

*Unemployment Insurance*

some questions. Perhaps what I am about to relate now, from the information I have gathered, will answer the questions in that gentleman's mind. It concerns the formula for the basis of payment under reciprocal agreements with several of that states in the United States. The basis is this. As to a person who has worked in any one of the states with which we have such a reciprocal agreement and who later resides in Canada, if that person goes to an unemployment insurance commission office in Canada then Canada in effect simply acts as agent for the state in which the earnings were made and the payments go directly from that state to the claimant in Canada and not through the offices of the unemployment insurance commission.

The converse side of the picture is this. Any person who has worked in Canada and made contributions under the Unemployment Insurance Act and who goes to the United States will go to the state office and make a claim there which they send back to Canada and the same performance is gone through. This unemployed Canadian in the United States is required to report every two weeks in Canada by mail and a cheque is sent directly to him. I hope that information will afford at least a partial answer to the hon. member for Vancouver East.

I mention the problems that are met by the state of Maine in giving any thought to a reciprocal arrangement with the Dominion of Canada.

As hon. members have so eloquently pointed out this afternoon and this evening, we know it would be a fine thing if thousands of Canadians who went to one of the states and helped build up the economy of that state could receive the benefits which, if they were working in Canada, they would receive. But the matter is not quite as simple as that. Reciprocal agreements where one side does not reciprocally agree, of course, are not simple. There obviously is a lack of *quid pro quo*. A reciprocal agreement would mean that Canadian workers who went to the state of Maine on a temporary basis would be eligible to receive unemployment insurance benefits from that state program. Of course the same thing would apply to United States workers coming to Canada. There arises the first anomaly, if I may call it that, since traffic is almost entirely one sided, namely into the state of Maine and not from the state of Maine into Quebec or into the maritime provinces.

The second point which has been mentioned here this afternoon is that the unemployment insurance scheme in Maine differs from the Canadian scheme in that the scheme

in Maine is paid for by employers through a state tax and there is no employee contribution. If Canadians were successfully to be able to claim benefits there it would mean that non-Americans were being paid out of state funds.

In short, it would not be a request but a demand that benefits of United States citizenship and residence in the state of Maine be given to foreign and transient workers. This is, in effect, what it would look like from the standpoint of the citizens of the state. Where Canada does have reciprocal agreements it is with states where the traffic is roughly equated; that is, about the same number of Canadians going to that state to work as United States citizens coming from that side to work in Canada. I am sure we know, or at least some of us do, that such difficulties have been the subject of discussion between United States authorities and state authorities on the one hand, and the Department of Labour in Canada on the other hand.

It has been suggested that one solution to the problem would be to collect from employers in Maine who would contribute to the fund in the same way as do employers in Canada. But there is no way of enforcing such contributions. They would have to be made on a purely voluntary basis. It would be difficult indeed to see a hard-headed business man in Maine making a contribution he was not required to make under any sanction of law at all.

Our problem is that we have nothing or very little with which to bargain. It was suggested this afternoon and this evening that the sizeable numbers of Canadians working in the woods of the state of Maine are a sort of bargaining lever. It might be possible by arrangement with the union whereby through some form of collective action they could enforce agreement on the point we have been debating. I do not think it is possible, but people in the labour movement have for years been exercising their collective intelligence, and perhaps that is the way to solve the problem.

The hon. member for Restigouche-Madawaska (Mr. Van Horne) made a remark concerning the letter from the Minister of Labour (Mr. Starr) to the governor of Maine. If the record were left only with that statement it would appear to be a very incomplete picture. However, I can assure the house through you, Mr. Speaker, that this letter has been followed by meetings between officials of the state of Maine and representatives of the Canadian Department of Labour. For example, there was a meeting last fall at which there was full discussion of this matter, and perhaps for the first time in many years some evidence of