reports could not be unchanging boilerplate but had to show the "actual cost of each item."¹⁸ Business leaders viewed both governments and charities as being in need of business expertise. While this view was not new in the interwar years, its expression in the institutional form of the federated appeals was both new and significant. By way of the chest movement, across the country in major and later in minor cities, charitable fundraising became a widespread means of promulgating to a wide audience the gospel of accounting controls as a necessary part of public spending, whether of charity dollars or of tax dollars.

Data Collection

Both tax collection and modern fundraising depended (and still depend) on lists of names: names of property owners, names on payrolls, and names of area residents are three lists that the two kinds of collection require. Both also need to assess wealth, either in ways that attach assessments of individual wealth to particular names, or in ways that apportion aggregate estimates of wealth to categories of population so as to determine per capita rates of contribution or incidence of particular taxes. One of the conditions of an effective system of taxation is its ability to count accurately the resources its managers wish to tax; the same is true for a system of fundraising. Fundraisers need to know, in effect, where the money is. And when a fundraising method involves pledges and installment payments, effective fundraising, like taxation, also entails monitoring lists of contributors' due dates. To set tax rates, as in setting fundraising targets, planners think not only of

spending needs but also of aggregate and sectoral capacities. To organize either fiscal policy or a modern fundraising campaign, then, requires lists of names and obligations and assessments of the population's resources.¹⁹

We may think of the techniques of producing such lists and assessments as coming from the social sciences. And, in a broad cultural sense, they do. The methods of systematic social observation developed in the eighteenth and nineteenth centuries formed the cultural ground from which the federated fundraisers' tools grew. More immediately, however, the closest models for their record keeping were sales occupations and especially the insurance industry. Lists of prospects and lists of due dates for clients' premiums closely resembled the donor lists that the chests developed. Insurance companies certainly drew on (and had helped to develop) the social science of populations. But on a more minute level, the agent, operating in neighbourhoods, participated in this larger science by performing some of the detailed harvesting of information about particular populations. Insurance men and women brought this expertise to the campaign organizations of the chests.

In each of the three cities studied here, key promoters of the chest method and volunteer campaign leaders were from the insurance industry or closely connected with it.²⁰ And insurance companies often supplied teams of canvassers for this work.²¹ Accustomed to meeting the public and talking about risk and security, agents (usually men) from Metropolitan Life, London Life, Sun Life, and other firms were an ideal sales force for the chest idea. Their industry had an array of economic reasons to support privately funded social services. But in addition to those reasons, enterprising individual agents must also have seen sales opportunities in fundraising conversations. After all, what better way to raise with potential customers the subject of insurance than to talk about charities that helped out people who had lacked such protection?²² Along with men from service clubs, the insurance company canvassers performed in the business districts the same kind of work that teams of women did in the residential neighbourhoods.

It is hardly surprising, then, that some of the insurance business's list-making methods were used by the chests. Like insurance agents, canvassers for the federated appeals were equipped with client lists whose contents they amended or confirmed when they met the donor public at front doors, on shop floors, and in stores and offices. The first lists were compiled, like an insurance agent's lists, from city directories. The pertinent information was transferred to an index card, one for each prospective donor, and sets of the cards (plus some blanks for new donors) were supplied to canvassers (see

OTTAWA UNITED WELFARE CAMPAIGN Objective — \$204,000		SUBSCRIPTION GIVEN TO	
Salvation Army \$27,450	Ottawa Community Chests \$176,550	Division.....	District.....
Name.....	Address.....	Team Capt.	Canvasser's Phone.....
		Canvasser.....	Amt. Subscribed \$.....
		Amt. Paid.....\$.....	
<p>In consideration of the services rendered by the agencies participating in 1944 Funds, the undersigned hereby agrees to subscribe and pay to the OTTAWA UNITED WELFARE CAMPAIGN the amount or amounts listed below, payable as follows:</p> <p>1. Instalment <input type="text"/> herewith Instalment <input type="text"/> Feb. 1, 1944 \$ Instalment <input type="text"/> May 1, 1944 \$ Instalment <input type="text"/> Sept. 1, 1944 \$</p> <p>or</p> <p>2. As follows.....</p> <p>IF DESIRED, THE SUBSCRIBER MAY DESIGNATE THE PARTICULAR AGENCY OR AGENCIES TO WHICH HE WISHES TO ALLOT HIS SUBSCRIPTION. SEE REVERSE SIDE OF CARD.</p>			
Date.....	Subscriber's Signature.....		
Contributions to the Ottawa United Welfare Campaign are deductible for Income Tax purposes.			
Serial No. <input type="text"/>	Audited <input type="text"/>		
		Receipt Stub	
		OTTAWA UNITED WELFARE CAMPAIGN 1944 FUNDS	
		I hereby certify that	
		Subscriber's Name.....	
		has subscribed	
		\$.....	
		to the above campaign.	
		Amount Received	
		\$.....	
		Canvasser's Name.....	
		Date.....	

