

● (2:30 p.m.)

I hold no brief for industry that must survive through inefficiency, though that may sound paradoxical. I know that a decent minimum wage is quite often absorbed by increased efficiency on the part of management and induces greater productivity on the part of workers. However, if it is raised too drastically, management may decide to automate. If a fish processing plant which employs 100 people is faced with an increase of 50 cents an hour that means \$50 an hour or \$2000 a week extra overhead, so it is quite likely that management would look at the cost of some type of automation. This of course could drastically reduce the size of the work force in certain parts of the country. In Sweden, which is a small centralized country, this is government policy and hence their ability to compete in the export market. We must be realistic about the problem for the Atlantic provinces and realize that the minimum wage there is very low compared to the minimum wage in central Canada. In Prince Edward Island last September it was \$1.25; Quebec is moving toward \$1.50 this November; I expect that Ontario will be up to \$1.65 pretty soon and in British Columbia it is about 1.50. What we are suggesting is a federal minimum of \$1.75.

Whether lobbying, reactionary employers have prevented the minimum wage in the United States from moving higher, the fact is it is still \$1.60 there. I do not think that Parliament or anybody supporting \$1.75 as a legitimate minimum wage, regardless of what party he belong to, need hang his head in shame and consider himself less than enlightened. We have a responsibility, not only to the workers but to the small businessmen who give employment to those workers. In many small communities across Canada job opportunities are presented by about half a dozen small plants employing 20, 30 or 40 people.

When the province of Manitoba was establishing its minimum wage at \$1.50, prodded no doubt by the hon. member whom I always call the conscience of the Socialist party, they were being practical and realistic. In my private conversations with people in that province, the problem emerged as an obvious one. Certain labour intensive industries were determined to move—perhaps paradoxically to move into a province like Ontario where the minimum wage was higher but was more than offset by transportation costs. So it is a very delicate situation, Mr. Speaker, and one in which we should strive to arrive at a happy medium.

There is another point that has not been mentioned. Although the federal minimum wage does not affect too many people, it is included in every federal contract that is paid entirely by the federal government. It is not unusual in Newfoundland or New Brunswick or some other province to find a person carrying water on a federal project at \$1.65 an hour working 50 feet away from someone carrying water on a provincial project at \$1.25 an hour. We have to show some responsibility in our relations with the provinces. It is all very well for members to say, "We need not worry about provincial minimum wages", but we must. That is what federalism

Canada Labour (Standards) Code

is all about, a sense of responsibility. I do not particularly care what political party holds power in a province, but as the federal Minister of Labour and one who believes in federalism at its best and that is in consultation and co-operation, I have a responsibility to take into consideration the opinions and viewpoints of the provincial ministers of labour after consulting with them. We had such a meeting several months ago and discussed the possibility of closing the gap between the federal minimum wage and the provincial minimum wages and perhaps the possibility one day of arriving at a uniform minimum wage across the country which would prevent the labour intensive industries from jumping the border from one province to another. So if I want to be responsible, and I cannot afford to be irresponsible even if I might want to be popular with the labour groups in my constituency, I have to show some responsibility in arriving at a suitable figure for the federal minimum wage.

I must suggest that the amendment be rejected, as did the hon. member for Hamilton West (Mr. Alexander) as well. Mr. Speaker, I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) would admit had I come in with \$2 an hour he would have suggested \$2.50. He believes in setting a target.

Mr. Knowles (Winnipeg North Centre): That is right!

Mr. Mackasey: He is honest enough; he agrees. The provinces would provide another argument. They could say, "What is the sense in us working hard to bring forward legislation persuading our employers to remain in the small communities when, as we close the gap and get up to your \$1.75 you move the minimum wage up to \$2.50"? I do not apologize for leaving it at \$1.75, Mr. Speaker, because I think that figure reflects the degree of responsibility which must be demonstrated in my legislation. I could make other arguments, but I think there is a disposition to complete the bill today and I do not want to prolong debate at this time.

I have to remind hon. members that although we are talking about chartered banks, there are many other people in the federal field who are affected by the minimum wage. I am thinking of small milling companies, of trucking industries—and not all trucking industries are gold mines, let me tell you that—I am thinking of the grain handling industry. These people are just getting adjusted to the \$1.65 which we introduced last fall. At that time it was a fairly substantial increase, 40 cents, and they were warned that I would be coming forward with the \$1.75. I think we have to show some responsibility, Mr. Speaker, and give these marginal industries an opportunity for adjustment. We have to set the minimum wage high enough to create an example for the provinces that have been behind and I think we have done this. The proposed \$1.75 minimum must be compared to provincial standards of \$1.10, \$1.15, \$1.25 and \$1.45 and so forth. I think, therefore we are fulfilling our moral commitments in this respect. Above all, I think I have an obligation to consult the provinces when I make this kind of move and I have done just that. To go now to \$2 would be unfair to the provinces and in our type federal system, federalism would work better with consultation