

*Statements by Ministers*

take the early retirement pension. Many of those people are in their 50s, still have children in university or college, and have to pay their mortgages. They are cut off from unemployment insurance which they paid for and would have received under the rules which were in force for a long time in this country. They are forced to get another job and requalify before they can get any unemployment insurance benefits. That is completely unacceptable, Madam Speaker. I will urge the people who are brutally hurt by that measure to continue their battle, as their colleagues who retired prior to January 5 have done.

There is a third part to the statement made today and it is with regard to severance payments. The Minister found out that certain groups of workers, certain unions and so on, were able to circumvent the measure he implemented over a year ago to deduct severance pay from the reception of unemployment insurance benefits. As a matter of fact, the Government of Ontario introduced legislation to overcome what the Minister tried to do. The Minister is now introducing new laws and regulations to try to ding the workers who are receiving severance pay because they are being laid off early in life, which severance pay they would use to retrain themselves, relocate, start a business or, in general, set themselves up again.

The Government of Ontario tried to help the employees at Otis Elevator in Hamilton who were being laid off. The Minister is now going to take that away from them by filling in the loophole and trying to overcome the Ontario legislation. Madam Speaker, we won a victory on the first measure. However, the Minister is still being obstinate and inconsiderate with respect to the other two measures. We will continue to fight him on those to the very end.

**Mr. John R. Rodriguez (Nickel Belt):** Madam Speaker, did the Minister rush in with this statement at 2.15 today because he knows that the Standing Committee on Labour, Employment and Immigration will be bringing down its report in response to the Forget Commission tomorrow? Perhaps he believed he would be embarrassed by some of the recommendations contained in that standing committee report.

In November, 1984, the Minister of Finance (Mr. Wilson) announced in this House that pension income, severance pay and holiday pay would be considered as earned income. That was the principle enunciated in November, 1984. There was great opposition to that across the country. Thousands of Canadians opposed that particular change. In response to that, the Government set up the Forget Commission to study the unemployment insurance program and consider the pension income issue. Forget concluded that the Government was wrong-headed in doing it in the way in which it did, that the Government did not give adequate notice.

Forget did not disagree with the principle that pension income was earned income. He supported the Government on that principle. However, he said, in effect, to let it start on January 5, 1989, and pay unemployment insurance benefits to

those who qualified previously. What did the Government do? The Minister stood up in the House on December 5 and compounded the confusion. He said he would send out a questionnaire. People who had taken an early retirement and applied for unemployment insurance benefits had to go down to the local offices and fill out the questionnaire. He now admits that it was very complex, very confusing, very bureaucratic, highly unacceptable and obviously very costly.

● (1550)

The Minister is saying now that if someone takes early retirement, gets a second job and is laid off, that person can collect unemployment insurance benefits while collecting the pension at the same time. The Government has abandoned the principle that pension income is earned income.

Now the Minister is relying on a principle that unemployment insurance benefits cannot be used to supplement pension income. That is not the argument. The argument is that those who are available for work, are capable of work and are looking for work should be able to collect unemployment insurance benefits for which they have paid premiums. In fact, if the Government had a proper job-search program it could sort out those who are not looking for work, available for work and capable of working.

The Minister's response in his statement today only goes part way. It is absolutely unfair. The Minister had a golden opportunity to wipe the slate clean and begin again, using the job-search provisions of the Unemployment Insurance Act to ensure that people get what is due them under the Unemployment Insurance Program.

The Minister's statement also dealt with the severance pay. I believe the Minister is referring to Regulation 58(10) of the Unemployment Insurance regulations, which was a loophole discovered by the Steelworkers of America *vis-a-vis* the Collingwood shipyards. The Province of Ontario has already passed legislation stating in effect that one can only lose two weeks of unemployment insurance benefits on severance pay. The Government has not challenged the constitutional right of Ontario to pass legislation which affects a federal Act. Workers in the Province of Ontario who receive severance pay can only lose two weeks, but in other parts of the country the whole severance pay is used as earnings and applied against unemployment insurance. That is unfair.

The Minister had another golden opportunity to say that severance pay will not be considered earned income for unemployment insurance purposes. Instead, the Minister believes he is giving something to people who lose their jobs when he says that he will allow the allocation if the severance pay reduces the weeks of collecting benefits, because it can be added at the end. However, if a worker receives \$10,000 in severance pay, that is almost a whole year of benefits and it is not considered insured earnings. Therefore he cannot qualify because he does not have 20 weeks in the previous 52 weeks. It is not insured earnings.