PRINCIPLES AND PRACTICES OF MINIMUM WAGE LEGISLATION

With Special Reference to Canada

A Thesis
Presented in Candidacy
For the Degree of Bachelor of Arts

In the Course of Honour Political Economy
at
McMaster University

by
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Chapter I - Introduction.

The underlying principle of all minimum wage laws was laid down nearly two thousand years ago in Luke 10: 7, namely that "the labourer is worthy of his hire." This means that any worker who gives his time, strength and productive ability to an industry is entitled to receive from that industry enough goods and services to provide sufficient food, shelter and clothing to enable him to live decently.

In fixing a minimum wage, it is necessary to safeguard the worker against privation and at the same time remain within the industry's capacity to pay. In other words, the administrators of a minimum wage law must, if possible, avoid forcing the people when they seek to protect into unemployment. They are faced with the risk of causing unemployment by undue haste in forcing up wages and the risk of tolerating lower wages than could be paid and which in many cases causes actual misery among the workers. Between these two, a constant compromise must be made. Not only must the difficulty of satisfying both the above factors be solved but also a system of distribution must be retained which will give to workers with special skill, a return sufficient to call forth an adequate supply of such labour and will maintain the necessary supplies of capital, management and other agents of production. This involves one of the most difficult problems in the whole field of industry, and one which, only recently, has been receiving sufficient attention.

Objects of Legislation.

The chief object of minimum wage legislation is the prevention of sweat-shop conditions. The payment of extremely low wages in certain industries may be the result of (a) economic
depression in the industry; (b) inefficient organization of production; (c) inefficiency of the workers; (d) exploitation of labour.

It is probably the extreme sweat-shop conditions caused by the present economic depression, which, more than any other one factor, has caused the recent swing of public opinion in favour of a minimum wage. The fixing of the minimum rate at a reasonable level in those sweated industries will speed up the mobility of labour and so lead to a better distribution of workers among the different industries. When employers can secure workers at low wages, they tend to become careless in their use of labour and will rely on a policy of employing a large number of workers with antiquated machinery in order to secure their profits. If labour costs were high they would have to be more efficient in their organization of labour since a waste here would mean a heavy loss. We may also observe that increased efficiency will, in the long run, increase wages since the latter tend to reproduce the former and we have a cycle developing. Lack of training and education, poverty and physical or mental defects all cause inefficiency among workers. Consideration of defects is usually taken in minimum wage laws by allowing defective persons to work with permits at a lower rate than that fixed by the controlling body. However this must be watched very closely and the number of such permits kept down to a bare minimum.

Mr. Richardson gives us a very good definition of exploitation of labour as the "taking advantage of the inferior bargaining power of the workers to pay them a lower wage than that justified by the economic value of their work." (1) The most vicious aspect of the exploitation of labour however is that

by receiving wages insufficient for reasonable subsistence the worker's productive capacity gradually becomes impaired until it may actually fall to the level of the wage paid. Along with this is the fact that he cannot provide sufficiently for his children and this impairment of productive capacity tends to be perpetuated. Exploitation is largely the result of weakness in bargaining power on the part of the workers. Hence by establishing greater equality of bargaining power, minimum wage machinery can ensure the payment of a wage which corresponds closely with the general level of wages. Thus, minimum wage legislation will raise wages which will increase the efficiency of the worker which will have a cumulative effect on production since the children, having better living conditions, will also have a higher productive capacity.

The second object of minimum wage legislation is the development of organization among the workers. It is to protect unorganized or badly organized workers in those industries in which wages are unduly low or in certain establishments in which serious exploitation is found that the minimum wage principle has been applied. Usually the custom is to protect these workers by minimum wage law while they are poorly organized. When trade union organization develops sufficiently, wages will be determined by the ordinary process of collective bargaining and the application of the law is no longer necessary. This is usually more beneficial to the worker than minimum wage legislation, since a trade union would, on the whole, have more relative bargaining power than would the employee's representatives in a minimum wage conference. Hence a strong union can often secure the highest rates the industry can bear or at least very slightly below this level.
This principle of state interference only in cases where wages cannot be regulated adequately by collective bargaining is followed in a number of European countries. In Great Britain, if the organization of the workers affected by the legislation becomes adequate for the efficient regulation of wages, the Minister of Labour has the power to withdraw that industry from the operation of the Trade Boards Act. However, the most outstanding example of the encouragement of the organization by legislation is found in the Industrial Conciliation and Arbitration Act in New Zealand. Neither the individual worker nor the individual employer is recognized by this act, and disputes may only be brought before the Councils of Conciliation or the Court of Arbitration by registered unions of workers or associations of employers. Hence, the workers in New Zealand must organize in order to get any action.

On this subject, we should consider the point made by Mr. Richardson that workers usually join trade unions almost solely to receive improvement in wages or other conditions of labour. If this improvement is secured by law, they may not regard it necessary to join a union and labour organization may suffer as a result. The general conclusion is that on the whole the increase in organization of the workers due to minimum wage legislation is small although it has led to a certain amount of strengthening of existing associations on the part of both the employers and the workers.

One method of achieving the third object of minimum wage legislation, the promotion of industrial peace, is to make strikes and lockouts illegal. This, however, takes away from the worker one of his weapons for improving his condition. The usual

(1) Richardson - p. 25.
alternative is the system of settling wage disputes by compulsory arbitration. In Australia and New Zealand, the prevention of industrial disputes is, perhaps, the main object of minimum wage machinery. They are more concerned with the strongly organized workers than with those who are unorganized.

A fourth but less important object of legislation is to prevent unfair competition between employers. It obviously puts employers on an unequal competitive basis if, other costs being equal, some of them exploit their labour and so can produce for a lower price. Hence, it is absolutely necessary in the interests of justice that the wage cost should also be approximately equal. From the employer's point of view, the fixing of a reasonable minimum wage would shorten the struggle of an efficient producer and would allow capital and labour to flow to the industries more suited to the country.

Machinery for Fixing Minimum Wages.

(1) A Trade Board consists of an equal number of representatives of workers and employers together with a number of disinterested persons, one of the latter usually being chairman. The number of members vary a great deal, being very large in Great Britain and relatively small in Australia. Organized sections of either the employers or the workers are invited to nominate representatives. Since the larger the organization, the larger the number of representatives they are allowed to have, the point has been made that the Trade Boards system definitely encourages workers to organize. This system is best where wages are to be fixed independently on the basis of the capacity of each separate industry to pay, since it sets up a board in each particular industry to control and determines wages and other conditions of labour in that industry. This type of machinery is used in
Victoria and Tasmania in Australia, Great Britain, France, Germany, Austria, Czecho-Slovakia, Norway and in the Argentine Republic.

In order to give an idea of what should be the basis for choosing the trades which should first be regulated by trade boards, Canon Lyttleton has laid down the following conditions: (1) a localized trade; (2) the absence of very great complications in manufacture; (3) the existence of some rudimentary form of trade union or the possibility of forming one; (4) the absence of acute foreign competition; (5) where wages are only a small part of the total cost; (6) the absence of competition between home and factory work in homework trades or processes; (7) the existence of a considerable gap between wages paid by good and bad employers; (8) homework necessary to the manufacturer to enable him to meet times of pressure or for other reasons; (9) the absence of competition with machinery, factory work or alternative processes; (10) the absence of strong opposition among the employers in the trade.

The boards may be set up either for the whole country or for a particular district. With the latter system there are, of course, the difficulties of defining the limits of the district and of securing uniformity between districts. In the homework acts of France and Germany lack of uniformity has caused a certain amount of unfair competition and migration of workers to other districts. A much better system is that used by Norway where the rates in the various districts are subject to confirmation by a central authority. The trade boards of Great Britain, Victoria and Tasmania, as well as the homework boards of Austria and Czecho-Slovakia cover the whole country. This is usually found to be the most satisfactory method.

(1) The case for and against a legal minimum wage. - (pamphlet)
In addition to wage rates varying between different districts there is also the possibility of a lack of uniformity of rates between the various industries. This is overcome in Great Britain, Norway, Austria and Czecho-Slovakia by making the rates fixed by any board subject to confirmation by some central authority which may be either a Government department or a specially constituted central body. New South Wales overcame this difficulty by having the same person chairman over a number of allied trades. On the whole, I should say that the complexity and lack of uniformity in this method slightly outweigh the advantage of the greater accuracy and fairness to the worker which can be obtained and that, on this account, it is not as satisfactory as the type next mentioned.

(2) The Central Commission is a small body of persons, at least one of whom must usually be a woman, who have sole authority to fix minimum wage rates in their country. Sometimes it is the commission is composed entirely of disinterested persons but usually representatives of the workers and employers are included.

The commission may either fix different rates for each industry or may determine a general minimum applicable to all industries. In Canada, all the provinces except Ontario, follow the former principle. Ontario, with the slight exception of varying rates according to the size of the town, stays by a fixed minimum throughout the province. Certain states in Australia follow both methods by setting rates in the various industries and also a fixed minimum below which no wage may be paid. Usually differences in the rates set are small since the cost of living is generally adopted as the basis for rates and differences are made only in accordance with variations in the nature of the work.
By this system the greatest possible co-ordination is achieved between rates in different districts and in different industries since the one central authority sets all the minimum rates throughout the country. This is decidedly the best type of machinery where wages are to be fixed according to some common policy or where a national minimum is to be set. In Queensland, New South Wales, Western Australia and New Zealand, basic minimums are fixed, although these states really come under the next type of machinery.

(3) The Arbitration Court is the invention of New Zealand although it has spread to certain states of Australia. It is primarily adopted to settle disputes and to facilitate the establishment of industrial peace. The court in Queensland and South Australia is composed of a president with one or more deputies or additional judges usually chosen from among persons of legal standing. On the other hand, the court in Western Australia, New South Wales and New Zealand consists of a president together with one or two members recommended by employers' associations and an equal number recommended by workers' organizations. The members are usually appointed for a fixed number of years, subject to good behavior and may be reappointed.

As has already been mentioned, only official organizations of employers and workers may deal with the Arbitration Court. Arbitration may be either voluntary or compulsory. In the former case both parties have agreed to take their disputes to the court and accept its findings. Here, there is no real interference with freedom of contract. But where no agreement can be reached between the parties, the court may step in and force them to accept their decision. In this case, there is a definite interference
with freedom of contract. In the latter instance, the court fixes a wage which is usually not only a minimum but also a maximum. Employers may not pay less than the rate set, while workers may not strike for more. A court may only set rates in cases of dispute and may take no initiative, although, as mentioned above, they do set basic rates in many cases. While the decision given applies directly only to the two parties concerned, it is usually taken as a precedent for similar cases, and hence the court is obliged to adopt principles which it can apply to all cases of a similar character. In New Zealand and South Australia, the courts have the power to extend the application of an award to all employers and workers in the industry concerned either in a given district or in the state as a whole. Here it may be observed the court also takes on the function of a trade board.

I believe this system should work out very satisfactorily for the worker in well organized trades. However, as a method of striking at our Canadian evil of sweat-shops, I should say it was rather poor, since it is in the unorganized or poorly organized sections that these conditions exist. The Arbitration court is of no use to an unorganized trade. This is its chief weakness.

(4) Direct legal enactment is comparatively rare and is used mostly to prevent the employment of apprentices without a wage under the pretence of teaching them a trade, and as an additional method of preventing sweating among adult workers. It has been tried in Arizona, Arkansas, South Dakota, Utah, Porto Rico and Uruguay with the latter object and in Queensland, Victoria, South Australia, Tasmania and New Zealand to achieve the former purpose.

It is of little use in most cases, since, until a greater
degree of standardization between the industries has been obtained by the action of Trade Boards or Central Commissions, any legal minimum rate would be so low as to be practically useless. A low rate would benefit only a few while a high rate would cause considerable unemployment. Even if the wage rate did become more standardized a method of direct legal enactment would be unsatisfactory since it is obvious that a legislative assembly is no fit body to examine the detailed information on which the rate would be based. Other objections are the danger of political influences and the fact that legislative processes are usually too slow to allow the rapid adjustment necessary as economic conditions change. Hence it can be seen that this method is too rigid and in most cases cannot achieve satisfactory results.

(5) **The General Application of Collective Agreements** is of value as a supplement to state machinery and in its methods somewhat resembles the trade board. Like the latter, representatives of workers and employers meet together to decide on conditions satisfactory to both. However, in the trade board, the agreement holds for the entire industry and is legally binding on it, whereas the collective agreement holds only for the two parties concerned and is not necessarily legally binding. In a number of countries such as Germany, Austria, South Africa and certain states in Australia, legislation has been adopted whereby the provisions of collective agreements may be declared legally binding not only on the parties to the agreement but on all those engaged in similar work. Usually the terms of the agreement are only made of general application if the agreement covers a large proportion of all employers and workers in the mm industry. This automatically makes enforcement much easier. Since most of the
industry has voluntarily agreed, the extension of the agreement to
the remainder of the industry should cause little difficulty.

Objection to this type of machinery has been raised by the
trade unions on the ground that workers who are not members of a
union may, without effort on their part, benefit from the struggle
of others. Consequently, they will feel no necessity to join a
workers' organization, while those who are members, seeing non-members
reaping similar benefits, will be tempted to withdraw. Some of
the more powerful unions have also opposed this method in the fear
that it might tend towards the introduction of compulsory arbitration.

On the other hand, the system of extending collective agree-
ments has the great advantage that no elaborate or costly machinery
for fixing wages need be set up. The generalization of the
agreed rates, by preventing undercutting, is also of advantage to
both employers and workers. However, the outstanding advantages
of the system is the great standardization of wages within the
industry which is simply and effectively brought about. We should
also point out that, here, as in the trade board system there is the
difficulty of a lack of uniformity of rates as between the
different industries. On the whole, I should say that this is
one of the best methods to aim at for ultimate use especially in
countries where the workers are well organized.

We have seen from the above sections that the central
commission seems to be the best combination of simplicity and
uniformity. Collective agreements and the trade board system
can perhaps get the highest minimum rates for the workers but
they are both liable to that grievous lack of uniformity. A
combination of the central commission and the Arbitration Court
such as they have in New Zealand is also found very convenient.
On the whole, direct legal enactment is of little value. The object of a trade board or central commission should be not merely to raise the wages of unskilled workers in the different industries but also, by narrowing the range of those wages, to prepare the way for the adoption of a national minimum.
Chapter II - Historical Sketch of Minimum Wage Legislation in Various Countries.

Wage legislation dates as far back as 1270 in France and 1357 in England. In 1563 in Queen Elizabeth's reign, an English law was passed instructing justices of the peace to determine labourers' wages and to use the fluctuation of food prices as the basis of their decisions. Whereas previously only maxima had been set in the interests of the employers, it was specifically stated that the main purpose of this act was the protection of the labourers. Although the law was on the statute books for over 250 years and there are numerous records of decisions giving increasing amounts in wages, it is to be observed that food prices increased more rapidly than wages. Other objections were that the decisions were often unenforced and that the justices of peace, often themselves belonging to the ruling class, were not as impartial as they should have been. The application of this law ceased early in the nineteenth century with the advent of the Industrial Revolution.

We observe that in 1866 a fair wage clause was adopted in Belgium providing that government labourers must receive at least as much as paid by reputable employers or a rate as provided in trade agreements. Until practically the end of the nineteenth century almost the only legislative regulation of wages was in this realm of government contracts where the state acted as an employer of labour.

By the end of the 19th Century, minimum wage legislation came before the public eye to a larger extent due to the influence of two distinct groups - the one who wished to protect a helpless and unorganized class from the oppressive capitalists, and the other

(1) 5 Elizabeth - cap. 4.
who wanted some definite standard by which to regulate disputes between employers and employees. Both the anti-sweat shop type and that for the settlement of disputes appear about the same time — the former in the Australian State of Victoria in 1896 and the latter in New Zealand in 1894.

In the international field, the minimum wage was discussed in the treaty of Versailles and again in 1927 at the Annual Conference of the International Labor Organization, an attempt was made to promote uniform and systematic minimum wage legislation. In 1928 certain states agreed to fix minimum wage rates for workers in poorly organized trades where wages were particularly low and a recommendation was approved concerning certain agreed principles regarding the machinery and bases of minimum wage fixation. In 1931 the former was ratified by eight states and the latter nine.

