

*Increased Cost of Living*

be up to the government to take some positive action to see whether this investment income, which includes rent, interest and miscellaneous income, cannot somehow be used to create an increase in relation to labour income and particularly in relation to net farm income.

Table No. 6 deals with the composition of the gross national product. The table is headed "Per Cent Composition Of Gross National Product" and shows that in 1949 the accrued net income of the farm operator from farm production was 7.6 per cent of the gross national product. By 1966 this figure had fallen to 3.8 per cent. The source of the table is statistics compiled by the Department of Finance and presented to the committee on September 28, I believe, although I am subject to correction as to the exact date.

There is no argument that net farm income so far as farm operators are concerned has gone down not only in absolute terms but in relation to most of the other factors included in the gross national product. Labour is not the culprit because we find under item 1 that in 1949 the percentage composition of the gross national product for wages, salaries and supplementary labour income was 49 per cent. By 1966 this had risen to only 50.6 per cent, which I suggest is a very small increase and is almost minimal. Therefore, Mr. Speaker, it is easy to find statistics to substantiate the literal definition of the amendment which has been placed before us.

I believe there is one other point that is rather important when endeavouring to make this kind of comparison. I refer to the indices that relate to the costs per unit of output. When we look at table 7 of the same document we find that the accrued net income of farm operators from farm production has not increased at all from 1949 to 1965; in fact, it has gone down 2.8 per cent. The fact is that the cost per unit of output so far as farm workers are concerned has gone down substantially since 1949.

There are a great many more statistics involved in this matter. I only want to point out to hon. gentlemen in the New Democratic Party that most members of the house recognize that this has been a problem for a long time. Steps have been taken by way of motion in this house to delve into the details, find the cause of the problem and make the kind of recommendation that may perhaps lead to a correction of some of the inequities as far as government action can do so. There is one

[Mr. Olson.]

part of the amendment with which I do not agree. In part it reads as follows:

—this house regrets the failure of the government to introduce policies designed to produce an equitable distribution—

I do not mean to be unkind to the New Democratic Party, but I believe that in this country there is still a place—in fact in my opinion this is of paramount importance so far as our whole economy is concerned—for a direct relationship between effort and reward. If this amendment is designed to encourage the government to set up the kind of policies that will achieve by government order some kind of equitable distribution of our productivity, I am not in favour of it. We can look around the world today and see countries where it has been shown that ignoring the direct relationship between effort and reward in their economies has not been successful.

I have visited some of these countries which they have been unable to meet the basic requirements of life, namely, adequate food, clothing and shelter. They are introducing a new system and are abandoning the system that has been in effect for the last 30 or 40 years. They are introducing a system of incentives and bonuses because they realize they will never reach the standard of living that we have in this country, or indeed on the North American continent, until they introduce the concept of receiving reward directly in relation to effort. Some of the collective farms that I visited for the first time in 1965 are keeping an accurate account of the production of dairymaids, grain farmers, hog producers, etc. The information I received from them was that after they have compiled all these records they strike an average and anyone who produces above the average receives a bonus. This is the kind of incentive they need at this time to meet the production required in order to feed their people.

To my knowledge, in any country which has done away with the incentives involved in the whole concept about which I am talking, the production of output in relation to hours of input, production has gone down. I am proud of the output of the Canadian people, particularly those in the farming industry, in relation to the number of hours of input per man. I am familiar with the operation of some farms where output per man in this country is three to five times as high, in terms of volume, as it is in some countries where they have done away with rewarding people in direct relation to their effort. I do not like that part of the amendment; you can be sure of that.