

*Unemployment Insurance*

actuarially sound, can do no harm in any event and will remove at least a certain number of our population from the necessity of receiving unemployment aid.

There is another reason why some of the industries may be excluded. After all, the whole fabric of this bill is built around the employment offices. It is necessary that reports be made to, and constant contact kept with, the employment offices.

Mr. MacNICOL: May I ask the minister if that is along the same line as in Great Britain?

Mr. McLARTY: I cannot answer, because I am not sufficiently familiar with the practice there, but I believe it is practically identical.

Mr. MacNICOL: Well then, it is all right.

Mr. McLARTY: I will withdraw that. At a later stage I can deal with the differences.

Mr. MacNICOL: I just made the observation that if it is along the same line, it is all right.

Mr. McLARTY: I think it is pretty close to it, but I used the word "identical", which I should like leave to withdraw.

Certain industries do not lend themselves to the application of the employment office system. Take for instance the case of school teachers. If a school teacher is seeking employment, naturally he or she would not go to an employment office but to the secretary of a board of education or some other employment agency of that board.

Again, certain classes are excepted by reason of difficulties in the matter of administration. For instance, if domestic servants were included, it would make the administrative machinery in the matter of inspection so top-heavy and complicated that the cost would be altogether out of proportion to the good which would be accomplished.

Then, too, there was a suggestion to the committee that the amount of coverage should be increased through raising the limitation of \$2,000 to \$2,500. I believe the view of the committee was that if we did so at this time we might upset the whole structure of the act, and if that were the result, it might not become law for a long time. And as those who were pressing for this amendment were those most eager to have the bill acted upon immediately, the choice was between one consequence and the other. I have no doubt they will feel satisfied with the decision of the committee that we should proceed with the bill as it is.

Because the actuarial matter is a complicated one, and because in treating it one

[Mr. McLarty.]

must be extremely careful, I will ask the committee to allow me to make reference rather freely to my own notes.

Mr. H. H. Wolfenden, consulting actuary of Toronto, was called before the committee to give evidence. It is just possible that owing to the necessarily incomplete reference in the press to his remarks, a cumulative misunderstanding may get abroad. On considering Mr. Wolfenden's evidence and representations as a whole, the evidence shows that he is not now and never has been opposed to the principle of unemployment insurance.

Mr. MacNICOL: Did he not support it in 1935?

Mr. McLARTY: I believe he did. He is not opposed to it.

Mr. MacNICOL: My impression is that he supported the principle in 1935.

Mr. McLARTY: I think the hon. member is right. He is not opposed to the present bill and he does not recommend delay in its passage. I have thought it proper that these aspects of Mr. Wolfenden's evidence should be on record lest there should be some misunderstanding. Mr. Wolfenden recommended that specific steps be taken before the act is brought into operation to see to it that all concerned have an adequate understanding of its implications before it becomes effective. I should explain that it has been in mind all along that just as soon as the preliminary organization work of the commission to be set up under the act is completed it will be necessary to undertake extensive educational work among employed persons and employers, and for that matter the general public, concerning the main features as well as the details of the measure.

Perhaps the main portion of Mr. Wolfenden's evidence and remarks was concerned with the financial foundations of the bill and his reasons for believing that, although he certified the financial provisions of the bill of 1935 as being entirely safe, he regards the situation with reference to the 1940 bill as being actuarially indeterminate. It would appear that he takes this position mainly as a consequence of the present state of war, because the financial foundations of the 1935 act are in the main the same, with certain additional safeguards which should make for added financial strength.

The rates of contributions in the present bill have been recommended by the chief actuary of the Department of Insurance, and he has furnished a comprehensive report showing in detail how the rates of contribution are arrived at. From examination of Mr. Wolfenden's evidence and of Mr. Watson's