

Mr. DesRoches: Welfare is based on need, Mr. Chairman. Therefore, you will always have this clash in the sense that so long as you have a program that is based on need then the welfare administrators, be they provincial or municipal, must take into account the income which the man gets from us in determining his need. That is the only answer I can give. In other words, they say if you need \$200 then that is what you get. If you get \$50 from unemployment insurance, then your need from the welfare is only \$150.

Senator Connolly (Ottawa West): Mr. DesRoches, suppose a man with a large family is receiving \$100 a week, or the 66⅔ per cent. The \$100 a week will not meet his requirements. Can he continue to draw his unemployment insurance under the provisions of this new act and supplement that income in case of need by welfare payments?

Mr. DesRoches: Oh, indeed. That will continue. The problem that Senator Carter envisages is the reverse of that, I think. Senator Carter was raising the problem that welfare agencies will not pay the full amount.

Senator Connolly (Ottawa West): I realize that, but it seems to me that the full amount would be payable under this act. That is to say, the \$100 a week would be payable, and the amount that would be paid under the Canada Assistance Plan would supplement the benefits under this act to the extent that the administrators of the Canada Assistance Plan considered the recipient to be in need.

Mr. DesRoches: That is correct. That is the way it is paid. There are such supplementaries in industry, I might point out. They are called Supplementary Unemployment Benefits or SUB's. Where they have a formal agreement and a separate fund, industry can also supplement unemployment insurance benefits, if in collective agreements they want to arrange this. So it is the same thing in a way as Senator Connolly (Ottawa West) has explained.

The Acting Chairman: The problem, Senator Connolly, arises when a person has a big family and has to wait for his unemployment insurance. He probably has to wait three or four weeks. The welfare payments, for the sake of argument, are \$70 or \$75 a week. But the unemployment insurance is probably only \$60 a week, and yet he has to pay out of that \$60 a week a refund of the \$75 per week he got from welfare. This is what has happened, and the welfare people says, "Well, of course this is not our fault. The money that you got was paid under the Canada Assistance Plan and the terms of that plan state that we must collect it back if you were entitled to unemployment insurance," and so they get into a bind.

Mr. DesRoches: I should imagine this would only occur if the total amount exceeds what they have determined to be the needs of the family.

Senator Flynn: But the maximum welfare payment will be given, and then they will recover from the unemployment insurance or through the unemployed person the amount payable under this present act. Is that not so?

The Acting Chairman: That is what they have been doing.

Senator Flynn: This system could possibly suggest to the person in need not to apply for unemployment insurance benefits but just to get welfare.

The Acting Chairman: That is so, and it is true in a number of cases that have come to my attention. Unfortunately there is a stigma attached to welfare.

Senator Flynn: There is another stigma attached to the benefit now in that it is taxable whereas the welfare payment may not be.

Mr. DesRoches: I would like to see a specific case, particularly in the waiting period where a man has no unemployment insurance. Let us suppose that a man leaves his job and he has no payment at all—and these are not unusual circumstances—and then there is a waiting period, I would think that if Welfare deems that he needs money during his waiting period, then that money that is paid is not recoverable. But if they go back and take it away, I would think that somebody is exceeding his authority.

The Acting Chairman: You see, there is an overlapping. Supposing a person starts on January 1 and is entitled to unemployment insurance benefit as from that date and let us say he is getting welfare from January 1st to the middle of February. Then eventually he gets unemployment insurance benefits back to the 1st of January also so the two payments overlap. Then when he gets that, he has to pay back the welfare payments he has already received.

Mr. DesRoches: I would think in that case that that would be fair, up to the amount of the benefit he has received. Because the welfare would supplement that if need be. But he has received his income from Welfare and I think the welfare agency in that case is entitled to seek repayment. The problem I can see is that this creates a situation where people have to pay back money they have already spent, and this creates a difficulty.

Senator Fergusson: Is there any consultation between the Department of Health and Welfare and other departments concerning these problems?

Mr. DesRoches: Yes. Actually the administration of social assistance is a provincial matter. Even though the Canada Assistance Act sets the broad parameters and there is consultation required at that level, the real consultation is required at the municipal and provincial level where administration takes place. We do have close consultation at those levels. Our managers contact the municipalities and contact the provinces so that they at least know which people are on both systems. As I stated in giving these statistics earlier, there is less overlap than would appear on the surface. It is probably 5 or 6 per cent. Nevertheless there is fairly close liaison between the two groups. Therefore the Welfare people can direct unemployed people to draw unemployment insurance or we can direct people to Welfare if that is the solution to their problems.