

Canada Labour (Standards) Code

less, that province has had to set its minimum wage at a realistic level. They set it on the high side, which brought about the very real possibility that industries might move from Manitoba to other provinces where the minimum wage is considerably lower or where the distribution of goods is easier than in Manitoba. It is Utopian to set the minimum wage at \$2, \$2.25 or \$2.50 an hour, but one cannot do that realistically and one must take into account the particular problems of each province.

Having said that, I am pleased to say that our minimum wage legislation has had the effect of forcing some of the more conservative members of the business community—I spell conservative with a small “c”—to realize that the minimum wage is really an instrument that can be used in the alleviation of poverty. It has been properly pointed out that you do not get rich if you are paid the minimum wage and it is very difficult, no matter how thrifty you are, to accumulate savings on a wage of \$50 a week. Frequently wages paid are so low that people cannot live on them. Low wage rates encourage inefficient businesses and the continuation of cheap labour for certain employers. By permitting low wages we are really subsidizing those employers because their employees, not being able to live on their wages, need help which is often given in the form of supplements of some kind or welfare. Thus the taxpayer is made to subsidize those employers. In this way we are indirectly subsidizing inefficient management and underpaid labour.

Having said this, I propose that we stick to the minimum wage of \$1.75 despite the eloquent arguments which have been advanced from all parties, including my own, for the minimum wage to be set at \$2. The cost of any increase must be considered. A ten-cent increase in the minimum wage will bring about an additional cost of \$2 million. To raise the minimum wage to \$2 an hour would cost about \$20 million. In reality we are proposing to increase the minimum wage from \$1.25 to \$1.75 in two stages and in a rather short period of time. On July 1 last the minimum wage was \$1.25 and soon it will be \$1.75.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the minister permit a question? Would he indicate whether the cost figures he referred to just now represent the cost to society as a whole or the cost to the government?

Mr. Mackasey: Mr. Speaker, speaking subject to correction because I do not have the figures in front of me, it is anticipated that this would be the increased cost to employers who would be asked to absorb the increase in the minimum wage.

● (3:20 p.m.)

Mr. Knowles (Winnipeg North Centre): Mostly private employers.

Mr. Mackasey: As I mentioned earlier in my remarks, I have no particular brief for chartered banks, radio or television stations. If I have any reluctance to increase the minimum wage to more than the \$1.75 it is because I am not unaware of the problems of the provinces, includ-

[Mr. Mackasey.]

ing the province of Manitoba, which at some point become realistic and appreciate the effects of minimum wages. Certain provinces may have many labour-intensive industries.

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. We can discuss in the committee an acceptable formula that will not be too rigid. The problem is that these formulas have a tendency to work in two directions. Despite the amount of research and effort we in the department have put into it, we have yet to come up with a suitable formula. We have made it possible for the Governor in Council to make increases on the recommendation of the Minister of Labour to his colleagues. 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 will deal very briefly with the hours of work because this is one of the areas where there is a legitimate difference of opinion. This is one of the provisions in the old labour code. Part I basically states the concept that nobody in Canada should work more than 40 hours a week, and if he is obliged to work more than eight hours a day or 40 hours a week he should draw time and a half. That is a basic concept which I endorse and a philosophy which most people in my party endorse.

Employees can work as many as 48 hours a week without being in violation of the code. The problem is in particular industries—the running trades, the field of transportation, railways, shipping and airline industries. While this concept is Utopian and desirable, it is not practical. It is all right for members opposite to say that the code should be rigidly enforced. The first people who would complain if the code were rigidly enforced would be the trade unions of this country. I know this from representations which they have made.

What we are proposing to do with the new code is introduce a large degree of flexibility, as mentioned by the hon. member for Halifax-East Hants (Mr. McCleave) in his very useful contribution. This bill will permit me for the first time to treat one segment of an industry different from another. In other words, there is no real logic in the shop crafts in the railways not being protected by this basic philosophy of eight hours a day, 40 hours a week. Their pattern is fairly uniform. This is true of a mechanic in the trucking industry who goes to work at eight o'clock and comes home at four or five o'clock, depending on the work pattern. There is no reason why the code should not be stringently enforced in these areas. Because it is virtually impossible to apply the code so narrowly in other areas of the trucking industry we have been unable to apply the code in those areas where it makes sense. The built-in flexibility in the bill will permit me to do precisely that.