

unemployment and fix rates that were actuarially justifiable. Unemployment is clearly very different from death and fire and accident so far as predictability is concerned. It is submitted however that there is at least one consideration which suggests that on this question, English precedent is not necessarily a safe guide for Canada. This country has a severe winter and if any occupations which are affected by winter conditions are to be included in the scheme, their unemployment experience over a period of years might well, it is submitted, be taken into account in determining what rate of contribution they should pay for the substantial benefits their record shows they are certain to derive. Further, the question should, it is submitted, be seriously considered, whether the unemployment record of various industries over a period of years could not be made, in part at least, the basis for fixing the rates of the contribution.

## 2. Merit Rating

In addition to the question of differentiation between industries on the basis of employment experience, there is that of differentiation between individual firms. Unless some method of merit rating is devised under which a firm having favorable employment record would benefit thereby, there will be no incentive for an employer to maintain steady employment for his staff, but on the contrary he is penalized for so