

EVENING SITTING  
COMMITTEE OF FINANCE

General Revenue Fund  
Labour  
Vote 20

Item 1

**Mr. Goohsen:** -- Thank you, Mr. Chairman. Well, Minister, it's good to be back to talk to you about the estimates in Labour, the Labour department. A lot has been happening in the world around us as the days have gone by and it's certainly good to have an opportunity to discuss with you how you're spending the public purse in the pursuit of your political party's determination and direction.

We want to talk tonight to you about policy direction and how you're financing it, and where you're going with it, and where all the money has gone and where it is going to go. Actually I was just reading here. It's kind of interesting the things that you'll find in these good documents. It says right here on page 81 under Labour that:

The mandate of the Department is to regulate and promote fairness and equity in Saskatchewan workplaces. In co-operation with working people, unions, employers and other organizations, the Department: establishes the legislative framework for labour relations; promotes, develops and enforces occupational health and safety and labour standards; assists in preventing and resolving workplace disputes; and advances policies and programs to support labour market adjustments and injured workers.

Now that's an awful lot to be said and it seems like it would be a nice direction for your department to follow. Unfortunately, after I read that I had a sense of discomfort, I think would be a good word to use, Minister, because the little part here that says, employers and other organizations, seems somehow to have gotten lost in your department this year and last year.

I see things like The Occupational Health and Safety Act, The Workers' Compensation Act, where many things have been done to help the working people and the unions of our province. But we find in the community at large, our business community, our employers and other organizations -- and I'm sure you know who they are -- all phoning us, writing us, faxing us, telling us that they've been left out of your labour process and they don't feel that the estimates are being spent on their interests as well as the preferred groups.

And so we have to discuss that, Minister, because after all if your first statement is correct in the book and explains what the Labour department is all about, then surely we must find some equity and some fair play in

here. And the word fair I see is used here, fairness, promote fairness and equity. Now let's start working on some of that fairness and equity for the whole community and not just for the bosses of the trade unions.

I want to have you explain to me, Minister, how is it that we have the increase of 1993-94, we have a total departmental expenditure of \$141 million. That doesn't make you by any means, the biggest financial organization in the province by any means, but it certainly is a case here that dollars don't explain everything in terms of importance to our province. The amount of money that you're spending in your department is dwarfed by the Department of Health and yet the labour problems that we have can literally destroy our province even more quickly than your devastating health legislation. So I want you to explain to me, in general, tonight, Minister, where these dollars are going to go to help business and employers?

**Hon. Mr. Shillington:** -- The member has confused the FTEs (full-time equivalent) and the expenditures. We have 141 employees, or full-time equivalents. We're only spending \$10 million.

**Mr. Goohsen:** -- Mr. Chairman, when the minister answers the next question, my colleagues have decided that they think I can hear better if I move to the front seat. So I'm going to ask another question, and then while that answer's being delivered, if you'll excuse me while I move over.

Now, Minister, they want me to be eyeball to eyeball with you, and nose to nose. In the estimates, Minister, your costs for the occupational health and safety have dropped in spite of the fact that new legislation was just passed last session. It seems to me that you would be facing ongoing increases with the hiring of more inspectors, more board members, and having to continue to train staff on the legislation. Can you comment on these costs and why they have not risen in the estimates.

**Hon. Mr. Shillington:** -- The reduction is in grant programs. I think perhaps we should just take a couple of minutes, Mr. Chairman, and allow the member from Maple Creek to move. So I'll just . . . perhaps we'll just agree upon a brief adjournment while he moves.

**Mr. Goohsen:** -- Are you going to answer now . . . (inaudible interjection) . . . I can see this is going to be a long evening.

Well, Minister, it's nice to find myself in a different seat for a change. It gives me a new perspective on life. I can see that it would be a lot better to be over there in your seat. I think we'll have to aim for that next time.

Mr. Chairman, I'm getting a lot of help here, but I do have to get into this question, Minister, of where we're going with the monies that your department is spending. Now you indicated that you can save some

money in here, enough to offset the expenses that you have incurred for The Occupational Health and Safety Act, and we somewhat fear that you may not be able to bring in a balance to the end of your budget in this department, so we want to dwell a little further.

Now as you will recall from the debate over this legislative session, there was considerable concern in the business sector about the sweeping powers given to the inspectors under the Act. Now it would seem to me that at the very least you should be engaged in some extensive training for this kind of staff to ensure that those powers and other provisions of the Act are not abused. Now that would seem to be the kind of worries and fears that people are passing on to me at this time. Now can you tell us if any such training has been undertaken and what it consists of.

**Hon. Mr. Shillington:** -- Yes, the member will note that administration is up by \$152,000. That is in fact where the training is located, and the training consists in simply familiarity with the new responsibilities under the Act and, in due course when they're passed, familiarity with the new regulations.

**Mr. Goohsen:** -- Well could you report to us, Minister, then, both the general and specific terms about the changes in the activities of health and safety inspectors since the passage of the Bill. Have, for example, any businesses been closed as a consequence of the new powers given by these inspectors, and if so could you describe the circumstances.

**Hon. Mr. Shillington:** -- No, I think there have not in fact been any businesses closed, nor have the powers been misused in the fashion which was so wildly described last year. I think the general view in the business community is that the concern over the powers of the inspectors was considerably overdone, and to some extent one sees those kind of scare tactics engaged in on a continuous basis by those who, for partisan reasons or for selfish reasons, fight or try to oppose progressive changes in labour law. So I think the general view of the business community is that those concerns were over-exaggerated last year. Certainly none of them have been realized so far.

**Mr. Goohsen:** -- Well, Minister, you're opening up a whole new area which we naturally are going to have to pursue as we put our act together here this evening. Logically, you would not allow your inspectors to abuse their power in the first year of their mandate. Certainly this type of activity is an insidious activity, to use the words that would best describe it, because it will sneak in and attack you when you're not looking. Obviously from a political point of view you couldn't allow that to happen immediately, so it will be a gradual shifting more than a more dramatic thing that the media would pick up on. And we'll dwell on that as we go on because I want to concentrate a bit more on this particular line of questions that we had going here.