It is by ratifying these agreements in Canada that Mr. Bennett is at present trying to secure a constitutional means of applying minimum wage legislation to the whole Dominion.

The first legally enforceable minimum wage rates were made possible in 1896 by the passing of the Factories and Shop Act in the Australian State of Victoria. In 1895 public opinion in Australia for the first time was concentrated on the sweat abuses of homework. An Anti-Sweating League, whose membership included various classes and political parties, was formed in Melbourne as a result of this feeling. Many employers had closed their factories and introduced homework in order to avoid the careful inspection of factories and the advanced labour laws governing workshops. Hence the Anti-Sweating League asked for the introduction of wage boards which would establish minimum wage rates both for time and piece work for home workers and factory workers.
They realized their ambition by the passing of the Act in 1896. Two elective bodies of workers were formed, one of homeworkers and one of factory workers. The former had the right to special representation on any of the wage boards in all cases where they had more than one-fifth of the total number of workers. The law of 1896 gave the committees the right to fix minimum wages for both time and piece work, and to restrict the number of apprentices under the age of eighteen so that the law could not be evaded by the employment of apprentices in preference to adult workers. At first, the boards only included those industries in which sweating or very low wages were prevalent, but they were extended to include industries which included a considerable number of Chinese workers in order to protect the Australian employees from the lower paid Chinese labor. Another change in principle is shown by the fact that whereas formerly the wage boards had to set the minimum rates more or less in accordance with wages already paid by good employers, they have been allowed, since 1907, to set a minimum rate higher than this standard.

One of the features of this system is that although the minimum rates set in each industry are legally enforceable on the employer, the workers may still strike for a higher wage. Since 1903 decisions of a wage board may be appealed to a tribunal composed of a judge of the supreme court assisted by representatives of the workers and the employers. This Court of Industrial Appeals may modify the decision of the board and hence may have a unifying and co-ordinating influence on the rates as between different industries. However, it has been found, in some cases that this system of appeals weakens the authority of the boards since their decision is known not to be final. To give
a picture of this system in Victoria, we may state that in 1926, 181 wage boards regulated the conditions of labor of 195,000 employees which included nearly all the workers in the state. The same general picture would also be true of Tasmania which is the only other Australian state to follow this the pure wage board system.

The other four Australian States, for the most part, follow the example of New Zealand. They have central courts which arbitrate in cases of dispute and set a definite rate which is both minimum and maximum and then also set a basic rate below which no wage may be paid. This latter consists of a different rate in each state for a female worker with no one dependent upon her, and also a male rate which is to support a family.

In Queensland and South Australia, the family consists of a man, his wife and three children, while in Western Australia and New South Wales the number of children considered in the family unit to be supported by the basic rate is two and one respectively. In each state this cost of living rate must be declared at regular intervals. In most of these states there is also a tinge of the wage board system since minimum wage rates are set in suitable industries as well as disputes being settled. Western Australia has found enforcement of their decisions very difficult and the inspectorate too small. This is only natural when we consider that in this huge state there is an average population of one person to every two and a half square miles. The Australian Commonwealth also has a court composed of justices of the High Court which provides for the compulsory arbitration of all interstate disputes and prohibits strikes and lock-outs in these disputes.

When setting its basic rate for an unskilled
adult male the Commonwealth Arbitration Court makes its awards in accordance with the requirements of a man with a wife and three children. However, when considering the secondary minima or the higher rate paid to skilled workers, they pay more attention to the condition of the industry and its capacity to pay.

In summing up the Australian situation, it has been observed that as great if not a greater degree of industrial peace has been secured in Victoria and Tasmania by wage boards alone as in those states which depend on court intervention and penalties against strikers. Although real wages have risen in Australia since minimum wage legislation has begun, they have not risen out of proportion with those countries which have not this legislation as yet.

The Labor Party was much stronger in New Zealand than in Australia and so New Zealand based her procedure on the existence of a strong trade union movement and concentrated her efforts on compulsory arbitration to better wages and conditions of labor without strikes. Hence when the Liberal Labor Party came into power in 1894 they passed the Industrial Conciliation and Arbitration Act as one of their first measures of State Socialism. The original act provides for Conciliation Courts as a preliminary to the Arbitration Court which was presided over by a judge of the Supreme Court, assisted by two Assessors nominated by the Governor on the recommendation of the Employers' Associations and Trade Unions. In 1905 a change in the act empowered either party to take disputes direct to the court. In 1908 three permanent Conciliation Commissioners were appointed to act as chairmen of the Conciliation Councils. This device, plus an honest effort
to reach an agreement before going to the Court, has been fairly successful.

There is no definite basis for the decisions of the Arbitration Court. They take account of the economic and financial conditions affecting the industry in which the dispute has arisen, but in no case will they settle on a wage "which is below a fair standard of living wage." The court fixes basic rates for unskilled, semi-skilled and skilled workers and for the most part stays fairly close to these rates. Generally, it confines itself to deciding in which grade the workers should be placed. Hence, in spirit, New Zealand really has a legal minimum wage.

The British Trade Boards Act of 1909 was very similar to the Victoria legislation of 1896, except that the boards did not have any powers of enforcing its decisions. This first British legislation was prompted by the exposure of the evil of sweating by the National Anti-Sweating League, as well as trade union legislation and the return of Parliament of a fairly formidable Labor Party. The Act set up boards in each of four industries to investigate and fix minimum wage rates for that industry. The other alternative which faced Parliament was to set one minimum rate for the whole country which would obviously have been unsatisfactory, since it would necessarily have been based on the "situation in the worst placed industries" and hence have been very low. Under the original Act the boards had a mandatory power to fix minimum wage rates for time workers and a discretionary power to fix general minimum rates for piece workers in their own particular industry. Both of these underwent a six month test of limited operation before they became legally binding
on all employers.

The trade boards vary from fifteen to fifty members in rough proportion to the number of workers in the industry. In the 45 boards in existence in 1924 the average membership was approximately forty. Of course, the number of representatives of the employers and workers is always equal but the surprising feature of the boards, in view of their large memberships, is that the number of independent persons on any board is, in practice, limited to three. In order to provide greater co-ordination between the rates set by the different boards, we observe that often the representatives may sit on several trade boards. The board being interlocking, information passes readily and the rates will be more uniform. This means, however, that the representatives on a particular board are not actually vitally connected with that industry. Nevertheless, I believe the advantage of increased uniformity outweigh the disadvantage of the lack of information and experience in the industry. The latter, after all, can be secured by at least a majority of the board.

Following the second Whitely Report of 1918, it was hoped that trade boards could gradually be eliminated in favour of a system of the control of industry by bodies of representatives of organized employers and workers co-operating voluntarily together for the good of the whole industry. Hence, the background for the new Trade Boards Act of 1918 was three-fold,—the more general acceptance of the principle of state regulation of wages, the articulation of the democratic ideal of self-government in industry which was set in motion by the war and lastly the foresight of those who realized that the aftermath of the war would be a sharp drop in wages, especially for unprotected workers, unless some makin-
cry were provided. Due to the different background from which the Acts of 1909 and 1918 arose, a difference of emphasis is noticeable. The latter stressed the setting up of boards where the workers were unorganized rather than where they were paid poorly, even though organized. They probably took the attitude that if the workers were organized they should, by collective bargaining, be able to support themselves and hence were to blame if wages were low.

The Trade Boards Act gives no guidance as to the basis for fixing the minimum rates. In the report of the Cave Committee Enquiry of 1922 into the working and effects of the Trade Boards Act, it is stated that some boards had taken account only of the cost of living, while others had considered the value of the work done and also the load which the industry could bear. "In one case, we are informed that the minimum was taken to be the lowest wage payable to the least skilled worker in the cheapest living area covered by the rate, while in another it was defined as a wage sufficient to provide a young woman of eighteen with means sufficient to enable her to maintain herself without assistance and to enable a man of twenty to contemplate marriage." (1) In their report they recommended that the Trade Board System should be directed "to give protection to the workers in each trade by securing for them at least a wage which approximates to the subsistence level in the place in which they live and which the trade can bear."

In summing up their evidence, the Cave Committee practically unanimously recognized the following points:—"(1) Sweating has been very considerably reduced and much misery has disappeared. (2) Minimum wages do not tend to become the maximum. (3) There is a tendency to make up for the higher wages by forcing the workers to work harder and by using better machinery, thereby increasing the efficiency of production. (4) The co-operation on the trade boards works for industrial peace. (5) Good employers welcome the acts, particularly that of 1909, as protection against 'sweaters.' (6) Industries have not been destroyed by the minimum wage legislation. (7) There have been no particular complaints from the public as to the increase of prices, an indirect consequence of the higher wages. As the laws refer to unorganized trades where wages in general were unduly low, the public was generous enough to accept the burden without protest. (8) The only point where the evidence is inconclusive and the opinions rather contradictory is the question as to what extent slow workers have been thrown out of employment and as to whether or not general unemployment has been increased. The conclusion seems justified, however, that neither the individual hardships nor the increase in unemployment has been very great."

Minimum wage legislation in the United States has had a somewhat varied and uncertain history. The main cause of the lack of progress in that country is the doubt and controversy concerning the constitutionality of the minimum wage. The fifth Amendment of the American constitution says that no person can "be deprived of life, liberty or property without due process of law." Liberty in this phrase means liberty of action as well as liberty of person.

(1) R. Broda - Minimum Wage legislation in various countries - p. 38.
Some think that freedom of contract is not a part of this Amendment but in test cases in both Oregon and the District of Columbia where the legality of a minimum wage has been challenged by individuals, the Supreme Court has declared that wage fixing is an activity in violation of the Constitution.

In 1919, nine states had statutes regarding minimum wages on their statute books and by 1924 this number was increased to thirteen. However, due to the continual doubt as to the legal right to enforce them, they are of little use, since they are evaded regularly. The only law which remained on a really firm legal ground for some time was the recommendatory law of Massachusetts. It has twice been sustained by the Supreme Judicial Court of the state even after the adverse Supreme Court decision in the District of Columbia case.

Even where tried, the American laws only apply to minimum wages for women. Other than that in Wisconsin the laws do not apply to homework. The general machinery for carrying out the laws is the central commission which is often simply part of the labour bureau of the state. The living wage is the basis used in fixing the rates, except in Massachusetts, and Wisconsin, where it is combined with a consideration of the wage which the industry can bear. In all states, licenses are given to handicapped workers to allow them to work for less than the minimum rate. In Wisconsin and Massachusetts, employers who can show that they cannot maintain their industries if they pay the minimum wage may be exempted, provided the inability to pay the wage is not caused by the inefficiency of the employer. Even so, this policy is strikingly contrary to that in Australia where they maintain that if an industry cannot pay a living wage, it is a social hindrance and
as such should be discouraged. Most of the states have been very wary about placing penalties on law-breaking because of the doubt as to the constitutionality of their legislation. However, here again Massachusetts has a novel and I think very effective way of enforcing their rates. They play on the desire of the employers for the good will of the public by publishing in their leading newspapers the names of the firms who do not pay the prescribed minimum rates.

The most recent development in the United States is an interstate compact signed last year by representatives of Maine, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York and Pennsylvania for establishing uniform standards of employment, particularly in regard to a uniform minimum wage for women and minors. The machinery consists in each state of an unpaid commission composed of representatives of employers, workers and the public, with a chairman appointed by the Governor. These seven chairmen, together with a representative of the Federal Government appointed by the President of the United States, then form an interstate commission. Each state and the central commission must make an annual report and all information is pooled. Provision is made whereby any state may join the compact but it is quite difficult for a state to secede. In order to withdraw a state must present their reasons to the interstate commission who investigate and present a report within six months. Since the state must still wait two years after the commission's finding has been presented, a state certainly has plenty of time to think it over!

The state commission has the power to set up wage boards, on which the employers, the workers and public have equal
representation. These boards are to recommend fair minimum wages for women and minors (under 21 years of age.) The commission has full power to summon witnesses, force the production of records, etc. It can inspect, then publish names and finally imprison and fine offenders. It can issue special licenses to employees who, by reason of physical or mental conditions, are incapable of earning the minimum rate. Employers under the legislation are compelled to keep records of the names, addresses, occupations, hours and wages of all women and minors and must furnish these records on request of the proper authorities. They must also keep posted all orders regarding minimum wage rates. To provide against suit by any person on the grounds of unconstitutionality, they provide that if one part of the law is declared invalid, this decision does not affect the legality of the rest of the legislation. When ratified by two or more of the states, the above legislation is declared to be in full force in the states so ratifying.

This new co-operative development in these seven states is very gratifying and will, I believe, lead to a greater degree of uniformity not only in the United States but also in other parts of the world. The plan has been well thought out, and includes all the main features of minimum wage legislation, as well as the very necessary unifying factory. As is pointed out later, I think a similar type of machinery might be applied to Canada.

In conclusion, some of the peculiar features in the minimum wage legislation of other countries may be noted. In South Africa minimum wage legislation is helping the gradual growth toward the economic and political homogeneity of the nation. They purposely attempt to minimize and in some cases even ignore differences in wages set for the blacks and the whites, maintaining that payment
should be on the basis of work, not colour.

In Mexico the right to a living minimum wage is specifically mentioned in the Constitution. It also provides that all disputes must be submitted for settlement to a board of conciliation and arbitration. The legislation is very one-sided, being greatly in favour of the worker against the employer, but is well founded and seems to be of a permanent character.

The Homework Acts of 1915 in France and 1918 in Norway provide that wages for homeworkers shall be based on the earnings of factory workers making similar articles. A great defect in the French system is the large amount of decentralization and hence lack of uniformity, which is caused by having separate trade boards for each industry in each "département." This is bound to become very complicated and irregular. The German Homework law, differing from that in France, protects men as well as women and provides a fine as a penalty.

Argentina, Mexico and Uruguay are all applying minimum wage legislation on a large scale to men as well as women outside of the sweated trades. They surpass most other countries and even rival Australia in the extent of the ground covered. Minimum wage legislation has also been attempted in Spain, Switzerland, Austria, Czecko-Slovakia, Roumania, Hungary, Poland, Italy and Russia. This means that some type of minimum wage legislation covers every major country in Europe with the exception of Sweden and the Netherlands.
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Chapter III - Minimum Wage Legislation in Canada.

In dealing with Canadian Minimum wage legislation, I shall consider the Ontario Act in detail, and then compare with it some of the more important features in the other acts. First, however, a brief sketch of the history and present standing of the legislation should be given. The first suggestion of a provincial wage law was the government fair wage legislation passed by Manitoba in 1916. The next year the Province of Alberta provided for the appointment of an advisory committee to propose minimum wages for females and minors and in the same session passed an amendment to the Factories Act providing that all persons, except apprentices, working in factories, shops and office buildings in cities and towns of a population over 5,000 people should be paid at least $1.50 per shift. Hence, Alberta made the first move in the direction of a legal minimum wage, but it was in 1918 that Manitoba and British Columbia brought in our first full-fledged minimum wage legislation. During the next year regular acts were passed and put into force in Saskatchewan and Alberta. Also in 1919, Nova Scotia took the same step but omitted to appoint a minimum wage board and it is only since the Board was appointed in 1930 that the act has really been enforced. Similarly in this year Quebec passed an act which, however, was not effectively applied until 1926. In 1920 Ontario fell into line with a minimum wage act. It was not until 1930 that New Brunswick passed an act. This was to come into force on proclamation by the Lieutenant-Governor, but up to the present this action has not been taken.

Each of these acts applies only to women. Recently, how-
ever, agitation has been noticed for an increase in the field of
minimum wage legislation in Canada. In 1925, British Columbia
passed an act applicable to men. The next year, an act in
Alberta provided that male workers should not be employed at a
lower wage than the minimum rates for female employees in the same
trades. In 1931, Manitoba applied their women's act to boys
under 18 years of age. Two years later, Manitoba decreed that
no one should be employed at less than the boys' rate in that trade.
Hence, we see that minimum wage laws are in force for women in
seven provinces and for men in three provinces.

