

*Unemployment Insurance*

funds. But when we consider unemployment insurance from a business and actuarial standpoint we must keep in mind the probability I just mentioned.

Despite the fact that a large number of workers will come under the provisions of this bill, a considerable number of exempted persons will not benefit. I realize the difficulties with which the department is faced when deciding on these exemptions. I am encouraged by the fact that an advisory committee is to work with the commission and is to have the power to limit these exemptions. After careful scrutiny and investigation that committee will have the power to bring within the provisions of this act some of those now exempted. Whether that is a practical way of dealing with the matter I am not sure, but it does provide that encouragement which is so essential when dealing with those industries which are now exempted. I have in mind the horticultural industry, which I referred to in committee. This industry takes in several types of employment, and it is now exempted from the operations of the bill. I agreed to that particular section going through on the understanding that it would be subject to thorough review as quickly as possible, so that those in horticulture the nature of whose employment is such that would reasonably make them eligible to come under the provisions of the act, may be brought in.

Hon. members no doubt are familiar with the several sections of the bill which deal with entitlement to benefits. Section 28, paragraph (iii), states that any worker drawing benefits must satisfy the commission that he is capable of and available for work but unable to obtain suitable employment. I know beforehand the answer that will be made to my objection to this section. The objection I raised in the committee, and I raise it again now, is that this strikes in an inhumane way at workers who may draw benefits for a couple of weeks and then take ill. According to that section they would be no longer "available for work." I know the answer will be that no scheme of health insurance is envisaged by this bill, but I do not think that is a complete answer. I should like to direct the attention of the committee to some of the serious consequences which might arise should a man take ill and his insurance benefits stop just when he and his family need money the most. According to the section such a man would not be available for work. It seems to me that this test is one which will not be acceptable to the workers generally.

Hon. members are aware that there is a difference between the 1935 act and this bill. The main distinction between the two acts

[Mr. Graydon.]

turns on the question whether the contributions are to be on a graded scale or on a flat rate. The United States, because of constitutional difficulties, have fifty-one different schemes of insurance. In Great Britain the flat rate is used, and because of the experience over there, this parliament, in 1935, with the unanimous consent of all parties, adopted provisions establishing a flat rate. Now, upon the information and advice of the departmental officials, the flat rate has been discarded and replaced by the graded scale.

Mr. MACKENZIE (Vancouver Centre): Not in Great Britain, although Sir William Beveridge favours the graded rate.

Mr. GRAYDON: Perhaps my hon. friend did not hear what I said. I said that the flat rate was in effect in Great Britain.

As members of the committee will at once recognize, wide powers are given under the act in the matter of administration. The commission and the advisory committee are clothed with an extremely broad responsibility. This puts upon the government a heavy obligation to see to it that the proper men are appointed to these executive positions. There are sections of our population coming under this measure who will look with close scrutiny upon the type of men chosen to administer measures which will so closely affect them and their families. I have had the assurance—and I believe that an assurance from a minister, especially from the Minister of Labour, will be sufficient—that no politics will be practised in the selection of men to fill these various posts. I assume that he meant by that, party politics: at least that is what I meant. In this regard may I suggest that he carry out this laudable ambition and see to it that the commission is devoid of criticism on the score of partisanship in the appointments of its personnel.

Mr. McLARTY: I do not wish to interrupt my hon. friend, but may I say that, while the government has the appointment of the chairman of the commission, the two other members are appointed, one on the nomination of labour and one on the nomination of industry.

Mr. HANSON (York-Sunbury): That does not mean a thing if the government does not want to act on it.

Mr. McLARTY: I cannot agree with my hon. friend.

Mr. GRAYDON: Perhaps I did not make myself sufficiently clear. In my early remarks with regard to the commission I had particularly in mind the chairman, because those who read the act will recognize that he has