

Merchants unhappy

Fishermen sell directly to trawlers

by Earle McCurdy

VIRGIN ARM, Nfld.—The scene in Friday Bay off the shores of this small northern Newfoundland fishing community was unusual to say the least.

About a dozen small, open boats were tied on at the side of a large Bulgarian freezer trawler waiting to unload their catch of squid while another similar factory ship was anchored only a few hundred yards away.

The same thing has been happening in other bays around the island, as an arrangement between the Newfoundland Fishermen, Food and Allied Workers (NFFAW) and the Bulgarian company Ribno Stopanstvo has been providing a market for millions of pounds of squid and mackerel caught by Newfoundland fishermen.

By mid-August, the Bulgarians had five ships, with a daily capacity ranging from about 100,000 to 150,000 pounds of fish per boat, anchored at various points around the island to buy squid and mackerel from local fishermen. And plans were afoot early in September to add a sixth boat to the venture.

Meanwhile, a similar arrangement has brought an enormous Russian factory trawler to Loon Bay, also in northern Newfoundland, to purchase up to 800,000 pounds a day of the same two species, which fishermen have had real problems selling in previous years.

Alongside the local fishing vessels which range from about 18 to 65 feet, the Russian trawler looks like Mount Everest amidst the Gaff Topsails. A 15,000 ton ship, it measures about 530 feet in length, and carries a crew of 258.

The Russian vessel is chartered by a Swedish company, which has entered into a contract with the NFFAW to purchase up to 10,000 metric tons each of squid and mackerel.

existing markets or adversely affecting shore-based labour.

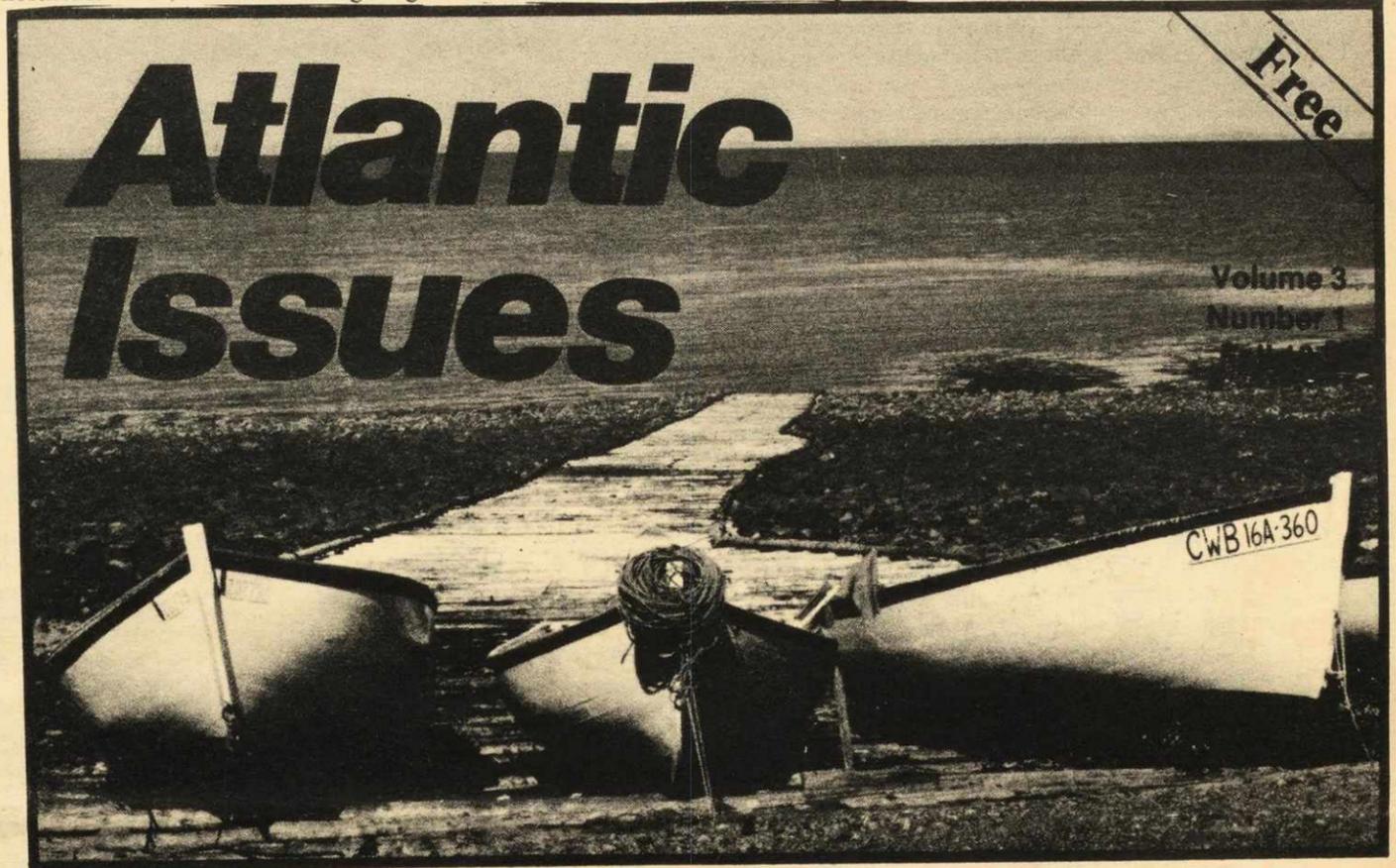
The Bulgarians, meanwhile, have contracted to purchase 10,000 metric tons of mackerel and 1,500 of squid, for a total value to the fishermen of an additional \$1.5 million.