We shall now examine the Ontario Minimum Wage Act. In this
act an "apprentice" is one who is receiving instruction in any
trade, occupation or calling while employed therein. "Conference"
means the wage conference appointed by the Minimum Wage Board.
It is composed of an equal number of employers and employees, with
an impartial chairman. "Employee" includes every female person
in any trade or occupation in Ontario, who works for wages. This
is a very sweeping definition and includes absolutely all women
but farm labourers and domestic servants of whom exception is made
later in the act. An "employer" is any person responsible
directly or indirectly for the payment of wages to an employee.
This is also a very wide definition, and, I presume, includes
anyone in authority in a company, even up to its board of directors.
"Minister" shall mean the member of the Executive Council to whom
the administration of this Act for the time being is assigned.
Of late years this has been the Minister of Labour. "Wage or
Wages" mean any compensation for labour or services, measured by
time, piece or otherwise. This last definition should be carefully
noted since it infers that everyone who is employed at all must,
by law, receive the minimum wage set out in any order, say $12.50 per week. At the top of each of the orders of the Board is this section - "No wage shall be less than is set forth in the following table." Then within the table it usually mentions a stated maximum number of hours for which this wage applies with the provision that if the normal time worked is less than this maximum, this latter time shall be the one considered. As I see it, there is no loop-hole here by which piece-rate workers can be paid less than the minimum wage, if they are on the premises for the required number of hours. On this last point, it should be noted that it specially mentions on the minimum wage order that "an employee required to wait on the premises shall be paid for the time this spent." In spite of this mention of piece workers in the act, the orders of the Board provide that it is sufficient if at least 80 per cent of the piecworkers earn the stated wage rate. Thus the Board allows its own act to be broken, and by permitting evasion in one respect, encourages it in others.

The Lieutenant-Governor-in-Council appoints the Minimum Wage Board which is composed of three persons, (one of whom must be a woman.) The number of members in the original act was five, including two women, but has since been reduced chiefly, I believe, because the board was reduced by the death of two members and they found that they could function just as well with the smaller body. The Lieutenant-Governor-in-Council appoints one member as chairman who holds office during pleasure. This means, unfortunately, that this position is a political appointment, and, as such, there is a possibility of its abuse. In the beginning, one of the other two members is appointed for one year and the other for two years and then every succeeding appointment is for a term of five years.
In the case of absence or inability of the chairman to act, the Minister may appoint someone to act as chairman pro tempore. If there is a vacancy in the Board the successor to the position is only appointed for the remainder of the unexpired term. A very fine clause in the Act says that if a member of the Board is absent for two successive meetings, he is to be notified of the fact and his position declared vacant if he fails to attend the next meeting. In reality this section is of little use since, with such a small board, it is unlikely, except under very special circumstances, that a meeting would be called unless all three members could be present. Just to allow such a meeting the Act provides that two members of the Board constitute a quorum.

The members of the Board serve without remuneration, but the Lieutenant-Governor -in-Council may fix a per diem allowance to be payable to the members on their attendance at the meetings of the Board and in transacting the business of the Board. Every member of the Board is entitled to his reasonably and necessary traveling and living expenses, as certified by the chairman of the Board. All expenses of the Board or any of its conferences are paid out of sums appropriated for the purpose by the Legislature. The Board, or upon unanimous vote, any member or members, shall have authority to conduct necessary investigations to ascertain the wages, hours and conditions prevailing in any class of employment and for this purpose possesses all powers that may be conferred upon a commissioner under the Public Inquiries Act.

In any class of employment to which the act applies, the Board may set the maximum number of hours of labour in any one week for which the minimum wage is to apply. In any municipality
having a population of over 50,000, this maximum number of hours is 48, increasing to 50 in a municipality with a population of 10,000 to 50,000, and in all other municipalities the maximum number of hours is 54. The minimum wage prescribed also varies with the size of the cities or towns, lower minima being permitted in the smaller centres. This division of the province, according to population is a new feature added this last year and, I believe, is unique throughout the world. The orders make a distinction in the class of over 50,000 people between Toronto and the other cities. Also, in the last classification there are various other divisions. For example, in the Retail Stores order, there are differences in the minimum wage for the classes of 4,000 to 10,000; 1,000 to 4,000 and under 1,000. In cases where the normal length of work is less than the maximum stated, this normal shall be taken as the maximum number of hours for which the minimum wage is to be paid. Of course, it naturally follows that the Board has the right to set these minimum wage rates in the various classes of employment. In any case, where the employee works more than the established number of hours, she must be paid for overtime at not less than the rate per hour provided in the minimum wage order. That is, if her maximum or normal number of hours of labour per week is 48 and her minimum wage as set out in the order is $12.00 per week, she must be paid at least 25¢ an hour for each hour or part of an hour which she works overtime. Similarly where the employee has only worked part of the week she must be paid on this same hourly basis as determined by consideration of both her maximum or normal number of hours and her minimum weekly wage. This whole conception of the normal number of hours must have extremely close supervision in order to be effective since otherwise an employer can continue to
work his employees the same length of time, but pay them only part-time wages on the basis of the maximum number of hours as set out in the orders of the Board.

A wage lower than the minimum wage may also be established by the Board for employees classified as handicapped, or part-time employees, or as apprentices. In view of the section mentioned above, I cannot see the sense of including part-time employees here unless it is to set a minimum wage for the whole class mentioned in this section, below which no wage may be paid. If this is so, and I believe it is, I think the basis of this wage should be at least the bare subsistence level cost of living as will be later distinguished from the comfort level of a living wage which should be the basis for the regular minimum wage.

The Board has the power to make different orders for the same industry or industries in different localities of the province when, in the judgment of the Board, different conditions in different localities justify such action. In all cases where any child, youth, young girl or woman as defined in the Factory, Shop and Office Building Act works beyond the number of hours in any one day or week as set out in the above Act, and whether the inspector under the Factory Act has permitted exemption or not, the Board may establish a wage for all time worked in excess of such statutory number of hours in any one day or week. Where a man replaces a woman he must be paid at least the minimum wage for the maximum number of hours for the same class of employment as defined in this Act or the orders of the Board for women employees. No employer shall discriminate in any way against any employee, male or female, because such employee has laid a complaint before the Board or has or is about to testify in any of the Board's
investigations.

Where it is made to appear to the Board that the scale of wages or the method of determining the same, payable to any class of employees is inadequate or unfair, the Board may direct a conference between representatives of employers and employees in the class of employment in question, for the purpose of reaching an agreement and recommending to the Board minimum wages to be payable in that class of employment. The constitution of this conference has already been mentioned. A majority of the members is considered a quorum, and the chairman is not allowed to vote but is to direct the conference to a just conclusion. The conference shall present its report in writing, signed by the chairman, but a minority of the members may also present a report. The chairman shall report any failure to reach an agreement. Upon receipt of the report of the conference, the Board may establish a minimum wage for the particular class of employment or send the matter back for further consideration to the same or a new conference.

The next section of the Act empowers the Lieutenant-Governor-in-Council to make certain regulations. Here we must distinguish between the general provisions which may be regulated and which I shall letter as they are in the act and the actual regulations which have been adopted but are not in the Act. The Lieutenant-Governor-in-Council may make regulations

(a) providing for the procedure of the Board and the forms of orders and other documents to be issued by it. Under this section the regulations adopted are that the Board shall meet at the call of the chairman; during the absence of the chairman, the Board may vest the full power of chairman in one of its members; when the chairman is unable or refuses to call a meeting, one
member of the Board may do so, by giving the other member twenty-four hours notice in writing; the conduct of the meetings shall be governed by Bourinot's Parliamentary Proceedings, except that when any witness is placed on oath, he shall have the right to demand that the legal rules of evidence be applied to his examination before the Board; the Board may devise and issue such statistical forms for its own use or the use of employers as it may seem fit; the Accountant for the Department of Labour shall act as the Accountant of the Board, subject to the provisions of the Public Service Act the Lieutenant-Governor-in-Council may, on recommendation of the Board, appoint such assistants as the Board may require for the carrying out of its work; before issuing an order which shall fix a minimum wage rate for any industry or group of industries, the Board shall call a public hearing at which the proposed order shall be open for discussion. Although other provinces have wage conferences just as Ontario does, I believe the opportunity given in this regulation for a discussion of the final order before it comes into force, is followed only in Ontario and British Columbia.

(b) He may define and direct the extent to which the Board shall be guided in its investigation by the information officially procured and available in the Department of Labour. The regulation merely provides that all information of the Board and the Department of Labour shall be mutually available so as to avoid any duplication on the part of either.

(c) The Lieutenant-Governor-in-Council may also regulate the making of reports to the Assembly on any matters investigated or determined by the Board, and the particulars to be included in such reports. This is not detailed at all and mention is only made of an Annual Report which must be presented to the Parliamentary
Assembly for each year ending October 31st.

(d) He may require employers to furnish information as to the names, ages and places of residence of all employees and such other information respecting hours of labour and conditions of employment of such employees as may be deemed necessary for the proper carrying out of the objects of the Act. Although no regulation is made, a latter section in the Act covers the above mentioned material and also rates of wages, which is mysteriously omitted above, together with actual earnings and actual time spent in work of all employees. The section also provides that these records shall be open for inspection during business hours by any member or representative of the Board, and that copies of them shall be furnished when requested by the Board.

(b) The Lieutenant-Governor-in-Council may define and limit the number of handicapped employees, part-time employees and apprentices to whom a wage lower than that fixed by the Board may be paid by any employer. The Regulation provides that applications for special minimum rates for handicapped employees shall be dealt with individually by the Board. The proportion of adult workers and young girls in any establishment shall be fixed by the Board at the time of fixing the minimum wage rates. The minimum wage rates for part-time employees shall be fixed by the Board on the basis of the length of the work period involved. The Board may make allowances for meals and lodgings furnished to employees as it may see fit.

(f) He may fix the amount to be allowed for witness fees and for other charges in connection with the proceedings of the Board or of wage conferences. Witnesses and members of the conference are to be allowed an allowance of $3.00 per day, with
traveling and living expenses if away from home.

An order of the Board becomes binding upon its publication in the Ontario Gazette. Notice of the order is sent to the representatives of the employers and employees at the preliminary wage conference, in cases in which one has been held. Notices of orders must be kept posted in such positions as to be easily read by all the employees. A fine of $30.00 is imposed for not properly posting an order.

An employer who pays less than minimum wages or works an employee for longer hours than that prescribed incurs a penalty of $25.00 to $500.00 for each employee affected and upon conviction is ordered to pay to the Board, for such employees, any arrears in wages up to the amount of the minimum wage, which may be owing since a date one year prior to the complaint being laid before the Board. In default of such payments the offender shall be imprisoned for a period of two to six months. Any employer not keeping adequate records as mentioned above, or who obstructs any member or representative of the Board in the performance of his duty, shall be liable to a fine of $10 to $100. For falsifying records or supplying incomplete or untrue information to the Board an employer shall incur a penalty of $100 to $1,000. The second and subsequent offences are punishable by imprisonment of two to six months. These penalties have all been increased in the last year and I do not think they are too severe, even now. If they could be enforced, I believe they should prove effective especially the imprisonment and a heavy fine for each employee affected. I think this last phrase is most important.

Now that we have examined the Ontario Minimum Wage Act in detail, we shall observe the Acts in the other provinces and...
note some of the more outstanding differences. During this discussion we will be referring to the Act for men in British Columbia and the eight provincial Acts for women, including that in New Brunswick which is not yet in effect. In the case of British Columbia, in which there are two acts, reference will be to the Act for women unless that for men is particularly mentioned.

The membership of the Board, controlling minimum wages, varies from three to five in the various provinces. Nova Scotia is the only province in which the Board is not directly under the control of some member of the Provincial Cabinet. All the Boards, including that for men in British Columbia, except those in Alberta and New Brunswick, have at least one woman member. The Boards are impartial with the exception of Manitoba, Alberta, Quebec and New Brunswick, where an equal number of representatives of the employers and the employees is designated with the odd person being "disinterested." The latter is usually the chairman and is appointed by the Lieutenant-Governor-in-Council to hold office during pleasure. In only Ontario, Nova Scotia and New Brunswick is any mention made of a term of office for the members.

In general, the other Acts are quite similar to that in Ontario with regard to the various powers of the Board. The British Columbia Act for men and the Acts in Nova Scotia, Manitoba and Saskatchewan do not call for the meeting of any wage conference to make recommendations to the Board. On the other hand, the latter two provinces are the only ones in which the Act gives definite instructions to the Board as to the basis on which to fix the minimum rates. Here they are delegated to set wages which will supply the necessary cost of living. Ontario and
Quebec vaguely mention that wages should not be "inadequate" or "insufficient." The Act in Manitoba seems to go farthest out of its way to look after the general welfare of the employees by supervising their standards of labour, sanitation, etc. The definite clause that, any agreement between the worker and the employer for the former to work for less than the minimum wage is invalid, is included only in the Acts of Manitoba, Saskatchewan and Alberta. The provision to make different orders for the same industry or industries in different parts of the province is made by Ontario, Nova Scotia, New Brunswick and the British Columbia Act for men. The latter is also the only one which specifically states that a special permit is granted to defectives and certain other employees only if it is in the interests of the employee. Ontario, Quebec and British Columbia all issue special orders for girls under 18 years of age. One of the finest features of any of the Acts is found in that of Alberta, which may make orders if necessary to secure effective instruction for employees in the learning class. This shows that they really have the interests of the worker at heart and are not, as most of the other provinces do, merely automatically putting her through a certain number of months in the class of a learner. The Act in British Columbia has two very excellent features. In the first place, public meetings are held from time to time in which all parties may speak freely. There is also the provision that only one-seventh of the number of employees in any one firm may hold special licenses, and that the number of license holders, plus the number of girls under eighteen years of age must not exceed 35% of the total number of women employed. I believe the latter part of this clause is rather too lenient, but it is a good plan to have
a maximum proportion fixed in the Act.

All of the nine Acts which are being considered exclude farm labourers and domestic servants from the regulations, except Alberta, which only excludes the latter. Women fruit-pickers are also excluded under the Act in British Columbia. In Nova Scotia the Act only applies to cities and incorporated towns. Employees in cities and only are included in the Acts of Manitoba and Saskatchewan. However, in each of these three cases the Board may apply an order to the whole province or any special district if it wishes. Hence, if desired, these laws can be placed on the same province-wide basis as the other Canadian Acts.

Only in Quebec and New Brunswick is the section omitted which prohibits an employer discriminating in any way against an employee who has complained or has or is about to testify to the Board. In Ontario, Alberta and New Brunswick the orders come into force immediately on publication in the provincial Gazette. It would seem that this is rather too short a time to allow any necessary readjustment and that the Manitoba and the two British Columbia Acts in which the law becomes binding thirty days after publication are the most satisfactory. The sixty day period which is allowed in Nova Scotia, Quebec and Saskatchewan appears to rather prolong the agony and work a longer hardship on the employees.

One of the most important problems is that of the penalties provided and whether or not they are enforced. Upon conviction of not paying the minimum wage, the worker must sue for arrears in pay in Nova Scotia, Quebec and the British Columbia Act for men, whereas in all the other Acts the employer is ordered to pay arrears as part of his penalty. On the whole, penalties seem to be
severest in Ontario and Alberta while they are easiest in British
and
Columbia, Nova Scotia. All the Acts except the latter two provide
for prison terms either for second offences or in default of pay-
ment of fines, or arrears. Only in Ontario, Quebec and New
Brunswick is any mention made of the fine being for each employee
affected and the penalties in the other two Acts are very low
when compared with the new fine in Ontario of $25. to $500. for
each employee. Unfortunately, however, it seems that the latter
figures are quite theoretical and the fines never run up to the
maximum amount, as they usually merely attempt to secure payment
of arrears and only if the employers are inclined to be argument-
ative would they prosecute, in which case the fine would likely be
near the minimum for each employee.

