

A conversation:

Fruit Stand Owner: "Hey, do you want to buy some apples from my Orchard? They're only \$4.50 per pound."

Mr. Brown: "I don't think I can afford those apples!"

Owner: "Well, sorrrrrry, but legislation requires that you pay me that much so I can afford my own expenses."

Mr. Brown: "Well then, golly, I guess I'll have to buy fewer apples, or maybe none at all."

What is a Cheesehead?

Question: In what other free market transaction do we force one of the parties to pay a minimum price based on the needs of the other party?

Answer: In Canada at least, milk products (although it is arguably not a free market). We actually manipulate market supply to keep prices artificially high and help ensure profits to dairy farmers. This is another story that punishes the poor – which was never its intent. It also explains some of the long line-ups headed south at the Sumas border crossing, and our nickname from the locals there: "Cheeseheads").

Credentials:

Since last week's column on minimum wage, I have been accused of having an agenda of some sort, or being insensitive to the poor. My agenda is to educate, and as to insensitivity, I don't imagine what it is like to be in an underclass. I lived it.

After being raised by a single mom who had a secretarial job, in 1984 I had to quit college for several months for lack of money. I worked at a few different part-time jobs for minimum wage, \$3.65 per hour at the time. The provincial unemployment rate was 15%, so I had few options. Competition was stiff, even for crummy jobs, including one I gladly took at an ethnic grocer in North Surrey. When I arrived there for my first four-hour shift, the boss was visibly disappointed, presumably because I was from the wrong background, and inherently inadequate. My training consisted of her following me around and yelling at me in broken English, grabbing the milk from me at one point and showing me how to load eight jugs at a time, four in each hand on to the cold metal grated refrigerator shelves. By the time I was done that task, my knuckles were bleeding. This sort of thing went on the entire time. Near the end of my shift, I grabbed the wet mop and literally jogged up and down the aisles, finishing my final duty of a difficult first day. At the end of my shift she seemed pleased, and my heart skipped a beat as she handed me a cheque for \$14.60. It turned out she was only happy to see the end of me and, saying: "There you go. Don't come back tomorrow."

I nearly wept. But was glad to have a little money.

I was fortunate to pick up another job, also at minimum wage. I cleaned dog cages, among other poop-flows-downhill assignments at an animal hospital in Surrey. It was smelly, but steady work.

Those days I bought all my clothes at thrift stores. I slept on a foam mattress and drove a rickety old car I had purchased for \$50. The old beast had no muffler and only one front brake, causing it to veer sharply to the left each time I stepped on the pedal. Its exterior had been hand-painted, with black flat rust paint, and its interior had no floorboard on the driver side. I crawled through a junkyard and pulled the needed parts to make it roadworthy for something like \$10, and figured out how to put them on... pre-YouTube.

When I walked in to my first day of work, shortly after obtaining my university degree, I stepped over a street person who had been asleep on the mat in the bank entrance. As I tenderly walked over his snoring body, which smelled of urine, I felt like I was stepping over myself in an alternative universe. I

will never forget what it was like to be poor. Today it is my privilege to contribute time and money to the underprivileged.

Statistics:

Since 1984, when the minimum wage was \$3.65, inflation has averaged 2.32% per year, implying that today's minimum wage, if it had kept pace with inflation precisely, would be \$7.78. But today it is \$11.35, in BC, and poverty advocates are pressing for \$15, which kind of feels pleasant but would imply a minimum wage increasing at roughly twice the rate of other prices since 1984. So will \$15 actually satisfy? With so many moving targets in a free market, I strongly suspect not.

The Other Little Guy:

I think the legitimate implied question is: "How should we deal with power imbalances in a free market?" And I can tell you one thing for certain: The job-creating machines that small business owners are, sit in a distinct disadvantage against their monster-sized provincial governments with a populist Robin Hood fixation.

Placing the minimum wage unnaturally high will indeed be a blessing to a few who are fortunate enough to keep their jobs. But it is a strategy that ends up stealing from too many working class business owners to feed the poor. It is a redistribution mandate, targeting the very business owners who are most likely to create positions for unskilled labourers, and who themselves might already be making less than minimum wage.

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