

Hon. Royce Frith (Deputy Leader of the Opposition): Have we received a report from the committee on this bill?

Senator Nurgitz: Honourable senators, I understand that Senator Neiman reported this bill without amendment on Thursday of last week. I was informed that that took place, but I was not here.

Senator Frith: I don't remember that happening, but if that is so, of course, we would proceed to third reading.

Yes, Bill S-10 was reported last Thursday.

Senator Nurgitz: Honourable senators, I am informed by Senator Frith and by the Clerk that this bill was reported on Thursday of last week.

Senator Frith: I see that from my notes; I am sorry.

Senator Nurgitz: Once more I move third reading of this bill!

Motion agreed to and bill read third time and passed.

VENICE SUMMIT, 1987

COMMUNIQUÉ TABLED

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, in response to a request made by the Honourable Leader of the Opposition earlier that the Venice Declaration be tabled, I table a declaration of the heads of government from the industrialized nations meeting at Venice last week.

Document tabled.

MARRIAGE (PROHIBITED DEGREES) BILL

THIRD READING

Hon. Nathan Nurgitz moved the third reading of Bill S-5, to amend and consolidate the laws prohibiting marriage between related persons.

Motion agreed to and bill read third time and passed.

UNEMPLOYMENT INSURANCE BENEFIT ENTITLEMENT ADJUSTMENTS (PENSION PAYMENTS) BILL

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Robertson, seconded by the Honourable Senator Macquarrie, for the second reading of the Bill C-50, An Act respecting the treatment of pension payments in determining certain unemployment insurance benefit entitlements and to amend the Unemployment Insurance Act, 1971.—(*Honourable Senator Marsden*).

Hon. Lorna Marsden: Honourable senators, I rise to speak on second reading of Bill C-50. This is a most unfortunate bill. It has been put upon Parliament to get the government out of a difficult situation—an unpopular situation—which began in

a messy way in 1984, and which ends in an even more messy fashion in 1987. The underlying premise of this legislation is that unemployment insurance should be changed. Senator Robertson, when speaking on second reading, explained the content of the bill and called these changes to unemployment insurance “promised” changes. But Canadians working in an occupation with a high rate of lay-offs, or with early retirement as the only alternative, consider these changes not as being “promised” but as being “threatened” by the government in 1984. As Mary Collins, member of Parliament for Capilano, said in her comments on the bill:

The principle . . . is that the income one derives from unemployment whether it is through wages, separation pay, or personal income, is considered income. This, of course, was the reason that back in November, 1984, this government had announced that pension income and severance pay would be treated as income for the purpose of defining UI benefits.

In theory, this sounds quite reasonable, especially if the person listening to the theory has a good income, steady employment, good pension benefits, and little likelihood of having to bridge the gap between employment and pension benefits after age 65. But good theory often makes bad policy, and in this case the utter unfairness and cruelty of this policy has been exposed. One month after the government announced these regulatory changes, so many workers to be affected by this regulatory move had protested that the Minister of Employment—then the Honourable Flora MacDonald—had to announce that the pension income provisions would not come into effect until January 1986, and that the severance provisions would apply to collective agreements signed after December 31, 1984, and to individuals receiving severance pay after April 1, 1985. These changes caused additional confusion and protest.

It was clear to Canadian workers, unions, employers and other observers that the government had walked into sinking sand, without doing any careful thought, planning, impact studies or testing. It showed Canadians how far from the experience of every day life this government really is. So, in March 1985, when Mr. Mulroney chaired his federal economic conference, he was embarrassed by a petition, signed by 80 out of 136 of his hand-picked conference delegates, which protested against these arbitrary changes to unemployment insurance.

What the government had done was to break faith with workers and employers who had paid the UI premiums for many years and who were organizing their financial lives upon the quite reasonable expectation that the rules would not be changed in mid-stream. Not only had the government broken faith but it had done so at a particular moment in history that maximized the damage and suffering caused, because we are going through a period of profound change in the ways of industrial life.

Thousands of workers in Canadian industries are finding that their jobs are disappearing. For example, in September 1985 Inco of Sudbury was struggling to save jobs and the economy of that area by an early retirement program that