In conclusion, it would appear that Ontario has the fullest
and clearest minimum wage legislation for women. British Columbia,
however, should head the list as being farthest along the way toward
the ultimate goal of a just wage for all. On the whole, the West
is far more progressive in this line of legislation than the East.
Two of the Prairie Provinces have applied legislation to men and
the Act of the other is certainly in advance of any of the eastern
provinces with the exception of Ontario. The Act in New
Brunswick appears to be a fairly good one but, of course, is
ineffective at present. Neither Quebec nor Nova Scotia has
covered the necessary ground well enough and the Quebec Act is a
particularly poorly drawn piece of legislation. On the other
hand, I should criticize the Act in British Columbia as being a
little too legalistic. On the whole, we must recognize that
minimum wage legislation is only in its infancy, and in view of the
fact that we have been experimenting for only about fifteen years,
the Acts are, theoretically speaking, fairly satisfactory.
Chapter IV - Minimum Wage Legislation in Practice.

In this chapter a general picture of the present situation in Canada with regard to minimum wages will be given. The best possible method of doing this is to consider the evidence given before the special Federal Parliamentary Committee on Price Spreads and Mass Buying which was appointed February 15th, 1934 and which was created a Royal Commission about the end of June. While the committee had very wide terms of reference, low wages and sweat-shop abuses were among the first matters studied.

On February 27th, the very first witness before the committee was Mr. R.A. Stapells, then chairman of the Ontario Minimum Wage Board, who outlined the history and the machinery of the Ontario Act. The fact that the Ontario Board is composed of members, not representative of any particular group, appeared to advantage especially in the light of the strong censure by the Committee of the duality of interests of Mr. Richard who, as the employers' representative on the Quebec Minimum Wage Board is trying to secure a living wage for all employees, and as the president of the Fashion Craft Company of Victoriaville, Quebec is trying to keep labour costs at the lowest possible level. Mr. Richard's Company is the largest clothing firm in Quebec, and it is held that it is the wage situation in Quebec that is ruining the whole clothing business in Ontario and Quebec. Yet his company has a rate of $2.50 less per week for working eleven and a half hours longer than is required by the Act in Montreal. This is absurd, and it would appear that Mr. Richard has definitely used his position on the Minimum Wage Board to further the interests of his own Company. Hence, it is imperative in the interests of
justice that representatives of employers, at the time active in
business, should not be members of a minimum wage board. I
believe all Board members should be strictly impartial and
independent, but should, of course, be familiar with conditions
both from the viewpoint of the employer and the employee. To
this end, Board members should be paid a regular salary, which
they are not now, in order that they will not have to carry on
some outside activity at the same time.

Mr. Stapells reviewed the cost of living surveys made by
the Ontario Board throughout the Province, in Toronto, Ottawa,
Hamilton, London and Windsor, in municipalities of a population
of 10,000 to 30,000; a population of 5,000 to 10,000 and in towns
of a population under 5,000. The budget for a self supporting
woman in Toronto consisted of a weekly allowance of $2.21 for
clothing, $5.92 for sundries and $7.00 for board and lodging,
making a minimum wage of $12.50. This budget made in 1921 is
still in force since the slight reduction in cost of living has
not warranted a change. For the population districts other than
Toronto, the only change is a decrease in the board and lodging
item, since the girls in outside centres have access to mail
order catalogues and so can buy at the same price as city girls.
It would seem that this might leave the country girls at a
disadvantage because it is assuming that the mail order houses
sell good materials at the best price. This is not necessarily
so and hence, the city girls have the advantage of being able
to go "bargain-hunting."

The great difficulty in this budget is that it makes no
provision whatever for saving or any unexpected expense. Later
in the investigation Mr. A.N. Laver, Commissioner of Public Welfare
in Toronto, testified that a large part of the hospitalisation which services of over a million dollars which Toronto pays annually is due to the fact that on account of the low wages paid, people cannot afford to pay for their own hospital care. In the same way a person who formerly maintained an aged parent can no longer do it and now the parent must apply for an old age pension. Under this head also come children who have become wards of the Children’s Aid Society, largely because of the inadequate pay of the parents. This also causes the strife in the household, the poor food and the immorality for which children are taken out of these houses.

Mr. Stapells stated that the Act is enforced by four minimum wage negotiators, aided by the eighteen inspectors of the factory inspection department. It is the duty of the latter, by the Factory, Shop and Office Building Act, “to report any violation of Section 20 of the Minimum Wage Act to the Minimum Wage Board.” This section deals with the posting of wage orders in conspicuous places. Once each year the Board sends around a questionnaire to the employers, asking the number of hours worked per day and per week, the number of employees under and over 18 years of age, the number of employees on piece work and on time work, the total wages paid per week, the total wages paid for a four week’s period if on piece work and the number of employees on short time. These totals are then checked with the returns of last year. Asked why twelve weeks was chosen as the period to be covered rather than the full year, Mr. Stapells replied that it was to save clerical expense. The industries never know just when during the year this period will be chosen, but it is always the same period throughout the whole industry. It is significant that this period has since been reduced to four weeks
which allows an even more inadequate picture of the wage situation. It would seem on observance of this questionnaire that it does not strike the root evil, since it only gives totals and what is really necessary is individual cases. However, Mr. Stapells states that a change has been made recently so that the employer must fill out the wages and time employed during the selected period for each individual employee. Another defect in the questionnaire is that the Board collects no material showing the total wages or the length of time worked during the whole year. It is significant that Mr. Stapells states that the Board tries to choose a twelve weeks period when the industry is busiest. (1)

This, of course, gives an altogether false picture, especially in those industries which are very seasonal in their nature. As an example of this, Mr. Stapell admits that in the textile industry the girls work only eight months in the year and so earn much less than the $6,50 which is budgetted to them to live on for one year. This condition is caused primarily by the evils of mass buying. The large departmental stores place orders at very short notice and demand delivery at the penalty of losing the contract. Formerly they used to place specifications in March for delivery in August and there would be a mere even run in the factories.

Mr. Tom Moore, president of the Trades and Labour Congress of Canada, states that the inspection staffs are inadequate and that there is the fear that too strenuous enforcement of the law would cause industries to move to other provinces where the Act is less efficiently enforced. He also states that the factory inspectors have too much to do already and are very casual in their enforcement of the Minimum Wage Act. In Quebec, inspection is insisted upon in all firms which employ less than one hundred

(1) Special Committee on Price Spreads and Mass Buying. - p. 47.
workers, whereas in Ontario the Board relies upon the report of the firms and only initiates inspections where they suspect something or have an actual complaint. Mr. Stapells admits that the Board only investigates where deficiencies are apparent on the wage sheet. On other words, the Ontario Minimum Wage Board has no inspectors whatsoever and Mr. Stapells is quite right when he uses the word "inspectors" in place of "inspectors." The Board depends entirely on the honesty of the employers and never checks up on it in this honesty unless requested. This is a deplorable situation and in fairness to the women of this province an adequate continual inspection should be provided for. Mr. Stapells states that there is no routine inspection for two reasons. First, on the economic grounds that the Ontario Government has been trying to balance their budget for the last few years and have specially requested that expenditures should not be increased. In the second place, they "don't think it necessary," since it would take at least a couple of hundred inspectors to cover every establishment in the province.

It seems to be a false sense of economy that actuates our government, which is supposed to provide for the social welfare of the people. In the first place, the Act could be satisfactorily enforced by much less than a couple of hundred inspectors. The very thought that one of 10 or 15 inspectors might drop in to investigate tomorrow would make most employers toe the line. At present all the dishonest employer has to do is to falsify his reports and make sure that no complaint emanates from his employees. A great deal of the pay for these inspectors would be provided for by the saving in the relief department with the increase in pay of those on relief. It is obvious that this would only be the case
as long as there was a large amount of law-breaking. However, the number of inspectors could be slightly reduced as the possibility of less frequent calls on those companies of known reputation was observed.

With regard to piece-work the situation is particularly acute. There is a minimum wage regulation which provides that it is only necessary for 80 per cent of the piece workers to earn the minimum wage. This was originally put in to allow slow workers to be employed, who would ordinarily never have been hired because they were supposedly not worth the minimum wage. Unfortunately, however, this section is being used as a basis for speeding up the work of the girls as will be pointed out a little later. Until about a year ago, the word "receive" was in the place of the word "earn" in this section. This is a very fine point of distinction but one which is very important. At present it means that the piece-rates must be adjusted so that 80 per cent of the girls receive the minimum rate. Formerly the piece-rates did not make much difference as is shown by the evidence of Miss Hutchison, member of the National Council of the Y.W.C.A. and lecturer in Social Science in the University of Toronto. She states that it is the custom each week to pick out the dividing line in the piece rate pay roll between the top 80 per cent and the bottom 20 per cent. Let us suppose that the line was at the girl who earned $9.50 by her piece-work. In order to comply with the Act the Company would then give her a $5.00 bonus. In this way they would also raise the pay of each girl who had earned $9.50 or more until 80 per cent of the girls received $12.50, most of them getting exactly this amount. However, the girl who earned $9.49, which was just below the division line, gets this
amount and nothing more. You can easily see how this competition
to be in the lucky 50 per cent would speed up the work of the
girls until they became nervous wrecks.

A good example of this is given by the testimony of Mr.
Gordon, a Toronto auditor, about the women's wages in a section
of the T. Eaton Company factory. He states that in March, May,
July and September of last year, respectively, 148 out of 191,
112 out of 172, 91 out of 136 and 89 out of 148 employees were
bonussed in order to bring their wages up to the Minimum rate. (1)
Incidentally, it might be noticed in the above figures that the
number of employees was steadily decreasing. In other words, they
were not only using very unfair tactics but were also letting off
girls at the same time. It is significant that five days later
Mr. Bethel, the superintendent of factories in the T. Eaton Company
said that if the rates had been raised to let them earn the
minimum wage instead of giving them bonuses, it would have raised
the price of goods to a point where they could not be sold. It is
extremely unfortunate that a representative of one of our largest
and most trusted firms in Canada is forced to make such a statement.

The T. Eaton Company also provide us with another startling
example of evasion of the principles of the minimum wage. One
witness stated that it was quite customary for a girl who was bonussed,
say $2.00 one week in order to make up the minimum wage, to find
that the $2.00 was taken off her pay the next week when she failed
to attain that lucky 50 per cent class. In other words, perhaps
the line was at $10.00 and she only earned $9.75. In that
particular week she would receive $7.75. In the two weeks she
had earned $10.50 plus $9.75, which in neither case is up to the
minimum wage rate. Actually she received the same amount that she
earned but in the form of $12.50 a plus $7.75 which was within the

(1) Toronto Telegram, - January 26, 1935.
letter of the law at that time.

In connection with piece-work, the Board took the attitude that if an employer kept a girl on the premises for a full working day, even if there was not enough work for her to do, he had to pay her the minimum wage. Mr. Prang, the Chairman of the Quebec Minimum Wage Board, states the method of evasion here. He says that if the amount of work done by piece-workers is falling below the minimum wage they are told by the forelady not to punch the time recording clock for a certain period. This also applies to time workers and hence their full time is not recorded. Another method of evasion is for the employer to compel the girl to take work to her home to do at night. They have been found to use trucks to bring the work home at night. (1) Where this is piece-work there may be five or six working maximums for this girl's pay envelope.

Mr. Stevens points out that in the restaurant business a girl may only work four or five hours during the rush periods, being sent home at other times. She must be available when called, hence can not get other employment and can only earn part of the $12.50 or the minimum rate. This means that she must live on only part of the budget made out as just equal to the cost of living. The minimum rate for this type of work is still on an hourly basis. Hence an employer can hire more workers at shorter hours and entirely evade the principle of the minimum wage. It would seem that we should have no half and half cases. A worker is either hired, in which case she is entitled to a minimum wage by which she can live decently, or a worker is not hired, in which case she should be taken care of by relief, which should always be below the minimum wage. This last statement may seem hard in view

(1) Special Committee on Price Surveys and Wage Raising. - p. 100.
of the fact that the minimum wage is just supposed to supply a living. However, it is possible to live on less than this rate and the principle of relief being less than the minimum wage must be continued in order to induce a desire for employment. I certainly believe that if an employee is hired, it is the absolute duty of the employer to see that she gets enough in wages to provide her with a decent living. It makes no difference whether the worker be on piece-rates or time-rates, the essential is the payment of a living wage to every worker. Hence I should recommend the abolition of the clause providing that the Act is complied with if 80 per cent of the piece-rate workers earn the minimum wage. Some will say that this will cause the slow workers to be discharged. Perhaps, but if the employer can find workers who are faster that is his right and the slow workers will have to find a type of work to which they are more suited. If they still cannot find employment, it is only right that if conditions demand that there is continually a certain number of workers unemployed, this group should be made up of the slowest workers. This system would tend to force workers to find the position to which they are most adapted.

Obviously, under the system of inspection in vogue in Ontario, the protection of the worker depends entirely on the honesty of the employer. Hence the problem of correct records and the penalties provided for the various offences, is very important. Mr. Stapells supported the low fine of $10. to $20. for not keeping records, on the contention that many foreigners cannot understand bookkeeping or the law, and that it is unfair to handicap them in the start of their business by imposing a stiff fine. Fortunately, this fine has been increased to a
penalty of from $100. to $1,000. This is quite adequate and should curb some of the evils which are mentioned below.

Mr. Francoq states that in many cases the full working time is not recorded on pay envelopes, so that unless the employee keeps a record of her time herself, she has no means of checking the time recorded. Some employers mark on the pay envelopes the amount of wages the employee should get, but simply remit to her whatever amount they feel like giving her. The mortal fear of losing their jobs makes women workers unwilling to complain and they are even willing to swear falsely that they are properly paid. One case is cited where the Board prosecuted and the girls refused to take the arrears. Mr. Stapelles stated that in this case he believed the girls were actually sorry for their employer. In some cases the employer settles with the girls for so much on the dollar so that the girls will not complain and he will not get the fine and the unfavourable publicity.

Some cases are known where the Company keeps two sets of books, one for their own knowledge and one for the benefit of the Minimum Wage Board. There have definitely been cases where an inspector has asked the woman to open her envelope in front of him and he has seen that the envelope has not contained the amount marked on it, which is also the amount entered on the pay roll which the Board will discover when they look at the books to see if the firm is paying the minimum wage. Cases have also been observed of two girls sharing the same pay envelope. In this way it appeared that one girls was working and was receiving fix fair wages, whereas in reality two girls had to face the misery of fighting the outside world with entirely inadequate pay. In one Toronto shop, the Minimum Wage Board found that the names of six
grossly underpaid women had been omitted from the records. When they went to the firm to investigate, they found that six women had been hustled into an elevator so that the number of women working would correspond with the records.

Yet in view of the above situation Mr. Stapells testifies that it is the policy of the Board "to prosecute only in the event of there being open defiance of the board." They send their negotiator up to the employer to ask for the arrears in the workers' pay and if he refuses to settle amicably he is prosecuted, fined and forced to pay the arrears. Now is there any reason why an employer who does not pay a living wage and tries to hide that fact should escape by only having to make up back pay? The Board either makes the point that some employers cannot understand the law or do not know that they are not paying the minimum wage. All employers can read. They do not have to be able to understand the law. The orders are certainly clear enough. In 1932 the Board reports that there were 447 complaints and that only one employer had to be prosecuted. It is absurd to suppose that in the other 446 cases the employers did not know that they were not paying the minimum wage rate. Undoubtedly a fine should be imposed in every case and I am also in favor of publishing the names of offending employers in the Gazette and the daily newspapers, as they do in Massachusetts.

Before the new Act definitely stated the maximum number of hours for which the minimum wage was to apply, there were two methods of avoiding the principle of the law in this connection. The Board merely used to recognize as "normal" the usual number of hours worked in the plant. One firm cheated their employees out of a large sum by increasing their "normal" working hours from
44 to 54 and still paying the same wage for the longer time. At present this is contrary to the Act. Another method of evading the law was brought out in the case where a Company reported that their "normal" working time was 50 hours and only worked 48 hours, and so only paid the girls four-fifths of the minimum rate.

In Ontario, special permits to work for less than the minimum wage are issued to girls who are physically or mentally handicapped, and to women over sixty years of age. Special rates are also provided for apprentices and inexperienced adults. The latter provision is designed particularly to allow young and inexperienced workers who would not naturally be preferred to experienced workers, to work for a lower wage and so gain the necessary knowledge to put them on an equal footing with the other workers. Experience at the trade is often not properly recorded since employers count the time of experience only from the date such employees enter their employ and do not consider previous experience in other Companies. In order to secure the job, experienced girls are willing to swear that they have never had any experience. In this case, of course, the employer would be unwittingly breaking the law. Another method of evading the Act is to move girls from one department to another in the same Company and putting them on the payroll as inexperienced workers.