Now we wonder if you could report to us the recent activities by labour adjudicators. Now has there been

any changes in the numbers or types of cases brought before them since the new law came into force.

**Hon. Mr. Shillington:** -- So smooth is the administration that there has been no use made of the . . . there've been no appeals. I say to the member from Maple Creek, this is a smoothly functioning department, so much so that at this point in time there have been no appeals.

**Mr. Goohsen:** -- Well I would be happy to compliment you as soon as I'm sure you deserve the compliment. The reality is, though, that the business people, the employers of this province, are of such a nature that even though a particular law is passed that they find very onerous and very unacceptable, they are honest, law-abiding citizens who do not break the law deliberately, or even hinting of the bending of the rules. I wish I could say the same about your government these days, but unfortunately we can't. So we can't compliment you just yet because the fact of the matter is you won't have had very many appeals because the people simply don't allow themselves to get into a position to be on the wrong side of the law in our province.

Now, Minister, the amendments to The Occupational Health and Safety Act provided extensive powers for your department to create health and safety regulations without reference to this Assembly. Could the minister inform us of any regulations implemented under these provisions.

**Hon. Mr. Shillington:** -- That was an interesting process and one that we intend to repeat with respect to The Labour Standards Act. What we did with respect to the occupational health and safety, what had been in place prior to the passage of this legislation was more or less a single set of regulations which applied to all businesses. Occupational health and safety had been drawn up in the early '70s with the dangerous blue-collar jobs, the more dangerous blue-collar jobs as a target in construction, in mining, and so on. The Act had been fairly effective in that regard but had not been of as much assistance to other lines of occupation of which one might mention the health care industry.

When it was necessary to redraft regulations under the occupational health and safety, what we did this time was to set up a number of committees, actually about 20 in number, more or less one per each sector. Each committee consisted of one labour person, one management person, chaired by an occupational health officer, and they drew up the regulations specific to their industry.

I'm pleased to report the process has gone extremely well and has exceeded everybody's expectations. Even people who are unrelenting critics of the Department of Labour will say of the process for drafting occupational health and safety regulations, this was a great process. We expect the regulations . . . it is however, a relatively elongated process. We have not yet passed the regulations. We expect to gazette them and have them passed by early summer, perhaps

midsummer.

(1915)

**Mr. Goohsen:** -- That last sentence is really going to be tough for the business community to live with because regulations are exactly what they're afraid of more than anything else. Maybe seeing as how you opened up that door, you might want to explain what some of those regulations are going to be.

**Hon. Mr. Shillington:** -- They're really very voluminous. There will be sort of a chapter for each industry. Generally they're designed to curb practices which give rise to an unacceptable risk to the health and safety of the workers and thus they're different from industry to industry.

The regulations needed in a hospital, as a for instance, where there's a good deal of heavy lifting, are different than the regulations needed in the mining industry where the dangers are of a very different sort. So that the regulations are specific to each industry; they're really quite voluminous. I don't think I could do them justice. It would take a very lengthy period of time to do them justice. In any event, when they're gazetted they'll be available to everyone.

**Mr. Goohsen:** -- Well, Minister, seeing how we are going to go into this and it's going to affect so many people, why don't you just pick one area and give us a run-down, and then we can see how the business community reacts.

**Hon. Mr. Shillington:** -- That's difficult to do because they've not yet been promulgated. They're still being finalized. And as I said to the member from Maple Creek, business and labour are working on them together. None have been promulgated and none have been finalized. It's therefore difficult to sort of describe one to you when they haven't yet been gazetted.

**Mr. Goohsen:** -- Well, Minister, strange that you should say that you're working in conjunction with the business community. I don't know if you read the papers or not but that's certainly not the impression that we're getting from the weekend news across this province. We've got all kinds of articles here that indicate that the business community is not particularly happy with the direction that you're going. And they suggest that your style of communications is that you are more inclined to a preacher's role rather than to a consulting role, that you tell them what you want them to hear and don't particularly listen to what they have to say. Now that's the way I've understood what's being said.

So maybe you could take a minute to change their minds, to show them that you are open and honest, and that there is something going on here that they can actually depend on. You can go into some of this area of what you're going to do in the regulations of The Workers' Compensation Act . . . not the workers' compensation, The Labour Standards Act it is that we want to talk about here.

The Labour Standards Act is the one where the regulations have got the people more worried. You've spent several hundreds of thousands of dollars promoting this particular piece of legislation. We understand that The Trade Union Act will be coming in very soon and you will probably be spending a few million dollars trying to promote that. Surely you would want to let the people in the business community know what exactly the bottom line is going to be when this legislation is finished.

Now you're sort of asking the folks to accept you writing them a blank cheque here, and letting them sign it, and you're going to fill in the numbers later. Because what you're saying to people here is that you're going to write this legislation, you're going to tell us all the nice, flowery, good things about how it's going to help the people who are the workers of this province, where they need the help. And that's good, there's nothing wrong with that. But the problem is that there's an awful lot of things that are not so good here that come in the regulations. And I think you owe it to the province to tell them what those regulations are going to do to each and every industry, absolutely 100 per cent across the board, before this thing becomes law.

So I'm going to give you another chance to take a shot at explaining to the people of this province what this Bill is going to really do to the business community and the chances of attracting manufacturers, for example, to our province once you've got it into place.

**Hon. Mr. Shillington:** -- The member discussed both The Labour Standards Act, The Occupational Health and Safety Act, and I'm not sure which one his question refers to, perhaps you could . . .

**Mr. Goohsen:** -- Let's go to The Labour Standards Act because it's the most new one.

**Hon. Mr. Shillington:** -- The process is that we have said to the people of Saskatchewan, in particular workers and business people, that there are some problems which need to be resolved. We have invited the business community and working people to join with us in finding a solution to those problems. And thus we have invited them to join us in working to provide some regulations which will resolve the problems.

