



# Bulletin

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## FINANCING SOCIAL SECURITY

Social security programs will eventually receive more financing through general taxation and relatively less through insurance contributions, Reuben C. Baetz, executive director of the Canadian Council on Social Development, told an international gathering in The Hague recently. "As the departure from the strictly wage-related insurance principle continues and benefits become more flat-rated, the difference between a premium to an insurance scheme and a tax becomes ever more dim," he told a general session of the International Conference on Social Welfare. "I believe that this will inevitably and inexorably lead to more financing of social security schemes by general revenue raised through the regular tax system. These schemes will generally provide flat-rate minimum benefits - in other words, a guaranteed annual income to the entire population."

Mr. Baetz said this trend should reduce some "of the incredible amount of red tape and the fragmentation of schemes produced through their *ad hoc* growth over the decades". He said wage-related insurance schemes would be assumed by quasi-

governmental or private organizations, encouraged by government through such measures as tax exemption for contributions.

The Conference is sponsored by the International Council on Social Welfare (ICSW), an organization that has more than 60 member nations and acts as a world forum for people working in health, welfare and education, as well as serving as a spokesman for social welfare on international social questions. Mr. Baetz was elected president of the ICSW.

Mr. Baetz said the goal of an adequate guaranteed annual income for all would continue to be accepted as a national objective by a growing number of nations. The chief way of achieving the goal would be through guaranteed employment or full employment rather than greatly increased income-maintenance measures.

"In spite of the work ethic, guaranteeing employment can only be achieved through reducing man-hours in the labour force through subtle and socially acceptable devices such as delayed entry by youth in the labour force, mandatory early retirement, shorter work week, etc., and numerous 'make-work' projects which are socially useful but often of dubious economic value," he declared.

"Training, re-training and re-location of workers displaced by technological innovation will increase, but in itself will not be sufficient, as even now many industrialized countries are 'galloping in order to stand still'."

Mr. Baetz said the key question for social welfare and social development in the next decade is how man is to receive an adequate income and maintain a satisfactory living standard in an era of rapid technological progress.

Referring specifically to Canada's Opportunities for Youth and Local Initiatives Programs, he asked conference participants whether such work-opportunity experiments are "a desperate bread-and-circuses exercise of last resort engaged in by a country with inadequate policies and programs for youth" or a sign of things to come for all industrialized nations.

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