FIGURE 5 Welfare campaign subscription card, 1944. Subscription cards were among the modern methods of data management for Community Chest fundraisers. (LAC, CCSD, MG 28 I 10, vol. 240, file 240-2)

Figure 5). If there was information about a donor's circumstances that might be relevant to the canvasser – such as a recent legacy – it would be indicated on the card. The makers of fundraising lists could glean information about donors from newspapers or social networks, just as insurance agents did.²³ The goal was for every household in the city to be canvassed and every place of business to be reached.²⁴ For each contact, the result was to be recorded on an index card. From these index cards, the comprehensive list of donors would be updated. The cards also provided the basis on which the chest could monitor installment payments of pledges over the year and improve rates of collection. Moreover, this list was to be updated over time with information supplied not only by canvassers but also by block representatives who were to keep “track of and report new residents and removals on their block.”²⁵

As promoters of the Community Chest repeatedly rejoiced, these were “business-like method[s].”²⁶ But they were also government methods. Not only were lists necessary for collecting taxes, but also some municipal tax collectors as late as 1938 appear to have used the same source for their lists as the sales agents and the fundraisers did – that is, the city directory.²⁷ Even the dominion government was not above using local observers as a means of revising electoral lists. In 1937, voters in urban areas were encouraged, apparently for the first time, to help ensure a qualified electorate by reporting to the returning officer any names of people on posted voters lists who were not genuine residents of their neighbourhood.²⁸ As well as sharing methods,

there was some data sharing between governments and fundraisers, at least in one direction. Charitable fundraisers liked to use property tax assessment rolls and income tax collections data to estimate the donor capacity of their communities.²⁹ They also checked their canvassing lists against the voters list.³⁰ In the enumeration and assessment methods, fundraisers shared with tax collectors and salespeople some common problems and common methods.

At another level of business-like data management in fundraising, there were the special names lists. These were lists of prospects whose capacity to give and whose past record of giving inspired expectations of a substantial donation. The individuals on these lists were approached personally by people of similar wealth and status. In an analogy to the Canadian taxation system of the 1920s, these prospects were the equivalent in the chest canvass of the federal income tax payers. (They were likely also literally among the wealthy minority who paid the federal income tax.) These “special” donors were told that they had special responsibilities and were called on to provide campaign-launching donations and to make up campaign shortfalls, much as federal income tax payers were targeted for a tax that was justified as meeting emergency fiscal needs from the war.³¹ When Charlotte Whitton was researching the donor capacity of Ottawa, she developed lists of leading philanthropists in each of the major religious/linguistic sections of the community. This list making was to ensure that the people who would be expected to give to the new federation would also be personally addressed about the plans for its formation. A failure in data collection at this stage of planning would have meant uncertainty about donor support: these donors, like major taxpayers, would have expected to be able to “call the tune” because they saw themselves as paying the piper.³²

In contrast to this highly individualized group were Asian residents of Vancouver. In the 1930s, the city directory gave no names at some households, just the word *Oriental*s. Vancouver’s Chinese Canadians were thus left off the ordinary poll tax lists in the interwar years. Similarly, in the Vancouver Welfare Federation records, one cheque came to the federation from Chinatown via the Chinese Benevolent Association. No individual ascriptions were made of Chinese Canadian donations until the 1935 campaign.³³ Apparently, it was not initially relevant to the Vancouver Welfare Federation’s purposes to see Chinese Canadians as individual donors.

Donor data, either individualized or categorical, were essential to the federated charities’ claim to be able to plan. Setting a campaign goal involved reviewing economic and demographic data as well as assessing member

agencies' needs. Tracking the results of campaigns in concrete terms of donor numbers and donor dollars, analyzed by sector, was a means of testing the effectiveness of particular campaign methods.³⁴ As I will show in Chapter 4, the categories of data collection could be designed to identify and pressure specific groups of potential donors. As Bruce Curtis has argued about census making, there are in these methods of population counting two tendencies. One is the individualizing process, which treats each resident or donor as equally and alike subject to the intentions of the counters. In the case of fundraising, the aim to reach virtually every resident of the city (excepting preschoolers and babies-in-arms) was the expression of this atomizing and homogenizing impulse. The other was the totalizing effect, in which assignment to a category and disregard of individual distinctions within those categories served the administrative purposes of the data collectors.³⁵ This aspect of data gathering appeared in the fundraisers' tracking of donations by occupational, religious, and ethnic categories. Fundraisers lacked the coercive powers and resources of census makers and tax collectors. But like such agents of the state, the designers of the federated fundraising methods used lists to see society.³⁶ By means of methodical data collection, fundraisers hoped to produce social facts that would enable them to meet their goals.

"Ability to Pay": The Link between Income and Obligation

Another distinctive feature of Community Chest fundraising was the means that the chests used to increase the size of donations and the number of donors. More than efficiency in collections and controls in accounting, the techniques adopted to implement this feature of the chest idea prepared the public to contemplate with a degree of acceptance the expanding incidence of personal income taxation, especially in lower income cohorts, in the 1940s. The campaign to induce more people to give to the chests linked income and social obligation in ways that also appeared in discussions of just taxation in the interwar years.