The learning period is usually from one to two years in Ontario. There is always the danger that after the learning period of low wages has been spent the worker will be discharged as not being able to earn the minimum rate. One case has been reported in Kitchener of a Company hiring a group of girls as apprentices at no wage at all and then discharging them and replacing them with a similar batch when they had spent the
qualifying period of three or four months. (1) Hence, this Company was continuing in business with no pay roll at all.

The rates for juveniles are usually set on a basis of age or experience or a combination of both. One difficulty with the system of increasing rates by periods based on the length of experience, is that there is no incentive for the worker to learn quickly. On the other hand, the difficulty with the age basis is that juveniles older than those who enter the industry at the bottom of the scale will find more difficulty in obtaining employment. The system of combining both types has been adopted by a number of the Trade Boards in Great Britain and by the Wage Boards in Australia.

The possibility of securing permits for slow workers is also used to speed up the workers. If you do not speed up they will tell you to apply to the Board and ask for a permit as a slow worker. If you do not get a permit you are discharged. On the other hand, if the employees do speed up, the result is a lowering of the piece-rates. The girls desireous of any job stay on rather than complain. One case is cited of the reduction of the piece-rate for women's dresses in a Quebec firm from fifty cents to fifteen cents. This is not only ridiculous but also heart-breaking for the girls.

Although wages are admittedly at the lowest ebb in the needle trades, we will look elsewhere to get a view of some of the lowest wages paid. Mr. Laver cites cases of men in Toronto, with families getting $6.00 for a full week and $9.00 for a 72 hour week. Drivers in the automotive industry are paid as low as $12.00 for a 100 hour week. Regardless of the wage paid, to ask any man to drive 100 hours in a week is not only a terrible hardship on the

man but also a danger to society. Kitchen workers and waitresses in a recent Toronto strike reported weekly wages of from $6.25 to $11.00 for hours running up to 90 and 100. In the furniture centres the average wage for men is twenty cents an hour for a twelve hour day. Men with over seven years experience are getting as low as five cents an hour on piece work. There was one case where a wage of $3.00 for 70 hours a week for a girl was reported to the Board and nothing was done about it. (1)

One observes from the above examples that advantage has been taken of the lack of a minimum wage law for men to pay extremely low wages in some cases. The lack of this law also works a hardship on women workers. Employers must pay them a certain minimum rate. However, they can employ men for a wage below this rate. This is done and women will find it much more difficult to secure employment. In order to improve this situation, the Ontario Board, last spring (1934) provided that, in future, all their wage orders should also apply to men when replacing women. This is a very commendable move and shows that progress is definitely being made in Ontario minimum wage legislation.

In the biscuit industry, wages as low as $1.50 per week were paid and some of the girls were paid only five cents an hour. In this industry in Montreal, Mr. France reports a total of 451 girls working for less than twelve cents an hour. (2) When the minimum wage was enforced, a few firms were forced out of business. In the same industry some firms paid much higher wages than others and yet made just as high profits. This is accounted for by the

(2) Ibid - p. 89.
witness by the girls doing much better work for the higher wages. In order not to destroy the biscuit business, the Quebec Board agreed with the employers that for a limited period 50 per cent of the girls were to get at least $10.00 and that the other 50 per cent could get as low as $7.00 a week. This is following the principle used in Wisconsin that if an industry cannot exist while paying the minimum wage, they are exempted. While I strongly maintain that if a living wage cannot be paid the industry should be allowed to die, there is a definite case for a transitional period of compromise. It would be unreasonable to ask an industry which had been paying a wage of $5.00 a week to immediately change to the minimum rate of $12.00 the next week. I believe that in exceptional cases a period of up to six months should be allowed for certain readjustments in the organization. During this period a gradually increasing scale of wages might be paid or an intermediate minimum rate might be set for the whole period.

Decentralization is taking place in the shoe industry in Quebec. That is, firms are moving from the cities to the rural districts because the minimum wage there is much lower than in the cities. This unfair competition brings down the wages in the cities. One case in this industry is cited where girls were paid $1.50 for a 75 hour week or a rate of two cents an hour! In this case the employer was only fined $10.00!(1) In this connection, Mr. Franscq states that he often gets more complaints from employers than from employees. When tendering for a large contract they know that they have to pay about the same for raw materials. Hence, if the tender of their competitor is very much lower than theirs, they know that his wages must be below the minimum rate and so they ask

the Board to investigate.

The deplorable situation in the clothing industry is revealed by Mr. Harry N. Cassidy, Assistant Professor of Social Science in the University of Toronto. He and Professor Scott of McGill University have made an inquiry into labour conditions in the men's clothing industry at the request of the Canadian Garment Manufacturers Association and the Amalgamated Clothing Workers Union. He stated that conditions in Quebec have been worse than in Ontario and that "in both provinces labour in the men's clothing industry have been exploited and sweated." While he found only one homework shop in Toronto, the subletting contract system is prevalent in Quebec. The higher class firms with fair labour conditions have definitely lost business to the lower standard concerns. Mr. Cassidy reports in Quebec that "in all shops over 95 per cent of the women were receiving wages below the standard."(1) Four men in an Ontario non-union clothing shop reported wages of $5.00 to $7.50. In Cornwall, a non-union shop paid 40 out of 44 women less than the minimum wage and five got less than $7.50. In one Toronto non-union shop, out of 30 women, practically all of whom were earning less than the minimum wage, 21 were married and were supporting their families and six of these had to have city relief as well.

In Quebec, conditions were worse than in Ontario, one girl receiving $2.00 for 55 hours work or less than four cents an hour. There was one case of a man working for over 100 hours in one week. In a shop in Joliette a family of two females and four males had their wages listed in the books as four at $2.00 per week, one at $5.00 and one at $7.00, regardless of the number of hours worked. This makes the shameful total of $20.00 a week

(1) Committee on Price Spreads and Mass Buying. - p. 130.
for six people. And yet there is a Minimum Wage Act in that province!

Mr. Francesq states that manufacturers are subletting their work to contractors and thence to sub-contractors at a very low price, that does not permit the latter to pay their employees the minimum wage. Some of them are sub-letting work to one of their own employees in their own plant and on their own machinery. He has submitted to his government an amendment to the law whereby the manufacturer will be responsible for the wages paid to the employees of his sub-contractors providing the sub-contractors employ those that work in the manufacturer's workshop or on his machinery. Most of the cases of extremely low wages cited in Montreal were in the needle trade, where contractors are paid as low as $3.00 a dozen pairs of men's pants and thirty-five cents for a dozen pairs of boys' pants. In these cases, it is obviously impossible to pay the minimum wage rates. These contractors often sublet these contracts out to private families who are only paid as low as 50¢ to $1.00 for a dozen pairs of men's pants. This is, of course, going back to the old system of sweating. Cases were cited of girls getting $2.00 or $3.00 a week from the contractor. It is useless to prosecute the contractor who cannot possibly pay his fine on account of the ridiculously low rate at which he is paid by the manufacturer. It is the manufacturer who should be checked up. However, their wages are kept right down by stiff competition for business. They accept contracts at very low prices from the departmental stores who are the big buyers, simply in order to keep their plants open. The big buyers play one manufacturer off against another in order to secure an extremely low price which is often below the cost of the material. Hence, it all can be traced back
to the big buyers whom it is very difficult to approach by means of legislation.

Mr. Laver, in his testimony, states some of the difficulties in connection with relief which are caused by low wages. The provincial government has ruled that a person entitled to unemployment relief is one who has no suitable employment. The legal opinion of the relief counsel has been that suitable employment means sufficient earnings to maintain his family somewhat in keeping with the usual mode of living. The witness gives one case where girls who had to be paid $12.50 were dismissed and men were taken on at a lower wage, but had to be aided by city relief in order to support a family. If the city relief department complains to the firm, the worker may be discharged and the family will have to be supported entirely by the two governments and the municipality. Mr. Laver cites a great many cases of persons on relief receiving very low wages, - a few are girls receiving as low as $6.00 and $7.00 a week, but most of them are men. The desire of workers to maintain their independence and keep out of the parasitic class has made them very willing to take excessively low wages, rather than go entirely on relief. Aliens and Britishers resident in Canada less than five years take low wages for fear of deportation if, through their refusal to do so, they should become public charges.

We must not, however, get too distorted a picture from the extremely low wages cited in the last few pages. We only get an adequate view where proportions are given. The extremely low wages cited are usually exceptional, but are nevertheless indicative of the general laxity of administration. Another difficulty is that accurate information was sometimes not given and the committee
Mr. Somerville, occasionally I believe, was guilty of mis-
construing some of the statements of the witness.

An illustration of this inaccuracy given by Mr. J.S. McLean,
President of the Canada Packers of Toronto, will be cited in some
detail here in order to show an adequate picture. Two of the 41
cases cited by Mr. Laver were employees of Canada Packers and
Mr. McLean appeared before the committee in defence of his Company.
He stated that twice Mr. Laver refused to give him the names of the
employees mentioned. Mr. Laver had stated that 40 out of 41 cases
cited were on full time and that "we have verified from the firms
the statements these employees make." (1) This the witness em-
phatically denied. Mr. Laver stated that a full time employee of
the Canada Packers received $10.50 per week. (2) Mr. McLean after
learning his name from Mr. Stevens said that the man in question was
married and that he had been with the Company for seven years.
His average wage was 40 cents an hour and $17.75 a week for the
whole year of 1933. His wages for the first five weeks in 1934
were respectively $17.46, $19.90, $15.00, $9.90 and $6.80. In
the third week he was voluntarily off work for a day and a half.
At the end of this week, however, it became necessary, on account
of the marked rise in the price of hogs to reduce the gang in
which he was working because their work was cut down about twenty
per cent. It was necessary to let out two men and the foreman
of the gang laid off the only single man who was on the gang and
also the man in question. Before letting either of them out,
however, the time of these two men was reduced and during these two
weeks the man received $9.90 and $6.80. He was let out on
January 27th and on January 31st he applied to the city for relief.

(2.) Ibid - p. 69.
He made a statement that during the last two weeks he had drawn 
$10.50 and that this was on broken time. This last clause is 
particularly noteworthy in view of Mr. Laver's statement given 
above. The employee was correct about the time since he had only 
worked 24 and 17 hours respectively in the two weeks, but he had 
not drawn $10.50. He had only received an average of $9.35 per 
week. Would this not have been sensational for Mr. Laver? The 
employee drew relief for only one week, at the end of which time 
he was again taken on by the Canada Packers at an extra painting 
job at the regular labourer's wage of 35 cents an hour, because his 
wife had been an employee of the company for four years.

The witness also testified that although their employees 
punched a clock, they were only paid from the time they actually 
started work until the time they finished. This was checked by 
the foreman. From the records of this same employee for the week 
ending March 1st they found that his elapsed time as shown by the 
time clock was 46 hours and 58 minutes and that the time according 
to the records by which he was paid was 43 hours. Mr. Somerville 
then took the records for each day and checked them. For example, 
the first day he entered at 6:43 in the morning and left at 4:31 in 
the afternoon, or a time of 9 hours and 48 minutes, while he was 
only paid for 8½ hours. Mr. McLean pointed out that he went in and 
dressed in the morning, worked from 7 to 12, had lunch for an hour 
and worked again from 1 o'clock to 4:30. In other words he worked 
for 8½ hours and was paid for 8½ hours. This is only natural, 
since, if a man is working on an hourly basis, he cannot expect to 
be paid while eating his lunch, etc. Hence, Mr. Somerville 
made an effort to give the impression that the company's records 
were incorrect and that the man worked almost six hours for which 
he was not paid.
Mr. Francq, in his testimony stated that the Quebec Minimum Wage Act was put on the statute books in 1919 or 1920 (he did not even know when his Act was passed) but that the Board was not appointed until 1925 and then it took two years to straighten things out in order that they could issue orders. In each session since 1927 the Act had been amended. This seems to point to great progress, but they have a long way to go yet.

At the beginning, the Board only had jurisdiction over wages. However, the employers at once saw that if they must pay a fixed minimum wage, they could increase the hours to get the same value. Hence, a change was made so that now the Board also controls hours in their orders.

Whenever the Board thinks that wages are too low or they have a request for an investigation, they issue questionnaires which are filled out, a census is made and then the Board presents the result of their work to the joint wage conference which is formed for that particular industry. Representatives of the employers' associations and the labour union in that industry meet and select an equal number of impartial representatives of the general public. These three equal bodies then compose the wage conference which decides on the wages and hours for that industry. They do not fix a definite cost of living as they do in Ontario but only an approximate figure. For example, the minimum wage rates for experienced workers in the rural districts vary from $9.00 to $10.00 and in Montreal from $11.00 to $12.50. The Board, of course, has the authority to adopt, amend or reject the report of the conference or to send the matter back to the same or a new conference.

There are seven inspectors under the Board who receive
co-operation but not much real help from the busy factory inspectors. With employers of over 100 workers, the inspector calls in and leaves a report to be filled out and then calls back the next day and checks it with the firm's books. With the other companies, the inspector has to go into the plant and compile the report himself. The Board asks for the weekly pay sheet of a company only once during the year. The inspector chooses whatever week he wants to make this annual inspection and with certain unfair firms inspection must be made at least once a month.

In cases of infraction of the law, a girl must sue for back pay in the ordinary civil courts. However, the Board has another method. Usually a girl does not come to the Board until she has been discharged or has quit. The Board then goes to the employer and tells him that they can take him to court unless he wants to settle with the girl immediately. He usually does this rather than be fined in court and receive the unfavourable publicity that goes with it. When they settle, they are warned that the next time they are caught paying less than the minimum wage they will be brought before the court. As in regular debt cases they can get wages for as far back as five years, whereas in Ontario, one year is the time allowed. In 1932, the fine attached was up to $100.00. The next year it was up to $50.00 for each employee affected. This last phrase, of course, added greatly to the value of the penalty. In 1934, legislation was proposed for a fine and imprisonment in default of payment, both of which were graduated up with the second and third offense. Hence, Quebec is indefinitely making progress in the penalties imposed. However, I think a further change in the law should be made, similar to that in Ontario, where the employer, on being pronounced
guilty must not only pay the fine but also automatically have to pay his employee any back wages owed. This would eliminate the hardship worked on the girls, many of whom cannot afford to pay a lawyer. The Quebec Board should also be censured for its provision to allow firms exemption from the law in any case of "exceptional conditions." They also evade the principle of the Act in the matter of permits, as shown by the increase in the number of permits from 94 in 1931 to 2,067 in 1933. I presume the hardship of the depression on the employers would be their excuse. However, it is just during depression periods that the minimum wage is most needed.

As has been mentioned in connection with the textile industry and the contract system, mass buying seems to be one of the chief roots of the evil of low wages. Mass buying, coupled with the demand for quick delivery often leads to the disorganisation of industry. To meet the requirements of these large orders, excessively long hours are often worked for a short period. During this period a moderate wage may be earned at piece or hourly rates which are entirely inadequate for periods of more normal employment or to provide against the part-time or unemployment which usually follows the completion of these large orders. Mr. O.J. Kerr, the mayor of Stratford, who is himself a worker in the furniture industry testifies that buyers actually quote prices to the manufacturer. (1) Competition between manufacturers for the big order of a departmental store may force the price down to a point where the goods cannot be produced without a loss and it is therefore necessary to cut wages in order to remain in business. Cases are quoted of prices falling from $2.06 to 95 cents and from 47 cents to 17 cents. Before the big furniture strike in

(1) Committee on Price Spreads and Mass Buying. - p. 175.
December 1933, the average wage for men was about $10.20 and for women $7.34 per week or a little over 14 cents and hour. (1) These are averaged. The situation of women not earning the minimum wage was general throughout the furniture companies. This is a terrible condition to be prevalent in the main industry in one of our larger Ontario cities and certainly points a black finger at Minimum Wage administration in 1933.

