

a moment ago; you have fire risks; you have burglary insurance; you have insurance granted by Lloyds for almost anything in the world—for example, the result of elections, a very hazardous thing upon which to calculate. The great insurance companies, with all their branches, have determined by experience in a broad and general way what premium having regard to human experience, will meet satisfactorily the risk that is involved. As to unemployment insurance, I said a moment ago that in England, they established it in 1911, and later, on its present basis—because there was a consolidation of the statutes under Mr. Chamberlain, as the house will remember, when the whole matter was dealt with afresh—it will be recalled that the weekly premium to be paid by the employee is supplemented by payment on the part of the employer as well as the government.

Unfortunately no provision was made for those great cycles which every country has experienced and which we call periods of depression, with the result that the premium collected was wholly unequal to the burden imposed upon the fund when that cycle made its effect apparent. What is the result? The result is that the fund, being unequal to the demands made upon it, has to be supplemented, not by contributions by the employed or by the employer, but by the third party to the contract, namely, the state. And the fund, being insolvent, either had to discontinue paying the insured or the money had to be provided by the state. And so the fund borrowed from the state. In December last, these borrowings amounted to the enormous sum of 90,000,000 pounds sterling. My information to-day—I give this subject to correction—is that the fund now owes the state over 100,000,000 pounds sterling, and that the deficit amounts to approximately 800,000 pounds per week. I mention the last two figures without being absolutely certain as to their accuracy. That is unemployment.

Now you come to the basis upon which we must fix the premium. What are the factors that must be considered? Here are some of them. First, starting at the top, there is the cost of administration. That divides itself into further questions. Shall there be an administration by the state direct, or shall a commission be set up for purposes of administration? These two problems must be dealt with. That is as to cost of administration. Secondly, what premium shall be paid? That involves, (a) determination of the average employment of those affected, and (b) the amount required per week to meet the weekly claim that must be paid under the policy against unemployment.

These problems have not yet been determined. One is actuarial; it depends upon results which must be carefully collected and collated, which must be fully studied and analyzed, which must be looked into with a care that only an actuary can give. Then, when these figures have been analyzed, it becomes necessary to determine what sum is required in order to ensure, in the light of general experience and expectations providing for cycles of unemployment, the payment of the weekly claim which has to be met.

Need I remind this house that on one occasion an election in one of the great overseas dominions of the British Empire was conducted on the basis of increasing the weekly compensation. That is one of the dangers that must be considered in connection with placing the administration of the system in the hands of government as a political matter. I mention this only as an argument with respect to the form which the administration should take. All hon. members will recall what Prince Bismarck said when he introduced insurance, medical and unemployment, as well as other forms into Germany, as to the reasons therefor, and what the results have been.

Now go a step further. The next matter to consider is this: Who shall be insured? That should come second, but I put the question here: who shall be insured? Is it intended to cover everybody, all those engaged in industry, or only a part of those engaged in industry? Is it to cover agriculture? Is the farmer also to have the right to have insurance against unemployment, or is it to apply only to men engaged in industry, the industrial workers? Is it to cover only certain classes of industrial workers? Take the different risks involved in the character of employment against which you insure. I could give illustrations, but I will not trouble the house to mention more than two. Take seasonal occupations—carpenters, for instance. Do you mean to tell me for a single moment that you could place the same premium for the benefits of unemployment insurance on a carpenter in a cold country, north of the 49th parallel of latitude, as you could against an office man who finds employment the year round? These are some of the problems to be considered.

I reversed the order a moment ago, but take now the question of premium. That must be determined in the light of experience and the application of well-defined actuarial rules; and one of the principal rules with respect to actuarial computations is that