

a different system or if one province has a system and another has not.

Moreover, it has been said by some of the premiers in days gone by, provinces do not feel competent to carry on and discharge all their constitutional obligations; therefore there must be a combined effort on the part of the provinces and the Dominion in order to attain any success. I do not think I am violating any confidence when I say that in a conversation which I had with a former minister of Great Britain who had this matter in hand, Mr. Neville Chamberlain, he indicated after travelling over Canada that in his opinion a system to be successful must be one representing the combined efforts of the provinces and the Dominion. Whatever else might be said about it, he was clearly of that opinion because of the data which he had in his possession and the information which he had gleaned by travelling over this country and from other sources. When the hon. gentleman talks about setting up immediately a system of insurance against unemployment, sickness and invalidity I am sure he cannot possibly realize the magnitude of the problem or he would not make that suggestion and seriously expect it to be acted upon.

He must realize the amount of actuarial work which must be done. We are now taking a new census and after that has been completed we believe we will have in our possession sufficient data to enable us to apprehend and appreciate the extent of the obligation we must incur. It will not be a small obligation, it will be measured by millions of dollars, and it involves the question of ensuring beyond peradventure that the system will succeed. When any hon. member of this house uses the word "insurance" he is using a word with a well-defined meaning. An insurance contract is one of indemnity; it is a contract whereby for the payment of a given sum the insurer agrees and covenants that the insured will receive certain sums therein specified. In order to arrive at what premium shall be paid it is necessary to understand the character of the risk. To-day Great Britain is considered the greatest authority upon marine insurance because for centuries the underwriters in that country have been able to appreciate from the experience gained at Lloyds and from other sources the exact character of the risk involved. In every case where insurance is granted there is a risk taken and the contract is to compensate on the basis of the risk involved. Knowledge of the character of the risk as well as of the extent to which compensation is to be paid must be at the very bottom of all insurance.

[Mr. Bennett.]

Unfortunately in the matter of unemployment a great mistake was made in England in appreciating the character of the risk, and I suppose it is known to every hon. member of this house that at this moment the unemployment insurance fund owes the government of Great Britain the enormous sum of nearly one hundred million pounds sterling.

Mr. HEAPS: Were not the general conditions in 1911 different from what they were in 1919?

Mr. BENNETT: That is what I am trying to prove, and I thank my hon. friend for doing it for me. There must be a clear appreciation of the character of the risk involved. What underwriter, for instance, could maintain his solvency if he assumed risks without having any appreciation of the character of the peril which may be encountered and therefore not being in a position to arrive at a premium sufficient under actuarial determinations to meet the risk involved? This house is a thoughtful body dealing with a matter of tremendous magnitude, and the first problem which must be met whenever you use the word "insurance" is that of determining what the premium shall be.

In life insurance the premium is fixed by known standards—age, expectation of life, the value of money over a long period of years; and when you insure a man of twenty-five years of age you know that by the payment of the premium which you accept from him you will be in a position, on the basis of the expectation of life, to meet that risk when it falls in, and to discharge your liability.

There is always a perceptible surplus on the part of life insurance companies because they load their premiums, as it is technically known, for the purpose of enabling them to make sure that the sum derived as premium shall always be equal to the risk involved and taken by the insurer. Take fire insurance. A great many of us I suppose, who have not taken the trouble to look into the matter carefully, think that fire insurance rates are arbitrarily fixed and that, to quote the language of my hon. friend from Lisgar (Mr. Brown), the companies charge all that the traffic will bear. The oldest insurance company in the world, in our world at least, is doing business in Great Britain. I once had the pleasure of visiting that company's head office in London and seeing something of its records, extending now over centuries. They are able, with almost mathematical precision and certainty, to determine the premium that should be charged for the purpose of enabling them adequately to meet the risk involved. That sounds very strange. But you have all classes of risks; you have marine hazards, to which I referred