There is a crucial distinction between these arrangements and joint ventures involving foreign fleets and fish processing companies in the Atlantic Provinces. Instead of profits

going into the pockets of the merchants, the NFFAW plans to distribute surplus money to the fishermen.

The exact mechanism by which this will be done may not be decided till the union's convention this winter, but one suggestion that will be considered is to use the profit from these deals to set up a health and welfare fund for all bona fide fishermen in Newfoundland.

—continued to page six



UIC challenged

Paybacks contested by unemployed

A simple error by a computer programmer in Ottawa more than a year ago has sparked an unprecedented battle between the Unemployment Insurance Commission (UIC) and some of its Nova Scotia claimants.

The mistake, which allowed more than 5,000 people here to collect more benefits than they should have, has raised legal, moral and political questions about who should pay in such instances. In a province where high unemployment has become a way of life, where few if any people live comfortably if they live on UI benefits, should people who accept UI cheques in good faith be expected to return the money when UIC discovers they've made a mistake?

The question has enormous implications, for the UIC—because in a large, bureaucratic organization mistakes are common (some might even say inevitable)—and for present and future claimants. Should a UI claimant be stashing a few dollars a week in the proverbial sock-in-the-mattress, anticipating the day UIC will discover they've been given too much and ask for repayment? Can a person who is living on \$100 a week suddenly learn to live on \$75, when UIC begins deducting the overpayment from her benefits?

Most people on UI benefits accept the fact that, if they make a mistake in filling out the forms, their benefits will be held up; if they wrongly report

certain information, they might at some time be required to repay some of the money. But in this case, according to UIC, if UIC makes a mistake, the claimant also pays for it. The issue is not "fault", since UIC readily admitted the error was made by one of its computer programmers. The issue is whether one should pay for the error of the other.

The answer—which will be decided now by the Canadian Umpires Board—will be an important one. A CUB decision could have a bearing on the cases of more than 15,000 people across the country who were also affected by the error. It could establish a precedent for the question: who should pay when UIC makes a mistake.

The Background

Details of the case have been well-documented by the media, both locally and nationally, over the past few months. The mistake occurred between April and September 1977, when a computer programmer in Ottawa incorrectly coded the regional rate of unemployment at more than one per cent above the national rate, when the difference was one per cent exactly.

Under a section of the UIC Act (which has since been changed) the difference between regional and national unemployment rates determines in part the number of weeks for

which a claimant is eligible to collect unemployment insurance benefits. The mistake allowed 15,385 Canadians in Montreal, Vancouver and Nova Scotia to collect an average of four weeks extra benefits.

The error was discovered during a routine audit of the UIC in Ottawa. Locally, UIC officials began notifying affected Nova Scotians in early July of this year. The Halifax Coalition for Full Employment began to receive telephone calls from people affected by the overpayment, and soon announced its willingness to represent such people in appealing the payback order.

The basic contention of the people opposing the demand for repayment was that they should not be held accountable for a mistake which wasn't their own; UIC was responsible for the error and should have to pay for it. A secondary, though not incidental, argument was that having to repay the money—as much in some cases as \$700—would constitute hardship for those affected, many of whom are still unemployed but no longer eligible for UIC.

With help from Dalhousie Legal Aid, the Coalition prepared a 100-page brief which was read to UIC board of referees members George Findlay (chair), Sinclair Allen (labour representative—CLC) and Harold Curry (management representative—Twin Cities Dairy) in early September, on

behalf of 19 people who were jointly appealing the payback order. (The board of referees is the first step of appeal under the UIC Act.)

In their brief, the Coalition argued that the UIC has no jurisdiction under the act to collect money paid out because of a computer error. UIC assumes it can collect the money on the basis of Section 57 of the act, which states "the Commission may at any time within 36 months after benefit has been paid or would have been payable reconsider any claim made in respect thereof and if the Commission decides that a person has received money by way of benefit thereunder for which he was not qualified or to which he was not entitled. The brief argues that, since under former Section 37 the benefit period is automatically extended when the national and regional rates of unemployment take on a certain relationship to each other, what the Commission wishes to redress is a purely administrative, clerical computer error, and not a decision at all. The brief cites a number of CUB decisions in which Umpires do not give jurisdiction where there is good faith on the part of the claimants, no new facts and no decision to change.

The brief also points out that Section 175 of the act allows UIC to write off the debt "where . . . the repayment of the sums would result in

—continued to page six