

present subjects which we thought ought to be explored. For example, in our reference to the family unit what we said was, and I think it is quoted here, that the tax system ought to take more account of the family as a unit. We have never gone further into exploring how this should be done. We have suggested here that there ought to be consideration of this, because it is a fundamental point if you go into it at all.

If the council had looked at this in detail it might have modified its ideas at that time: It never went into how far the idea should go or what family members should be included. Our original submission was more in the order of suggesting areas for exploration than specific strong recommendations. We certainly raised the question of taxation of social benefits and we formally came out with this in our "Social Policies for Canada" a year ago.

**The Acting Chairman:** Perhaps we can now move forward with the specific considerations.

**Senator Carter:** I would like to get the reaction of the witnesses to the proposal which we had from the electronics industry this afternoon about the private sector taking over some responsibility for welfare.

**Mr. Baetz:** I shall make a very introductory comment. I think private industry for many years has had an opportunity to assume more responsibility. I do not think it did a particularly good job of it. There are certain areas today where private industry might take the initiative in providing some social services. I am thinking of day care services for working mothers. This would be a possible area.

**Senator Carter:** I think you said they have not been drawing unemployment insurance in some cases.

**Mr. Baetz:** I do not see much possibility or likelihood for the private sector to be able to assume universal responsibility for people in need to provide the social welfare services that the gentleman from the electronics industry suggested. At the very best they might provide some assistance to those people who are employed, but surely that is not where the heart of our social assistance is required. It is the people who are not connected with the labour forces who are often in the greatest need, such as the handicapped, aged and young. I would be glad to hear what some of my colleagues have to say.

**Mr. M. Wheeler, Director of Research, Canadian Welfare Council:** We already have examples in which

industry has introduced various social services programs in health care, and there is the guaranteed wage in the auto industry to some extent. These are all examples of ways in which it has been possible for industry to take action.

Over the years the responsibility has been transferred to government, because this is where the greater resources are. I am often concerned about comparisons with other countries and societies, based on the assumption that what they do is equally applicable to Canada. In Japan to which the electronics people referred, there is a very different kind of society, a traditionalist one, and one which has demonstrated in the past certain of the disadvantages of such a society, an authoritarian one. I am not sure whether we would wish to import that kind of society and the labour immobility which comes with these kinds of programs.

**The Acting Chairman:** It is a tremendously paternalistic society.

**Mr. Wheeler:** To the employers of Canada or the workers of Canada, the idea of people remaining with one firm all their lives would be unusual.

**Senator Benidickson:** That is what appealed to me, that it was not typical of anything we have here and there would be a great outcry if something that curtailed mobility and in addition give them all the terrible gaps that exist from the point of view of the desirability of universality in the application of programs. We can have a basic plan, something on the public sector that is basic and universal. There is nothing to prevent new industries from supplementing that an improving upon it, but I think you must have a basis in these days, that is public.

**The Acting Chairman:** Perhaps we can move on to the specific recommendations.

**Senator Carter:** You recommend tax credit instead of tax exemption. Do you have in mind a flat rate, a sliding scale? Would you give a person the same tax credit for a child six months old as you would for a 15-year old?

**Mr. Philip:** I think the main thrust of our recommendations is what we believe to be equitable treatment of the allowance as it may be decided as between a tax credit and an exemption or deduction system. I do not think that really deep consideration was given to the dollar amounts which should be given, or whether as a matter of public policy the Government wished to give additional support to either younger