

one-fifth of the additional employer-employee contribution into the Unemployment Insurance Fund. In addition, the government will pay the total cost of benefits paid to persons in classes 3 and 4. This is because these groups have not had time to make the necessary contributions to the fund. Although these financial provisions seem adequate, the government will, in addition, guarantee the Unemployment Insurance Fund against any loss sustained on account of supplementary payments up to March 31, 1952.

As I have said, the whole purpose of this legislation is to make the Unemployment Insurance Act conform more closely to our normal pattern of Canadian employment.

As of February 2 this year there were approximately 375,000 persons unemployed, 125,000 of whom were not in receipt of unemployment insurance benefits. It is expected that the bill before us will bring 100,000 of those who are not at present in receipt of benefits under the Act, and so make possible supplementary payments to them.

The bill will also make effective certain other recommendations of the Unemployment Insurance Commission. For instance, the existing Act insures salaried employees whose annual earnings are \$3,120 or less. It is proposed in this bill to raise the maximum to \$4,800 per annum.

Most of these other amendments of the Act have to do with the mechanics of its operation.

There is one substantive amendment which would increase from \$1.50 to \$2.00 per day the amount which may be earned by any person in receipt of unemployment insurance. I might also mention that payment of supplementary benefits will not affect in any way the future contributions of persons receiving such benefits.

If the bill should receive second reading this evening, I should like to have it referred to the Standing Committee on Banking and Commerce, and if the committee can meet tomorrow morning, I hope to have in attendance the Parliamentary Secretary of the Department of Labour and the Deputy Minister of Labour, as well as other officials, so that questions of a more detailed character which honourable senators may like to ask can be intelligently answered. I shall do my best to answer any questions put to me, but I would ask the indulgence of the house because I am not an expert on all the items in this measure.

Before resuming my seat I should like to answer the question asked by the honourable senator from St. Boniface (Hon. Mr. Davis). As I understand it, this legislation does not

provide for bringing under the Act a class of employees such as hospital workers. This would have to be done by proclamation. The bill before us is a general over-riding measure which deals with the various benefits provided certain classes who now come under the Act.

**Hon. Mr. Davis:** I assume that at the meeting of the Banking and Commerce Committee tomorrow I can inquire what plans there are, if any, with regard to the class of employee I refer to.

**Hon. Mr. Robertson:** That would be a perfectly legitimate inquiry. Whether this class should be brought under the Act may be a question of government policy.

**Hon. Mr. Davis:** The reason for my inquiry is that a number of hospitals in our province are very much concerned about the increase in their operating costs, and they are desirous of obtaining some information about this at an early date.

**Hon. W. M. Aseltine:** Honourable senators, in the absence of the honourable leader of this side of the house (Hon. Mr. Haig) I wish to make some remarks in connection with this bill before it receives second reading. It will be realized from the explanation which has just been given that this is an important bill, and that it contains many intricate sections. I have read the bill several times, and have not only listened to what took place in the other chamber but have read the report of the debate there, and like my honourable friend from St. Boniface (Hon. Mr. Davis) I have quite a number of questions that I should like to ask when the bill goes before the Banking and Commerce Committee.

Before dealing with the principle of the bill I should like to make some general remarks about unemployment insurance. Honourable members will recall that in 1935 the first Unemployment Insurance Bill was introduced into parliament by the then Bennett government, and was passed under the peace, order and good government clauses of the British North America Act, which the then government thought gave parliament the right to pass the bill. There was a change of government shortly after that, however, and the whole matter was referred to the Supreme Court of Canada and then to the Privy Council, and it was held that the Act was ultra vires of the powers of this parliament. Between 1935 and 1940 many talks took place between the federal government and the provinces, with the result that in 1940 an amendment was made to the British North America Act giving the federal government power to pass legislation of this kind. The Unemployment Insurance Act was passed in 1940 and came into force on the 1st of July, 1941.