

Unemployment Insurance

which is roughly referred to as the interest which money will earn; that is to say, what sum can we with certainty say the money will earn—the accumulated funds of the Fund itself. What sum will they earn during a period of years? Life insurance companies used to reserve on a 4 per cent basis; later on it was 3½ per cent and then 3 per cent. And as is well known by this house, many of them reserve on a 2½ per cent basis; because, looking over a long period of years into the distant future, it cannot be said that you can have stability and certainty with respect to a matter like insurance unless you reserve on the lowest possible rate which you believe money will earn over a long term of years. Hence it is that an attack has been made against the annuity system of this country, the 4 per cent basis upon which annuity payments have been predicated. Personally, may I interject here the observation that when Sir Richard Cartwright pressed annuities upon the attention of this country with a skill and power which one would expect from a man who had so wide a knowledge of finance and so complete and thorough a grasp of all that is involved in questions of insurance, whether insurance pure and simple, or annuities, he had in mind a limited annuity. We increased it the maximum, for reasons that were apparent, to \$5,000, and the result of increasing the annuity that might be secured has been, of course, to make the 4 per cent rate a somewhat difficult one to maintain. In my private opinion, speaking in no sense as indicating an intention or a view of the matter that may hereafter be taken, some limit upon annuities granted by our annuity branch, to from \$1,000 to \$1,200, would more nearly meet the view of those who created it. And it is more in keeping with the purposes for which the system was devised. All these are matters that have to be considered in dealing with social insurance.

Then there is another factor which must always enter into the question of unemployment insurance. Mortality at once enters into the question, because, if you are going to provide insurance against unemployment, the next demand that will be made is that there be attached to it some provision for the survivors, the wife and children. I only point out to you what the inevitable result will be. It is inevitable, and it involves a further consideration of the problem of mortality.

Now I come to the question of sickness. Health insurance has grown up on this American continent until it has assumed very

[Mr. Bennett.]

great proportions. There is one great company, the largest in the world, which will issue a policy against unemployment, against sickness and invalidity. For a proper premium it will also provide for a pension. That is a modern development of insurance companies. In England, of course, for many years some such provisions have been made by private enterprises. That is a matter, however, that must be considered in the light of two important factors: (a) what has been the average experience with respect to the sickness of the individual insured; (b) group insurance, as it is sometimes called, with respect to industry, and which has now been extended to deal with sickness as well. Group insurance requires no medical examination of the individual, for that would not be possible under the scheme, but rather the grouping of not less than fifty individuals for the purpose of issuing a policy on the whole group, and taking the risk that is incident to it. I wonder if my hon. friend has studied the experience of the companies, brief though it may be, with respect to sickness insurance and various forms of invalidity—that is, invalidity, I take it, arising from accidents during the course of employment, and with which workmens' compensation boards deal in part, which accidents involve the determination of the legal question as to what is "in the course of employment." Happily, however, in most instances these questions are now being dealt with by commissions operating under the provincial governments whereby nice technical, legal questions no longer have any place in the administration of such an act.

Sickness insurance involves the payment of a premium. What shall the premium be in amount? What contribution shall be made by the insured? What contribution shall be made by the employer, and how much by the state itself? Does my hon. friend suggest that this house is now immediately seized of such information as would enable us with the very best ability we have in this Dominion to prepare a measure upon any basis that would commend itself to the judgment of the thinking people of this country.

I shall not deal with invalidity, but there are old age pensions in this country, which are very closely associated and allied with this particular branch of social legislation. I have, I think, sufficiently indicated the thought that must be in the mind of any hon. member who is interested in this matter, and that is that we are here dealing not with something that we can do to-day and undo to-morrow, but with a problem of the first magnitude, the results of the working out of which must be