

this bill got its second reading and went to the special committee. I am not saying that it was delayed, but it is a strange coincidence that it reached me only after the second reading had been completed and the bill had been sent to the special committee. That coincidence was unfortunate.

This is the letter which was addressed by Mr. Harrington to the Prime Minister on the first day of November, 1935, within a fortnight or so after the election:

My dear Mr. Prime Minister:

The employment and social insurance commission has several duties confided to it, amongst them and of primary importance being the organization of an employment service throughout the dominion and the institution of a national system of unemployment insurance.

It has been estimated that the insurance scheme alone will embrace between 1,500,000 and 2,000,000 workers in the dominion located everywhere from the Atlantic to the Pacific. These workers and their employers contribute weekly to the insurance fund and particulars of them and the types of employment must be recorded currently.

It has been estimated that this joint fund towards which the government contributes 20 per cent will amount to over \$40,000,000 a year, and approximately this total will be disbursed annually by this commission in small weekly benefits to an average of 150,000 to 200,000 unemployed.

This subject naturally divides itself into two phases, namely, one of organization and the other of administration.

It will easily be seen that the organization necessary to administer these provisions must be widespread and intricate. It must provide facilities for recording particulars of the workers covered by the act and allow them access to some office or agency to register their unemployment in order to obtain positions or to establish their claim to benefits. The Employment and Social Insurance Act requires the whole permanent staff under this commission, not merely the officers and clerks, but also all other employees to be selected in pursuance of the Civil Service Act. While the work of organization may be delicate, it is no more so than the administration of the scheme when once it commences to function.

Questions will continuously arise as to the validity of the claims made, anomalies affecting somewhat similar classes but in different employments and procedure for running the offices methodically and with the highest degree of precision. It is unnecessary to mention that 2,000,000 clients contributing towards the fund are potentially 2,000,000 critics of any inefficiency or shortcomings in the staff or administration.

Two of the commissioners to be appointed are selected as representing what may be termed special interests affected by the act, namely, workers and employers. The chief commissioner, on the other hand, represents no particular interest but is presumed to be able to hold an

even balance and give a fair and efficient administration. The act contemplates continuous and sympathetic access by the chief commissioner to the government. Regulations fixing classes to be included or excluded; regulations relative to procedure; regulations relative to the establishment of claims, in short all regulations require the approval of the government, and the necessity for them will arise very frequently. In addition, there are a number of other points that will arise from time to time which it is the duty of the commission to submit to the government for approval. These measures are endangered by many pitfalls that can be avoided only by the exercise of great care and painstaking administration.

For many years organized labour and many other bodies have considered unemployment insurance an advanced social measure as tending to relieve workers from the fear of want due to temporary lay-offs. On the other hand, it has, especially in its contributory form, what might be termed natural enemies, and its operation is at all times delicate.

This commission was appointed on July 20, held its first meeting on July 26, and at once proceeded, in collaboration with the organization branch of the civil service commission, to design an organization necessary to carry into effect the provisions of the act. The plan or organization as finally agreed was approved by the governor in council in the month of August and it was decided to fill the eleven major posts in it. Ten of these were to be filled by advertisement and competition by the civil service commission. The eleventh was to be filled by a transfer of the director of employment service from the Department of Labour. The competitions for these positions closed on the 9th of September but no appointments have as yet been made. The chairman of the civil service commission, however, under date of October 30, now advises that his commission is in a position to make five of the appointments if it is the desire of the employment and social insurance commission and the policy of the government that they should do so. In his letter, a copy of which is enclosed, the chairman further states that his commission hesitates to make appointments which might conceivably be abruptly terminated either by government policy or by decision of the courts and that before taking action in the matter he desires to receive any advice or comments which I might deem proper under the circumstances. It has been no part of my duty as chief commissioner to participate in or interfere in any way with the selection of the staff nor have I done so. Such staff as we have at present has been furnished us temporarily through the kindness of the civil service commission.

Quarters have been engaged at the Jackson building and a floor there has undergone alterations to suit the requirements of the commission.

This commission reports to the President of the Privy Council and I trust this brief statement of our position may be of some value to you in the circumstances in which a new government is bound to find itself with many pressing problems from many different directions. At