

have hardly any unemployment. In our banks, for example, we have virtually none. We keep our staffs through bad times; we have to; and we pension them if by chance they have to retire or are unfortunate in health. Why should we be made to pay into an unemployment insurance fund when we receive no benefits?" To that kind of appeal we have to say: "No; for no insurance scheme can possibly exist if only the bad risks are taken. We admit you will pay vastly more than you will ever receive; but another industry, the automobile industry for example, and many seasonal industries in Canada, will receive far more than they will pay."

On this principle was founded the Bill of 1935; on this principle the present Bill also rests. Generally, I am in favour of it. I do not think you can adopt a system whereby you rate assessments in proportion to risks of the individual sphere or section of industry. But it is worth considering whether or not you can modify the present principle in such a way as to make it in the interest of a section of industry to minimize unemployment in that section.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: You can do that and still hold to the general principle upon which this Bill rests. If it can be worked out, it is very important to make it worth while, say, for the automobile industry so to run its factories as to maintain something like a standard number of employees at work throughout the year, rather than a large number for a short time; to make it worth while for the lumber industry, regularly a seasonal industry, to extend its period of employment; and the same in regard to business. Many businesses throughout this country—their name is legion—retain employees, not because of needing them at all, but from a sense of duty towards them. If you can embody in this Bill some sliding scale of assessment which will make it worth while for an industry to maintain the highest standard of employment, then you will have removed one of the gravest and actually one of the most serious objections to unemployment insurance. I do not think it is impossible.

I should like to have seen this Bill examined with something like the thoroughness with which the Workmen's Compensation Act of Ontario was studied before that legislation was passed. I think for two years very able men were in contact with all labour and employer organizations, until finally a Bill emerged which has been a model for bills not only in this Dominion, but also in other sections of the world, and which undoubtedly has worked to the great advantage of all concerned.

Right Hon. Mr. MEIGHEN.

So far as I can see, there is nothing impracticable about embodying a sliding-scale provision. Evidence before the committee may show me to be wrong, but I think honourable members will agree that we ought to explore the situation to see if it cannot be done.

There is another feature about unemployment insurance which bothers me, and which should be considered by the committee. All these things are good to those immediately affected; but I am afraid there is another side to this question: there will be less desire to be continuously employed and more of a struggle on the part not only of employers but also of employees to get out every cent that they ever put in. All this will add to the cost of production. It cannot possibly do otherwise. Besides having to pay his share of the insurance, the employer will also have to pay the cost of administration within his own concern, which cost will be vastly greater under this Bill in the respect in which it is altered from the 1935 Bill, the employee contributing according to his wage. The employer's bill for the taxation itself will be very great. The employee's will be as well. Wages will be affected by that deduction; at all events the tendency will be to demand more. The cost of the article produced will be increased. The effect on cost cannot be otherwise, no matter how we may hope.

What will happen then? First, we have to consider consequences in our export markets. Without export markets Canada dies. No other country in the world depends upon them to quite the extent that we do. Therefore we have to be careful about adding to cost of production. We may be able to stand some additional cost, and if we can we ought to, for the benefit of the Treasury, looking to conditions of unemployment which may come. But from another standpoint I want to present the incidence of this added cost. There is one great class of our population which gets nothing out of this insurance fund at all, and that is agriculture.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: You cannot insure agriculture. Agriculture has to pay its share of all that the State supplies: \$6,000,000 for administration—I shall be happy if it is kept within that figure—and \$14,000,000 for the insurance fund. That \$20,000,000 is spread over agriculture as over every other section of taxpayers in this Dominion. But more, the augmented cost of production is added necessarily to what the agriculturist pays for products of the factory. There is no escape. So in two ways you are making the burden of agriculture heavier at this time. In this respect the Bill differs in its incidence from