excepted upon the commission being satisfied that "the employment is, having regard to the normal practice of the employment, permanent in character." In drafting the provisions to give effect to that principle, the original Act, in clause (*l*) of Part II, excepted all employees of the Dominion of Canada who fell under the provisions of the Civil Service Act. But it was found that that was wrong, because a considerable number of employees of the Dominion whose employment is not permanent in character do fall under the Civil Service Act and should be permitted to avail themselves of the benefits of this Unemployment Insurance Act. So the first amendment to clause 21 takes out the reference to Dominion employees who fall under the Civil Service Act, and just leaves in the general clause to the effect that federal, provincial or municipal employees shall be exempted from the Act if the commission is satisfied that their employment is permanent in character, "having regard to the normal practice of the employment."

The second change which clause 21 brings into effect is this: it excepts from the exception, if I may so speak, government employees who are employed in connection with a public utility. In other words, it says that a government employee who is employed in connection with a public utility shall fall within the purview of the Act, even though he is a government employee. The reason for that is that there are a number of municipal and other bodies in this country which own public utilities, such, for instance, as the Toronto Transportation Commission and the Hamilton Hydro Electric Commission. Employees of private utilities have at all times been under this Act—both the employees and the private utilities themselves. Honourable members will appreciate how strange it would be if, for instance, a man driving a street-car in the city of Toronto, who is employed by a public body such as the Toronto Transportation Commission, should be excluded from the Act while a man driving a street-car in the city of Montreal, an employee of the Montreal Tramways Company, a privately-owned corporation, should be included under the Act. In fact, I am given to understand that there are even more striking examples than that, and that in at least two cities, Ottawa and Winnipeg, there are working side by side two utilities, one owned by the public and the other privately owned. So honourable members will see the reason why it has been thought advisable to exclude from the exemption, and bring within the four corners of the Act, employees of public bodies employed in connection with public utilities.

Then we come to the second and remaining clause which is of considerable importance. That is clause 22. Clause 22 does two things. Under Part II of the First Schedule of the Act as originally drafted, the only employees who were brought within the Act were those earning a remuneration of $2,000 a year or less. Clause 22 of the Bill increases that ceiling, if it may be so called, from $2,000 to $2,400, so that for the future employees earning $2,400 or less are brought within the Act. In parenthesis I may perhaps remark to the Senate that in similar legislation in the United States the ceiling is $3,000.

Hon. Mr. HAIG: Can the honourable member say why that change was made?

Hon. Mr. HUGESSEN: If I may be allowed to proceed, I shall give the explanation in a few minutes.

The second change that is brought about by clause 22 is that it provides that for the future all employees who are paid at an hourly, daily or weekly rate, or on a mileage basis or at a piece rate, shall be brought in and covered by the Act regardless of what the total amount of their annual remuneration may be. In explanation of that I may say it has been found very difficult in many cases to determine, where a man is paid at an hourly, daily or weekly rate, or on a mileage basis or at a piece rate, whether his total remuneration amounts to more than $2,000 or less, and it has been thought advisable to bring that whole category of employees within the four corners of the Act. In that connection I may say that this amendment follows the principle of the British unemployment insurance legislation, which places no ceiling at all on the total remuneration paid to manual workers, and brings them all under the umbrella of unemployment insurance.

Now, if I may deal for a moment with the question asked by the honourable senator from Winnipeg (Hon. Mr. Haig), I should like to refer again to the Unemploment Insurance Advisory Committee, which I mentioned at the outset of my remarks, and which represents employers and employees. That committee sat in public upon the proposals contained in clause 22. It gave notice, it sat in public in the city of Ottawa, it heard representations with respect to these proposed changes, and after full and careful consideration unanimously recommended these alterations. That, in one sense at least, is an answer to my honourable friend's question as to why these amendments are proposed. It may interest the Senate to know that it is estimated that if