My overwhelming sense of having communicated with the business community is they like the process. They may argue about whether or not there is a problem, but they want to be involved in formulating the solution. And most of them agree that where there are practices which society is not prepared to tolerate and should not be tolerating, they're anxious to work with us to resolve them. And we have to do that. And thus the meat of the Act is in the regulations; I would admit that.

That's however done with the consent of both sides. I might add as well that supplications which we've

received from the business community since The Labour Standards Act was introduced reinforces that. If there is a general trend to what they want by way of amendments, it is that they want less in the Act and more in the regulations. So I think the process is one they approve of. Whether or not they agree there's a problem, I guess, will vary from one person to another. But by and large they do like the process which involves them in the preparation of the regulations.

**Mr. Goohsen:** -- Well, Minister, you see, I think you're starting to get the idea of where we're wanting to get at here because we need to know what those problems are. You see you're bringing in a piece of legislation that's going to affect this province probably for many years down the road.

Even if another governing body were to take over this province in the next election -- and I'm sure you won't want that to happen and you'll do everything to keep that from happening -- but even if that were to happen and they were to try to change back what you have started out here, it couldn't be done overnight because this is a roller-coaster type of thing. Once you've lost a business to the province because it can't see its way fit to be here as a result of your legislation, you don't get them back again. Those jobs are lost.

What we've been saying is there's nothing wrong with protecting workers, but you also have to have them a job to protect them at. There has to be somebody come into the province to create some new jobs, a new job base, and at the moment they're flying over us and they're going away.

So what are the problems in these regulations that need to be corrected?

**Hon. Mr. Shillington:** -- Well in summary form, the Act was last revised in 1977. It needs to be revised again to reflect changed social conditions. And there are a number of social conditions which have changed since the mid-'70s, and I will give you some examples of things that have changed. There are more women in the workplace; there are more single parent families; there are more part-time workers; the workplace has changed with the advent of the computer which, as a microcomputer, did not exist in 1977.

All of those changes have . . . and indeed I would add one other change as well. In addition to the change in the workplace and the change in the workforce, there is, I think, generally acknowledged a new competitiveness -- some would style it a ruthlessness -- in the market-place which I think many fair-minded observers believe did not exist, at least in quite such a raw form, a generation ago.

So in summary form, The Labour Standards Act is being amended to reflect changed social conditions, and certainly things have changed enormously since the mid-1970s. This Act is just being changed to reflect those changed social conditions.

**Mr. Goohsen:** -- Well, Minister, I certainly agree with you that there is a ruthlessness in the job market and in the workplace these days because, quite frankly, with eleven and a half per cent -- or give or take a few per cent one way or the other -- unemployment, you've got an awful lot of people beating on one another, trying to get their jobs. You've got an awful lot of competition for those jobs. You've got several thousands of people that are no longer even represented in the UI (unemployment insurance) figures. They're now on welfare. Most of those folks still want to work, and so there's a lot of competition there. So that ruthlessness is a result of workers scrambling to try to take jobs away from one another. That, I think, justifies our claim that we need a bigger job base, and the way to get the bigger job base is certainly not to drive people out of our province or to scare away those that might come in to create jobs.

And quite frankly, if you get a labour relationship in the province that is out of tune with our neighbours, you will not see businesses come in and create those jobs. It's not a question of fairness here; it's a question of staying in tune with your neighbours so that you don't get out of step with the rest of the world and cost us our job base. And that's what we have to have.

So, Minister, the fact of the matter is that you've introduced legislation, and you've talked about it, and that legislation -- on the surface, what we can see of it -- is reasonably good in a lot of areas. However, by your own admission, the regulations are the key to the things that will affect most of the employers in the province.

If that be the case, then those regulations are the things we have to know about and study and get out into the open to the public. Why are you being so dark and secretive and behind closed doors, hiding your regulations and the intent of your regulations and what you want to do? If you're above-board and you want people to cooperate with you, do you not have to present those regulations with the legislation so that the public can weigh the whole Bill in order to know what's going to happen to this province as a result of those regulations?

We've got to know what's going on. If you're going to hide these regulations, then we have to assume that there's something wrong that you're covering up. What else could we say? You would say that yourself. Any person in today's society would say that a government that doesn't want to tell us what the regulations are or how they will affect people must be trying to cover up some evil intent.

So once again I say to you, we have to dig out those regulations and put them on the table. They have to be a part of the package. Otherwise the business community cannot rest with this legislation and they cannot allow it to continue. So I give you the opportunity once again. Tell us what the regulations are and how they're going to affect the people of Saskatchewan.

**Hon. Mr. Shillington:** -- Mr. Chairman, what the

member from Maple Creek is not saying, I think, out of a sense of fair play and out of a sense of respecting a confidentiality, what the member from Maple Creek is not saying is that I did tell him last week that I expected to be in a position to give him a draft copy of the regulations.

In fact, I now inform the member from Maple Creek, and I guess I'm informing everybody else as well, that we have been urged by both the business community and the trade unionists not to do that, not to table a set of draft regulations. It is the fear of both sides that we will prejudge the end result and that they ought to be left free to try to arrive at solutions which they think is appropriate rather than us sort of imposing our view upon them.

So we're weighing that with care. But we may not be tabling draft regulations, as I think I'd said to the hon. member, that I expected to. We're being urged not to by both the business community and the trade unionists, and we're weighing that advice very carefully. It is, after all, it is they who we want to work with us, and if they say this is not going to be very useful, perhaps we should respect that.

I thank the hon. member for respecting the confidence which I spoke to him, but I say to the Chair and to the committee that we are reconsidering our intention to table draft regulations.

**Mr. Goohsen:** -- I thought they'd be that bad. But, Minister, in all fairness, I have a hard time believing that the business community wants to help you to cover up what's going to happen if they're against it. I have a hard time believing that they will be in favour of it because of the fact that I've read the papers over the weekend where business leaders have publicly stated that they're not happy with what's going on.

So what I'm going to do is I'm going to take your answer, deliver it to the business community if they're not listening tonight, and I'd be surprised if they aren't. But just in case they aren't, we'll let them judge it, and we'll wait for their response on this issue because somehow I don't think they're going to agree with the way you've stated your case.

