

*Oral Questions*

the same time reducing tax rates if corporate tax reform is followed, and that should result in some increase in cash flow for small businesses.

\* \* \*

**UNEMPLOYMENT INSURANCE****CALCULATION OF PENSIONS AS EARNED INCOME**

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I hope the spirit of Christmas is still flowing in the Minister's heart.

**Mr. Nystrom:** Optimist.

**Mr. Rodriguez:** Some time ago the Government announced it was going to change the Unemployment Insurance Act so that pension income would be considered earned income as of January 1, 1986. I want to give the Minister a chance to repent before it is too late. Does the Government intend to proceed with that most barbaric regulation?

**Mr. Broadbent:** Don't be barbaric, Flora.

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, as you know, this question has been asked on a number of occasions. I provided the answer on a continuous basis.

**Mr. Frith:** Back to church.

**Miss MacDonald:** That change to the regulations was first proposed on November 4, 1984. Implementation was delayed for a year in order to give employees and employers time to adjust to the change. As we announced at that time, it will come into effect January 1, 1986.

**Mr. Nystrom:** Scrooge.

**FORGET COMMISSION STUDY**

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, the Minister has told this House that she has referred this matter to the Forget Commission. Does she think it is fair or sensible to go ahead with the change on January 1, 1986, when the Forget Commission could very well study the matter and make recommendations? The Minister could then move on the matter. Does she not think she is being rather precipitate in this action?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, indeed I expect the Forget Commission will study this change as it is studying all aspects of the Unemployment Insurance Program.

**Mr. Rodriguez:** Then why make the change now?

**Miss MacDonald:** This one is no different. This was proposed much earlier than the establishment of the Forget Commission and will go into effect as we have indicated.

I will say, however, that there are many other issues in this field which have to be addressed, other adjustments which have to be made, as for instance the announcement made in Sudbury yesterday when the Government of Canada joined with the Government of Ontario and the private sector to provide some \$5 million to help the people in the Sudbury area to adjust to changes in the labour force.

\* \* \*

[Translation]

**PETROCHEMICAL INDUSTRY****REQUEST FOR CLARIFICATION OF SITUATION IN QUEBEC**

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. I am very happy to see him back, because his Government is in a state of utter confusion, and this is particularly true in the case of the petrochemical industry. My question to the Minister is as follows: Considering that his colleague at Energy, Mines and Resources claims that Quebec has a surplus production capacity, that the Director of Combines and Investigations is claiming there is a shortfall and that today, Quebec workers are caught in the crossfire, I want to ask the Minister who is telling the truth? What is the real situation in Quebec? Is there a surplus capacity or is there a shortfall, according to his information?

[English]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I am pleased to receive the good wishes of the Hon. Member but I must inform him that I am no Solomon.

**Mr. Beatty:** Sure you are, Sinc.

**Mr. Frith:** You used to be Solomon.

**Mr. McLean:** Where did this modesty come from, Sinc?

**Mr. Stevens:** I cannot determine, as he says, who is telling the truth when there appears to be two conflicting statements. However, I can tell the Hon. Member that we noted the different conclusions referred to and I have asked our DRIE people to give me an explanation of why the two conclusions were arrived at.

[Translation]

**INQUIRY WHETHER PRESSURE EXERTED TO PREVENT NEW COMPANY FROM ENTERING QUEBEC MARKET**

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, I know the Minister has decided to postpone announcing his decision in the case of Ultramar and Gulf, contrary to what was promised