

*The Budget—Mr. Racine*

session will in no way immediately remedy the anxiety and suffering which affect more than half a million of our fellow citizens.

The creation of a productivity council, which was moved by the Minister of Trade and Commerce (Mr. Hees), is an excellent thing; it is even a necessity under the present circumstances. But there is no reason to believe that an increase in productivity will automatically eliminate unemployment. On the contrary, because, in itself, increased productivity might entail an immediate increase in the number of unemployed, for greater productivity means greater production without additional effort, or even greater production, with less work or equal production with fewer working hours.

Now, an increase in production is, in itself, beneficial. Thanks to such increase we may experience a higher standard of living, ever-increasing comfort, better health, better education, more culture and more leisure but, only on condition that we organize our economic and social life so that productivity serve the general interest, instead of throwing workers into unemployment and subsequent misery.

We must increase national productivity so as to be more able to compete on the world market, and we have to admit the progress of automation, but in the immediate context, this legislation will only bear fruit over several years.

The government chose to bring up another solution to the unemployment problem, which, to my mind, will not have any immediate impact on the employment situation in this country.

The changes to the National Housing Act are excellent and they will promote construction of additional housing, while stimulating Canadian economy to some extent, without, however, solving the problems of unemployment or of economic recession.

There is no doubt that by raising the loan percentage from 90 to 95 per cent of the estimated loan value, a greater number of people will be able to own their own homes, as a lesser down payment is needed to buy or build a house.

The extension of the reimbursement period is another improvement as it will distribute payments over a greater number of years.

However, when reading some items in the press we must admit that there is no cause for exaggerated optimism with regard to building activities in 1961. Can we, indeed ask an unemployed man, who is the head of a family, to build a home at a time when his life is so lacking in security?

[Mr. Racine.]

Even with this belated legislation, there is nothing which would justify the hope of a business revival before the summer of 1961, and unfortunately there again we cannot foresee any improvement over 1960.

The number of jobless who are now placed on equal footing with the seasonal unemployed will therefore not substantially decrease, and unemployment will remain the principal problem to be solved in this country, despite those belated pieces of legislation which will not have any immediate effect.

I read in a newspaper that, as a result, it is feared that the government may take drastic steps to replenish the unemployment insurance fund. Up to now, the government has taken no such step to replenish the fund, but I must admit, as do many workers, that the government did take drastic steps to maintain it.

On September 27, 1960, the commission published a circular letter entitled: "Insurance circular"—"Insurability". It was circular number 13, Mr. Speaker, an unlucky number for the workers, and one that will be irrevocably fatal to the government when it will have the courage to call an election.

This circular letter contains a new definition of the service contract, and will have disastrous results:

1. It will eliminate almost all cases of insurability in casual and seasonal jobs.

2. In the past, unemployment insurance offices decided on the insurability of a job, while today they have to decide whether there is a service contract or not.

3. Employers do not like this procedure, as regards the supervision to be exercised on certain projects, like the construction of private houses, woodcutting, etc.

4. Also displeased are the employees, particularly the hourly paid labourers in private housing construction. This is an encroachment upon their rights and they are placed at a disadvantage as compared to those who work for contractors. As a result they will refuse to work for an individual because he will not be able to give them unemployment insurance protection.

5. This new decision will be a serious handicap to the winter work campaigns, because workers will not be interested in taking uninsurable jobs with individuals for the construction and repair of private houses.

6. Certain employees are being refused unemployment insurance benefits even if they have paid the required contributions.