

For the last few years I have been a member of the Standing Committee on External Affairs and National Defence which has spent a lot of time studying the different aspects of national defence and foreign affairs and has made recommendations which the government has ignored. The most recent of these was the cutback in reserves funding which the committee recommended against.

At this time in Canada 1.2 or 1.3 million people are officially unemployed. We all know that the real figure is closer to two million so it is too much to ask us to restrain our remarks at this time.

In my constituency things are not very different from conditions anywhere else. There is very high unemployment. There are 11 Indian reserves in the constituency, on all of which the unemployment rate is in excess of 75 per cent. On a number of reserves at some times in the year unemployment runs between 90 per cent and 95 per cent. An example is the Easterville reserve when in the non-fishing seasons there are only about half a dozen jobs available in the community—a couple in the band office, a couple working for the schools, and a couple operating the honey wagon. About 1,000 people live in the community but there are only half a dozen or a dozen permanent jobs. Yet the minister wants us to restrain our comments!

For the last two weeks in the city of Winnipeg Indians from the Peguis reservation have been demonstrating outside the office of the Department of Indian Affairs and Northern Development because of a very serious shortfall in housing on the reserve. There is a backlog of some 120 houses. Yet when these concerns are brought to the attention of the government, the natives are given funding for only five or ten houses. This is a case where jobs could be created and housing provided on the reserves, but the Department of Indian Affairs and Northern Development ignores it, saying that the natives should get outside funding through the banks and CMHC. How are they to pay off the mortgages if they do not have jobs?

I want to make some comments on how the government has moved away from its responsibility in the unemployment insurance field over the last ten years. The provisions in Bill C-114 are not earth shattering nor are they provisions which this party is about to oppose. We know that the purpose of the bill is to extend the existing variable entrance requirements of ten to 14 weeks according to the regional rate of unemployment. We support that. The alternative is that all Canadian workers would be required to have worked for 14 weeks in order to qualify for UIC, regardless of how much unemployment there is in their region.

The variable entrance requirement permits people in areas of high unemployment who have more difficulty finding work to qualify for unemployment insurance benefits with fewer weeks of insurable earnings. Without it, many of Canada's seasonal workers, whether they work in the tourist industry of Prince Edward Island or fish our oceans and freshwater lakes, would be cut off from unemployment insurance benefits.

This variable entrance requirement has not always been a feature of the unemployment insurance program, however. In

Unemployment Insurance Act, 1971 (No. 2)

1971 the hon. member for Lincoln (Mr. Mackasey), who was then minister responsible for the program, introduced a progressive piece of legislation which enjoyed the unanimous support of the House. I am speaking about his unemployment insurance legislation. In the long forgotten "just society", this was to be the cornerstone of the guaranteed annual income.

The Unemployment Insurance Act of that year substantially reduced the eligibility requirement from 30 weeks of insurable earnings over two years to eight weeks over one year. It also reflected an understanding that the government had an important responsibility to control regional and structural unemployment.

While the unemployment insurance program introduced in 1941 fixed the federal government's contribution at 20 per cent of the cost of unemployment insurance, the 1971 act provided for the government to assume financial responsibility for unemployment insurance benefits when the unemployment rate was above 4 per cent and for the benefit of people who were unemployed for an extended period of time. This gave the government a vested interest in keeping the unemployment rate down. Because the government accepted that responsibility, its contributions to the unemployment insurance program increased as unemployment surpassed the 4 per cent ceiling anticipated for the 1970s.

In 1971 the government's contribution to the program was 19 per cent of the total cost and the rest was made up of contributions of workers and employers through unemployment insurance premiums. By 1975 the government's contribution had reached 51 per cent of unemployment insurance payouts. From 19 per cent in 1971 to 51 per cent in 1975 is quite a jump and it accurately reflected the responsibility that the government must assume for full employment in this country. That was obviously the understanding when the new unemployment insurance program was introduced in 1971.

Of course, the government was upset that its share of the cost of unemployment insurance had increased so remarkably, but what did it do? Did Liberal governments of the 1970s undertake measures to permit Canada to regain control of its economy and to create more jobs? Did it launch a massive job-creation program? Absolutely not. In fact, at various times it actually cut its funding for job creation. To bring down unemployment costs it introduced a series of legislative measures that shifted this financial responsibility for unemployment insurance on to the private sector, that is, the contribution of employees and employers to the unemployment insurance program.

That is not all it did, Mr. Speaker. We can all see that the government's economic policies could not maintain an unemployment rate of only 4 per cent for the duration of the 1970s. In fact, by 1979 the government's own definition of full employment had been changed so that 6 per cent was set as the benchmark at which full employment could be said to be achieved. We look back at 6 per cent longingly now, Mr. Speaker.