

try, for the good of their children and grandchildren because change sometimes prevents the disappearance of an industry. I think employers should be prepared to minimize the effects of technological change and to give labour as much advance notice as possible of its introduction, with an opportunity to appreciate the end result. Labour should have a voice in the decision-making when technological change is to be introduced.

• (3:10 p.m.)

I was not aware of the effects on our Unemployment Insurance Department a year or two ago when it was found necessary to introduce computers into the operation because of the workload resulting from an increased work force. At first glance it meant the elimination of 800 jobs. But when I insisted, quite properly, as the minister charged with the basic responsibility in this area that positions be found for these 800 people, positions were found because the officials realized that they had to help in retraining those people on the job and to look after them in the sense that they had to be reclassified and helped with mobility grants. As the result of a little hard work and co-operation on the part of the work staff, all 800 people were absorbed by the unemployment insurance staff. When we reorganized our unemployment insurance structure in the future in order to improve the service to the people of this country, I hope this again will be the pattern—that we will not reduce our over-all strength but, on the contrary, we will probably add to it.

Without delving too deeply into the philosophy of minimum wages may I say that according to studies I have undertaken increased minimum wages, at one time or another, force companies into making bad decisions. They must decide on occasion whether they will pay increased minimum wages and remain inefficient, or reduce the work staff and introduce a greater degree of automation, thus placing their industry in a more competitive position. The result may be that the company concerned not only may remain in business but may expand its business. This is the concept I have alluded to and essentially I think it is an honest one.

May I say at this point that I agree that labour ought to accept technological change. I also believe that management has a responsibility to consult and negotiate, when it has arrived at a decision to introduce technological change, with the representatives of the work force and as a result of the ready acceptance of technological change labour may be redistributed, absorbed elsewhere or in some cases reduced. I think companies which have adopted this realistic approach have in most instances found labour to be very receptive and co-operative and I think the end results have been encouraging.

In going through some of the research material relating to the effects that minimum wages have on certain labour-intensive industries we usually find that one of several things happens. Surprisingly, one effect of the minimum wage is that it brings about greatly increased managerial competence, which results in higher productivity. Higher productivity makes it easy for the employer to accept or absorb the increased minimum wage. I am

Canada Labour (Standards) Code

talking about industries which have traditionally depended upon inexpensive labour for their survival.

The increase in the minimum wage is quite often offset by increased managerial responsibility and efficiency. This usually results in increased productivity. Sometimes it results in a conscious decision on the part of management to automate plant in order to make it more efficient. As a result, the work force may be reduced temporarily but the economy is better off. In short, I have very little sympathy for businesses which are able to exist simply because there is a pool of cheap labour at their disposal. You will usually find that these industries hide behind high tariff walls. That is unfair to some parts of the country and does not strengthen our position as an exporting nation.

I am sure that when we get to the committee stage there will be the usual well-meaning amendments suggesting that the minimum wage be increased beyond the proposed \$1.75. Perhaps what I am about to say will contradict what I have said previously. Having said, on the one hand, a minimum wage is most beneficial, I am also saying paradoxically that in increasing minimum wages in a federal state such as this I must be conscious of the effect that action will have on all the provinces. Our minimum wage law affects industries under federal jurisdiction that can better afford to pay the new, higher minimum wage than other industries. Here I am thinking of chartered banks, radio and television stations, trucking and industries like that. I am therefore not unmindful of the problems of the provinces.

It has been suggested that I am interested in raising the minimum wage because I want to become more popular. I suppose if I were to follow the logic of that argument I could become even more popular by bringing forward a minimum wage of \$2, \$2.25 or even \$2.50 as the hon. member for Crowfoot (Mr. Horner) has been suggesting. I have a sense of responsibility which prompts me to take into consideration the problems of the provinces, particularly the Atlantic provinces where many small communities still engage in labour-intensive industries. Those industries do not lend themselves easily to automated methods of production or to technological change.

While I might like to see the minimum wage raised to \$2, \$2.25 or even \$2.50 an hour if we were legislating in isolation from the other ten jurisdictions, nevertheless that cannot be done. I feel responsible for what happens in the provinces and I have a responsibility to the Ministers of Labour of the provinces—this has nothing to do with political backgrounds—not to distort beyond a reasonable limit wage patterns in industry. In other words, although traditionally industries under federal jurisdiction have paid higher minimum wages than in other industries, we do not want to go ahead so far ahead of the pack as to create embarrassing problems for some communities. That has been the experience in Manitoba. I do not wish to deal too stringently with the things that province has done because the debate so far has been moderate.

The government of Manitoba was elected because of its pro-labour concepts and its concern for people. Neverthe-