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result you get more. It also has the same effect between labour and management. If labour and management work co-operatively, the company is more efficient and more profitable. The company makes more money, and not only do the managers and owners take profits, which is the way our system works, but the workers share in those profits.

In our system we have an adversarial relationship, a compensation system which says that we will establish relatively high fixed wage rates, as high as we can fix them, and there is a monopoly power afforded to unions and to the companies. But the power of the unions to extract the highest possible fixed wage is seen as a laudable objective.

This does several things. First, given that you have a high fixed wage rate, the incentive to work together co-operatively with your colleagues on the production line or between management and labour is not there. Indeed, you can turn it around. How do you get more compensation once you have a high fixed wage rate? You work less, and so it leads to featherbedding—

Mr. Benjamin: That is hogwash.

Mr. Evans: It leads to a situation where you rate bust because the compensation system allows you to increase your personal satisfaction by reducing the work effort for the fixed wage. It also creates a situation where when things get bad the company has to reduce its costs for survival, and the only way it can do that is by sloughing off workers. Instead of equitably sharing the reduction in income that is required by tough times, the system demands that a few workers get thrown out of work, so a few get thrown out to bear the entire income loss that we should all be sharing fairly and equitably. It leads to adversarial relationships between labour and management. If management can screw more productivity out of the workers, who benefits from higher profits? Management and the owners do. The workers do not benefit at all.

What is the incentive for the workers to put out as much as management would like to see them put out? There is none. As a result there is confrontation and an adversarial relationship. Those are the kinds of structural problems I am talking about.

The compensation system, something which is fundamental, is how we reward the people in our society for putting forth effort, and I suggest to you that we are doing it wrong in our society. I would suggest that the cultural system in Japan is not what has led to their good labour-management relations. It is just a sane and sensible compensation system. People who work share in the good things that come from their work; workers, managers and owners.

We have to look at some changes to our Labour Code and some changes to the way we do things in this country if we want to have that kind of co-operative relationship here that we see in some other countries.

I believe I have one or two minutes left in the time allotted to me. One of the most fundamental problems this system breeds is the problem we are facing with youth unemployment. We have a system where within our union structure the

seniority system rules. Here we have 25 per cent youth unemployment. When the young people try to get work, if they are hired they are the last ones in and the first ones out when we have an economic downturn. To try to compensate for that we have tried to build all kinds of other things into our system. We have put in minimum wage laws and all kinds of factors to offset or to try to boost the incomes. We put taxes on employment for the business so we put in disincentives for the business people to hire young people because they are unskilled, and we put in disincentives for them to seek employment through the relatively generous social programs. We will wind up in a situation in five or ten years where we will have a very large number of people in their thirties with no job experience, no skills, and no hope. These are the kinds of fundamental issues that I am talking about with which we will have to come to grips in debates in this House of Commons. I put that challenge to my colleagues on the other side of the House.

Mr. Crombie: Mr. Speaker, I have a question for the Hon. Member, but before I do, I would be remiss if I did not offer my congratulations to him for what I thought was an exceedingly good speech. I might say it was a very courageous one. I know that I speak for a number of people who are here in the Chamber. It was an outstanding speech.

The Hon. Member indicated that now is the time to reassess some assumptions that we have had in the past. Does the Hon. Member support social programs being based on need or on the principle of universality?

Mr. Evans: Mr. Speaker, that is one of the issues which I think has to be debated in this House of Commons fairly and openly, not with any political malice behind the scenes. There are two sides to that issue. Certainly your resources go further when you use a selective system, but you also create some very real social problems by doing that. A stigma is associated with those programs as well as the need to police very seriously the program that exists. Universal programs move away from that but at the cost of a much higher resource allocation to the program.

• (1540)

I have supported universal programs. At one time I was in favour of a guaranteed annual income which, by its very nature, will be selective if it is run through a system. I have had serious second thoughts about that as a result of some experiments which have been carried out in the United States and in Winnipeg with regard to a guaranteed annual income.

At this time I tend to favour universal programs because of the negative aspects of selectivity. As we get into a position where our resources to provide help and the best possible support to those in the greatest need become more limited, we will certainly have to come to grips with the question of selectivity versus universality. I would welcome hearing the views of other Hon. Members in a very serious debate on that question in the House of Commons.