



**Retail Council of Canada**  
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February 2, 2009

Hon. Gordon Campbell  
Premier of British Columbia  
PO Box 9041  
STN PROV GOVT  
Victoria, BC V8W 9E1

**RE: BC's minimum wage rate**

Dear Premier Campbell:

On behalf of Retail Council of Canada and our thousands of members across British Columbia, I am writing to bring to your attention the retail sector's concerns regarding a potential increase in B.C.'s minimum wage, particularly in light of our weakening economy.

The most recent economic forecast indicates that British Columbia's job market will shrink almost two per cent in 2009 as the province sinks into recession, and then contract a further 0.3 per cent in 2010; which will mean a net 42,500 jobs lost this year and another 6,500 jobs lost in 2010. As the province's number one employer, this forecast will directly impact thousands of retail jobs. This is the first time the province will have seen successive years of declining employment in more than 25 years.

In light of this troubling economic forecast, we feel strongly that now is not the right time to increase B.C.'s minimum wage. At present, retailers, and indeed all businesses, are doing what they can to control their costs. An increase in labour costs, so fundamental for retailers, would be devastating.

An increase to the minimum wage would have an inflationary impact on an employer's payroll, putting pressure on employers to increase salaries for all employees. The likely result of a minimum wage increase would be employers responding to these escalating costs by cutting back on employee hours.

It is worth noting here that even a nominal increase in B.C.'s minimum wage would be very difficult for retailers to absorb, but an increase of 25% over-night as proposed by some in B.C. is simply unaffordable.

Retailers firmly believe in fair wages for employed workers across the province. And, if the intent behind a minimum wage hike is to support low-income earners, the Province has at its disposal alternative policy measures that would achieve a similar outcome. Options include raising the basic personal exemption and expanding rental assistance, among other policy changes that would put more money back into people's pockets.

I can't emphasize enough the crucial role current economic conditions play in the development of labour and minimum wage policy in B.C. With our economy more fragile today than it has been in recent memory, now is not the time to put upward pressure on labour and business costs.

If I can provide you with any further information on this issue, please do not hesitate to contact me at anytime by telephone at 604-601-5619.

Sincerely,

A handwritten signature in black ink, appearing to read 'Max Logan', with a stylized flourish at the end.

Max Logan  
Director, British Columbia  
Retail Council of Canada

c.c. Hon. Iain Black, Minister of Labour and Citizen Services  
Hon. Colin Hansen, Minister of Finance  
Hon. Ida Chong, Minister of Small Business and Economic Development