A detailed illustration here will show the results of mass buying better than anything else. Two Canadians recently were visiting Chicago and saw a furniture set which impressed them as being a bargain, selling at $200.00. They bought the set and returning to Toronto called in representatives from four prominent furniture companies. They told these men that they wanted an exact duplicate of this set made for $125.00. One of the men told them he could do it for $127.50. He was given the order. Then he went back to his employers and told them how fortunate they were to get this large order, but in order to go through with it at the price given, there would have to be a forty percent reduction in wages throughout the plant. Later the large Toronto firm sold this set of furniture for $375.00; a profit of 115% combined with a 40% wage reduction! (2)

The chain store is another of these mass-buying menaces. Mr. Kay, a Commission auditor, makes the statement that 75% of the clerks and delivery boys in the Stop & Shop stores have been paid $10.00 or less a week, working 61 and 65 hours. (3) For a 61 hour week in Montreal, out of 460 clerks and delivery boys, 121 received $2.00 to $5.00 and 226 received $5.00 to $10.00, with

(1) Committee on Price Spreads and Mass Buying. - p. 182.
(2) From personal information from a reliable authority.
clerks' wages going as low as $4.00. For the same firm in
Toronto the following figures are given:

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<th>Number Employed</th>
<th>Low</th>
<th>High</th>
<th>Average</th>
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<td>$5.00</td>
<td>$18.00</td>
<td>$9.59</td>
</tr>
<tr>
<td>Woman Grocery &quot;</td>
<td>8</td>
<td>12.50</td>
<td>12.50</td>
<td>12.50</td>
</tr>
<tr>
<td>Meat Clerks</td>
<td>48</td>
<td>6.00</td>
<td>28.00</td>
<td>11.41</td>
</tr>
<tr>
<td>Delivery Boys</td>
<td>61</td>
<td>5.00</td>
<td>12.00</td>
<td>6.50</td>
</tr>
</tbody>
</table>

The figures not only show that a disgraceful advantage is taken of the lack of a minimum wage for men and boys, but also that for women the minimum has actually become the maximum. The latter is something which, I fear, is altogether too common in Ontario although not usually to such a marked degree.

Some of the best of the suggestions from the witnesses to correct the situation described in this chapter came from Mr. Tom Moore. He suggested a prison sentence with no optional fine for persistent offenders. He maintains that money makes no difference to the very large and corporations. A general license which might be withdrawn and so put them out of business is also suggested. The government should keep a list of firms from whom they purchase, and the names of those who violate the law should be deleted. He thinks this should be effective because everyone ultimately wants to deal with the government or at least keep a clean sheet and a good reputation with them. He advises the adoption of the International Labour Convention eight-hour day throughout Canada. This would eliminate the necessity of working overtime in order to earn a living and so would put work on a more even keel. He also advocates the establishment of an economic council to deal continuously with economic needs and industrial
problems. Mr. Frances suggests a measure of self-government in
the industry itself to do away with some of the existing evils.
If this were backed by government authority, I think this would be
very effective and honesty would tend to keep the industry on a
decent level.

Miss Hutchison also gives some very valuable suggestions
in her testimony before the Commission. Among other things she
points out the need for penalties for discrimination against girls
after complaints to the Minimum Wage Board. Although this is
definitely against the law as stated in the Act, no actual mention
is made of a penalty in the Act and a fairly stiff one for each
employee affected should be added to it. She also mentions a point
which would certainly be very useful in promoting the honesty of
the employer,—the need for employers to swear their returns.
Miss Hutchison suggests special protection of foreign workers, by
appointing some inspectors able to talk their language, and by
having the Factory Act and Minimum Wage Law printed in foreign
languages. The use of a label or other distinguishing mark on
all goods made under fair wage conditions is a very good idea.
One wonders just how much of Eaton's merchandise could honestly
bear this label. If this were done the public could back up the
fair manufacturers in their efforts to maintain wage levels and
boycott all companies which sold materials in which poverty wages
were paid.

This chapter has pointed out many of the difficulties facing
enforcement and various methods of evasion. The next step is for
the controlling bodies to really recognize that these things are
true and that they must act and, if necessary, legislate against
them.
Chapter V - Fundamental Principles of the Minimum Wage.

In considering the prevention of sweating and the promotion of industrial peace as objects of minimum wage legislation, the basis upon which the rates are fixed is of primary importance. In practice it has been observed that there are three main bases for fixing minimum wages (1) the relation to the wages of other categories of workers, (2) the living wage, (3) the capacity of the industry to pay.

In the first case, the minimum wages for a given category of workers may be fixed in relation to the wages of workers in allied trades or to the average wages paid in a large number of other industries. The standard in the first case is limited to the wages paid in a few similar trades, whereas, in the second, the general level of wages in the district or country is the basis. The Homework Acts passed by France in 1915, by Norway in 1918 and by Germany in 1923 are all on the latter basis. Our own Dominion Fair Wages Act for government contracts is also on this basis. Since the products of home workers in are not of as fine quality as that of factory workers, the wages of the former have been fixed in certain cases by Great Britain and Norway at a slightly lower level than the factory workers.

It is most desirable in using this basis to consider the relation between the wages paid in the particular industry, and the general level of wages. Since the exploitation of the general economic condition of the industry may cause the workers in the whole group of allied trades to be paid less than similar grades of workers in other industries. If you are going to use the general level of wages as the basis for the minimum wage, I would
suggest that the best way to set the rate would be as a certain per cent of the average wage paid to industrial labourers.

There are two main reasons for fixing the minimum wage of a given group of workers in relation to the wages paid to other workers. In the first place, differences in standards of living are reduced by raising the wages of the group under consideration more nearly to those of other groups of workers. This difference in standards of living is the thing which first catches the eye of the public and which is the most crying evil of our present economic system. The second reason is, that if a number of industries or establishments can afford to pay a given rate of wages, then others may reasonably be called upon to pay wages which are approximately up to the same level. Hence, we see that at the basis of the method of fixing the wages of certain groups of workers in relation to those of other workers is either the standard of living principle or that of the capacity of the industry to pay.

Some form of the living wage is taken as the basis for the fixing of the minimum wage in New Zealand, in a number of the states or provinces in Australia, United States and Canada. In New Zealand, they take account of the economic and financial conditions affecting the industry in which the dispute has arisen, but in no case will they settle on a wage which is "below a fair standard of living wage." The Australian Commonwealth Arbitration Court makes its awards for an unskilled adult male in accordance with the requirements of a man with a wife and three children. However, when considering the secondary minimum or the higher wages paid to skilled workers they do regard the condition of the industry.
We must recognize that the living wage is highly elastic and that in the long run it is practically entirely dependent upon the wealth of the country. Of the two methods of determining the cost of living, the theoretical method of estimating the number of calories required to keep a family of a certain size alive, is an unsatisfactory method, since it only applies to food and even then it tells nothing about the cost of buying the required food value. The family budget method is much more satisfactory. The best way is to take an adequate sample of the family budget of representative families of unskilled labourers. Of course, this is obviously higher than the bare cost of living, but a standard even higher than this should be fixed if improvements are to be effected. This method, of course, is necessarily arbitrary as it is mostly fixed by the opinion of the controlling body and will vary with its point of view.

In considering the cost of living several different levels have been used, the poverty level below which one cannot live, the human needs level and thirdly the standard of comfort. In Australia all three are used, whereas Great Britain uses only the first two. In 1919, the Royal Commission, appointed in Australia to enquire into the cost of living according to reasonable standards of comfort for a family of five persons, set in a standard which according to Mr. G.H. Knibbs, the Commonwealth statistician, could not possibly be paid since "the whole produced wealth of the country, including all that portion of produced wealth which now goes in the shape of profit to employers, would not, if divided up equally among the employees, yield the necessary weekly amount." (1) Since the weekly wage suggested was only about £28.45 at par, one cannot imagine how his statement is true. However, this

(1) Richardson - p. 56.
does indicate a definite difficulty with this type of basis.

Regardless of whether the object is to reach a standard of comfort or merely a subsistence standard as the cost of living, account must be taken of the actual standard of living in the community. This standard varies directly with, and depends mainly upon, the wealth or productivity of the community. Hence, standards of living are relative in character and vary in the same community from one period to another, and in different communities at the same date. According to this theory Mr. Richardson says "there should be a minimum wage determined by the general productivity of the community as a whole without taking account of the prosperity of individual establishments or industries." (1) This sounds alright but this standard would be too low since it would ignore those below the general productivity. This average would be satisfactory if it were computed by the modal method.

A special wage above the standard set by the cost of living must be set for those whose employment is of a seasonal character. Otherwise their standard of living will fall below the general minimum. Similarly piece-workers should be guaranteed a certain minimum time wage. Another difficulty with this basis is that in case changes take place in the purchasing power of money without a corresponding change in the general productivity of goods and services, the minimum wage would have to be adjusted by means of a sliding scale. However, in spite of difficulties the level determined by the cost of living is the lowest, which in the interests of justice, can be selected. This fact must be remembered although if possible the rate should be raised in accordance with the next principle.

Quite often, as in the cases of Massachusetts, the British

(1) Richardson - p. 60.
Trade Boards Act, the Victoria Factories and Shops Acts, etc., the principle of the capacity of the industry concerned to pay is combined with that of the cost of living as the basis for fixing the minimum wage rate. Under this heading also, we can consider the use of "the value of the work done" as a basis. This is obviously included in the capacity of the industry to pay since one method of finding the latter would be to determine the value of the work done. However, unfortunately, this factor of the value of the work done by any group of men is extremely difficult to calculate and is seldom used.

Mr. Richardson states that "the productivity of industry is the source from which wages are paid and that no legislative process or manipulation by state-established machinery can raise wages above the level that industry can bear."(1) Then he goes on to say that every minimum wage automatically takes account of the capacity of the industry to pay. It is admitted that if the wage is paid, the company must be able to pay it or it will soon go out of business. However, I do take exception to the first statement. I believe that if the level that industry can afford to pay is below the living wage, the state can and should step in and set a rate above that which the industry as a whole can bear. In considering this, we face much the same problem as comes up in tariffs. Even if the rate is above the general level of the industry, there must be some sections of the industry which are efficient enough to be able to pay the rate fixed. These sections can carry on and increase their production. If they cannot satisfy the demand or in case none of the industry can afford to pay a living wage, then it would be better to abandon the industry. It would be more beneficial to the national wealth for the men

(1) Richardson - p. 62.
employed in this industry to be employed in some more efficient industry in which our country has a comparative advantage and for our country to buy the goods produced by the inefficient industry abroad. Although it is rather an inopportune time to make this statement during a period of low ebb in international trade, I believe that the time for nations to harbour the thought that they can become self-sufficient is gone and that nations as well as individuals should trade freely for their mutual benefit. The more trade is carried on, the greater will become the wealth of the country involved, the higher the wages and the higher the standards of living. By this, of course, I mean the total volume of trade rather than the obsolete idea of trying to get the largest possible favourable balance of trade.

Industries or establishments paying such low wages are, in many cases, parasitic since, either the workers are partly maintained by the earnings of other workers as in cases where women workers are receiving very low wages in order to aid their husbands in the support of the family, or, if supporting themselves, have not enough an income for health and efficiency and in consequence become a charge on societies for hospitals and charitable institutions. The idea that if an industry can not pay a living wage it should cease to operate was brought out in the decision of the Australian Commonwealth Arbitration Court in 1909 in the case of the Broken Hill Proprietary Company, in the following sentence:— "If a man cannot maintain his enterprise without cutting down the wages which are proper to be paid to his employees - at all events the wages which are essential for their living - it would be better that he should abandon the enterprise." (1) In another Australian decision it is stated that "the extinction of

industries unsuited to the state may be an unwise advantage rather than to allow a long and fruitless struggle under severe com-
petition to continue." (1) Hence, I am absolutely opposed to the capacity of the industry to pay as a basis for setting a minimum wage rate. It is useful as an upper limit to which you can aim and as a temporary compromise until industry becomes ad-
justed to the new minimum rates, but is no good as a general basis for a wage board system. For the sake of covering the subject, the general theory will be included below.

The wages of the lowest paid worker may be increased either by a change in the distribution of wages or by an increase in the total productivity of the community. The former may be achieved either at the expense of other groups of workers or of other classes in the community. Since skilled workers receive no more than is their fair share for longer training and greater efficiency, it is not just that their wage should be reduced. As the number of people who receive large incomes is extremely small when compared with that of the unskilled workers whose wage we wish to increase, a redistribution would mean very little monetary gain to the individual worker. Hence, we must look toward increasing the general productivity of the community.

In considering this problem, we must observe that the wage fund theory has been replaced by the marginal productivity theory of wages. The practice of regulating wages has spread and in England it has been noted that the industries that have been sub-
jected to legal minimum wage legislation show a greater rise in wages in the period since the Act was passed than industry in general. Inadequate cost accounts may mean that the employer may not be able to arrange the payments to the factors of production

most efficiently, with the result that wages may be above or below 
the marginal productivity.

Wages may also differ from marginal productivity due to the 
weakness to which the wage earner is subject in selling his labour. He 
cannot get the true worth of his labour on account of the 
inferiority of his bargaining power as compared with that of his 
employer. "Given a full understanding of the economic contribution 
of each class of labour and given equality of bargaining strength 
wages would correspond with marginal productivity." (1) The use 
of the minimum wage comes in here to force wages up to the figure 
collective bargaining would have established, and to compel em-
ployers to pay what they can. The minimum wage is a device which 
will tend to bring the proper share of the accumulation of wealth, 
through inventions and the increased efficiency of organization 
and of the workers, to the poorer classes who have not the necessary 
bargaining power. (2) If wages are to be raised by the minimum 
wage then the productivity of labour and hence the efficiency of 
the producer must be increased. In other words, one of the most 
important results of the minimum wage is to force less efficient 
producers up to the level of the more efficient, if they do not 
want to drop by the wayside, or to aid the latter in absorbing the 
former. The minimum wage means that only the best workers will 
be chosen and hence the quality of work will undoubtedly improve 
since the inefficient workers will be eliminated. It is quite 
possible for an employer to make more profit with a decreased 
productivity by hiring an incompetent or infirm man, a drunkard 
or a person of bad character since he will be satisfied with very 
low wages. The minimum wage eliminates this lowering of the

(2) Ibid. - p. 229.
general productivity and the employer must get his increased productivity by increasing efficiency rather than by grading wages down to the inefficient. Thus the productivity of the nation as a whole is definitely increased, since the minimum wage ensures that the army of the unemployed is always composed of the least efficient workers.

The mere fixing of a legal minimum wage may react upon the efficiency of the wage earner so as to cause him to earn more wages by improving his mental attitude. Under the minimum wage, the employer can still exact more units of labour from the employee in return for the additional expenditure upon wages. However, in order to give the employee the required amount of work and so make him earn the fixed sum and at the same time not require him to work longer hours, the employer will increase his efficiency. Hence, we have completed the cycle by observing how the general productivity of the community may be increased.

Unfortunately the principle of paying wages according to the ability of the individual industry or establishment to pay, has dragged down wages and is partly responsible for the existence of sweated labour. This has been observed particularly in Quebec as the result of mass buying. We would suppose that this lowering of standards would be prevented by the natural tendency of men to move from low wages to high wages. However, this mobility of labour is mostly a matter of theory, especially in times like we are experiencing when a person is fortunate to secure any job and information as to wages travels very slowly among workmen. Hence the exploitation of labour runs on unabated.

Although I am entirely against the whole principle of fixing minimum wages rates on the basis of the capacity to pay, I maintain
that if this principle is accepted there must be a great deal more standardization of wages than there is at present. The rates should be set in accordance with the capacity of industry in general to pay and not of any particular industry or establishment.

The family allowance system has been advocated as a means of improving the welfare of the workers and their families. This method provides additional wages in proportion to the number of children. Mr. Richardson believes that the adjustment of needs to income is much better than the family allowance system of adjusting wages to needs. The system is only applicable in order to improve conditions already present when the wage received is below the level considered reasonable to the general standard of living in the community. Of course, the system would tend to cause an increase in the population as a working man would see his wages increase as the size of his family increased. Even though the increase would not cover the cost of raising the extra children, he would be willing to accept a certain amount of sacrifice in order to satisfy the natural instinct for family increase.

