

and, in a sense, a handicap to the hard pressed farmer who required part time assistance.

I agree that it is far more difficult for the farming community to get the kind of help needed during summer months. This has been the topic of much conversation in recent months, and perhaps the main reason is that our young people today are highly educated, as are all Canadians, and are not prone to stay on farms. Marginal farming is becoming more and more difficult, and farmers are getting older and older. In addition to that, there are the problems associated with the transfer of a farm to younger members of the family. In general, there is a smaller pool of people available to work on farms during the summer months.

Certainly, this problem is aggravated if a person is denied the right to pay unemployment insurance contributions and accumulate benefits over the summer months in order to qualify for some form of income during the winter months if perchance he is unable to obtain work in the wintertime. This is equally true in regard to other types of casual labour. Therefore, I think the suggestion of the hon. member would be a retrograde step because it would work very much against the interests of the farming community. Studies have indicated that young people do come from our cities to work on farms not far away for 8, 10, 12 or 16 weeks when work is available, or for even as much as 20 weeks, but not if they find at the end of that period that they cannot qualify for unemployment insurance.

**Mr. Knowles (Norfolk-Haldimand):** Mr. Speaker, I wonder whether the hon. gentleman would consider the other suggestion of opting out, giving people the choice of being covered or not being covered.

**Mr. Mackasey:** That is not a new feature, Mr. Speaker, because that provision was in the old act. Unfortunately, it did create certain hardships, especially for small employers. We tend to forget that most of the employment in this country is provided by small employers of labour.

Another example would be people who work in the bindery in the printing industry. The printing industry usually depends on housewives and people from nearby neighbourhoods to work in the bindery. In the old days, these people were not always aware of the need to sign a waiver form, and if for one reason or another exemption forms were not signed, it was not unusual, when an inspector came around some two or three years after the event, for the employer to find himself responsible for payment of all the unemployment insurance contributions that he failed to collect as a result of not having his employees sign the waiver. During the last five years, the hon. member for Oxford (Mr. Nesbitt), who I hope soon regains his health, made it a personal crusade to have the very principle that the hon. member has endorsed rescinded and eliminated from the act. That is one of the reasons it was eliminated from the present act.

● (1720)

The hon. member for Oxford spoke on behalf of a half a dozen small businessmen in his community who were, in some cases, responsible for about \$3,000 in uncollected unemployment insurance contributions from people who

### *Unemployment Insurance*

worked in small industries in his community, because the employers forgot to have these forms filled out. When we realize that the contributions today are very nominal, 90 cents or \$1 as compared to \$1.40 or more, there is not really any advantage in a person opting out. However, opting out in the sense that an individual does not want to collect or apply for unemployment insurance is an entirely different thing. The point raised by the hon. member in respect of students is not borne out by the facts. Our study in 1972 indicated that less than 3 per cent of students eligible for unemployment insurance bothered to collect. This was the situation last summer, and indications are that the situation will be the same this summer as jobs will be more plentiful.

The idea that students can collect unemployment insurance when they go back to high school and university is wrong. This is not only an abuse, it is fraud. What the hon. member is suggesting is that the quickest way to prevent this is to eliminate unemployment insurance. We could carry that to the extreme and eliminate unemployment insurance entirely. In that way, we would eliminate the possibility of fraud on the part of anyone. I do not think that is what the hon. member wants.

I do not think we should select the category of students as a specific example. As a general rule, students are no more dishonest than any other segment of society. If they work 10 or 15 weeks, as many of them do, and the following summer they are unable to find work, there is no reason they should be discriminated against in respect of drawing unemployment insurance. If they then go back to high school or university, they must drop from the unemployment insurance rolls. If they continue to draw benefits while they are in high school or university they run the risk of not only a severe penalty, but of having to repay the benefits. Under the old act, for years and years students paid unemployment insurance and never drew a penny. I suggest that was a much more unfair form of discrimination against one particular group of Canadian citizens.

The hon. gentleman will be pleased to know that an intensive study of the pattern of people who drew unemployment insurance in 1972, a study which is now available, indicates that there was no particular abuse percentage-wise among students over and above the average abuse in all categories, and perhaps only half the percentage of abuse among doctors in Ontario in respect of medicare.

When you get into the question of paying back benefits that you over-drew, I can understand that many people may have received \$8 or \$9 a week more than they were entitled to, as a result of some miscalculation. However, people who are drawing unemployment insurance unlawfully for six, eight, 10 or 12 months, certainly know they are not entitled to those benefits. The simple thing for them to do is to inform the unemployment insurance office that, through some mistake, they are getting unemployment insurance benefits to which they are not entitled.

**Mr. Knowles (Norfolk-Haldimand):** They receive slips which show that they are entitled to so much a week, and that is why they feel justified in continuing to accept benefits.