

*Unemployment Insurance Act*

• (3:00 p.m.)

We hear criticisms about seasonal labour and the impact that seasonal labour has upon the unemployment insurance fund. Any abuses in this regard should be taken care of. However, to those who criticize seasonal labour I direct this simple question: How would they like to change places with the people who must rely on seasonal labour? From the labour point of view a season in Canada can be extremely short, often extending merely from early to late summer or early fall. This means that people who depend on seasonal labour face a long winter without income, which is a serious consideration indeed. The Unemployment Insurance Act functions at the present time in a way that aids and assists these people. Whether it should function that way is another question. Until there is a major review of the entire system and until some other way is found to put a floor under such people and to provide the type of economy that will reduce that pool to a minimum, the present plan is the next best thing.

The Carter commission speaks well of unemployment insurance, saying that unemployment insurance gives us a method of injecting money into the economy when it is slowing down. Though Carter had high praise for unemployment insurance one wonders whether, instead of being an insurance scheme, it is not a scheme to redistribute income. So long as its function is to redistribute income and so long as it is sold to the people of Canada as an insurance scheme—here we see two incompatible elements of the scheme—we are bound to have difficulties in administering the scheme and in making its purpose effective. Such a scheme will hinder the adequate development of a more comprehensive system of providing a guaranteed income to Canadians.

I could cite examples of what I mean. One example involves a gentleman who is not quite eligible for the old age security pension and whose wife suffered a severe stroke some years ago. She is almost completely incapacitated. By making heroic efforts they have managed between them to maintain a home and to function as normally as they possibly could. Because of his wife's disability the man had to give up a job which paid an adequate income. He devotes a great deal of time to taking care of her. Of course he could have abandoned her completely, I suppose, to

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the arms of welfare assistance by disappearing. But he did not do that. He did not choose the easy way but chose instead to keep his family together and to take the high road of duty and consideration.

He thought that his wife obviously would qualify for assistance, and after all we heard about the Canada Assistance Plan one would think he would have had no problems in securing assistance after that plan came into effect. His inadequate income from his seasonal employment is supplemented by unemployment insurance payments. The welfare people do not consider these payments as insurance payments; they regard them as income. His fluctuating income from work, added to what he receives by way of unemployment insurance payments, brings his income to the point where the welfare people, who must dutifully follow their regulations, frequently cut off the assistance that is granted to his wife.

And so this game goes on. He is involved with three possible sources of income. To those three possible sources has now been added a fourth source. His wife has become eligible for old age security income and she now gets \$75 a month, the result being that the extra assistance has disappeared. At the same time she was also sent a form which asked her to apply for the guaranteed annual income supplement. We know, of course, that this is not a true guaranteed income to her since the husband's income must be considered at the same time. This highlights a basic fault in the guaranteed supplement program that drives many to despair. The husband's and wife's incomes are considered together, whereas they ought to have a choice of lumping their incomes together or treating them separately according to which course of action will give greater advantage to each of them as individuals. The over-all amounts would not be too great, even when one considers the kind of pennypinching that goes on.

Yet another factor must be considered. The wife wonders whether she should apply for the guaranteed income supplement. She may be eligible for it when her husband is not working but she wonders whether she will be eligible for any part of the extra \$30 a month when he is working. The difficulty is that he cannot estimate his income for the coming year as there is always the possibility that it may be greater than the amount which will make her eligible for the extra supplement. Should he earn more than he anticipated, will