

Unemployment Insurance Act

let's get rid of them. It is rather like saying that all drivers under 25 are bad risks so they should be prevented from driving cars.

Approximately 25 per cent of the total cost of unemployment insurance consists of extended benefits. Those who continue working will still have to pay their share of the tax dollar which goes to defray the cost of extended benefits. In effect, the right to pay in and take out is being denied to these older workers, but they will still have to pay through general taxation a sizeable portion of the cost of unemployment insurance. This is a serious mistake and I believe it will discourage older workers from remaining in the work force. Nevertheless, I think we are going to need them. A recent study conducted in England showed that older workers were, on the whole, more reliable and diligent than younger workers, and performed their duties better.

The thinking of the Unemployment Insurance Commission seems to be based on the fact that benefits drawn by members of this group amount to approximately \$2,800 as against approximately \$1,800 in the lower age groups. Some weight was also given to the idea that they were all getting approximately \$1,000 a year from the Canada Pension Plan.

The question has been raised as to the effectiveness of benefit control officers in relation to the claims of older workers. Mr. Speaker, it is my experience that control officers are usually more severe with older workers than they are with youthful workers. If there is any discrimination on the part of the officials it is my experience that the older worker is discriminated against—he is often expected to meet conditions which do not seem to apply to younger workers.

If it were decided that unemployment insurance benefits ought not to be paid to those over 65 on the basis that they receive payments from the Canada Pension Plan, there is an obvious way out. It is that the person concerned should not be obliged to accept Canada Pension Plan payments but would be permitted to remain in the work force, pay unemployment insurance, and receive benefits if he became unemployed and met the appropriate conditions. Thus he could remain in the work force while building up his Canada Pension Plan contributions.

● (2100)

I also take exception to the fact that severance pay is not given those who retire at 65. In the present act the cut-off age is 70. This really means that anyone who is unemployed in their sixty-fifth year will be denied the three weeks' severance pay, or a portion of it, and I think that is wrong. The argument is made that those over 70 have suffered the same experience, but in point of fact not too many people over 70 are working these days, whereas many people are still working when they reach 65. So the government is saving a week or two severance pay at the expense of these people, and this is not a good thing.

If there is to be severance pay, let everyone receive it equally, whether they are 65 or over. If they are 64 they should not be discriminated against in this regard.

I think this clause is ill-advised. It decreases the incentive of older workers to remain in the work force, with a consequent loss of productivity to the nation. This means

[Mr. Ritchie.]

we lose the benefit of what age brings with it, namely, experience and reliability. Such a provision is prematurely removing people from the work force by making them no longer welcome.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I do not want to sound repetitious but some things have to be said again and again to the government, things that bear repeating. I do not know what it takes to get through to the bureaucratic nabobs who advise the minister. Certainly there is not much use my directing my arguments to the minister; I have to direct them to the bureaucracy which is guiding the minister in his fight against inflation.

During committee study of the bill the minister and his bureaucrats put forward two basic reasons for dropping the 65 to 69 year olds from coverage under the Unemployment Insurance Act. The first reason given by the minister, which doubtless he will give again on third reading, was that the government has improved old age security, the Canada Pension Plan, and the guaranteed income supplement. In committee the minister admitted that the maximum a person could collect under these three plans would be about \$3,000. The minister talks of the social security program as though it replaces the income of a 65 year old who has dependants.

The Minister of National Health and Welfare (Mr. Lalonde) has recognized that the Canada Pension Plan is only a supplement to private pensions that workers contribute to while employed. Less than 40 per cent of the workers of this country participate in a private pension plan, which means the great majority do not enjoy any kind of contributory pension plan.

Mr. Peters: As a miner I had to join this place to get a pension.

Mr. Rodriguez: The hon. member for Timiskaming (Mr. Peters) points out that as a miner he had to join the House of Commons so he could enjoy a pension plan. And what a pension plan it is! Certainly it is an incentive to come back here again and again.

Mr. Peters: And we pay for it.

Mr. Rodriguez: That is right. The government claims that its social security programs are a replacement for income, yet the health and welfare minister recognizes that the Canada Pension Plan is supplementary to pensions in the private sector. As I have pointed out, most workers do not have a private pension plan. When they reach 65, 66 or 67 they must continue to work instead of retiring. It is essential that they continue to seek work and try to earn a living in order to keep themselves and their families. After all, it is not unusual for a 65 year old to have dependants. Even the Prime Minister (Mr. Trudeau) will have dependants when he is 65 so I am not talking about an unreal situation, though he will not have to worry about unemployment insurance.

An hon. Member: He may in 1978.

Mr. Rodriguez: Who knows. The government has embarked on what it calls a restraint program. But against whom is its restraint directed? The government usually picks on those least able to defend themselves, the aged,