

*Statements by Ministers*

[English]

To this end, an administrative procedure and a draft questionnaire were prepared. Upon examination of this procedure, we saw the likelihood of excessive administrative complexity arising. Thus, to eliminate such complexity and the potential for uneven application across the country, the legislation I will table draws a clear and simple line to ensure fairness in the transitional provisions.

[Translation]

The rule is simply this: those who applied for Unemployment Insurance prior to January 5th, 1986—that is to say those who applied under the previous rules—will have their entitlement to benefits determined under the previous rules. Equally straightforward, those who applied for benefits on or after January 5th, 1986, will be governed by the new provisions.

Today, I also wish to address an issue of fairness which has arisen in connection with the treatment of payments on separation. Members will recall that on March 31, 1985, the treatment of payments on separation for unemployment insurance purposes was changed.

Since its introduction, certain employer-employee agreements have sought to take advantage of what can only be described as a "loophole" in the wording of the current UI regulations. The purpose of these arrangements is to circumvent the legislative intention. The Government will change the regulations to close this loophole, to ensure that people will not be able to receive double indemnification, namely receiving separation pay and UI at the same time. These regulatory changes will also become effective April 5, 1987.

● (1540)

[English]

The proposed Bill will also permit the extension of both the qualifying and benefit periods when an allocation of separation payments has prevented the payment of UI benefits or has delayed the start of the UI claim. For example, if an allocation of separation pay delays the start of a claim by seven weeks, the qualifying period can be extended by seven weeks. This further measure will, I am sure, receive the approval of all Members of the House.

I call on my hon. colleagues to permit the rapid passage of this Bill so that the Employment and Immigration Commission can commence payment of benefits to all those people affected by this legislation.

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Madam Speaker, it appears—and I say "appears" because we never know when to trust the Government and because we have not had adequate time to examine this proposal—that the Government has made a complete reversal on the cut which it imposed with respect to unemployment insurance on early retirement pensioners who had applied for unemployment insurance before January 5, 1986. After a year

and a half of questions in this House, demonstrations outside the House, Opposition Days, Statements pursuant to Standing Order 21, and visits to the Minister's office, in short, an onslaught of attack on the Government, it has finally seen the light. The Minister has been dragged kicking and screaming to recognize that the policy which his predecessor introduced a year and a half ago is wrong with regard to those who applied for unemployment insurance after being preretired before January 5, 1986.

This gives credit to those many groups across the country including *Action Chômage* in Montreal, the associations of retired people from the Armed Forces and the RCMP, and people who were retired from many companies throughout the country and who were cut back by the savage action of the Government. Their persistent action has proven that when they are right and persist they can win over a government which does not really know what it is doing or where it is going. I give credit to those groups which continued this battle, just like those who continued to battle against the Government when it tried to deindex old age pensions. They fought and fought and made the Government reverse its position. We have once again been able to do this and I thank God for those who kept up the battle against this ridiculous and unjust policy.

We will have to watch the implementation of this policy because I am always doubtful when I listen to the words of any Minister on the other side. They very often say one thing and end up doing the very opposite. My earlier comments relate to those who took early retirement pensions before January 5, 1986.

With regard to those who were forced to take early retirement pensions after January 5, 1986, the policy is still unacceptable. The Minister has not changed it one iota, and in this respect he contradicts his own principles and policies. In this case he is saying that those who were obliged to take early retirement pensions after January 5, 1986, will not qualify for unemployment insurance because of those early retirement pensions, even though they are still in the labour force or still looking for work. They must find another job and if they get laid off from that second job they will qualify for unemployment insurance.

Why should that take place? Ever since unemployment insurance was established people who were laid off or forced to take early retirement in those circumstances got their unemployment insurance as long as they wished to continue in the labour market. There is no rationale now and there was none a year or a year and a half ago to change that. Many of these people live in parts of Canada where they will never be able to get a second job even if they want to. Therefore, they are denied unemployment insurance although they made contributions all those years.

Many of these people accept early retirement pensions because they have little or no alternative. Firms decide to cut back on the number of its employees and can either lay them off directly or devise a plan of early retirement to offer to the workers. The workers know that their only real choice is to