



March 21, 2007

FOR IMMEDIATE RELEASE

Re: Minimum Wage Increase

The Cambridge Chamber of Commerce is cautiously concerned about such a dramatic increase in the minimum wage to \$10 per hour. While much of our membership currently pay more than the current minimum wage, and possibly more than the proposed hike to \$10, the Cambridge is concerned about the bump up this may cause to higher wage earners.

In some cases collective agreements contain the wage requirements and for the most part are above the \$10 threshold, however many small businesses are trying to compete in their field and wage pressures can and will most certainly force some out of business. We recognize everyone wants to be fair and equitable and provide wages that fair in comparison to the return. Immediate increases will simply force businesses to lay off some of their workforce, and apply added pressure on the remaining workforce to meet the output expectations of the company. We believe this is a disastrous move, and one that most certainly is obstructive policy not constructive policy.

While our preference is to phase the increase in over a 3 to 5 year period, any phase in is more acceptable then an immediate change. A cynic may look at it as a way for the Provincial Government to collect more tax revenue. The Chamber recognizes a 20 – 25% hike in the minimum wage, is a 20 – 25% hike in Provincial income tax.

We would suggest that the Province develop a phased in approach to the increase in the minimum wage, but as well have a matching business support program that will assist small companies most affected to be more competitive, by cutting taxes to businesses in Ontario by the same proportion as the Government will benefit by the increase in minimum wages.

There is a recognized need to monitor and move the bar slightly hire, overall, a \$2 per hour increase is excessive, for the minimum wage working that is a larger wage increase then the average Canadian. Once again we suggest this is a regressive policy, not progressive. Increase, but phase in over 3 to 5 years would not be favorable but certainly acceptable.

Greg Durocher
President
Cambridge Chamber of Commerce