

*Unemployment Insurance*

experiment to which we have given our adherence in principle. Let us hope that it may be made workable.

Mr. Wolfenden gives his reasons for saying that this scheme is actuarially indeterminate. He says that in this case, in the year 1940, in respect of any estimates of future employment, it is wholly impossible to formulate methods of calculation, "with reasonable certainty and with adequate margins of safety". I quote:

It is quite impossible to assume with any reasonable certainty what the basic rate of unemployment, on which all the calculations must be based, is likely to be.

And he draws a distinction between this year of grace 1940 and the year 1935. He says that at that time the world was at peace, and then obtrudes the ugly head of war:

At that time, with the world at peace, it was a perfectly reasonable assumption that a 12 per cent rate of unemployment, being the percentage of idle time to total time, as shown by the records of eleven years from 1921 to 1931, would represent adequately the unemployment rate to be anticipated over a cycle of years commencing in 1935 or 1936. In fact, in my opinion the assumption of that basic 12 per cent rate in 1935, and the rate of contribution for the specified benefits which were calculated by Mr. Watson and myself on that rate, and in conformity with the terms of the 1935 act, were based on a wholly reasonable certainty, and did contain an adequate margin of safety.

For that reason he certified the bill. On page 217 he makes this statement, having regard to the fact that we are at war:

The conditions which we now face are utterly unpredictable.

And then he goes on to give examples. About the middle of the page he says, with respect to this very question:

. . . and again in that case the fund would become insolvent at the end of 1943 on the assumption of a 12 per cent rate—and the advisory committee would again have to effect a drastic readjustment.

Then he refers to another aspect of the question to which he believes insufficient attention has been paid. I will not go into the various ramifications of that.

I do not think I should take up the time of the house further. I voted for the bill. I suggested that it should go to a committee for study. I think we have had the benefit of evidence and opinions which we could not possibly get across the floor of the house, and that is why I made the suggestion. I am glad the Prime Minister accepted it. The bill comes back practically unaltered. I must conclude, I think, that either the bill was perfect when it went to the committee, or that there has been inadequate study of it while in the committee. I do not think it can be

[Mr. R. B. Hanson.]

said that this bill is actuarially sound, having regard to the criticism that has been levelled against it by one who is considered to be the best authority in Canada.

Mr. ROEBUCK: I rose a few moments ago on the conclusion of a speech by the hon. member for Cape Breton South (Mr. Gillis) and my intention was to agree with him very strongly on his suggestion that we get down to the clauses of the bill. Let us make progress in connection with this bill and get it passed. It is a strange thing that talk makes talk and the more speeches there are the more there are to come until they are all wound up, and yet I will violate my own principle by making one or two observations.

The hon. member for Cape Breton South paid what I think is a deserving tribute to the leader of his group, and I wish to join with him and with the leader of the Conservative group in that respect. I am also prepared to give credit to the extent that credit is due to the former leader of his own Conservative group and to do it without carping criticisms of motives or that sort of thing. But I do think that after all it is results that count, and the one man to whom this bill will stand as a monument is the leader of our group, the present Prime Minister. But there is credit enough, let me say, for all of us. The difference between some of those who have advocated the measure and who should be credited for having done so and the present Prime Minister of Canada is that by good judgment and action at the right time he has brought the matter actually to fruition, and here it is a success.

Mr. MacNICOL: Don't forget it was here before.

Mr. ROEBUCK: Yes, but not successfully.

Mr. MacNICOL: It passed the house.

Mr. ROEBUCK: It would be better had the hon. gentleman not raised the point about its having been here before.

Mr. MacNICOL: I am proud of it.

Mr. ROEBUCK: Perhaps so, but it was here before when the hon. gentleman must have known that it could not have been a success at that time in the form in which it was brought forward, because it was unconstitutional and known to be unconstitutional at the time it was brought forward, on the eve of a general election. Let us not argue that but give credit to all who have played any part in bringing the measure to a success. There is plenty of credit to go round.

I want to make an observation with regard to a statement made by the leader of the opposition, that the cost of this measure will be passed on to the consuming public. He