A worker regards his wage not only as payment for work done but also as a means of supplying his needs and those of his dependents. The chief difficulty with the latter part of this statement is that each worker has a different amount of needs to supply depending on the number, age, sex, etc. of his dependents. In most systems of minimum wages, no account is taken of the differing needs of the workers who are being paid. Throughout, the principle of equal pay for equal work is applied and workers must adjust their needs to their wage. We have noted that Australia takes the typical family as being a man,
his wife and three children. However, is this the average size of a family? Let us observe the statistics of the 1921 census in England and Wales, thus showing the percentage for married men without children and with children under sixteen years of age.\(^{(1)}\)

<table>
<thead>
<tr>
<th>Category</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without children, or did not furnish information</td>
<td>45</td>
</tr>
<tr>
<td>With one child</td>
<td>25</td>
</tr>
<tr>
<td>With two children</td>
<td>15</td>
</tr>
<tr>
<td>With three children</td>
<td>9</td>
</tr>
<tr>
<td>With four or more children</td>
<td>10</td>
</tr>
</tbody>
</table>

Quite evidently the Australian basis is not in accordance with the average size of families. In this case, the average number of children under sixteen per married worker was only 1.87 or about one child for each worker since 26.6\% of the working men over twenty were unmarried.

The family allowance system involves a redistribution of the total wage bill. The wages of those whose families are large are increased at the expense of those whose family is small. This system was used quite extensively throughout Europe during the war to maintain equality in a period of hardship, but it declined in importance when normal conditions returned. In Great Britain and Australia, the advocacy of this system is based on the opinion that in any community a higher general standard of living can be attained under the family allowance system than under that of "equal pay."

A great danger of the family allowance system is that employers may discharge workers having a large number of dependents, in favour of unmarried workers to whom they can pay a lower wage. The adoption of the equalization fund system is the most satisfactory way of removing this danger. In the latter, the

\(^{(1)}\) Richardson, J.H. - The Minimum Wage - p. 103.
employers of a given district or industry pay into a common fund, from which the allowances are paid in proportion to their total number of workers or their total wage bill, but not in proportion to the number of their workers' children. Such equalization funds have been developed to a large extent in Belgium and France and have been quite successful in preventing discrimination against workers with large families. In Germany, they have given direct allowances but have found that since the allowance is so small there has not been a great tendency to prefer unmarried men. In 1923, France passed a law providing for family allowances paid out of state revenues. The main object of this law, however, was to encourage an increase in the birth-rate. One other way of paying family allowances is similar to unemployment insurance, namely, dividing the cost between the state, the employers and the workers.

In a country already sufficiently populated, this system would be a bad thing, since it would likely lead to a reduction in the average standard of living which would outweigh the advantage of improved distribution. Mr. Richardson makes the statement that in no country have really adequate allowances been paid. (1) This is quite significant, since if this is really a recognized fact, there would be no encouragement for an increase in population. However, in France where the State is definitely troubled by a decreasing population, they use an ascending scale of allowances to encourage an increase in the birth-rate. A table is given below showing the average rates of allowances based on the scales of the thirty chief equalization funds whose payments represent 80% of the total allowances. (2)

(1) Richardson J.H. - The Minimum Wage - p. 117.
Average allowance per month

<table>
<thead>
<tr>
<th>Number of Children</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25.25 francs</td>
</tr>
<tr>
<td>2</td>
<td>63.02 &quot;</td>
</tr>
<tr>
<td>3</td>
<td>109.47 &quot;</td>
</tr>
<tr>
<td>4</td>
<td>173.16 &quot;</td>
</tr>
<tr>
<td>5</td>
<td>240.34 &quot;</td>
</tr>
<tr>
<td>6</td>
<td>318.00 &quot;</td>
</tr>
</tbody>
</table>

The objection has been raised that this system leads to an increased of the birth rate among the least desirable class of the community, namely the lowest paid workers. However, the birth-rate in this class is already very high and the application of a descending scale of allowances would not lead to a considerable increase in the birth-rate.

One of the advantages of this system is that it tends to keep the standard of living of the individual family more on the same level. With an almost the same income throughout the principal working years of life, a man finds that it is very difficult to make it stretch in the periods when he must bring up his children and he is practically forced to let his general standard of living drop. However, the family allowance system gives him the additional sum by which with a little sacrificing he can keep on the same level. Then after the children have gone into the world the allowances go, but since he does not have to look after the children his standard of living remains on the same level.

Advocates of the family allowance system maintain that it would facilitate the adoption of the principle of equal pay for equal work, by removing the necessity for that a man's wage should be adequate for the maintenance of a family. Both men
and women would receive the same basic wage and in addition an allowance based on the number of persons dependent on them. In order to prevent actual misery, an act was passed by the New Zealand Legislature in 1926 providing for the payment of allowances to those with large families and small incomes. However, this was a government measure of relief and not a principle for the minimum wage.

Mr. Richardson believes that as a basis of the wage system of each country, national minimum wages should be fixed. These should "constitute a standard below which no worker of ordinary ability should fall." (1) Here, of course, enters the difficulty of defining a worker of ordinary ability. Is this to be the average or should it be all workers who are physically fit? Of course, in any case, a line must be drawn some place in order to be fair to the employers, since some are slow and do not earn a high wage. However, one must also be fair to the better unskilled workers who might otherwise be held down to the level of the slow and physically handicapped workers. Mr. Richardson also says that in a country with several distinct economic regions, such as Canada is, it might be necessary to establish a regional instead of a national basis. Different minima might also be set for industrial and agricultural workers. Of course, the difficulty in the former case is in determining the limits of the districts. Another obstacle is that statistics show that the cost of living often varies more according to the size of the town than according to the geographical region. This principle of grading the wage according to the population of the city or in town is followed in Ontario.

There are many ways of arriving at this wage. It might
be based on a cost of living budget for a family of a certain size.
It might be the average wage of the unskilled workers in
the lowest paid industry in which employers and workers are well
organized. Although rather arbitrary the national minimum wage
might be fixed as a certain proportion of the average wage paid to
all unskilled workers in industry.

In considering a national minimum wage, the aim should be
to have the real minimum rate the same throughout the country. In
other words, the money wage would have to vary throughout a large
country like Canada in accordance with the different costs of
living in the different sections. To overcome this it is possible
to establish a minimum consisting of certain quantities of various
articles of clothing, fuel and light, housing accommodation and
other commodities. These quantities may be established on the
results of family budget inquiries which the International Con-
ference of Labour Statisticians, held in Geneva in April 1925,
recommended to be undertaken in every country which had not
recently done so. When differences in the cost of living or
efficiency are not large, the British practice of fixing uniform
rates of wages for similar categories of workers in the different
districts is fairly satisfactory. This method has at least two
points in its favour. With uniform rates differences in cost of
living tend to disappear and the tendency of workers to move to
the large towns to earn the higher wages paid there is also overcome
to a considerable extent.

The usual method of adjusting the money wage to the cost of
living is by means of a sliding scale. This depends on very
accurate and sound methods of compiling the cost of living index
numbers. Since there must be a certain stability to the wage, it is necessary to provide that it should not change unless the cost of living changes by more than a certain proportion.

Obviously it is necessary not only to take account of changes in the cost of living but also of the productivity of the nation, which a sliding scale does not do. Hence, we must get a system by which real wages will vary directly with productivity. We can get a picture of these changes in productivity by weighing changes in production according to the relative importance of each commodity in the field of national production, for instance by the number of persons employed in each industry, or the aggregate of the production of each industry. If following this method, it is necessary to avoid the oscillations of productivity during the business cycle by applying to the data a long period moving average. (A ten-year moving average has been suggested in the United States.) As when considering the cost of living, we would have to make the proviso that the real wage would be changed only if an appreciable change occurred in the national productivity. The objection can be made that in both the cost of living and productivity analysis, we are considering setting present standards by past statistics. The only way to avoid this is to combine past experience with some type of economic barometer to attempt to predict the future based on future information.

In the report of the Economic Commission on the Queensland Basic Wage in 1924, it was suggested that an index of the capacity of industry in general to pay be constructed by combining three separate series of statistics, first an index of the per capita income calculated from income tax statistics, together with data for persons who do not pay income tax, i.e., mainly wage-earners;
second, an index of per capita material production in the chief industries and the number of persons employed; third an index of prospective production during the months immediately ahead, constructed from data of the volume and value of stocks of raw materials together with the prices of the stocks and shares of the government and of business companies as shown by Stock Exchange quotations.

Mr. Richardson says that exception may be made to the general minimum time rate in two cases. First, an industry would be allowed to pay a lower rate during an experimental period, to tide over temporary periods of difficulty or to meet severe foreign competition. Any such temporary exception should be made only after a full examination of the financial condition and prospects of the industry. The second class of exemption is in the case of sub-normal workers who by reason of some defect are below the ordinary level of efficiency. The latter must be watched very closely in order to make sure that there is no exemption unless the worker is actually slow and not merely the slowest. I do not agree with any exemption in the first case. If a company cannot stand up, it should fall down and if they have not enough money to experiment, they should not experiment.

Women’s wages are unduly low, partly because of the limited field of labour which is open to them and partly because they are willing to work for very little remuneration since they are being maintained by the earnings of others, either as members of a family or as wives aiding the family income. In this respect it should be noted that if it is the inadequate social legislation along other lines which has really made the minimum wage necessary. If we had had really satisfactory widow’s

(2) Ibid - p. 94.
(1) Richardson - p. 101.
pensions, old age pensions, accident, sickness and unemployment insurance, many women now working would not be in that group which is dragging down the wage of those who are working as a career to support themselves.

In considering men's and women's wages, there are two separate problems,—that of men and women engaged side by side in identical work and that where the two sexes work in different occupations. In observing the principle of equal pay for equal work, one must remember that although the state may set a national minimum wage rate, they can not compel an employer to hire a worker and he will not employ him if the value of his work is less than the basic wage. There is also the fact that he will employ the fast worker in preference to the slow one. Even when working on the piece-rate system, the fast worker is of more value to the employer than the slow worker, since the latter costs more per unit of output for interest on capital, rent, management and other overhead charges. Hence, if the women's weekly output is less than that of the men, it is natural that a lower piece-rate should be fixed for them. However, when the same work is being done by both sexes, it is preferable to set the same piece-rate, for all work. We should also remember that an employer can hire men and women in whatever proportion he wishes. If he finds that on a particular type of work women show more aptitude than men, he can hire more of them. Hence, really the piece-rate should not vary according to the sex. Therefore, the general effect of this principle of equal pay for equal work would be a distribution of men and women in the different occupations according to the efficiency at different kinds of work. There must be absolute freedom of opportunity for both sexes in order that the proper distribution of workers might be found.
In speaking of equality of opportunity and equal pay for both sexes when engaged in the same type of work, we seem to be directly opposed to the principle that the wage of a man should be that to support the average size family, and that of a woman should be sufficient to support herself without dependents. When placing a minimum wage on a country for the first time, I believe the latter principles should be the ones considered. However, in the long run, an increase of population among the poorer classes should not be encouraged and so we should regard the first principle as our basis. Women, while in industry, should be allowed to earn just as much as men if they are as capable. The general tendency, however, is that women become married after a medium time in industry and their serious competition to men is thus diminished. When men and women begin in industry they usually receive very close to the minimum wage. However, by the time the man wishes to marry his wage will have increased so that his wage, together with what his wife has already earned before marriage, will be sufficient to keep them. The only difficulty with this equality of minimum wage rates is that marriage may be discouraged. When a man has not the ability to earn a high wage, he will not be able to support children and his poor stock will not be perpetuated. This would mean that further population would come from the classes with the higher mentality, which in turn means that the general average will increase with future generations.

It is possible that the minimum wage may cause many inefficient industries and establishments to either cease operation or at least cut down on their labour force. Many of these men will be absorbed by new and growing industries. However, there will certainly be an increased supply of labour on
the market which will cause a slight reduction in the general
level of wages. To this extent, the cost of the prevention of
sweating is distributed over the general body of wage earners.
However, for the most part, labour is solidly behind the minimum
wage. Some Americans have opposed government intervention in the
fear that it might weaken the effects of unions already formed
and hinder the formation of new ones in that particular field.
Usually the minimum wage has been a backbone of trade union policy.
It enters into all agreements in order to ensure a satisfactory
standard of living among the workers and also prevent a sub-
standard competition between the workers.

Where the demand for the product of an industry is
inelastic, increase in wages caused by minimum wage legislation
will be covered by an increase in prices, since the people are
willing to pay. No unemployment will be caused and the consumers
will bear the burden. The point is made, that an increase in
the price of commodities produced by sweated labour is quite
justifiable, since the community has been unconsciously under-
valuing the labour involved. However, where the demand for the
products is elastic, the consumer will not bear the burden and
it will come out of labour in the form of unemployment. An
exception to this might be in the case where efficiency could not
be increased and the demand required a certain steady output. In
this instance, the producer might have to bear the burden in the
form of decreased profits.
Chapter VI - The Problem of the Future.

The problem of the future consists mainly of three lines of attack,-- better enforcement of our present minimum wage laws for women, which was at discussed in Chapter IV; minimum wages for men in those provinces which do not already have this legislation; and a general uniformity of principle and law throughout Canada. All three moves have been strongly pressed by the government authorities, labour organizations and a great many employers from coast to coast. We will assume that when authorities such as the Royal Commission on Price Spreads and Mass Buying recommend such moves, they should be made. Now we must examine methods of achieving these results.

The minimum wage for men is really included in general uniformity and will be secured when the latter is achieved. The matter of uniformity is almost entirely a matter of constitutionality. We will not go into this matter deeply as it is outside our present field. However, the point is that the provinces originally and still take the attitude that the right to legislate and control minimum wages is included in the powers delegated to the provinces under the British North America Act. These powers are stated in Section 92 of the Act, and subsection 13 of this section mentions "property and civil rights in the province" as being a power of the province. Until this last year, there has never been serious thought of questioning this. Now, however, the Federal Government want to pass uniform minimum wage legislation and desire to find some way of doing it. First, they thought that this type of legislation should come under "trade and commerce" which is a Dominion power. However, this is rather extreme and is not
seriously entertained. Then it became a matter of amending the British North America Act and placing this along with other social legislation under the power of the Dominion. This could be done but due to the singular position this country is in of not being able to change its own constitution, this move would be very long, difficult and tedious. Hence, the government began looking around for other ways and means. Finally, Mr. Bennett struck on section 132 of the Act, which states that "the Parliament and Governments of Canada shall have all powers necessary or proper for performing the obligations of Canada or any province thereof, as part of the British Empire, toward foreign countries, arising under treaties between the Empire and such foreign countries."

To show just how Mr. Bennett intends to use this section we will observe the line of action which he initiated on March 7th, 1935. He gave notice on the order paper of the House of Commons that he would ask approval of Parliament of a draft convention concerning the creation of a minimum wage fixing machinery which was formed by the General Conference of the International Labor Organization at Geneva of which Canada was a member. This draft convention provides that each nation ratifying it shall be free to determine what nature and form of minimum wage machinery shall be adopted. It contains conditions, however, that call for consultation between the Government of the member country of the International Labor Organization and representatives of employers and employees concerned before adoption of any machinery. The latter representatives must be equal in number and chosen in some way determined by law. It provides that the minimum rates of wages which have been fixed shall be binding on employers and employees concerned "so as not to be subject to abatement by them by

individual agreement, nor, excepting with the general or
particular em authorization of the competent authority, by
collective agreement." If this Act could be applied in this way,
the Dominion could absolutely cripple the powers of the Provinces.
All League of Nations and other foreign agreements which have been
passed for ratification by the individual countries could be passed
by Canada and considered a power of the Dominion. The provinces
must be protected against such wholesale usurpation of their power.

The Monetary Times of February 9th, 1935 puts forward the
view that Mr. Bennett will pass his new social legislation basing
his views on the decisions of the Privy Council in the radio and
aviation cases and reinforcing his position by taking the action
just described above. The writer of the article thinks that
the bills will be passed without getting the opinion of the
Supreme Court and leaving the task of disputing their constitution-
ality to the individual business man. Even supposing that the
results obtained are for the social good, this is a rather high-
handed action for any government to take, especially in view
of the present position that this right is among the powers of
the provinces.

