

### Unemployment Insurance

nue. This leaves a very bad taste in the mouths of people, who feel they have been taken for a ride. In one instance a man asked the Commission how he could recover the amount of the tax deducted. He was told he would have to get it from the Department of National Revenue. He then applied to the Department of National Revenue, and officials there told him the only way in which he could recover it was to apply for a refund when he next made an income tax declaration—a year ahead, in most instances. In one case it worked out to two years, because the overpayment was made in 1972 but the repayment to the Commission was not completed until January of 1973. So the man concerned will not get back his money until he files his next tax return in 1974. Surely, a simple act of book-keeping between the two departments of government could remove this irritant. These may appear to be isolated and picayune complaints about the Unemployment Insurance Commission, but they all add up to disincentives to work. Unless we can bring about major amendments to the Unemployment Insurance Act, or, at least, improve the way in which it is administered, the present situation will continue.

There is one other aspect I should like to discuss; it involves students, who, if they work for eight weeks and pay into the fund, are also entitled to benefits. Unscrupulous students have been tempted to deceive the Commission as a result of the way in which the scheme is administered. Having paid into the fund for eight weeks, they were able, until the tightening up of controls, or even after, to obtain benefits even though they were really not available for work because they were attending school or university. In some cases they lied and said they were available for work, but in any event it did lead to fraudulent practice. What it added up to was that unemployment insurance left a bad taste in the mouths of students and perhaps it did not make them very much inclined to seek this kind of work.

● (1710)

I should just like to quote the Ottawa *Citizen* "Action Line" in its Wednesday, June 13 issue. A senior official of the UIC, who wishes to remain unnamed, suggested that the Unemployment Insurance Act be changed to eliminate the irritant of which I have been speaking. This is in connection with students who work in order to qualify:

These parts of the Unemployment Insurance Act are silly. Students are not members of the permanent labour force. They shouldn't have insurance coverage and they shouldn't be charged premiums.

I can see only one way to stop this unfairness to students and block attempts to retaliate by abusing the unemployment insurance fund.

When a person under 21 enters the work force, charge no premiums and provide no coverage for six months.

**An hon. Member:** Why six months?

**Mr. Knowles (Norfolk-Haldimand):** I continue:

A person still employed after half a year is probably a permanent worker . . .

This might not stop all abuse, but I believe it would eliminate a great deal. Students would not be charged for coverage they'll never get. And very few students could try to use the unemployment insurance fund to finance their education.

[Mr. Knowles (Norfolk-Haldimand).]

Those are the words of a senior official of the Unemployment Insurance Commission. I heard one member ask, "Why six months?" I do not think there is any magic about six months, but it is a period which would give an indication perhaps whether or not a person would become a permanent member of the work force. At the end of that time, he would certainly be paying into the fund and would expect benefits from it.

In summary I would say this: Unless we can remedy these abuses and the disaffection that seasonal agricultural workers have for the plan, then let us go back to the old system of providing them with a form on which they can choose to opt out of unemployment insurance. This was the form which people simply had to sign and give to their employer if they did not wish to be covered by unemployment insurance. This would apply only to a very small group of people working for very short periods during the year, such as seasonal agricultural workers. Surely, there would be no detrimental effect on the total financing of the fund if this were done since these people, as I have said, do not represent a very significant portion of the labour force.

Another suggestion that would help to improve the current situation is the one I have already referred to, namely that students not be covered for unemployment insurance until they have worked for a six-month period. The other point that I dwelt on in some detail related to increasing the length of the qualifying period. These, then, are some of the reasons I feel there are abuses of the Unemployment Insurance Act. The effect of the provisions of the act, which I have elaborated on in detail, do, I maintain, amount to a disincentive to work, for a large group of seasonal workers in the Canadian labour force.

**Hon. Bryce Mackasey (Verdun):** Mr. Speaker, I listened with my usual attention to the contribution made by the hon. member. He and I have sat on committees together for a number of years and he always advances his arguments in a very moderate and objective fashion. I am sure he will forgive me, though, if I say that in this case I am a little confused and unable to follow his logic, possibly because I missed the first two or three minutes of his speech, arriving a little late in the chamber.

May I remind him that it was only a few years ago when, at the request of the agricultural community, the farmers unions and agricultural spokesmen, we paid unemployment insurance benefits to agricultural workers because farmers were having difficulty attracting agricultural workers to their farms. Their complaint was that because agricultural workers were not given the privilege of qualifying for unemployment insurance, everything else being equal, they could not attract agricultural workers to their farms.

In those days seasonal agricultural workers who worked in a cannery or on a fruit farm wanted to be able to accumulate sufficient unemployment stamps to provide them with a source of income if they were unable to find work during the wintertime. At that time, it was becoming obvious that agriculture was being disadvantaged in its efforts to attract part time help. The hon. member is now suggesting that we return to that system, which was introduced a few years ago under the old act for the very purpose of alleviating what appeared to be an anomaly