The links between income and obligation in conceptions of tax in the interwar years may be read from the parliamentary debates incited by R.B. Bennett's 1931 federal budget. Participants in taxation debates throughout the interwar years continued to assume, correctly, that less than 2 percent of Canadians paid income tax.³⁷ In 1931, paying income tax was still clearly an experience of the most highly paid salary earner and the rich.³⁸ In the period, wage earners rarely, if ever, earned more than the \$3,000 that for a married, childless household head was then exempt from federal taxation. Thus, most

of Bennett's opponents in the 1931 budget debate focused on the tax reductions Bennett proposed to give to a small number of the fabulously wealthy: either the "25 millionaires" or the 523 individuals whose taxable income was greater than \$50,000. These were the happy souls whose reduced tax bills under Bennett's new income tax scale gave the 1931 budget its name as "the rich man's budget." These few plutocrats became the symbol of unjust tax privilege contrasted with the sufferings of "the poor man," whose cup of tea would now cost more in light of a 3 percent increase in the sales tax. In this rhetoric, the income tax payer appeared as a figure of privilege, contrasted with the downtrodden ordinary man or woman, the payer of sales tax.³⁹

Bennett's critics were right to deplore his government's reliance on increased consumption taxes, regressive forms of taxation that ate away at the pennies and nickels of the poor. But it is equally clear that the moral and symbolic meaning of taxation informed the debate more than did real information about tax incidence. J.S. Woodsworth's intervention was especially striking in this respect.⁴⁰ "We are told this country belongs to the people," he said, clearly about to puncture a myth, "and yet, when we come to matters of taxation we find the taxes are loaded upon only a few people." At this point, it would seem, rather oddly, that Woodsworth, labour's champion, was deploring the burden of income tax carried by the rich. However, with no apparent regard for consistency, he went on to aver in a more usual vein that "this government is nothing more or less than a vast debt collecting agency operating to collect from the poor people or the people of moderate means moneys to be turned over to the wealthy people." While this was sound labourist polemic, it was, as a comment on the income tax, simply wrong. Although the *sales* tax did indeed collect disproportionately from the poor and the middling sort, the *income* tax did not. Woodsworth's remarks were those of a man completely unused to dissecting the impact of income tax. His confusion, and the emotional tone of the debate generally, confirm the image of the income tax as a rich man's tax, outside the obligations and tax-paying experiences of most working-class and many middle-class Canadians.

The fundraising campaigns of the Community Chests would contribute to changing that image, both by imitating the methods of the income tax and by enlarging the scope of their application. The model of charitable giving in the chest idea mimicked in two ways the ability-to-pay model of income taxation. One was the use of a progressive scale of giving, tied to income. Figure 6 shows one such scale.⁴¹

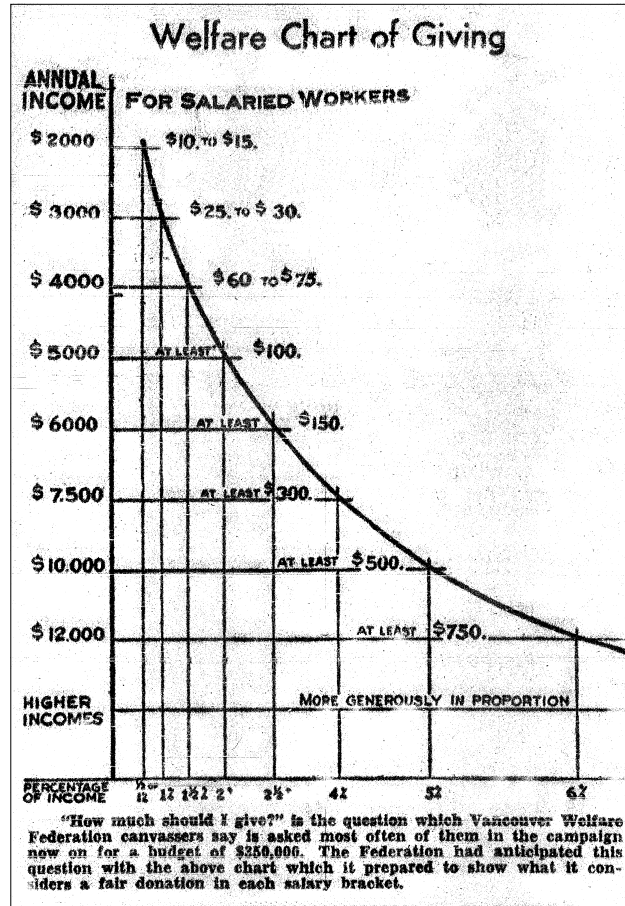


FIGURE 6 "Welfare Chart of Giving," 1936. This graph illustrates ability to pay as a model of fair contributions to the federated appeal. By using the model of contribution associated with the progressive income tax, the chests endorsed the conception of fairness embedded in the tax, which was still controversial in the 1930s. (*Vancouver Sun*, 16 October 1936, 2)

Worth noting is that the lowest annual income registered on this scale (and other similar scales) was \$2,000. This was also the lowest threshold in the income cohorts (based on income above the exempt amount) into which data on income tax were divided.⁴² If a worker's income fell below the minimum threshold, however, there was also an "ability-to-pay" measure designed for him or her – a day's pay.⁴³ In this way, the link between income and