

Supply—Regional Development

reconsider this matter, in so far as including unemployment insurance benefits with amounts of the pre-retirement fund?

[*Translation*]

Mr. Marchand (Langelier): On that point Mr. Chairman, I think that we can do like the hon. member for Cape Breton-East Richmond and say that the pension is not high enough. There is a lot to be said for that.

I also find that \$3,000 a year is no fortune, as I said earlier. But the amount can be discussed.

However, when one takes into consideration the fact that unemployment insurance benefits serve in the definition or the accumulation of the amount, I feel it is unfair because in setting up the pension, these benefits are taken into account. These people enjoy special conditions where the state creates a pension of \$3,000 a year, out of public funds, for someone who is, say, 55 years old. Under the circumstances, the amount cannot be divided and one cannot say: Do you think it is fair that they should lose their right to unemployment insurance? When in fact, the state has added to those benefits a considerable amount taken out of public funds.

If is the same as if we said to someone: The State is willing to give you \$20,000 a year if you agree to give up your unemployment insurance benefits; and then that someone would come up and say: That is unfair because I have already contributed towards those benefits. I doubt that the matter can be discussed objectively on that level and I believe the member is right. If this were done, the ordinary worker would have no other income, and if the state gave him nothing else, I would naturally be first to blame those who acted in that fashion.

The over-all amount must therefore be taken into consideration and a decision reached on whether it is reasonable or not. But, to my mind, reference should certainly not be made to vested right under the Unemployment Insurance Act to its benefits, because of the amount that has been added.

[*English*]

Mr. Skoberg: I should like to ask one further question following those remarks. Does the minister agree that these people who are used to making considerably more than \$3,000 but will be reduced to that pre-retirement level and that this creates a situation which

[Mr. Skoberg.]

will downgrade their standard of living considerably? I am referring now to these particular classifications within the employee group of the Devco corporation?

Mr. Marchand (Langelier): In this regard, as far as the miners are concerned, this will represent an average of about 75 per cent of their income. They are entitled to more income. It is expected that nothing will be subtracted from the first additional \$50, and that for all amounts above the \$50 only half will be subtracted. This will mean they will get approximately the same income. I do not say it is a very high income, but I do not think they will be badly treated. I think the hon. member probably had in mind the railroad groups. In this regard there is no doubt that there would be a sharp decrease in their income. This is why I mentioned that this is a particular case and perhaps we can find some kind of a solution. This does not involve a very large number. At the present time I think there are 22 of these employees.

Mr. Skoberg: Would the minister then agree on a percentage of about 75 per cent? Would that be realistic or would it be in that vicinity? In other words you would not downgrade a greater number and thereby lower that standard of living? Does the minister suggest that this is a realistic percentage?

Mr. Marchand (Langelier): I think the only suggestion I should make at this stage is that we will discuss all these problems with the interested parties.

Mr. MacInnis (Cape Breton-East Richmond): In order that the minister fully understands there are some questions which have been left unanswered, let me say that the pensions of these miners appear to be something of particular concern. I should like to ask the minister what the new development corporation plans to set up in the way of pensions for someone who is only to serve for seven years?

Mr. Marchand (Langelier): You are referring to those who will serve seven years?

Mr. MacInnis (Cape Breton-East Richmond): I refer to those who have been appointed to these jobs under the legislation, which require them to serve a period of time not exceeding seven years. Perhaps the minister could explain to the house what sort of pension setup these men will have.

Mr. Marchand (Langelier): I think the hon. member is referring to the president who can