I do want to move into some other areas though, and we'll probably get back to this as we go, and we'll ramble around here a little.

I have some specific questions about the CLR (Construction Labour Relations Council) which was organized through or in the auspices of or as a result of your department. Pick whichever one applies.

(1930)

Now apparently, Minister, they collect some kind of dues here. And it says here, just to refresh your memory, notwithstanding any of the other sections of this by-law, and this is part of the by-law from the CLR:

every Unionized Employer, as defined in *The Construction Industry Labour Relations*

*Act*, 1992 (called the "*Act*"), in the Trade Divisions represented by this Association, shall, on or before February 28, 1994, pay a Contract Administration and Industry Development Fee to the Association;

Now how is that fee, as you understand it, arrived at and what does it pay for?

**Hon. Mr. Shillington:** -- The member's correct. There is a fee levied by the construction labour relations to its members, and that's for matters of administration. I'm not sure the extent to which . . . to some extent this is their own internal matter. I'm not sure the extent to which they want us to get into a discussion of that, and I think I'm going to leave it at that. It's a fee which is set by them according to their own constitution, levied on their own members, and I'm not sure, as I say, I'm not sure it would be appropriate for us to get into a discussion of something that is in many ways -- well in all ways -- an internal matter.

**Mr. Goohsen:** -- Well, Minister, maybe I should open the door a little bit for you, a bit further, because this has become a bit of an issue in the province with some folks.

Now it says on this memo that I have here, that the Saskatchewan Labour Relations Board has recently decided on the question of whether members and non-member, unionized employers are required to pay the contract administration and industry development fee. The board is of the opinion that the answer is yes. The decision confirms section 29 of The Construction Industry Labour Relations Act, 1992, and removes all uncertainty regarding the requirement to pay the fees in the accordance with section 29.

So now, Minister, it does become a part of 1992 legislation. It is definitely labour legislation. This is under your department, under your authority, your legislation, so that should open the door for you to talk about this internal problem that has become an external problem. And so I'll go on, and just read just a little bit more of this to give you an idea of what's going on just in case your memory hasn't caught what we're after.

the Contract Administration and Industry Development Fee payment pursuant to this paragraph shall be determined by a formula and shall be an amount equal to the number of man hours worked during the period commencing March 1, 1993 and ending February 28, 1994 by the employees working in each Trade Division of the Unionized Employer multiplied by eight cents an hour;

Now the key is here, the cost -- quite a bit of cost -- plus the original fact that both members and non-members of unionized employers must now pay this.

Why would there be a provision that non-members

have to pay this fee, and isn't that a rather exorbitant amount to be charging?

**Hon. Mr. Shillington:** -- I'm assured by the officials that it is only those which are unionized which pay this, although one must recognize there are firms which do work both in a unionized mode and in a non-unionized mode. But a firm which does not at all, in any way, do work as a unionized firm does not pay this. This is only union contractors and those contractors which have both a unionized and a non-unionized aspect.

**Mr. Goohsen:** -- Yes, Minister, I understand that, but up at the top of this page it says non-member unionized employers. That means the people that don't belong to CLR are now being forced by your Act to pay this fee. It doesn't seem fair to me that if I don't join your organization that I should pay your fees; and if I do, I should know what those fees are buying. And if they're buying something, I should not only know what it is, it should be something that's of benefit to me. So I want to know what those fees are being used for and how you can justify charging non-members of an organization the fees as if they were members.

**Hon. Mr. Shillington:** -- The scheme of the legislation is that there will be industry-wide bargaining done by the Construction Labour Relations Council. The scheme of the legislation is, as well, that all of the contractors will contribute to, all of the unionized contractors, will contribute to the administrative cost of this industry-wide bargaining. So all of them in a sense are part of the system. The rates apply to all, and it was felt fair that all of the contractors who are unionized should contribute to it. So I think that's the underlying philosophy behind charging everybody.

**Mr. Goohsen:** -- But what you're saying, Minister, is now the money's used for bargaining. Nothing wrong with bargaining. However, the money is being paid by the employers based on the number of people that they have working by the number of hours that they worked. The employer's paying this money to CLR who use that money to bargain for better conditions for the employees.

In other words, you're telling the employers here, you pay for the costs of the people to bargain against us, and we have to hire somebody to bargain for ourselves. In other words, we're paying both lawyers in a sense, if you're looking at it from a point of view of the adversarial process that you would understand as a lawyer. If you were fighting a case for Joe, and Sam has his lawyer, you're saying that one guy has to pay both lawyers to fight the case. Shouldn't both sides be paying their own way?

**Hon. Mr. Shillington:** -- Yes, well in fact they do. The fee to which the member refers only goes to pay the cost of the administration of the employer side. The employees, the trades who bargain, have to pay their own expenses.

**Mr. Goohsen:** -- I just want to go into this a little bit further, Minister. I'm going to quote a little more off

this memo that we have so that the folks will know exactly what's going on here. It goes on to say that:

any dues, fees or assessments except membership fees paid by any Member or any Unionized Employer, as defined by the **Act**, to the Association during the period commencing March 1, 1993 and ending February 28, 1994 shall be credited to any amount payable by the Member or the Unionized Employer pursuant to this paragraph; and

The Council may, for the period from and after March 1, 1994, fix, from time to time, the Contract Administration and (the) Industry Development Fee to be payable by every Unionized Employer, as defined by the **Act**, and until such fee is fixed by the Council . . .

Now that means that these fees can grow an awful lot, doesn't it? That's what I see here. It doesn't look like we have much control over this thing. It goes on:

. . . the fee shall be an amount equal to the number of man hours worked in a month by the employees employed by the Unionized Employer as defined by the **Act** multiplied by eight cents an hour and such fee shall be payable monthly, within fifteen days after the end of each month.

If you are a Unionized Employer which has employed any Unionized Employees in Saskatchewan since March 1, 1993, the Contract Administration and Industry Development Fees plus GST are due February (4), 1994. Our GST Registration number is . . . (and it gives that . . . and the) remittance form is attached for your convenience.

