

*Unemployment Insurance*

pensions. In connection with old age pensions he had to consider from where the money was coming, what it would involve in the way of taxation. He had to consider the question of the constitutionality of the federal government taking action in that particular. He has to-day considered the constitutional and financial aspect, but throughout the course of his remarks last year, he found no difficulty whatever in giving an assurance to the public that the present government would take over the whole system of old age pensions and assume all obligations in relation thereto. Well, if he was able to do that with respect to old age pensions, I fail to see why, with equal alacrity, he should not be able to do likewise with respect to unemployment insurance.

May I say to my right hon. friend that I do not think the word "immediate" would carry in the mind of any other hon. gentleman the significance he sought to attribute to it this afternoon. If for a moment I thought it was anticipated that the government should present a bill to the house without due consideration of the many matters that will have to be considered, I would certainly agree with him that anything of the kind would be unwise on the part of the administration. On the other hand, I take it that what is meant is that having regard to the problem of unemployment before us at the moment, a problem that we know is going to recur from time to time, the government should immediately consider how a system of unemployment insurance can be made applicable to help meet such a situation. Perhaps it would have been better had the word "immediate" in the resolution been transposed, and placed before the word "consideration" which would make the resolution read:

That the government should take into immediate consideration the establishment of a federal system of insurance against unemployment, sickness and invalidity.

Mr. BENNETT: Quite so.

Mr. MACKENZIE KING: Personally I feel that that is what primarily was in the mind of the introducer of the resolution.

Mr. BENNETT: Not in view of his speech, if I may say so to the right hon. gentleman.

Mr. MACKENZIE KING: Then I come to a consideration of the immediate establishment of a system of unemployment insurance. In the first place, unemployment insurance is but one form of social insurance.

Mr. BENNETT: Hear, hear.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I think that my right hon. friend will agree that annuities are a form of insurance.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: My right hon. friend agrees. Well, we have at the present time a federal system of annuities. I see no reason why the administration should not consider whether some advantage might not be taken of the annuity system already in existence as a federal system so to extend it as to make the moneys paid in as premiums available at times of unemployment, as unemployment insurance to those who make contributions towards it. It might be so extended as to make the system available to its contributors as insurance against sickness or invalidity. There is an opportunity for an immediate step to be taken by the federal government to provide a measure of unemployment insurance. No question of constitutionality can be raised with respect to it. I submit the government might well consider whether the system of providing annuities which now for many years has been administered by the federal government, might not be so extended in its bearing upon social problems, as to make it available to meet other risks that arise from industry.

Mr. BENNETT: May I interrupt the right hon. gentleman?

Mr. MACKENZIE KING: Yes.

Mr. BENNETT: Perhaps he has not been informed of this, but the truth is the annuity fund is not segregated and invested as is the case with an insurance company. I looked into it, and I may say I considered the very matter that the right hon. gentleman has mentioned.

Mr. MACKENZIE KING: The fact that the fund is not segregated and invested is purely a business phase of the matter which the government would have to take into account. It does not affect the basic principle of the federal government taking immediate action with respect to any form of contributory insurance.

Mr. BENNETT: That is the trouble.

Mr. MACKENZIE KING: But that does not in any way preclude the fund being so arranged or organized as to meet these situations as they may arise.

May I draw attention to this? There are two ways in which industry may be viewed.