

*Industrial Relations*

enjoy the protection of a union. Each of the provinces has extensive minimum standards legislation applying to labour within its own jurisdiction, but with some gaps. In addition, there is a significant gap not covered by minimum wage legislation within the field of federal jurisdiction. I am certainly hopeful and feel quite sure that this will be attended to within the next few months.

Some of the industries covered by the hon. member's proposal could probably absorb the consequent increased labour costs through increased efficiency or a marginal reduction in costs. But to the extent that the wage increases go to persons who would use their increased income to buy goods, there is no question that there would be a stimulus to the economy.

The view has been advanced by opponents of the minimum wage that the introduction of such a proposal would encourage wage increases and the extension of fringe benefits throughout the country. Such a move, it is said, could be interpreted as placing the authority and the prestige of the federal government behind those who would be seeking so-called excessive increases. It is said that if this were to occur it would affect our competitive position at home and abroad at a time when it is vital for the Canadian economy to maintain and extend its ability to compete.

It is my opinion that the extension of such legislation as we anticipate, and as is anticipated by the hon. member, would set a desirable pattern and I believe it should be pressed forward. I doubt that a minimum of \$1.25 an hour would lead to any excessive demands, and I am sure hon. members agree that this is a very basic minimum.

**Mr. Knowles:** It is really too low.

**Mr. Byrne:** On the other hand, few rates in industries organized by unions are as low as \$1.25 an hour, so that it can be argued that it would be difficult for unions to use the introduction of federal legislation as a basis for raising wages already above that minimum.

In Canada most negotiations take place at the local level. They are concerned with the problems and experiences of workers in these local areas and at local levels. The parties involved in the bargaining usually pay attention to the factors that govern their local situations and, of course, the ability of the industry to pay. In these circumstances it would seem that the introduction of a federal minimum wage would not be a determining

[Mr. Byrne.]

factor in evoking wage increases, except where other factors warranted such increases.

Apart from its possible effect on collective bargaining, federal legislation would have an important impact on wages outside federal jurisdiction if it led to extending higher provincial minimum standards. The provincial governments of Canada have set minimum labour standards over a wider range than is proposed in this bill. The rates for some industries are higher than proposed in this bill, but all provincial minimum rates of general application are lower and in many cases substantially lower. In this regard I would draw attention to the province of Saskatchewan and some of the maritime provinces. In the province of British Columbia, of course, the standards are a little higher and they have a minimum rate for construction of \$2 an hour.

Generally speaking low wage industries in Canada come under provincial jurisdiction which help to explain the fact, as I have said earlier, that there have not been greater demands for legislation in the federal field. Provincial orders of general application set minimum wages varying from 50 cents an hour in Newfoundland to \$1 an hour in the Toronto-Oshawa-Hamilton zone of Ontario. Orders applicable to particular industries are generally higher, ranging from 60 cents an hour for hotels and restaurants outside metropolitan Montreal in the province of Quebec to \$2 an hour for the construction trades in the province of British Columbia. The impact which the passage of federal legislation might have on provincial standards would depend in part at least on the strength of the consideration each province would give to its particular economic situation and its social needs before advancing its standards.

It has been suggested by other opponents that legislation providing for minimum hourly wages of \$1.25, the same as exist in the United States, will be regarded by some people as an indication of parliamentary support for wage parity between Canada and the United States. At the present time wage differentials between Canada and the United States are in the order of 15 to 25 per cent over a wide range of industries, and this situation has prevailed virtually throughout our history. It is true that these wage differentials help certain branches of Canadian industry to overcome competitive advantages enjoyed by large scale firms in the United States.