

*Unemployment Insurance*

disqualified by reason of the fact they are in receipt of a pension? What does Bill C-50 do? It goes one-third of the way toward justice. Over 50,000 people were affected by the regulations of November, 1984 which hit severance pay and pension income and counted those incomes as earned income for the purposes of unemployment insurance. Fifty thousand people were affected by those regulations. When we study this Bill we find that 33,000 people will still be discriminated against. Every year 33,000 people will find they are disqualified from receiving unemployment insurance because of the provisions of this Bill.

This Bill is illogical and unfair. To illustrate, if you can imagine, Madam Speaker, two people who retire from the Armed Forces at the same time after putting in approximately the same number of years. One of those people is able to get a short-term job. He works a certain number of weeks and then that job runs out and he is laid off. However, he is able to collect unemployment insurance because he has worked enough weeks to qualify. His pension income does not count against him for the purposes of drawing unemployment insurance.

The other person gets out of the Armed Forces at the same time as his buddy. He looks for work but is not able to find any. He is not able to find even temporary work, and he is not able to claim unemployment insurance. Instead, he is told that his pension income has to count as earned income and therefore he does not qualify. Where is the justice in that? Where is the logic?

● (1510)

I think we have to realize that pension income is a form of saved income from previous employment. It is unfair to treat it differently from other types of savings. It is unfair to treat pension income differently, when it comes to unemployment insurance, from the way we treat RRSPs or investments, for example.

The Conservative Government says that it does not want to use the unemployment insurance system to finance retirement. There can be a legitimate debate on that issue. Personally, I think that when we have such a high rate of unemployment among young people it might make sense to encourage early retirement. If having people go on unemployment insurance for a year will encourage early retirement and get people out of the labour force so that younger people can come up and get a job, then that makes sense to me. But the Conservatives say that they are opposed to that principle.

Even if we accept the argument of the Conservatives that it is wrong to use unemployment insurance as an inducement to early retirement, surely they do not need to use these types of Draconian measures, these types of unfair measures, to discourage people from taking it. They could use the job search provisions that are already in the Unemployment Insurance Act to ensure that anyone retiring and in receipt of a pension income would have to be going through regular job search before he or she could collect unemployment insurance.

The provisions are already in place. Why do they go to these lengths to discriminate against older workers in the way that they are doing?

The November, 1984, changes were intended to cut the deficit. But why are we cutting the deficit on the backs of older workers, many of whom are retired service personnel, Public Service people and people from the private sector? Why are we trying to cut the deficit on their backs when the unemployment insurance fund will be running a \$1.6 billion surplus in 1987-88? Why are we picking on older workers who are at their most vulnerable, people in the age bracket of 45 to 60 who still need to work in order to pay their mortgages and to finance their children's educations? Why are these people being singled out for this type of unfair attack? It is all of a piece with the Government's earlier attempt to put a cap on increases to the Old Age Security pension which it almost got away with if it had not been for a few hundred thousand seniors who cried foul two years ago. Studies have shown that only one worker in ten who is laid off at that critical age is going to be able to find work again. Thus only one worker in ten is really able to benefit from this type of situation.

In addition, this type of legislation discriminates very seriously against people in the poorer provinces. It discriminates against workers in areas of high unemployment, in the Maritimes, Newfoundland, British Columbia, and in certain parts of northern Quebec and Ontario. But it discriminates particularly against those in the Maritimes and British Columbia where a large number of retired service personnel live. This type of discrimination is unfair. It is bitterly resented by these people who have served their country.

This legislation admits that there was an error made in November of 1984. It admits that those regulations were wrong and poorly thought out. But it is a half-hearted admission. We are not taking the type of action that is needed to provide justice for these working people.

Therefore, along with my colleagues, I will be opposing this legislation. It is illogical. It is unfair. It is contradictory. I do not understand how the Government can introduce such legislation. I do not understand how government Members can stand up and speak in support of it. I do not understand how members of the Liberal Party can say that they will vote for it. I hope that the least we will get from the Liberal Party is a bit of a split and some of them will think about this and vote with us against it.

In short, this legislation is wrong. We oppose it completely.

**Hon. J. Robert Howie (York—Sunbury):** Mr. Speaker, I am very pleased to be able to join in the debate today on the proposed amendments to the Unemployment Insurance Act. These amendments deal with two areas: the treatment of unemployment insurance in relation to pension income, and the treatment of unemployment insurance in relation to severance pay.

Following changes to the Unemployment Insurance Act on January 5, 1986, a pension earned by an individual was treated