

Mr. Alexander: And that is the just society!

• (1640)

Mr. Knowles (Norfolk-Haldimand): According to the minister there is supposed to be some means of assigning cheques to municipal welfare departments so that this duplication of payment will not occur. According to the minister, this system is in effect. Before rising to speak I called the welfare officer in the town of Delhi. He assured me there is no means at his disposal to assign unemployment insurance cheques. As this program is in effect it is time the minister and his officials made known the means by which the assignment may be made.

The situation is further aggravated by the two-week waiting period. Today, most people have a hand-to-mouth existence. In this welfare state we rarely find people who lay aside money for a rainy day; therefore, any interruption in their earnings represents a hardship. In committee we suggested that the waiting period be reduced from two weeks to one week in order to avoid this hardship; the report of the Standing Committee on Labour, Manpower and Immigration will show that we moved an amendment to this effect, which was voted down.

To summarize, I have been highly critical of the Unemployment Insurance Commission and I wish to make some positive suggestions as to how it might be improved. First, regional offices should be decentralized and sub-offices established with proper facilities to process claims and service recipients.

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): Originally, each unemployment insurance office was a more or less self-contained unit which processed and paid all claims. After a series of changes a new system is coming into force whereby there is a division into three main types of office. There is a parent office, full-time offices and itinerant offices. The parent office has complete files on all claimants. It processes claims. The full-time office usually has staff for benefit control, to check frauds and the like as well as looking into inquiries. The itinerant offices have on staff just one person for all or part of the day or week and he is only responsible for handling inquiries. These offices simply cannot satisfy the demands of claimants.

Surely, efficiency should be the prime concern of the Unemployment Insurance Commission and service to people should be a priority. The program has been decentralized. Cheques are processed by a computer and cheque-writing machine at Belleville. This system was supposed to be efficient but it does not provide good service. Surely, this should be their main concern.

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): Another positive suggestion is one which I have already mentioned, reducing the waiting period. The minister said that cannot be done because it will cost an additional \$180 million. However, data from July through to November indicates that it would cost only an additional \$10 million for that period. Recently it has been very difficult to obtain sufficient data from the Unemployment Insurance Commis-

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sion to make an unbiased calculation of what the increased cost might be. I challenge the minister to produce figures which indicate that a one-week waiting period will cost the large additional amount that he mentioned.

The third suggestion I make to the department is that there be closer liaison with municipal welfare officers, including cheque-assigning procedures. It is up to the Unemployment Insurance Commission to make available the information and procedures by which this can be done. My fourth suggestion is that there should be an independent consulting agency to make a study of the efficiency of the Unemployment Insurance Commission's procedures. It seems they have set this system up on their own. They claim it is efficient but the results prove otherwise. Independent advice should be sought. Also, the regional offices should be given authority to write cheques when recipients have been unduly deprived of their benefits, rather than having the long procedure of going through Belleville.

I now wish to make a few suggestions with regard to pensions and benefits to veterans. As a member of the Standing Committee on Veterans Affairs I feel obligated to draw the government's attention to some of the difficulties and hardships being experienced by our veterans. Difficulties were experienced when we changed the method of paying war veterans allowances or, as our veterans call it, the burned-out pension. They consider it a form of pension although it is really a form of welfare. Let's face it, it helps the person who is down and out, although the veteran does not think of it in that way. He thinks it gives him special status, and it does. He is being recognized for his service in defending this country.

Veterans resent the reduction in the war veterans allowance. They now receive old age security, the guaranteed income supplement and the war veterans allowance. That is unnecessary and demeaning to those who served our country well in times of danger. There are difficulties as a result of this change. The war veterans allowance was non-taxable. Under the new plan, the old age security pension and guaranteed income supplement are subject to income tax. Veterans are now forced to pay income tax on an amount that was formerly free of tax.

Also, there is the deeming principle which was very difficult to get across to our older veterans. If a veteran 65 years of age did not apply for and receive the old age security, he was deemed to be receiving it and his war veterans allowance was cut accordingly. After we got this straightened out and he finally received the back payments of old age security and guaranteed income supplement in a lump sum, the veteran was above the ceiling for war veterans allowance for that year and he or his widow was forced to repay to the war veterans allowance board the amount by which he was overpaid. This repayment causes an undue hardship to these people. They do not understand it. When they receive a cheque from the government, they spend it because they expect the government to know what it is doing. It is an undue hardship even for them to repay in small amounts a sum of money which was paid to them by the government. There is another difficulty which our veterans face. The level of the basic rate of war disability pension has fallen \$1,000