

would prefer to confine myself to something which I believe is reasonably comprehensive.

A system of unemployment insurance such as that suggested by the hon. member for Comox-Alberni would, if put into effect in Canada, necessitate a change in the manner in which our employment exchanges and employment offices are now operated. They are now largely uncoordinated because of divided jurisdiction. If we adopt an unemployment insurance scheme we shall have to do what they have done in the United Kingdom, that is, have a carefully selected and properly organized system of employment exchanges, all operating under the same policy and administered from the centre instead of from the various spokes of the wheel.

The suggestion often made in this house that unemployment insurance will add to the burdens of generations to come is sometimes counter-balanced by the proposal that unemployment could best be taken care of by a public works program. I suggest that the attempt to place men at work by means of public works, a system old as the pyramids themselves, cannot hope to achieve what might be achieved by a system of unemployment insurance. George Bielschowsky, an economist who has devoted most of his attention to the economic aspect of public works programs, has this to say:

The public works program is not the road to plenty; it is not even a first rate device for reducing business fluctuation; it must rather be conceived of as the last finishing touch which a highly competent government may put upon a smoothly working business economy.

I do not wish to detract from the usefulness of such a program, but I take it that the hon. gentleman who introduced this resolution has in mind some measure which will require assistance from the national exchequer, perhaps to a greater degree in times of prolonged depression. I suggest that a system of public works, palliative as it is in form, will not by itself achieve what I think would be achieved by a system of unemployment insurance. In passing may I say to the Minister of Labour, with whom I have discussed this matter, as I did with the Postmaster General (Mr. McLarty) before he assumed ministerial rank, that I do not want him to understand that Windsor does not still want a new city hall. I do not want him to understand that we are not prepared to accept a new railway station or to have the Blue Water highway extended or to accept further waterfront development in our community. I simply mean that taking the long

[Mr. Martin.]

view we are temporizing with the problem by merely seeking to spend public money in great amounts on public works.

Unemployment insurance is often contrasted with the scheme of unemployment reserves. But before discussing this, I should like to make certain fundamental assumptions, one of which I have made already. I repeat that I recognize that unemployment cannot be abolished without giving up our system of production. I recognize that Canadians are not seriously considering giving up the present social order. Consequently, our responsibility is to discover the best method, within this competitive system of production, of alleviating the social and economic consequences of unemployment.

Having made these assumptions, what then is to be said in favour of unemployment insurance? As the hon. member for Comox-Alberni has said, it is in effect in thirteen countries of the world and protects approximately 42,000,000 workers at the present time. The English system was inaugurated with the act of 1911 and the legislation has continued in modified form up to the unemployment act of 1934. Allowing for all the abuses that have occurred and the weaknesses that have been found in the English experiment, eminent economists have admitted that if it were not for the system of unemployment insurance the unemployment problem in England, particularly during the past decade, would have been seriously aggravated.

Mr. HEAPS: Would the hon. member be in favour of including all persons in an unemployment insurance scheme, as is done in Great Britain?

Mr. MARTIN: I am coming to that. The hon. member means seasonal groups, and so on?

Mr. HEAPS: I was going beyond that. I did not want to interrupt my hon. friend at this point, but he must know that when the unemployment insurance scheme was introduced in Great Britain it embraced almost every person in industry. If we are to introduce a similar scheme here in Canada, is the hon. member in favour of embracing all persons who could be employed?

Mr. MARTIN: My own view is that that is exactly what would have to be done, and obviously that would defeat the actuarial principle. Because of the emergency that exists, we would have to do what has been done in England. We would have to abandon in part the actuarial principle, having in mind the necessity of providing social security. If I am permitted to continue I think I will cover that point more fully in a moment.