

*Unemployment Insurance*

had shown would very seldom ask for any benefits. Consequently I judge that they would be a very desirable class, from the actuarial standpoint, to have in the scheme. The Prime Minister said in that case they could be taken out under the anomalies clause. Would not that upset the actuarial basis?

Mr. BENNETT: No, it was not the anomalies clause, if the hon. gentleman will pardon me. There is a special provision to deal with that particular matter. That is the reason that we have had to say firmly that we will not agree to take particular people out of this act, the very reason the hon. gentleman has mentioned. The class that it is desirable to have within the act is the class that will make the fewest claims. Life insurance companies are always anxious to have good risks, with whom the actual length of life far exceeds the expectation on which the computation of premiums is based. That is so in the case of this act as well.

Mr. HEAPS: I think the Prime Minister has stated on several occasions that this bill essentially follows the English act. I find that under the English act the contributions by the employer, the employee and the state are approximately the same. I believe under the last amended act of 1934 contributions by the state, the employer and the employee are ten pence each. Prior to that they were eight pence by the employer, seven pence for the employee, and seven pence by the state. Now according to this clause the government are to pay one-fifth of fifty cents, which is ten cents, and in addition are to assume the total cost of administration. It is true, as pointed out on several occasions, that under the English act the cost of administration is borne out of the total contributions to the fund. If I am right, twelve and a half per cent of fifty cents works out at about six and a half cents which the government will have to contribute as cost of administration. If I take then the ten cents that they are going to contribute plus six and a half cents as the cost of administration, the government's contribution to the scheme will be sixteen and a half cents, or about two-thirds of what employer and employee together are to contribute. If in the main this bill follows the British act, I feel that the government should be just as generous or ready to support the fund in the same ratio as do the government of Great Britain. Their contribution should be equal to that of employer and employee; it should be twenty-five cents at least for persons over the age of twenty-one. I should like to know why, if the British act is to be followed all through,

[Mr. Neill.]

it is not followed in this regard, and the contribution by the state made the same as that of employer and employee.

Mr. BENNETT: I explained a few days ago to the hon. gentleman that the cost of administration that is to be paid by the state comes not out of the fund at all but from money provided by parliament for that purpose. The uncertainty as to the cost of administration governed the determination as to the amount to be paid into the fund by the state. That has been settled at one-fifth of the contribution, and if later experience warrants of course there can be such change as may be necessary, but we must proceed upon the assumption that we are conducting a solvent and safe undertaking. For that reason this has been thought desirable. It cannot be argued that because we have followed the English act in most particulars we should follow it in every particular, because the sums payable here are not the sums payable in England. As I have said, however, in a broad and general sense this statute is founded upon the English act, and whenever I was asked I gave the sections of the English acts from which this act has been drawn. This section, dealing with financial provisions, has engaged very closely the attention of the government, and after very much consideration it has been thought that at the present time it would be undesirable to go beyond what is provided in the act. That is the arbitrary determination of the issue in the experience in Great Britain and our knowledge of conditions in this country.

Mr. MACKENZIE (Vancouver): A few moments ago the Prime Minister said that naturally it was desired to get the best risks. In that connection I desire to read a telegram which I received only to-day:

Re unemployment insurance we emphatically suggest that such good risks as banking, insurance and financial businesses be included as see no reason why they should not help lighten the burden by contributing to fund. Suggest also that if lumber and fishing are exempt construction industry being equally seasonal should also be exempt otherwise fund would be unfairly burdened.

That is from the Pacific Lime Company of Vancouver. I think there is a certain amount of dissatisfaction that some of these good risks are not included and also that some of the bad risks are.

Mr. BENNETT: I think upon analysis it will be found that the reasons for the non-inclusion of banking and financial institutions are most excellent. According to the investigations made in Great Britain, referred to in the report of the last royal commission,