

Let us for a moment examine the effects of unemployment insurance, or the findings of committees on unemployment insurance in other countries. Several speakers to-day have mentioned the plan in Great Britain. Let us look at the other side for a moment. The theory of the British plan is probably familiar to most Canadians, but here are a few figures which prove that it has not worked out just as was planned. It was launched on something less than its present scale in 1911, on the basis of equal contributions by workers, employers and the state. By the end of March of the fiscal year 1931 it was found that of a total of \$493,000,000, employers had paid 15.6 per cent, workers 13.6 per cent and the state 70.8 per cent. That is getting down to being almost non-contributory. It is evident to all that conditions in England, because of dense population, would make the administration easier than would be possible in Canada. Yet we find that in England the cost of administration was from 11 per cent to 13 per cent of the net income of the fund. That means that about \$13 out of every \$100 paid in went in administration cost rather than to the assured. It is estimated that it takes one official administering the scheme to every 100 unemployed who enjoy its advantages. It is safe to predict that in Canada the cost would be much greater.

In the United States, before the Social Security Act was passed in 1936, they had an investigation inaugurated under ex-President Hoover into unemployment and unemployment insurance. I should like to read two or three paragraphs from the report as presented in 1933:

... Whatever its merits for tiding wage earners over slack seasons and moderate cyclical depressions, it cannot provide for those who are out of work for long periods. An extension of old age pensions to care for such victims of progress may bulk large in future discussions.

The committee is aware of the numerous objections urged against these schemes of social insurance and of the heavy costs which they impose upon society; but it also is impressed with the inarticulate misery of hundreds of thousands or millions of bread-winners who are deprived of their livelihood through no fault of their own.

To put the cost of unemployment squarely upon those who remain at work, upon employers, and upon the public purse, makes everyone conscious of the difficulty, and focuses attention upon the need of devising more constructive methods of dealing with it.

Time does not permit me to go any further into that.

Let us now turn to the commonwealth which is the nearest to the Dominion of Canada, namely Australia. We find there that in December last the introduction of national insurance precipitated a national crisis in the government. The government was deluged

with letters from all parts of the commonwealth asking that the imposition of national insurance be postponed at least until the electors were first consulted. I have here a sample of the letters which the people sent to their representatives. Apparently the government of that commonwealth were doing exactly what the government of Canada are doing to-day, that is withholding the details of the plan until they are ready to spring it on the people. The first line in the letter following suggests that:

Dear Sir:

Having at long last learned the details of the National Health and Pension Insurance Act, I have arrived at the definite conclusion that this act will mean a drastic lowering of the already low standard of living of the majority of the people of Australia by the very fact of reducing their weekly income.

I am therefore taking this opportunity of telling you, as my representative in parliament, that I resent having this imposed upon me without the electors first being consulted by referendum; and I am determined that if you, as my representative, fail to do your utmost to have this undemocratic measure repealed, I will do all in my power to cause you to be replaced at the next election by a representative who will truly represent the wishes of his electors.

Over 300,000 of those letters were sent to the representatives of the people of the Commonwealth of Australia, and as I said it precipitated a national crisis in December which almost overthrew the government.

Unemployment is the greatest problem facing us in Canada to-day. All speakers this session have emphasized this fact; yet we find that the government apparently refuse to go to the root cause of this problem, but content themselves with attempting to bring in palliatives or temporary relief measures. Surely it is evident to all that contributory unemployment insurance is not a cure, but simply a shifting of a responsibility of the government over to the working people. Housing schemes on borrowed money are, in relation to unemployment, not a cure, but just a temporary relief. Work and wages programs on borrowed money are not a cure, but temporary relief, which only aggravates the situation and makes for more serious conditions later on. There are only two reasons for unemployment: First, when we have reached the peak of our production, that is when there is no room for further development, and our source of supply is entirely exhausted; and, second, when all the needs of all our people are supplied.

Unemployment insurance will not assist to correct unemployment in Canada. Surely all hon. members will agree that there is much room for great development in this dominion. There are roads to be built, wealthy areas