

*Unemployment Insurance Act, 1971*

should be changed and I know that this will be done. Until then, I would like the Unemployment Insurance Act and Regulations to be applied more humanely.

I am convinced that if some officials had more compassion and understanding for taxpayers, some cases such as the one which I have just described could be avoided.

You know, Mr. Speaker, that young people who deal for the first time with the big machinery of unemployment insurance and are the victim of such unfairness, find it discouraging and lose confidence in our institution, so serious is the wrong done to them. Some adults are also facing the same fate under that discriminatory clause. I say it over again: there is a double standard.

I hope that my colleagues in this House will agree with me and that we will redress as soon as possible that wrong which has lasted for too long.

[English]

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, I enjoyed listening to the Hon. Member's reference to that particular case. Most Members of Parliament get involved with appeals of decisions of the Unemployment Insurance Commission. One sees many cases in which a person worked and qualified for unemployment insurance and then did something. He may have gone to school, taken part-time work, become self-employed, or helped someone build a house. In other words, he did something other than remain next to his telephone and was thereby judged to be not looking or not available for work.

I am surprised to hear a government Member disagree so vehemently with the Minister of Employment and Immigration (Miss MacDonald). The Minister of Employment and Immigration, through the instructions of the President of the Treasury Board (Mr. de Cotret), has said publicly that she will cut \$200 million or \$300 million from the unemployment insurance fund. In fact, she said publicly many times that she agreed with the Canadian Federation of Independent Business and with Mr. Bulloch that there were many jobs available which people were not taking because they were on unemployment insurance.

The fact of the matter is that when people who are on unemployment insurance wish to better themselves, they are afraid to do anything. They are afraid to work, go to school, or take a part-time job. In fact, the Unemployment Insurance Act says that you can make 25 per cent of what you are receiving in unemployment insurance without claiming it. We have all seen cases in which the investigators hired by the Unemployment Insurance Commission have automatically cut off benefits indefinitely, forcing people to go through appeal procedures, even though they were only making 10 per cent of what they were drawing on unemployment insurance. The list goes on and on.

A common case is that of students attending trade school or university who gained unemployment insurance stamps by working evenings at a gas station, by baby-sitting, or by

working at a take-out restaurant. They thereby qualified for unemployment insurance. When they go to school they indicate to the Manpower office that they are available to work in the same positions they previously held, but between the hours of 6 p.m. and 6 a.m. When asked what they will be doing for the rest of the day, the students indicate that they will be going to school trying to improve themselves. They are then told that they do not qualify for unemployment insurance.

The decision is not made by the local unemployment insurance official, although some people believe it is. The person in the local unemployment insurance office sends a notice to the Department of National Revenue asking for a determination of entitlement for benefits. That is the form that is used. Someone in the Department of National Revenue makes a judgment on whether that person should receive unemployment insurance. He may make a judgment that that person must pay back unemployment insurance for as many as three or four years. That judgment is sent to the individual in question. The individual, who is perhaps going to trade school, college or university, wonders how he will pay back \$5,000.

He therefore appeals to the board of referees. Over board members' right shoulder is the investigator of the Unemployment Insurance Commission. Over the other shoulder is someone with the Unemployment Insurance Act and the determination is made by the Department of National Revenue. In 99 per cent of the cases the board of referees follows the original judgment made by the Department of National Revenue upheld by the Unemployment Insurance Commission.

● (1620)

Of course, that student can then appeal to the Minister. Once that appeal is turned down, the Minister makes a judgment, and if the student really wants to go further, he can go to the Federal Tax Court of Canada. Last year, the umpire, who was similarly a federal judge, would hear the case. Many judges have made judgments concerning part-time and full-time students. One can read the many judgments that have been made over the years.

The basic is that one is not allowed to do anything while collecting unemployment insurance. Even if you leave your home telephone number in order to go looking for work elsewhere and someone finds out about it, you can be cut off for the time you have been gone.

Let me give an example of one of the most ridiculous aspects of our system. One can find, in those institutions that provide upgrading courses or courses in new occupations, people who are on what is called a manpower seat sitting next to a person who is not receiving any money at all. It is a situation in which they are taking the same course, have worked at the same job and finished their work at the same time. They have the same rate of benefit, but one is getting paid and the other is not. There could be someone on what is called a provincial seat. This leads to a situation where someone could find out how much a provincial seat pays for training and choose that, if that person qualifies for such an allowance from that particular province. It is entirely unfair that someone is receiving