

Unemployment Insurance Advisory Committee, an unpaid body consisting of representatives of employers and employees. This committee is charged with the duty of advising the commission on various matters with respect to the possible extension of the Bill to other classes of employees, changes in the rates of contribution and benefits, and other matters. The committee had been consulted by the commission before this Bill was brought in, and I am informed that it unanimously approved the principle of the measure.

There is a second matter I should mention. This is an insurance scheme. It is designed to provide payment of certain premiums against certain risks, and it, of course, should at all times be actuarially sound. No changes in rates of benefit or rates of payment should be made unless they can be shown not to affect prejudicially the actuarial soundness of the scheme as an insurance scheme. So before it was introduced this measure was submitted to the chief actuary of the Department of Insurance, and he has reported to the commission that none of the amendments now proposed adversely affect the fund or its actuarial soundness.

The Bill itself is fairly long, comprising twenty-eight sections. I must say that the great majority of the amendments are more or less of a minor character and are intended either for clarification or to simplify administration, without in either case affecting the principle of the original Act. In some instances the amendments are intended to correct slight errors of draughtsmanship which are almost bound to creep into a complicated measure of this kind. I do not propose to deal with that class of amendments here. They will more fittingly be dealt with when the Bill is considered in the appropriate committee.

But there are a few amendments which do make substantial changes. The most important are contained in sections 21 and 22. Before, however, dealing with them, I think I should direct the attention of the Senate to three proposed amendments which, though in a comparatively minor way it is true, do affect the classes of persons intended to be covered by the Act. Two of these amendments will have the effect of increasing, and one of decreasing, the number of persons who will become subject to the Act.

The first of these, clause 19, relating to Part I of the First Schedule of the Act, provides that employees, resident in Canada, of governments of other countries, either Great Britain or foreign countries, may be brought within the terms of the scheme, in every case

with the consent of the government concerned and with the approval of the Unemployment Insurance Commission.

The next is clause 20, which deals with the employees of hospitals and charitable institutions. When the Act was passed in 1940 such employees were excepted from the measure under Part II of the First Schedule; but it has been found that a considerable number of these employees have asked to be included in the measure. They were excepted in the first place because it was thought that hospitals and institutions of that kind, which operate without purpose of gain, might not in certain cases be able to afford the employer contribution which would otherwise be imposed upon them. This amendment permits such employees to be brought within the scheme if the hospital or other institution agrees to pay the employer contribution.

Hon. Mr. BALLANTYNE: Might I be permitted to intervene for a moment? My honourable friend knows that most employees in hospitals are only temporary, and they are coming and going, especially in war-time. I do not see how you could very well take them in.

Hon. Mr. HUGESSEN: Of course, the whole object of the Bill is to bring in persons whose employment is temporary. They are precisely the kind of people who ought to be covered by unemployment insurance. But in any event it will only be in cases where the hospital or charitable institution is itself willing to pay the employer contribution that the commission can bring the employees within the Act.

The third clause is number 24. It has the effect of taking out of the scheme employees who would otherwise fall within it, but who reside in distant parts of Canada where there is very little insurable employment, such as the extreme northerly areas of Canada, and where the cost of administration by the commission would be greater than the result of the insurance of a small number of persons would justify.

I turn now to one of the more important clauses of the Bill, number 21. It relates to governmental employees, that is, employees of federal, provincial and municipal governments. I might say with respect to employees of government that the original Act proceeded upon the theory that there were a number of governmental employees, Dominion, provincial and municipal, whose employment was so permanent and the possibility of whose unemployment so small that they should be excepted from the Act, and it was provided that such governmental employees should be