

## Messrs:

Stewart (Cochrane)	Tolmie
Stewart (Marquette)	Watson
St. Pierre	Weatherhead
Sulatycky	Whicher
Sullivan	Whiting
Thomas (Moncton)	Yanakis—138.
Thompson (Red Deer)	

● (3:20 p.m.)

**Mr. Speaker:** The House will now proceed to the consideration of Motion No. 2 in the name of the hon. member for Hamilton West (Mr. Alexander).

**Mr. Lincoln M. Alexander (Hamilton West)** moved:

That Bill C-228, an act to amend the Canada Labour (Standards) Code, be amended by deleting from clause 7 lines 5 to 13 at page 5 and substituting therefor the following:

"(1a) Commencing July 1, 1972, where the index for that year hereinafter first mentioned is the greater, the Governor in Council shall, by order, increase the minimum hourly wage rate for the year following June 30, in any year to the amount obtained by multiplying the minimum hourly wage rate payable under this section on that June 30 by the ratio that the Consumer Price Index for Canada, as calculated by Statistics Canada under authority of the Statistics Act, for the year ending that June 30 bears to such index as so calculated for the year preceding that year so ending.

**Mr. Charles H. Thomas (Moncton):** Mr. Speaker, when the Minister of Labour (Mr. Mackasey) introduced Bill C-214 to provide for an increase in the minimum wage rate, he said that one of the flaws in the present legislation was that increases had been too infrequent in the past. He stated, as recorded at page 7489 of *Hansard*, for May 29, 1970:

When I reintroduced the Labour (Standards) Code in the fall, I believe it should include some automatic device to increase the minimum wage on an annual or bi-annual basis. If we are to do this, then it is logical that the minimum wage be tied, in some scientific manner, to some index.

During the debate on that bill the minister mentioned this point on several occasions. We in this party felt that when the new legislation was introduced there would be included some formula making it incumbent on the government to adjust the minimum wage each year in accordance with the cost of living or the gross national product. In any event, we expected some mandatory provision requiring the minimum wage to be adjusted each year. We were surprised and somewhat disappointed when the present bill was introduced in that this automatic escalating clause was not included.

There are two reasons for providing an annual adjustment to the minimum wage. People coming within the act are given some protection in respect of the increase in the cost of living and in respect of a decline in the purchase value of the dollar. They should be given some measure of compensation in relation to an increase in the productivity of the working force. For these reasons, there should be something in this legislation to provide automatic adjustments to the minimum wage.

There is another aspect of this formula which is of importance. The minister also recognized this when he spoke on second reading. He indicated that if you leave the adjustment of the minimum wage in the hands of the

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minister or the cabinet, there will always be the danger of adjustments being made on the basis of political reasons. In all fairness to the minister, he recognized this fact. In speaking on second reading the minister said, as recorded at page 5318 of *Hansard* for April 28:

We discussed methods of an adjusting formula. At one time I said, when bringing in the minimum wage of \$1.65, that I was hopeful of finding a suitable formula.

He went on to say suggestions for a formula could be discussed in the committee and he was hopeful some solution could be found. He pointed out the fact that the government had been giving consideration to the problem but had not been able to come up with a suitable formula. He referred to the fact that the legislation would give the Governor in Council the power to make increases on the recommendation of the Minister of Labour. He recognized the valid criticism of some hon. members regarding this provision of the bill. He said, as recorded on the same page:

Some people have quite properly and gently pointed out the political ramifications of the power given to the Minister of Labour through the Governor in Council to increase the minimum wage a month before an election. I will be quite prepared to accept an amendment at the committee stage which will limit the amount I could increase it by, if someone from the opposition would like to introduce such a formula into the bill.

I read those words of the minister to remind the House that he is well aware of the fact something is wrong with the formula proposed. It is not the formula we want, since there is still a danger this power could be used for political reasons. We on this side recognized this fact earlier. I believe the hon. member for Hamilton West (Mr. Alexander) first raised this question, but we feel that the bill before us is not good legislation because there is no compulsion on the government to make these automatic increases.

Clause 7 of the bill gives the Governor in Council the power to make adjustments in the minimum wage from time to time. However, it does not provide that "the Governor in Council shall"; there is no compulsion on the cabinet to make these increases. If the present Minister of Labour continues in office, I have no doubt he will make these adjustments because he has shown a disposition to be reasonable. But what assurance is there anywhere in this bill that an adjustment will be made to the minimum wage at any time? This is the main criticism that we have of the clause in the present bill.

● (3:30 p.m.)

Second, there is nothing anywhere in the bill which would meet the minister's suggestion that perhaps there should be some control over the size of the increase. I must confess that the minister threw out a challenge or an open invitation to us on this side to come up with a satisfactory formula which he said he would be prepared to consider and possibly to accept. I do not feel it is our duty to present this formula. I think the minister should have included some such formula in the bill, and then I am quite sure that we on this side would give solid support to such a formula. However I think it is incompetent on the minister or on the department to suggest a