

*The Budget—Mr. Racine*

7. Workers who expected to receive benefits after paying contributions have their stamps cancelled by the unemployment insurance offices; they have to go back home empty-handed and tell their wife and children this sad news which places them in a hopeless situation. This is another doing of the Conservatives who cannot find any remedy to unemployment but who devised this backward method of saving the unemployment insurance fund.

By means of that circular, the unemployment insurance offices are seeking to ascertain whether or not there is a service contract, and to this end, they ask such silly questions as this, for instance:

Who has set the worker's salary? It is well known that when a worker is hired, the salary is set by agreement between both parties.

Here is another question. Why did you hire him? Have you ever heard of someone being hired when he is not needed?

The employer is also asked: What knowledge did you have of the type of work he performed for you? What a question. Do you have to be a carpenter to hire a carpenter?

The following is also asked: Did you remain on the premises while the work was being done? This means that from now on, an individual who is having some repair work done on his home, if he works in an office, for instance, will have to stay away from his job and remain on the premises to meet one of the requirements of the service contract.

Then there is this question: Are you employed yourself? This question is as silly as the previous ones.

One is left with the clear impression that unemployment insurance officials are instructed to supply as little information as possible, to keep benefit payments at a minimum.

In the new definition of a service contract, it is mentioned, among other things, that it is essential that the employer be on the premises when the work is done.

It is also mentioned that no service contract can be involved if the employer is less qualified than the worker himself.

Now, according to this new circular from the commission, in order to have a service contract, a garage owner has to be a mechanic himself if he hires a mechanic. How ridiculous can you get.

This matter should be reviewed without delay and important construction, repair and

alteration jobs should be covered as they were on September 27 when this circular was issued.

Apparently, it was not enough to have those new instructions take effect on the date of the circular; they went a step farther and made them retroactive. That is why so many workers are being deprived of contributions paid before September 27, with the result that they are not eligible for benefits. A shabby performance indeed, particularly on the part of a government which has been indirectly responsible for the unemployment situation, through its refusal to recognize it and to take appropriate action to correct such an inexcusable state of affairs.

In order to fight our unemployment situation, the government should have increased the money supply and lowered the interest rate.

The personal income tax should have been lowered in order to leave the taxpayers greater purchasing power.

Considering the number of unemployed, the necessary measures should have been taken by the government to reduce the deficit in our trade balance.

We in Canada are like a young man with great expectations who one day would inherit from his parent several properties. He would then think himself a rich man and go about spending more than he collects in rents. And so, at the end of the year, in order to balance his budget, he would have to sell several properties. At that rate, the father's fortune would obviously not last very long.

Mr. Speaker, may I call it six o'clock?

(Text):

At six o'clock the house took recess.

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**AFTER RECESS**

At 8 p.m. the house resumed.

(Translation):

**Mr. Racine:** Mr. Chairman, I should like to go on dealing very briefly with the problems I was discussing before six o'clock.

As we all know, foreign investments in this country have been rising steadily over the last few years, and this has provided us with the dollars needed to foot the bill. We are somewhat in the position of an heir.

Of course, I am not referring here to investments in the development of our natural resources, but to the process of downright and systematic control over our industries and businesses which has been going on, in fact, for two or three generations.