

*Unemployment Insurance*

And he received the answer:

The chief actuary of the insurance department has certified to its soundness, based on an eleven-year average from 1921 to 1931 inclusive, and from such material as is available since then.

In other words, according to the people who drew up the scheme, it is actuarially sound in all particulars. We have that upon the considered opinion of this one gentleman who is an actuary in the department of insurance.

Further along in the evidence Mr. Eric Stangroom quoted from a book entitled, *Unemployment Funds*, published by Mr. H. H. Wolfenden. Mr. Stangroom says that Mr. Wolfenden is "one of our outstanding Canadian actuaries." Then the hon. member for Macleod asked the following question and received the following answer:

Q. Who is Mr. Wolfenden?

A. Mr. Wolfenden is one of Canada's most prominent actuaries. He is at present in Toronto, I believe. He has written a number of books on employment insurance. He presented an actuarial report on the 1935 act. His most recent work on unemployment insurance is "The real meaning of social insurance." The work which I am quoting was prior in date to that.

Mr. Wolfenden was called to the witness stand to give his evidence. At this time I must voice my objection to the haste with which this measure is being rushed through parliament. The bill was given its second reading on July 16, and was debated during that week. Then, in the following week—and that is the week in which we now are—the committee discussed the bill and held sittings on July 22, July 23 and July 24. This is now July 26, and thus far I have not been able to get a copy of Mr. Wolfenden's evidence. Fortunately, just a few minutes ago the hon. member for Macleod handed me a copy of it. Because we have not had sufficient opportunity to study what has been said in committee, I must object to the haste with which the bill is being rushed through parliament. It does not give those of us who are interested in unemployment insurance but who found it impossible to attend the meetings of the committee, an opportunity to study the evidence given by the two actuaries whose names have been mentioned, namely, Mr. Watson of the insurance branch and Mr. Wolfenden, who is considered to be one of the leading actuaries in Canada.

It is essential that we should have a little time to study the evidence of those two gentlemen, so that we may be in a position now to say whether the measure is actuarially sound. At page 216 of the evidence, Mr. Wolfenden is reported to have said:

On this test, which I believe to be a fair and professionally acceptable appraisal of the

[Mr. Marshall.]

problem, it is my conviction that the scheme set out in bill 98 is, at the present time, "actuarially indeterminate".

In other words, it is not sound.

Mr. REID: Not necessarily.

Mr. MACKENZIE (Vancouver Centre): No, not necessarily.

Mr. REID: Because it is indeterminate, it does not necessarily follow that it is unsound.

Mr. MARSHALL: Mr. Wolfenden's word is just as acceptable, or just as sound, as that of Mr. Watson.

Mr. REID: But he did not say it was unsound; he said it was indeterminate.

Mr. MACKENZIE (Vancouver Centre): He said it must be classed as either actuarially unsound or actuarially indeterminate; he makes a distinction between the two terms.

Mr. MARSHALL: I am reading from his evidence; but as I say I have not had an opportunity to consider the niceties of the language. It seems to me, however, that Mr. Wolfenden has as much right to say a thing is actuarially indeterminate or actuarially unsound as Mr. Watson has to say that it is sound. Surely that cannot be contradicted in any way.

As reported at page 217 of the evidence, Mr. Wolfenden says:

If the fund it set up on a twelve per cent rate it would become insolvent early in 1944, unless there is a reconstruction through the advisory committee.

The point I make is simply this, that I really hope the scheme is actuarially sound, and that time will prove it to be so. But there is a grave doubt in my mind, after casually reading the reports of Mr. Watson and Mr. Wolfenden with respect to this.

We are not opposed to unemployment insurance; but we want, first, to see it cover all classes of workers and, second, to know where the money is to come from which is to finance this scheme. I hope, before we go out of committee this afternoon, that the minister will give us an assurance that this scheme is actuarially sound and that it will not have to be bolstered up with further amounts from the treasury of Canada before 1944 is reached.

Mr. McLARTY: I wonder if the hon. member heard my remarks this morning on the actuarial soundness of the scheme.

Mr. MARSHALL: I was here all the time.

Mr. McLARTY: I do not wish to have to repeat it.