Now, Minister, it seems to me that all of this sort of double charging is going to run up the cost of doing business in the province of Saskatchewan. And I really, seriously need to have you explain to me how this is going to help the province.

**Hon. Mr. Shillington:** -- Well the scheme of the legislation was that there should be industry-wide bargaining rather than having each contractor bargain separately. It was felt to be more efficient and cheaper if the bargaining was done on an industry-wide basis. That's the scheme of the legislation, and that's how it's thought to help the construction industry in Saskatchewan.

**Mr. Goohsen:** -- Well I'm pretty sure that meant that we're going to have a philosophical disagreement.

But let's go on and pursue this, because I think I might be able to get you to rationalize some of these costs. Somehow I wouldn't be surprised too to find out that some of these funds end up going to a particular political party as an automatic deduction, and you can answer that if you want, but I speculate that very strongly.

What I'd like to know more specifically right now, though, is how many employees are involved in this process.

**Hon. Mr. Shillington:** -- Well the employees have their own bargaining agent. That's the problem. I seem to have difficulty . . . The association bargains on behalf of the employers. It's an industry-wide bargaining system, and that is where that fee is going.

**Mr. Goohsen:** -- Well that's good to know. But of course, you said it's paying the bargaining agent and that's pretty natural for you to say that, but it was the employer's money that paid for the agent, so he's paying for the agent plus he's paying for his own people to bargain.

But what I did ask you this time was how many employees are involved in this process.

**Hon. Mr. Shillington:** -- The unionized workers are about 20 per cent of the total industry in Saskatchewan.

**Mr. Goohsen:** -- How many people would that represent?

**Hon. Mr. Shillington:** -- I think it's going to take a moment to find those statistics. As soon as we get it, we'll give it to you. Perhaps in the meantime the member has some other questions.

**An Hon. Member:** -- Is it 80,000?

**Mr. Goohsen:** -- Yes, that might be a way of doing it. Would it be more or less than 100,000? Maybe we can work on it that way and trim it down. Less than 100,000?

**Hon. Mr. Shillington:** -- I'm told that the best information they have here this evening is that they're bargaining on behalf of approximately 3,000 people. There's approximately 3,000 employers . . . There is approximately 3,000 employees involved in the unionized construction industry.

**Mr. Goohsen:** -- We're going to have to check that figure I guess, Minister, because it doesn't really seem like that's terribly many people in the whole province of Saskatchewan to be 20 per cent of the workforce, of the . . . that seems rather light. Anyway we'll work on that.

Now you've probably heard about the concept that's been talked about here lately about a job tax to replace GST (goods and services tax) and that sort of thing. I think we're going into an awful lot of areas that are going to be changed in the next while that's going to affect the cost of doing business in Saskatchewan. How do you think that concept is going to affect the people of Saskatchewan?

(1945)

**Hon. Mr. Shillington:** -- Those would be proper

questions to put to the Minister of Finance in their estimates. We wouldn't . . . this department wouldn't have anything to do with imposing anything in the nature of a job tax.

**Mr. Martens:** -- Thank you, Mr. Chairman. Under this umbrella organization that you want to have negotiate their contracts, can you tell me what all the trades are that you would have under that umbrella organization and give me a list of them?

**Hon. Mr. Shillington:** -- There's about 13 or 14 trades. We don't have a list here. We can undertake to provide it to the member from Morse, but we don't have it here.

**Mr. Martens:** -- So under this umbrella organization, they're going to negotiate the contracts of all of these at one single time. Is that correct?

**Hon. Mr. Shillington:** -- Well it wouldn't necessarily be done at one single time. They'll be done industry wide, but they're not necessarily moving in lock step.

**Mr. Martens:** -- I recall, Mr. Minister, one other time when that was happening -- in 1982. It caused the longest period of labour, construction, employer unrest that this province has probably ever seen, and you want to bring that back into place, or what's the difference between this, what you're doing here and what you did in 1982?

**Hon. Mr. Shillington:** -- The process is really quite similar. There are some differences, but they're . . . basically the concept is the same and that is you have, on a trade-by-trade basis, industry-wide bargaining. I don't think the member's comments are borne out by the statistics in the '70s. In fact it was a period of relative industrial peace. It's also true in the construction industry.

I think those involved in the construction industry in the '70s and the '80s agreed that the system that was used in the '80s was better. Hence we passed the legislation without any objection from members opposite, I want to add, and we are now trying to make it work in a difficult atmosphere -- made difficult because the construction industry is at such a low ebb and they are intensely competitive for every conceivable job.

**Mr. Martens:** -- One of the things that happened in that period of time, Mr. Minister, was that there was so much conflict between the various organizations in the trades that there was no agreement on what trade bargaining unit was going to finalize the whole deal. And what happened is you had the electrical workers and the plumbers and all of those people, all were bargaining simultaneously and nobody could reach an agreement.

And what you had over that period of time was probably the largest and the greatest amount of instability in the labour force that was ever given to this country. And if you did look at some of the records they would show you that striking workers had the

most accumulated hours in the period of 1981 and '82 of any time in the history of Saskatchewan.

And I will also say to you, sir, that that was one of the reasons why you lost the election in 1982. That is precisely the reason why the people in Regina North West and just about everybody in Regina voted against you -- for exactly the same reasons, because you had everybody bargaining, everybody was on strike, and everybody was mad at you. Now why would you bring that in again? That's the question we're asking.

**Hon. Mr. Shillington:** -- The member's description of history is . . . The member's memory -- I think he's relying on his memory -- is simply not accurate. It was a period of relative industrial peace. There may have been a strike in 1981-82 which jiggered the figures. By and large it was a period of industrial peace in the construction industry and that's why the construction industry agreed to go back to it. And I would assume that's why members opposite voted in favour of the legislation -- which you did -- in the summer of 1992.

