

Proceedings on Adjournment Motion

reasons in isolation, may have some over-all undesirable results.

I cannot speak this evening for all the agencies mentioned by the hon. member, but I can say that as far as the Canadian International Development Agency is concerned there has been little essential change in the rules covering the requirements leading to the granting of awards for graduate studies in Canada to students from developing countries. However, in recent years there has been a de-emphasis on the standard fields of study, for example, the general arts degree, as universities in the developing countries increase their capacity to absorb more students in traditional areas of study.

On the other hand, there has been an increased emphasis on the granting of awards for training in specialized studies, some of which are not given in Canadian universities but, for example, in technical colleges, teachers' colleges and mining schools. I am sure all the other agencies of government will consider very carefully the representations which my hon. friend from Grenville-Carleton has made to the House this evening.

PUBLIC SERVICE—EXPEDITING OF PROVISION OF SEVERANCE PAY TO LAID-OFF EMPLOYEES

Mr. Doug Rowland (Selkirk): Mr. Speaker, on October 20 I asked two questions respecting severance pay for government employees who had been laid off through no fault of their own. The questions resulted from a meeting I held in Gimli, Manitoba, attended by some 60 former employees of the Canadian forces base there. Most of them, if not all, were encountering severe difficulties. Practically every one of them had been faced with problems concerning severance pay in one way or another. I therefore asked the President of the Treasury Board (Mr. Drury) the following question:

Has the minister taken any steps to ensure that severance pay owing to former employees of the federal government who have been laid off is being provided to them much more rapidly than has been the case in the past in the light of the fact they must live on severance pay for a number of weeks before they can get unemployment insurance?

In reply, the President of the Treasury Board said:

My colleague, the Minister of Supply and Services has been conducting a review of pay operations in his department and one of the objects of it is to speed up this process to which reference has been made.

That reply is not good enough. It has been taking up to three months in some cases for employees of the federal government who have been laid off to receive severance pay. At present they are not eligible to draw unemployment insurance until a certain portion of this pay has been used up. This being the case, it is necessary that they receive severance pay immediately upon termination of their services if they are to have anything upon which to live.

I have suggested to the minister in a letter that perhaps a percentage of the severance pay could be paid immediately on severance, leaving the complicated calculation as to exactly how much individuals are to be awarded until later. I hope this suggestion is being pursued. However, that is not the main reason for my question tonight. My reason for speaking has to do with a related question

[Mr. Roberts.]

which I addressed to the Minister of Labour (Mr. Mack-asey), that question being as follows:

Is the minister giving consideration to removing the regulation which treats severance pay as income for the purpose of calculating unemployment insurance benefits in light of the fact that a number of inequities have arisen from that situation?

In his reply the minister said he was not considering removing the regulation. I was glad to learn from the answer, though, that the department has recognized at least a small portion of the problem which has resulted from this regulation and is moving to correct it. I refer to the possibility that if a person lives on severance pay for more than 32 consecutive weeks he might be disqualified from drawing unemployment insurance for reasons which are too complicated for me to go into now. Once again that action, however welcome it may be, is simply not good enough. Severance pay should not be considered as income for purposes of calculating unemployment insurance benefits.

• (10:20 p.m.)

The first point to make in this regard is that severance pay is not specifically referred to in the act. Its inclusion as a type of income is the result of a regulation of the department interpreting the act. Those members of the House committee who studied the new Unemployment Insurance Act with whom I raised this question have expressed astonishment and concern that it should be so considered, and they said the idea that it might be so considered had not occurred to them. This suggests to me that in drafting the regulation which includes severance pay as income for purposes of calculating unemployment insurance benefits, the department may have gone beyond the expressed wishes of Parliament or, at least, misinterpreted them. That is point one.

Point two: In the case of the former employees of the Department of National Defence the new regulation contravenes the manual which sets out their conditions of employment—the "A and A Manual". It is specifically stated in that manual that severance pay is not to be considered as income.

Point three: Severance pay is available to Department of National Defence employees as a result of an agreement negotiated between the employees and their employer. The regulation thus, in effect by the unilateral action of one of the parties, the government, deprives *de facto* the other party to the agreement, the employee, of one of the fringe benefits mutually agreed upon.

Point four: Severance pay was obviously designed to compensate persons laid off for such effects of the lay-off as lost sick leave, reduced pension benefits, lost furlough leave and to help compensate for the dislocation which inevitably results from being laid off, and so forth. If recipients of severance pay must now exhaust all or a portion of that severance pay before they become entitled to unemployment insurance benefits, then it no longer constitutes such compensation. It no longer constitutes such compensation unless, of course, the person finds another job immediately, in which case he has the severance pay free and clear. Surely the discrimination which results from this situation—the difference in treatment which is in fact meted out to those who immediately find