areas of the white paper, as hon. members will know. I think it was the hon. member for Scarborough West (Mr. Weatherhead) who was the chairman of that committee.

I like to think that we brought in a good piece of legislation in 1971 which is based on insurance principles. I would like to expound a little on that and remind the minister of it, because he mentions in his document the need to get back to insurance principles. The old act reflected sound, basic insurance principles. Its formula was simplistic. The government paid 20 per cent of the cost, the employees paid 40 per cent and the employers paid 40 per cent, and benefits were perhaps 40 per cent, 45 per cent or 50 per cent of the average wage in the country. Administrative costs were shared. However, when the depression hit in the 1950s, the leader of the government of the day, the Hon. John Diefenbaker, wisely introduced such things as seasonal benefits which, however, had no rhyme or reason in any plan related to insurance. So the members of the House decided in 1971 to get down to fundamentals and broad insurance principles.

The hon. member for Bow River talked about the unemployment insurance fund and the need to accumulate money. I feel a little guilty about the matter because in 1971, in retrospect, I should have done what is commonly done today, and that is spend $2 million or $3 million to explain to the people a little more fully the intricacies of unemployment insurance.

For instance, there is no such thing as an unemployment insurance fund; that disappeared from the act. What there is is a commitment by the employers and employees of Canada to meet the financial requirements of all the obligations which were defined as theirs in 1971. There was an interesting proposal that the government, in turn, would be exclusively responsible for the obligations which the act designated as theirs. So in essence, if we are going to use the word "fund" for explanatory reasons, unemployment insurance is the financial obligations of two groups, the employers and employees, one group and the government, the other.

Members who are really interested in the subject might look at sections 62 and 63 of the act, which were referred to, I think, by an hon. member opposite. They will find something that should please them, as well as economists and people who believe in insurance principles. Succinctly put, it says that the financial obligations of employers and employees should be met entirely by the premiums charged to the employees and employers. If at the end of the calendar year this obligation has not been met—the government has had to advance funds—the law states specifically that the premiums must be raised to meet that deficit.

The act also states that if during the year the contributions are beyond what was needed to meet the obligations, it should be reflected the following year by a decrease in premiums. I think it was the hon. member for Beaches (Mr. Young) who made a very interesting contribution yesterday which, stripped of its partisan paragraphs, might be required reading for people who wish to evaluate what happened during the 1970s to our plan.

I am not great at mathematics, but even with a 10 per cent rate of unemployment, which we do not have in this country, and because we made the plan universal and as broadly based as possible—including even the armed forces, school teachers, public servants and millionaires—it is obvious that nine workers and the employer should be able adequately to carry the financial burden of one person in the work force who is unemployed through no fault of his or her own.

Of course, that has been the case. But unnoticed by the press, by hon. members and perhaps also by the Canadian Labour Congress, which has been notorious for its silence over the past ten years in protecting this plan, and despite the abuse referred to at times—and I will not get sidetracked on that issue at the moment—every single year since perhaps the first year the employer-employees contributions have been more than sufficient to meet their particular obligation, regardless of what members in this House might think of maternity benefits and sickness benefits. The cost of maternity and sickness benefits are borne exclusively by the employers and employees of this country. There is no financial input by the government at all, and it is almost theoretically none of its business but theirs.

However, I would like to turn to the other chapter, and it is a significant one. What happened to the financial obligations of the government? How well did the government meet its obligations? Its obligations were based on a prediction by the Department of Finance that the average level of unemployment in Canada in the 1970s would be 4 per cent. I am afraid there is very little resemblance between the prediction and the reality of that prediction.

I am not being contemptuous of the department's anticipation of the future. Few people, I think, were able to anticipate the effect of technology. For instance, there is the situation at the Montreal waterfront where the work force has been reduced from 3,000 people to 1,300 people today with about three times the productivity in volume. As desirable and welcome as it should be in an industrialized society, nevertheless 1,700 people must be looked after.

There is also the proper and welcome influx of women into the work force. There was a tremendous growth, perhaps the largest in the western world, by our work force through the influx of young people reflecting the post-war baby boom. Regardless of the fact that Canada was able to generate more jobs in the 1970s than any country in the world, we still did not contain unemployment. The cold, sobering fact is that too many Canadians were out of work.

More Canadians will be out of work if fiscal and monetary policy continues to be concerned more with inflation than with unemployment. The tragedy of this fact is that the Department of Finance did not appreciate or want to accept that the unemployed people of this country were sometimes unemployed as a result of policies of the government. They were not to be stigmatized, but the benefits they received would be in recognition of the fact that they are unemployed through no fault of their own, but by international forces, if you like. Instead, through the 1970s the unemployed continued to be