**Mr. Martens:** -- Well let's just go back in history. Your history shows you that you lost the election in 1982 simply . . . or one of the reasons was because of this. And I saw ads going out all across this province by a unionized employee, saying that they didn't want to have any part with you because there was no labour rest and no ability to negotiate, because everybody was doing it on their own agenda within the framework of all of them, and nobody seemed to get anywhere with it.

If I go from memory, I would say that there was 400,000 man-hours of work lost in that period of time. That's going from memory, Mr. Minister, but I would say I was pretty close to what it was in that one year -- 1981, spring of 1981 to the spring of 1982. And that, Mr. Minister, was I think one of the reasons why you lost your seat as well.

**An Hon. Member:** -- No I didn't.

**Mr. Martens:** -- You didn't lose your seat? Well then the majority of others did. One of the reasons was the labour force was against you because of what you were doing in the context of these negotiations and nobody could have any labour peace because nobody was working. Everybody was angry at everybody else. And now you want to bring it back into the focus, and then you put a tax on it, yet besides.

And the question we have in relation to that is whether that tax is going to end up in the NDP (New Democratic Party) coffers. That's what we're concerned about, literally, and we believe that that's probably what some of that money is going for.

**Hon. Mr. Shillington:** -- Well your comments are simply absurd. Your comments that the money levied on the construction firms is going to the NDP is simply absurd. If you have any evidence for such a wild allegation, I suggest you provide it. If not, I suggest you

dignify these proceedings with a sensible comment. If you've got any evidence to support that, I'd like to see it. You haven't because it hasn't happened. Indeed I think it would be a . . . If it weren't criminal, it would be very close to it for them to be doing that.

So I say to the hon. member, if you have some evidence of those allegations, provide them. If you don't have any evidence, you should never have made the allegation in the first place.

**Mr. Martens:** -- So then it's criminal for any union organization to give money to the NDP or to the Conservatives. That's what I'm telling you. It's not criminal. It's done all the time.

But I want to go back to the original comment that I made. Why would you be putting this into place under the circumstances that exist today when there is hardly any work for these people, and you want to make it tougher for the employees to get work so that their employers have an opportunity to get a construction project going. And you're making it more and more difficult all the time. That's what I'm telling you.

The 1970s and up until 1982, they were great days for construction because the whole economy was moving forward. And yet labour was in a state of unrest, Mr. Minister. And today we have exactly the opposite. Things are going down. The latest statistics on welfare is over 80,000 people -- 80,000 people, Mr. Minister.

And now you're going the other way and saying we're going to tax more so that the people can negotiate better. They haven't got work, Mr. Minister. That's what the problem is. They need work. They don't need more laws. They don't need more taxes. What are you going to do to change that around?

**Hon. Mr. Shillington:** -- Well the creation of jobs is not directly a function of the Department of Labour. The member's suggestion that somehow or other our legislation is going to drive jobs out . . . I guess that's always been the cover which right-wing parties who act as the handmaidens of privileged interests . . . I guess that's always been the cover that right-wing parties have used for doing nothing to protect those who are unfortunate and those who need additional protection.

I guess throughout history right-wing parties have always said it'll drive away jobs and therefore we'll do nothing. And therefore you've stood shoulder to shoulder with the privileged interests.

Well it doesn't describe this government. We want to assist some of these people. We want to assist some of the less fortunate. And we think we have overwhelming support from the public in so doing.

But your comment that any progressive legislation is going to drive out jobs is not borne out by statistics. It is not borne out by history. It is simply a lame excuse that right-wing parties use in office to do nothing.

**Some Hon. Members:** Hear, hear!

**Mr. Martens:** -- Who provides, Mr. Minister . . . who provides the employment for the employee?

**Hon. Mr. Shillington:** -- Well I was going to say this is sort of economics 101. It isn't economics 101. It wouldn't pass for a public school. It wouldn't pass for a sensible discussion among elementary students. I'm not sure I should dignify the member's question with a response, but let me just say that it is the economy which provides the jobs. It isn't the employer, nor is it the employee; it is the economic system in which they operate. But I really think that the member's question is getting a fair distance from Labour estimates.

**Mr. Martens:** -- No, Mr. Minister, it's right on Labour estimates. I think that you are shirking your responsibility by saying to the public that . . . Over and over again, by making more rules and making more taxes, and making the employer pay more taxes under your regime than they have ever paid in their history, is a deterrent to employment -- and when will you ever understand that?

You can say it's economics 101, but you haven't understood it. You haven't even begun to take the class because, as I look around, there are thousands of people who would prefer to be employed than to be on welfare. Since we left office, you've had 20,000 more -- no, I'm sorry; almost 30,000 more -- people on welfare than there were when you took office. And that, Mr. Minister, is serious, serious problems for the people of Saskatchewan -- 80,000 over 450,000 is almost 12 per cent of the total employable work force in Saskatchewan are paying for the 80,000 people on welfare. Now they don't mind paying, but they'd sooner have people contributing in the work force to work and employment rather than the other way around, which is the way you're going. You go another two years and you'll have 100,000 people -- that's a quarter of the people -- on welfare compared to what's working, if you keep going the way you're going.

Now that's economics 101. Understand it, Mr. Minister. I'm not talking politics; I'm talking serious business and economic development in the province of Saskatchewan. And labour standards, labour legislation, regardless of what it is, will impact plus or minus to the labour force, plus or minus to the economic stability of the employer. That's where you've got this all wrong. And each time you get up to pass a new Bill, we get one less employer in this province. And they're leaving, and that's not good, Mr. Minister. Eighty thousand people on welfare, and you're proud of that? Your Premier, your leader, said in this province that he was going to get rid of poverty in this province. And we've got 80,000 people on welfare?

Mr. Minister, economics 101 should be maybe put together as a class for you members opposite to understand really what the world is all about and learn and understand that impact on the labour and impact

on the employer is directly related to rules and regulations that a government brings in -- plus or minus.

And what I have seen in the past 18, 20 months is exactly this: it has become a minus in this province because of your positions. You haven't built the labour force. The labour force has gone down. Have you built equality and equity in the low pay people? No you haven't. You have in fact put them on welfare, more today than there ever has been in the history of this province.

