

*Unemployment Insurance Act, 1971*

other centres try to find them a job. The staff of the Manpower office may send a worker to a job similar to what he had before, but if he is not accepted or if he turns down the job, the Manpower counsellor has authority to decide whether or not this person should continue to receive benefits. He makes out a form and sends it to the Unemployment Insurance Commission, which thereupon rules on eligibility for benefits.

In many cases this is not being done. I had a case where a man was on unemployment insurance benefits for ten months, no effort being made either to find a job or to ascertain whether he should still receive benefits. There are many cases of people being sent out to take jobs which they refuse to take and their benefits continue to be paid. In some cases the counsellor in the Manpower office—who of course is extremely busy because of the high unemployment rate—takes a week to fill out the form, and the Unemployment Insurance Commission office, which likewise is busy, takes another week to process the form. This means that the man in question receives two weeks' benefit to which he may not be entitled.

This matter was brought to the attention of the House by the Auditor General, who on April 6 appeared before the Public Accounts Committee which at that time was examining the affairs of the Department of Manpower and Immigration. As reported in the minutes of the Public Accounts Committee for that date, the Auditor General said that in 1969 he had sufficient staff and time to audit the books of only 14 out of 254 Manpower offices. Last year, 1970, his staff had the opportunity to audit only 33 offices out of 338.

What did the Auditor General find as a result of these audits, Mr. Speaker? He found that as a result of lack of communication between Manpower and Unemployment Insurance Commission offices \$3 million in benefits was paid out to people who should not have received that money. And this after auditing only 33 out of 338 offices! Had the books of all the offices been audited, I wonder what the final figure would have been. Reading through the minutes one sees what a great old American game of pass the buck has been going on between the Unemployment Insurance Commission staff and the staff of the Manpower offices. There is not the liaison between these two offices that there should be. In view of the new bill that the minister has introduced, I am sure he will realize that sooner or later these two offices must be joined together. This is all the more important in view of the projected national unemployment rate as a basis for determining the number of weeks eligibility for benefit.

I should also like to ask the committee that will study this bill to examine the counselling provisions. As I understand it, the Unemployment Insurance Commission will hire many counsellors to interview people who are unemployed for a certain time in order to ascertain why they have been unable to find employment. The counsellors will probably tell these people to go to the Manpower offices. This is another reason why the two departments should work hand in hand. Perhaps they will tell unemployed people to see a welfare officer because this is

[Mr. Hales.]

in the nature of a social assistance plan. However, I can see the staff of the Unemployment Insurance Commission increasing markedly with the employment of hundreds of counsellors. This is added expense and the administration of this new plan will get out of hand.

Before concluding my remarks I should underline the fact that this new bill makes no provision to deal with the following situation: I have always thought that there was something radically wrong in principle with the unemployment insurance plan. To explain what I mean, let me give an example. Suppose a carpenter becomes unemployed and applies for unemployment insurance. According to the act as I understand it, an unemployed worker must be referred to similar work and pay. In the case of a carpenter, in other words, he must take a carpenter's job. If no such job is available to him but there is a job available pumping gas, the carpenter has the right to refuse that job and to take instead the \$100 a week that we are now proposing to pay. I contend that the principle that a physically able workman should take any job available, providing the pay is reasonable, rather than collect unemployment insurance, is a sound one.

I hope that this new Unemployment Insurance Act will bring a new approach to unemployment insurance. I hope that fraudulent practices will become a thing of the past. I hope greater efforts will be made to apprehend those who receive benefits to which they are not entitled, and that they will be dealt with accordingly. As I say, I hope the new act will introduce a new concept of unemployment insurance. I am glad the minister has taken care of one point that I am sure every member of the House has had brought to his attention.

● (8:20 p.m.)

People have said to me, and I am sure to many other members, that they have paid into the unemployment insurance fund all their lives and should be entitled to something. This has been one of the greatest areas of criticism and objection to the system. In order to get something from the fund, some of these people avail themselves of various means. The minister has now said, as laid out in this bill, that when a person reaches age 65 and is receiving the Canada pension he will be given a three-week lump sum. This could be a maximum of \$300 or graduated down according to the individual's income. This is a wonderful thing, because those who have paid into the fund will get something out of it.

I close by saying that the bill has some very good and some very poor points. I will find it very difficult to support it in its present form. I hope the committee will amend the bill to change some of the areas which involve welfare rather than insurance. If that is the case, I will be happy to support the measure.

**Mr. Jim McNulty (St. Catharines):** Mr. Speaker, I am pleased to speak in support of a bill that I consider to be one of the most significant pieces of social legislation in our country's history. It ranks with similar measures which have been introduced by Liberal governments—measures designed with one purpose in mind, to improve the situation of the individual Canadian.