

this. All I heard was that we were keeping in step with the times and showing our responsibility to those who are poverty stricken. I wonder whether we really are, because in a debate such as this you cannot even say that we have researched the implications of the proposed 25 cent increase and the results thereof are such and such. This is a very difficult matter.

I was impressed with the importance of discussing this matter with the provinces. I believe this has been done because the minister has indicated that it has. I do not think we can move into this area without first discussing this tricky and complex matter with the provinces. I understand that some of them are even concerned that minimum rate is going up to \$1.75 an hour. Why is that? It is very simple. The federal government is supposed to give responsible leadership. When it says to the provinces that the minimum wage should go up to \$1.75, some of the provinces say they cannot stand that pressure. These provinces may be in the slow growth region which means that, by forcing their hand, you put them in a position of having to follow suit, which directly involves their industries. Can they, in fact, stand the pressure? I wish that my friends had gone into this matter more deeply. I give credit to the hon. member for Sault Ste. Marie for knowing what the arguments would be, but I wish he had gone into it a little more deeply.

I have to rely on what has come from the standing committee, and it appears to me that we are in a very dangerous area here because once you embark on certain types of programs to assist the poverty stricken you may find, in the long run, you are giving no assistance whatsoever. This is the dilemma with which we are all faced. Will we in fact really help? Some marginal industries might not be able to accept the minimum wage because it would put them out of business. Who will we be helping then? If one province has a lower minimum wage than another, is there any reason why industry should not move from province to province? Are we assisting anyone then? The whole theme of my speech is that if we are not careful, we might harm the labour intensified industries. We must do all we can in order to create economic growth and to create further employment rather than create an atmosphere in which employment is decreased.

As much as I would like to go along with my friends, I think the implications which I have tried in my humble way to bring to light, namely, that we have to take a responsible approach in weighing the balance and use solid judgment, force me to vote against their amendment. If we want to start tinkering with this minimum wage, why can we not increase it to \$3? If we really wanted to be irresponsible, we could do that and then think of the ramifications? Why this magic figure of 25 cents? Why do we not make it \$4? My friends know that once they start reaching any heights at all, the ramifications will be beyond comprehension and perhaps solution. I, too, am concerned about those who are on the bottom rung of the ladder. In a country such as ours, with our wealth of natural resources, we should not have four million poverty stricken people. We should be developing our economy, creating more employment, producing more

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consumer goods and creating an atmosphere in which wages can rise. I am certainly impressed with the arguments, but nevertheless they have not moved me from the original position which I took on this matter, to the effect that we have to be very careful about the implications that would flow from the acceptance of the amendment of the NDP to increase the minimum wage to \$2.

Therefore, we cannot support the motion of the NDP.

**Mr. Knowles (Winnipeg North Centre):** That is incredible.

**Mr. Steven Otto (York East):** Before the minister rises to reply to these comments, I should like him to answer several questions that have been raised in this debate. In fact, they are very serious considerations. The hon. member for Sault Ste. Marie (Mr. Murphy) put forward a proposition which I think should be explained. His assumption is that the federal government is the bargaining agent for all those within its sphere who are not organized. If that is the case then we are off on a far different tangent than I thought we were in discussing this legislation. The minister, I believe, should say whether indeed we are the bargaining agent for all unorganized labour within federal jurisdiction. If we are, then we have to deal with the problem, but I suggest that that is not the purpose of this legislation.

● (2:20 p.m.)

Neither is it the purpose of this legislation to set forth a fair wage. I think the hon. member for Winnipeg North Centre (Mr. Knowles) stressed this point. What is a fair wage? I suggest to him, and to the hon. gentleman from Sault Ste. Marie, who is a solicitor of renown, that the bill deals with what is legal, what is the minimum which it is legal to pay, not with what is fair to pay but what it is legal to pay. There is a vast difference between what is fair and what is not legal. If we are indeed to accept fairness as the criterion, then why \$2? If we are to look at the question of fairness, then let us consider the case of a caretaker working in a bank making \$2 an hour, which is the rate suggested by the hon. member, and compare him with the caretaker working in a Ford plant making \$3.30 or \$4.20 an hour. Why is it fair to say the caretaker in the bank should make \$2 an hour, while his counterpart employed by an organized firm gets double that? Surely, that is not the purpose of the legislation. The purpose of the legislation is to say that you may not pay below a certain amount—not what is fair—but taking everything into consideration to say that this is the minimum.

If we are to accept this point of view, then let us examine some of the problems we will hit if we raise the wage to \$2, or as the hon. member for Hamilton West (Mr. Alexander) suggested, why not \$2.50 or \$3. What is to be done with periphery labour? We are not talking about the main income earnings but the periphery labour. The hon. member for Winnipeg North Centre must recognize that many people entering the work force straight out of school in reality are not of any great economic value to a firm. They are still in training. Let us take the case of a