And that is serious, Mr. Minister, and that is why this question is important. What are you going to do to help the employer hire someone to work? What are you going to do for that person? You and the labour standards and The Trade Union Act and the Workers' Compensation Board -- what are you going to do to allow the employer the capacity to employ someone? When are you going to do that? That's important for the people of this province as well.

**Hon. Mr. Shillington:** -- It is, and we have an economic development strategy which has been relatively successful and which has received, by and large, broad approval across the province. The member will also have an opportunity to discuss that with the Minister of Economic Development. I really do not see how this is germane to the estimates for the Department of Labour.

(2000)

**Mr. Goohsen:** -- Thank you, Mr. Chairman. Minister, I think that what we have to do here is move on from economics 101 to economics 102 because reality is that some of what you say about the economy driving jobs or no jobs is fact, but there are times when the natural processes of economic planning no longer work, and you end up in a reverse situation.

When we had high inflation in our country, we didn't have full employment either. We had quite high unemployment, and so at that point the fundamental principles of economics 101 had started to fail. If we had allowed inflation to continue, this country would have been totally destroyed; I'm sure you would agree with that. And so an old rule was tried, and that is that if you cure inflation and drive the jobless rate up, you can stabilize the currency of the country and the economics of the country, and we did that, I guess.

Now if that's the reason why we have this unemployment problem and our welfare problem today in such massive numbers, then we'd better work on that and get it cured.

But the reality is that we are mixing apples and oranges here. The economy of this country and the economy of our province are definitely factors. But this labour legislation that we're talking about here now is going to damage the province of Saskatchewan's labour race, not the rest of the country. We have the same rules of economy in Saskatchewan that Alberta, and Manitoba, and British

Columbia, and Ontario have. And so in the larger picture if the economy and the fight against inflation, and the fight against joblessness, and all those kinds of things, if they all take place -- and our fight against the low dollar -- if all those things happen out there, they're going to happen equally to Alberta, Saskatchewan, and Manitoba.

But where we are getting out of sync with our neighbours is in labour legislation. Not that our labourers shouldn't have protection but you cannot be a pace setter in this area. It's okay with health reform and those kinds of things because the people wanted that and they were willing to pay for it. That's the history of our province as well. But in labour legislation, the people have not shown a willingness to pay the price to have the best cared-for workers in the world so that we can set a pattern for the world. Because the people that pay the bills have said goodbye, we're not going to stay here.

And I'll give you a little story that I heard today on the telephone, to back up my point. A lady called me, she runs a small abattoir. She now employs several young people on a part-time basis. In the summertime, in the busy season which is the fall -- the hunting season period I presume is probably included in their busy season -- after school hours and weekends, those kinds of things.

She said that the other day she got a notice telling her that the labour legislation, The Labour Standards Act, was going to be changed. There was a phone number to call, and she called that number and said, what's going on. And they said, well we're going to bring about some changes. She said, what are those changes. Well they said, well we can't give them to you because the regulations haven't been set down yet. She said, when will we know about this. And the person on the phone -- rather a silly answer I thought when I heard it myself -- said, you'll read it in the news media.

Well the lady said, you took the time to let me know that the regulations were going to change and that I would be breaking the law if I didn't follow them, why wouldn't you take the time to let me know what the rules are when they are passed. And the guy simply sloughed her off and wouldn't answer the question.

Now this lady said to me, if it's going to become so hard to employ these young people, why would I bother? She said, dad and I'll kill as many beef as we can and hang them up and cut them and wrap them and we'll go as long as we can. And when we go broke we'll close the doors and leave the province like everybody else. That's her words not mine. We'll close the doors and leave the province like everybody else.

And she wasn't talking about economy number one or 102 and she wasn't talking about the Canadian dollar or inflation or the jobless rates in the rest of the world. She was talking about your labour legislation in the province of Saskatchewan and how it's going to affect her small business. So we can't mix the apples with

the oranges any more, Minister. We now have to sort out your labour legislation from all of the rhetoric and let's talk about getting ourselves back into sync with our neighbours so that all of the people don't close the door and go away.

I said to this lady, I suppose you're thinking that Alberta looks pretty good. And she said, yes it does but that's not where I'm going. She said, I think I'll head south. In other words this lady isn't even content to stay in her own country any more. She's going to leave the whole country behind.

Now we thought we had a problem when people were exiting our province. But we've got an even bigger problem when they start exiting our country because then we either have to populate our country in one of two ways, either with birth or with immigration. And that's going to lead to an awful lot more problems. So why are we escalating and fuelling the problems of our society and our province?

So, Minister, we go into these Acts, and you said a little while ago that the business community now doesn't want the regulations to come out into the open because they're quite content to take a chance on whatever you might be going to do to them. I find that hard to believe.

After I read headlines like this one here from the **Leader-Post** here, February 12, '94 . . . your name is the first one -- I guess I'm not allowed to say that -- so your name there, Minister, "under fire from business." Under fire from business. There's just a little . . . I'll just run a couple of these lines by you. I'm sure you will remember the article as soon as I do this. The person that was being interviewed said:

I would strongly urge that you put in the right to a secret ballot for both (union) certification and decertification . . .

One of the things that people are worried about in the upcoming legislation that you're planning. It also alludes to the Woolco store in Moose Jaw and the loss of their application to be decertified. You know all about that. We've argued about that a few times. It concerns people throughout this whole province.

I might tell you, Minister, that over the weekend I was in Saskatoon. I think you probably know the main reason but we did a few other things like talk to folks and listen. In listening to people that weren't at the particular meeting that most of us were at later on in the evening, we discovered that this problem hasn't just stayed here in Regina and in Moose Jaw. The people of Saskatoon at the coffee shops find it very, very stressful to know about what's going on down here, and they're talking about it on a daily basis.

It also alludes to how you have treated the business community when you have gone out with this so-called consultation process that you talked about. That's what makes me really wonder about how the business community has suddenly decided to play ball with you in secret and not have the

come out into public because here it says you were to speak to 20 minutes. You took 50.

