

than mere production units. I think that the argument and criterion should be what a person needs in order to live in dignity. That should be the basis for the minimum wage. After all, what is the point in perpetuating the kind of poverty in which between 20 per cent and 40 per cent of Canadians find themselves. I cannot buy the hon. member's argument and I feel strongly about it. We hear about bums on welfare and about there being no incentive to work. Mr. Speaker, some people are checking out of the system, so to speak.

Raising the minimum wage to \$2 per hour will provide an income of between \$320 and \$350 a month. Mr. Speaker, a man with a wife and two children can get \$400 a month on welfare, plus a medical card; so where is his incentive to work? If you only have skills enough to command the minimum wage, what is the point of working? There are all kinds of examples of exploitation. We saw an example two years ago in the post office. The Post Office Department in the cities of Vancouver, Ottawa and Montreal was loaded with casual labourers paid at \$1.25 per hour, the idea being that the government would not have to pay for their fringe benefits. The post office defied the provisions of the Public Service Staff Relations Act or of the bargaining arrangements entered into and hired these people for six months. The department then turned them out for one day and hired them back again at the minimum wage.

The post office is not alone in employing people at the minimum wage. A lot of department stores do that, too. Department stores in my area hire married women and high school kids deliberately on a part-time basis in order to get out of the obligation of paying employee fringe benefits. They hire these people instead of hiring staff on a permanent basis.

I think that the amendment proposed represents a target to be reached, and I do not think this House should rest until that kind of target has been met. We had no hesitation when it came to raising our own wages. There were not many howls from people in this House. About half of all federal workers are not organized, although I am not saying that 50 per cent of federal workers are working for the minimum wage. Certainly, a large number of them are. I support the amendment because it seems to me that the yardstick we should use in dealing with such things, with such social documents as a minimum wage law, should not be what a particular company or a service employer may or may not be able to afford. Certainly, the government needs to have authority to pay casual post office employees more than \$1.25 an hour, but we must remember the income that is necessary in order to give a family a reasonable standard of living. If we do not do that, what are the alternatives? The alternatives are more checkouts in our system and less incentives to work. These people will receive much more than the minimal wage by going on welfare.

• (2:50 p.m.)

Mr. William Knowles (Norfolk-Haldimand): I wish to speak briefly in this debate to support what I believe to be the side of responsibility. I will begin where the minister left off, that is by referring to small business-

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men. I hope the minister included the farmers in this group. It is on their behalf that I wish to say a few words.

It is quite true that the specific implication of the legislation does not relate to farm workers, but as has already been stated, it has an indirect affect on them. I hope all the provinces will attain the standards set forth in this bill. If and when that happens, I hope there will be pressure applied to all segments of industry, whether it be agriculture or some other industry, to meet these standards.

We have been talking about the highly idealistic concept of a person being worthy of his hire and paid a wage in order that he may have a decent standard of living. No one opposes that. However, there must be some consideration of the ability to meet these wages. Somebody makes the wages and somebody has to pay them. This is why I feel that the modest increase proposed in this legislation is quite adequate. It is a responsible increase and a step in the right direction. I agree with what the minister has said about the ability to pay.

Governments at all levels in this country have been dedicated to a cheap food policy. To their sorrow, farmers and farm organizations know this. No one objects to a cheap food policy. What we do object to is that the person who contributes most and suffers most from a cheap food policy is the primary producer, namely the farmer. He does not have the ability to sell his products for a reasonable amount which would give him a fair return on his investment based on labour and management scales. The farmers have to take what they can get on the market place. Admittedly, this situation is being improved through cooperative marketing and so on, but the farmer must still take what he can get when selling his produce. Out of that, he must pay the wages of those who work for him.

The prices of a great many farm products have not increased over the years. In fact, many have decreased. For example, the price the farmers receives for his hogs is the lowest in 10 or 15 years. I could cite many other instances. This is the situation which faces the farmer who employs labour. What is the farmer able to pay? Raising the minimum wage simply means that the farmer will not be able to employ people. The minister referred to small businesses. There are very many small businesses scattered throughout the country, such as family operated grocery stores and feed stores. It is necessary for them to employ help. If the small businessman or the farmer does not employ the people in the community, they are not able to work.

I am in complete agreement with the necessity for considering the plight of the wage earner, but we must be responsible. We must take into account the fact that small industry, family farms in particular, which has to employ seasonal help—somehow or other—has to meet the payout. I plead with hon. members to consider this. Hon. members must act in a responsible manner because of the fact there are two sides to this coin.

Mr. Deputy Speaker: Is the House ready for the question?