Either the Dominion will get, in some way, the power to
legislate over minimum wages or it will not, and the provinces
will continue to control this matter. In the latter case, it will
be a matter of continuing as at present with a better enforcement
and improvement of the acts and the introduction of minimum wages
for men in the provinces that desire such legislation. Self-
government in industry has been suggested and for a while it
looked as if the Royal Commission might recommend this or even
a system of codes. This would be rather difficult to handle
for the whole country but could be managed on a provincial basis. Of course, if this were carried out, its natural correlative would be the trade board system.

However, let us suppose that the Dominion does get this power and that general uniformity is aimed at. How will this be achieved? The following suggestions are offered with the supposition that we are trying to get a minimum wage for men as well as women. The question of the relation between the wages of men and women has already been discussed in Chapter V. Mr. Hepburn, premier of Ontario, has announced that he is waiting until after he sees what Mr. Bennett will pass this session, before he passes a Minimum Wage Act for men. He says that it will be a rate of $1.25.00 which is approximately equal to that for women and that there will be no differentiation made between married men and single men for fear of employers preferring the latter if a difference of rate were made. This whole problem of differences in rates between women and married and unmarried men is extremely difficult and one, which, in general everyone seems to be trying to avoid. However, I will hazard the opinion that all three should be the same, provided a sufficient allowance is made for saving and other contingencies. This will also solve the problem of a rate for workers entitled to various kinds of permits. They also must live, but in this case the rate could be based just on the cost of living which would be a lower rate and so allow them to be employed and not left by the wayside.

I would suggest the following as actual minimum wage machinery for our new uniform minimum wage under the control of the Dominion. In accordance with the scheme just proposed among the New England States, each province would have a minimum
wage board which would be of uniform type throughout the Dominion, and the chairman of each provincial board together with one representative of the Minister of Trade and Commerce would meet to form a central controlling body. Representatives on all bodies would serve with pay as a full-time position. Each Provincial Board would select its own chairman and be composed of two representatives nominated by employers' associations, one representative of women workers and one of men workers to be nominated by the labour organizations, and one lawyer to be nominated by the Bar Society of the province. Once on the board, these five people are permanent appointments and are to act impartially. If the Minister of Trade and Commerce considers removal of a member necessary he may do so, but he must not be activated by political motives. The provincial bodies would take care of all matters of enforcement and act as negotiators of the Act as in Ontario, as well as the regular force of inspectors which they would appoint.

The central body would select a chairman from its members and meet regularly in Ottawa or some other centre if more convenient. They would have absolute control of all minimum wage legislation and lay down the principles by which the provinces are to act. They would, of course, have to have a regular staff and offices in Ottawa. For this purpose, it would be preferable that the Dominion Government representative be either chairman or secretary of the central body.

The actual "uniform" minimum wage would be a complicated rate based on the cost of living in each province and the size of the town in which the employees are situated, with allowance made for ratification of any collective bargaining agreement
made above the rate thus set. First, the central body will set a series of ratios based on the cost of living in each province. This will be determined by the method of a sample basket which would be basically the same throughout Canada, allowing, of course, for differences in amounts of fuel necessary, different kinds of food eaten, etc., in the various parts of the country. This is the same method as that used in Ontario at present. In addition to considering cost of clothing, sundries and board and lodgings, I believe the employees' share of the unemployment insurance premium should be included in the minimum rate. This would mean that the employer who paid just the minimum wage would be paying the share of his employees as well as his own. However, the essential principle of the minimum wage is the payment of a living wage and this must be secured. To make at least one element of simplicity in this scheme, I would suggest that a rate of $10.00 be that from which all calculations are made. Then if the cost of this basket, including saving, in Ontario was, for instance $13.35, a ratio of 1.385 would be assigned to Ontario. Similarly that for British Columbia might be 1.68. This basket would have to be set on the basis of the whole province and be a rate which is just for both men and women. Since it is calculated that the cost of living independently is approximately the same for both this should not prove a difficulty.

Next, the central body must set ratios for the various sizes of the municipalities in which the factories, etc. are situated. The reason for this step is that there is a decided difference in the cost of living in a large centre like Toronto and a small place like Dundas or Waterdown. Some would say that the principle of allowing a lower minimum wage in the country
is a poor one, especially in view of the situation in Quebec, particularly in the Fashion Craft Company. There is not only the factor of differences in cost of living, but, as has been seen in Quebec, the lower rate has induced industries to move from the city to the country. I believe that this in itself is a good step as it not only helps to open up the country but also aids our half starving railways. Here I should like to point out that this whole problem of differences in costs of living according to population would have to have a good deal of investigation. You cannot merely say that there is a difference in board and lodging and let it go at that as is done in Ontario. I strongly disapprove of their principle that cost of clothing, etc., are the same because the country people can order through a mail order house. There are not only differences between these costs in different size cities throughout the country but also differences in costs between cities of the same population and also differences in costs in the same centres in succeeding periods. Hence, a careful study must be made and then rates set according to average costs.

We would divide all municipalities into five groups, according to their population - those under 5,000, 5,000 to 15,000, 15,000 to 50,000, 50,000 to 150,000 and those over 150,000. Now we face the difficulty of choosing which of these groups would contain the average cost of living. The above groups are of course, chosen arbitrarily and a better division would have to be made by the committee investigating the costs of living. They should also choose the central ratio. As an example of the possible results I would suggest the following ratios: 0.95, 1.0, 1.05, 1.1, 1.15. Of course, there is no reason to
believe as in this example that the ratios would be equally spaced in proportion to population. Another difficulty is that a system as rigid as this would not be very satisfactory in the larger population divisions. For instance, there may be quite a difference in the cost of living in Hamilton and Toronto and yet with the above scheme no difference in rates is allowed. I would suggest that in 7 or 8 of the largest Canadian cities, special investigations be held in order to secure the proper ratios.

Now in order to secure the actual minimum wage rate in a particular case, both these ratios must be multiplied together. Thus the minimum wage for a factory in the city of Hamilton will be secured as follows. The basic figure of $10.00 would be multiplied by 1.325 the cost of living in Ontario as set by the central body, which would be multiplied by 1.15, the rate set by the central body for a city of over 150,000 people (or a special rate set by them for Hamilton). Hence, this particular factory would have to pay a minimum rate of $10.00 x 1.325 x 1.15 = $15.25. This wage would apply to both men and women on both time and piece work. Of course, both these ratios should be re-examined each year but in the interests of stability they should not be changed unless the difference is more than a certain proportion, say three percent.

In addition to the rate thus set by the central body, I believe provision should be made that all collective agreements for a wage higher than the minimum should be made legally binding. Possibly, in order not to discourage these collective agreements, the provincial board should, on application and proof, allow leeway where financial conditions demand. However, in no case must this fall below the minimum rate which is the living wage.
Appendix - A

As a sequel to the discussion in Chapter VI, it is interesting to note the Minimum Wage Act which was given its first reading in the Canadian House of Commons on March 19th of this year (1935). The Act comes into force when it receives the royal assent except the section providing for committees or boards which comes into force when proclaimed by the Governor-in-Council. The latter seems to provide a loop-hole to hold up the actual administration of the Act much as it was delayed for about ten years in Nova Scotia. From the very general, indefinite and complicated form of the bill, it would appear that this measure is just being rushed through the present session as part of the reform program in order to create a favourable impression on the Canadian public, in view of the approaching general election. It is certainly to be hoped that the dominion minimum wage legislation is not to be left in this incomplete state. More adequate machinery and some sort of definite principles for the rates should be laid down. When you have said that minimum rates of wages may be set for all workers over 16 years of age engaged in manufacture and commerce, you have covered the main point of the bill. The predominant use of the word "may", throughout the bill, is certainly not very assuring, and I should say that a real reform government should scrap this bill and give the workers real protection by a more adequate and definite minimum wage legislation. However, we should not be too critical but be thankful that at least a beginning has been made.

For paying any worker less than the prescribed minimum wage rate an employer is liable to a penalty of one month's imprisonment or a fine not exceeding $1,000.00 and a corporation,
if involved, is liable up to $5,000.00. The distinction between
a corporation and an individual employer is very commendable and
the penalties would seem to be quite sufficient. However, I
would also suggest that a minimum fine be set in each case and
that imprisonment of some individual of a corporation should be
added as an alternative penalty at the discretion of the presiding
judge. The worker may recover as an ordinary debt any amount
which he has been paid less than the minimum rate. Employers
may be exempted from the operation of an order or regulation in
case of a collective agreement relating to rates of wages. There
is a very bad loop-hole here, since this section allows payment
of less than the minimum rate if the workers agree. Otherwise,
the section is not necessary.

"The Governor-in-Council may, by regulation, fix and determine
the minimum rates of wages payable by employers whenever he is
satisfied that: (1) the trade and commerce of Canada is being
injuriously affected by the absence of uniform rates of wages, or
(2) workers are being oppressed by the payment of wages insufficient
to enable them to obtain the necessities of life according to a
decent standard." This section pretty well covers the essential
points but the complications begin with the various other provisions
and levels allowed. Where the minimum rate set by a province is
higher than that in the same class set by the dominion, the former
shall hold. Where no minimum rates or arrangements for effective
regulation by collective agreement now exist, a definite minimum
wage may be fixed in any trade or part of a trade by the provincial
board or the dominion committee, composed of the Minister of Labour,
one representative of employers and one representative of workers.
In all cases, the rates are only fixed after a conference with
representatives of employees and employers in the trade concerned. As an example of the rush in which the bill was evidently prepared, does it not seem rather ridiculous that the Minister of Labour himself should be called on to enter into conference to set each of the minimum rates mentioned in the orders? The Governor-in-Council may exempt employers where he is satisfied that wages are not oppressive and also employers in any geographical area of Canada where he is of the opinion that "the cost of the necessities of life, according to a decent standard, differs from that which prevails elsewhere in Canada." This is all very indefinite and is certainly wide open for easy manipulation by any unscrupulous government. The provision for different minimum minima according to differing costs of living throughout Canada is, of course, necessary.

Other sections in the bill provide for inspectors and allowance for employers to pay less than the minimum wage to a worker "who by reason of his age, infirmity or inexperience is incapable of doing the work of a competent worker." Upon application of representatives of employers or workers the Minister has full power to conduct an inquiry to determine the wage necessary to provide the necessities of life. A very noticeable weakness in the Act is that no records need be kept at all, which means that the only way to check on the enforcement of the Act is for the inspectors to examine each individual case.

On the whole, it would appear that this bill has not had the thought put on it which such an important matter deserved. It has been drafted in a very broad, permissive form and its working will depend almost entirely on the way in which it is interpreted. Most of the principal issues are not squarely
faced and it is impossible from a reading of the bill to envisage how it will operate. While it may become a sweeping reform, it may also be administered in so superficial a manner as to practically be inoperative. However, the Act is useful at present as an "ice-breaker" and a basis for future legislation.
APPENDIX - B.

WARNING—LAW AMENDED, April 3rd, 1934

MAXIMUM HOURS FOR WHICH MINIMUM WAGE RATES MUST NOW BE PAID IN YOUR ESTABLISHMENT

GOVERNING FEMALE EMPLOYEES AND MALES WHEN REPLACING FEMALES IN ANY CLASS OF EMPLOYMENT FOR WHICH A MINIMUM WAGE IS ESTABLISHED IN FACTORIES THROUGHOUT THE PROVINCE

Orders No. 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 34, 35, 36, 37, 39, 40.

(1) MINIMUM—No wage shall be less per week than is set forth in the following table:

<table>
<thead>
<tr>
<th>POPULATION GROUPS</th>
<th>EXPERIENCED WORKERS</th>
<th>INEXPERIENCED WORKERS</th>
<th>YOUNG GIRLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Toronto</td>
<td>$12.50</td>
<td>6 Mos. at $10.00</td>
<td>6 Mos. at $8.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 Mos. at $11.00</td>
<td>6 Mos. at $9.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Then $12.50</td>
<td>Then $10.00</td>
</tr>
</tbody>
</table>

IMPORTANT (a) These rates are for a maximum of 48 hours per week or
(b) For the usual number of hours normally worked per week in the establishment, if less than 48.
(c) Overtime must be paid for at proportionate rates.

<table>
<thead>
<tr>
<th>POPULATION GROUPS</th>
<th>EXPERIENCED WORKERS</th>
<th>INEXPERIENCED WORKERS</th>
<th>YOUNG GIRLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities of 50,000 population or over excepting Toronto</td>
<td>$11.50</td>
<td>6 Mos. at $9.50</td>
<td>6 Mos. at $8.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 Mos. at $10.50</td>
<td>6 Mos. at $9.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Then $11.50</td>
<td>Then $10.00</td>
</tr>
</tbody>
</table>

IMPORTANT (a) These rates are for a maximum of 48 hours per week or
(b) For the usual number of hours normally worked per week in the establishment, if less than 48.
(c) Overtime must be paid for at proportionate rates.

<table>
<thead>
<tr>
<th>POPULATION GROUPS</th>
<th>EXPERIENCED WORKERS</th>
<th>INEXPERIENCED WORKERS</th>
<th>YOUNG GIRLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Towns and cities between 5,000 and 50,000 population</td>
<td>$11.00</td>
<td>6 Mos. at $9.00</td>
<td>6 Mos. at $7.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 Mos. at $10.00</td>
<td>6 Mos. at $6.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Then $11.00</td>
<td>Then $10.00</td>
</tr>
</tbody>
</table>

IMPORTANT (a) These rates are for a maximum of 50 hours per week in towns and cities between 10,000 and 50,000 population, or
(b) Of 54 hours per week in places between 5,000 and 10,000 population, or
(c) For the usual number of hours normally worked in the Establishment per week if less than the number of hours named in (a) and (b).
(d) Overtime must be paid for at proportionate rates.

<table>
<thead>
<tr>
<th>POPULATION GROUPS</th>
<th>EXPERIENCED WORKERS</th>
<th>INEXPERIENCED WORKERS</th>
<th>YOUNG GIRLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>All below 5,000 population and rural parts.</td>
<td>$10.00</td>
<td>6 Mos. at $8.00</td>
<td>6 Mos. at $6.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 Mos. at $9.00</td>
<td>6 Mos. at $7.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Then $10.00</td>
<td>Then $9.00</td>
</tr>
</tbody>
</table>

IMPORTANT (a) These rates are for a maximum of 54 hours per week in places below 5,000 population, or
(b) For the usual number of hours normally worked in the Establishment per week if less than 54 hours
(c) Overtime must be paid for at proportionate rates.

No worker who begins as a young girl shall receive, after reaching the age of eighteen years, less than the wages prescribed for an inexperienced adult.

(2) PIECEWORK—All beginners for the first six months of their employment in the industry, shall be paid not less than the time work rates fixed in this order. In the case of pieceworkers of more than six months’ experience it is sufficient if at least 80 per cent earn wages conformable to this order.

(3) HANDICAPPED WORKERS—On request of employees the Board may issue special permits for workers who are physically handicapped or over 60 years of age to work for lower wages than prescribed in this Order.

(4) DEDUCTIONS FOR ABSENCE—No deduction below the minimum wage line for absence shall exceed the value of the time lost reckoned in proportion to the normal working hours in vogue in the establishment.

(5) WAITING—An employee required to wait on the premises shall be paid for the time thus spent.

(6) DISCHARGE OF EMPLOYEES—Any employer shall discharge or threaten to discharge or in any way discriminate against any employee, male or female, because such employee has lodged a complaint with the Board or has testified or is about to testify in any investigation or proceedings permitted or prescribed by or taken under the provisions of this Act.

(7) PENALTIES—Any violation of this order is punishable by fine or imprisonment, (See Section 21 of the Act.)

MINIMUM WAGE BOARD,
A. W. CRAWFORD, Chairman.

DESTROY MINIMUM WAGE CARD NOW IN YOUR ESTABLISHMENT AND POST UP THIS AMENDED ORDER

Penalty for Not Properly Posting is $20 Fine
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