

Unemployment Insurance

Mr. Mackasey: There may be exceptions where people are over-paid to that extent, but repayment is worked out so there is the least hardship possible. I want to make it very clear that I have never had any sympathy for people who intentionally defraud the Unemployment Insurance Act.

About two years ago, the Unemployment Insurance Commission won a national award for a series of ads on this particular subject. At the same time the commission was criticized for this blitz because some people considered that the ads were designed to frighten people. Really, they were meant to prevent people from bowing to the temptation of falsifying forms, but there is no evidence of more abuse today than there was five, 10 or 20 years ago.

I think the hon. gentleman is one of the few who has used the right terminology, in that he talks about disentitlement. We have heard a lot about the 40,000 people in Toronto who have been disqualified. I am sure when the second report of the advisory committee comes out, if it ever does, it will lay to rest the publicity to the effect that 40,000 out of 60,000 people in Toronto were disqualified. That is not the case, as the hon. gentleman knows. Under the system of benefit control officers the blitz has resulted in disentitlement. You can or could be disentitled simply because you were unable to provide a certain bit of information required at the particular moment the officer called; you could be disentitled if you were not at home or if the officer was unable to get the information. You could be disentitled and reinstated 20 minutes later by supplying that information. So, it is very wrong to suggest that 40,000 out of 60,000 were disqualified.

Disqualification under the act relates to specific things such as fraud, refusing a job or a training program or getting fired in order to draw unemployment insurance. It is to these things that disqualification relates. As the hon. gentleman has pointed out, disentitlement is something entirely different. There are 29 different ways in which you can be disentitled under the regulations. Perhaps the regulations go beyond the intent of the act and should be reviewed by the legal authorities. Although I brought in the regulations, I am not overly proud of them as I think they probably go beyond the intent of the act. I am anxious to see this second report of the commission to find out what it offers in respect of this particular point.

The hon. gentleman raised the question about students, but I am sorry that I cannot share his opinion. I think students should be able to qualify like anybody else. If a student works the full summer and pays unemployment insurance, he should be entitled to draw benefits. There is no assurance that when September or October rolls around he will be going back to school or university. As the hon. gentleman knows, sometimes for reasons that cannot be predicted in June a student will have to continue to look for work or continue as a member of the work force.

As far as farm workers are concerned, I think if you were to give them the option of contributing or not contributing there would be added forms to fill out, and farmers would be running the risk of losing whatever scarce farm help is now available. As the hon. member knows, farm help like help in woods operations and that type of work, is getting more and more scarce because there are fewer youngsters on the farm today to help out.

[Mr. Knowles (Norfolk-Haldimand).]

I have just taken note of a few of the things the hon. member has covered. I repeat that the hon. gentleman and I share the same opinion about disentitlement and the way in which this can be abused by well-meaning benefit-control officers. I hope when the second report comes out the minister and the Cabinet will look at the whole concept of benefit-control officers. They should concentrate on seeking out those who deliberately defraud the act. They should, at the same time, seek out the employer who permits this fraud through collusion. There are many employers today who pay cash in order that individuals can continue to draw unemployment insurance benefits, while at the same time the employer gets cheap labour. This means not only that the employer is not contributing his share to unemployment insurance, the employee is not contributing toward income tax and other things to which the average law-abiding citizen contributes. Certainly, the overwhelming number of employers are honest.

The hon. gentleman raised another matter which has bothered a lot of people. This relates to the definition of a bona fide member of the work force. Should one be eligible after making contributions for eight weeks, 12 weeks, 16 weeks or 20 weeks? We had very little to go on in deciding, other than that the old act stated 30 weeks over a two year period. Perhaps the hon. gentleman will recall that act better than I do, but eight weeks of that 30-week period had to be within the last 52 weeks. I think anyone who knows the old act as well as the hon. gentleman will agree that when the winter months came one could qualify under the old act for benefits with only one week, two weeks or three weeks. This is now impossible.

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Consequently, last year there were hundreds of thousands of people who were ineligible for unemployment insurance benefits but who would have qualified under the old act by simply saying that it was the middle of December and they would like to draw eight-week unemployment insurance until May. They are not now qualified by reason of having an eight-week work attachment.

We did remove many welfare aspects of the program under the new act by increasing the waiting period to two weeks, thus providing a better chance to screen applicants. We had intended to reduce or eliminate benefits for fishermen. Many of the old welfare connotations are gone under the present act. I think that the Unemployment Insurance Commission can now get down to the main problem, which is the tightening up of administration. But once again I must point out that statistics indicate that minor attachments, that is, those who qualify with 20 weeks and under, return to work faster than is the case with people with over 20 weeks attachment.

The last time I saw the study, a major attachment was for 17 weeks on unemployment insurance at \$67 a week: the man who qualified for 20 weeks unemployment insurance benefits was going back to work after 14 or 15 weeks. We can understand this because usually a minor attachment is nothing more than casual labour and those jobs have become more plentiful. The aircraft worker, the skilled machinist, people making \$5 or \$6 an hour cannot find a job even for \$3 or \$4.50 an hour.