

the present schedule. The person contributing that will fall into the category of "25 and under 34" in the new act. His rate of benefit is based on his average contributions over the last 30 weeks, and his average contributions will be raised by virtue of the fact that the contributions are all raised by 30 per cent. So he will fall into exactly the same category but his contribution will be up simply by reason of the 30 per cent increase.

Senator MACDONALD: But under the old act did not the employee who contributed between 20 and 25 cents receive \$9?

Mr. MCGREGOR: Yes.

Senator MACDONALD: And under the present act he will get \$6?

Mr. MCGREGOR: No, sir, if you will look at the schedule it is "20 cents and under 27 cents" giving a benefit of \$9. Is that not right?

The CHAIRMAN: Yes.

Mr. MCGREGOR: That same employee will have his contribution increased by 30 per cent and that will bring him into the category of 25 cents and under 34 cents, and he will still benefit by \$9. If he was paying an average of 25 cents, and you raised that 30 per cent, that would bring him to 32 cents, which brings him into the next bracket in the new schedule.

Senator BURCHILL: He gets the same benefit.

Senator MACDONALD: The man who pays 24 cents under the old act gets \$9?

Mr. MCGREGOR: Yes.

Senator MACDONALD: Now he only gets \$6?

Mr. MCGREGOR: Yes; but that same man who was paying 24 cents will not be paying 24 cents now; he will be paying 24 cents plus 30 per cent, which brings him into the next bracket.

Mr. MURCHISON: Probably it will be clearer to the honourable gentlemen if they realized that the rate of benefit has some connection with the range of earnings, and therefore if you note that under the range of earnings of \$9 to \$15 under the old act a man received \$8 dependency rate, he will still be receiving that under the amendment.

Senator MACDONALD: But I understand that the man who was paying 24 cents is now going to pay more and get the same, but there are still going to be men who are going to pay 24 cents and they are going to get \$6 instead of \$9 under the old act?

Mr. MCGREGOR: But if they are going to pay 24 cents they are not paying 24 cents now, but 16 cents.

Senator MACDONALD: That is all right, but there are so many other people who are going to pay 24 cents.

Mr. MCGREGOR: In order to do that a man would have to fall into a different wage bracket.

Senator LEONARD: Can we have your assurance that no man's benefit is reduced as a result of this?

Mr. MCGREGOR: Yes.

Senator MACDONALD: I think we should get more information about the recommendations from the advisory board. The recommendations from the advisory board have been carried out in connection with three items only as I understand it; that is, the adding of the two classes, the increase in the allowable earnings, and the increase in the ceiling from \$4,800 to \$5,460; but in other respects the advice given by the advisory board is not followed by the Government; is that correct?

The CHAIRMAN: I do not think Mr. Murchison has said that.