Now I won't read this word for word because I can summarize this, and you know very well what people were talking about it because they told you about it as time went by. They said you went to the meetings, and you talked for so long there was no time left for a question period. My first answer was when somebody told me that, well how could that possibly be? The minister would just stay a little longer and answer the question.

Unfortunately I was wrong because what happened was you went to meetings where the chamber of commerce or somebody would organize a meeting. The Rotary Club would organize the meeting. It would be a luncheon meeting, and most of the folks had to leave at 1 o'clock to get back to work. So if you were to speak for 50 minutes, the guy was right when he said that there was no time for any question or answers. And when the few questions that were permitted because of the little bit of time were asked, you neatly didn't answer them according to these people, not only just in this particular article, but also others that I've talked to.

Now folks are worried about the part-time workers, Minister, and this is a common problem throughout our province. We're going to be talking to some people about that tomorrow, and I'm sure you're going to be talking to a few more as well. But you have to do something, Minister, to alleviate the fears out in the community.

Your broad statement that the business community is happy may be true of a certain number of umbrella group representatives because I'm not going to say that you would deliberately lead me astray here, and you may have a few of those umbrella group heads agreeing with you that you should cover this up. But I seriously doubt that the vast majority of business people in this province want those regulations kept secret.

And realistically, even though we do empower umbrella groups in our life to represent us . . . and all of us have done that. I guess I probably would have to allude to some of the farm community umbrella groups; SARM (Saskatchewan Association of Rural Municipalities) comes to mind that would represent my interests in municipal affairs as a property owner in the country. Not always when the president of SARM got up and said something did I agree with that. Not always -  
\_ even in spite of the fact that I supported him and elected him -- not always was he totally on track, whoever he or she might have been. I think there have only been men in the past.

So the point I want to make, Minister, is that even if you have a few people at the top of these umbrella groups agreeing with your position, you'd better check out in the countryside and through the big cities around you to find out if the whole community really agrees with this, because they don't. The business people I talked to over the weekend are not in favour

of these regulations coming in without a full disclosure of what they're going to do to their businesses and to this province. They want to know what's going to happen.

I don't think anybody wants to sit on top of a bomb and have somebody tell them that the switch has been taken off without being able to look for themselves. And that's what this province is sitting on -- a bomb. Now it may be an empty, with the switch taken out, or it may be loaded. And it may just blow this province right clean out of the water as far as having a job base left when we're finished. And I know that you want to do some right things by your union friends, but surely you want to have a province left when you're finished so that your union friends will have a place to work. I mean after all, if there's no job base, even the union bosses won't have a job. So that might be something for you to think about.

So I want to emphasize, Minister, that you need to bring these regulations out into the open. We've got all kinds of documents here from different papers: Labour federation intensifies fight over proposed legislation. That goes back to February. The use of replacement workers during strikes is a big concern -- and you're going to be dealing with that pretty soon. It's amazing to me, Minister, how folks have mixed these two pieces of legislation together. It's almost sort of like a big pot of potatoes. Reminds me of the hand grenade they found in the bag of spuds the other day, and they said that it was going to be the biggest potato masher in the world if somebody pulled the pin.

But the kind of bombshell that you're mixing up here, Minister, is simply not acceptable. And I'm not sure if it's your fault that these two Bills are getting mixed together, and the parts of them are getting mixed together, but somehow you do have to straighten that part out too. Because if the people go into labour legislation with blinders over their eyes, it can't serve your purpose to trick people into breaking a new law. And I allude back to that lady I talked to you about. If she doesn't know what's going to be the law, how can she not do anything but break it? You have to inform people what's going on. We've got to know what these regulations are before you pass the law.

So, Minister, I hate to hound you on this but even though some business people may be wanting to leave this alone, I think that most of the business people that I've talked to, have to have the answer. What are these regulations and how will they affect the people of Saskatchewan?

**Hon. Mr. Shillington:** -- Well I've already answered the member. I don't intend to dwell on this too long. Suffice it to say that both the business community and workers want to participate in developing the regulations so that they are regulations which are sensitive to the industry and their needs. To the extent that you file draft regulations in the House, it's their view that you pre-empt the process and make that decision and pre-empt their opportunity to participate.

It has been the strongly-voiced sentiment from the groups with whom we have dealt they'd rather not see draft regulations tabled. They would rather be left with the maximum amount of freedom to draw up and to work on regulations which meet the needs of their industry.

**Mr. Goohsen:** -- Well, Minister, how would they have any power to make any changes in the regulations once you've passed the legislation. Wouldn't that sort of like be, you know, closing the barn door after the horses ran away?

(2015)

**Hon. Mr. Shillington:** -- No, the horse is still in the barn in this case. There's every opportunity to participate in making regulations which make the legislation effective or ineffective, sensitive or insensitive to their needs. So your use of the old saw that it's like closing the barn door after the horse is gone is simply not accurate. In this case, the horse is still in the barn.

**Mr. Goohsen:** -- Well, Minister, I'm quite sure that we're going to have to talk about these regulations a lot because I just cannot see the business people of this province being so congenial as to suddenly want to have you pass legislation that gives you all of the power to do whatever you want and then after the fact, bring in the regulations that will mainly determine how people are affected and convince the community that they will have some input when you've already got the legislation passed and have all the power. That's not the way dictators work. Somehow I don't think you're going to do this quite fair. And I'm going to get after that again but I think I want to ask a few more questions while we get into some of these other areas that need to be talked about.

This morning we talked briefly about the new fair wage policy and how that's going to affect people. And just to be fair about it, I'd like you to explain what, in your mind, that will do for the province.

**Hon. Mr. Shillington:** -- Let me tell you . . . let me perhaps answer your question by . . . let me go back to your comment about the regulations. I may say it was my expectation that they would want to see a set of draft regulations so they sort of knew where the middle line was. And I was a little surprised to find in fact, that they don't want that. They want to be left with the maximum amount of freedom to draft regulations for themselves. So we are trying to respond to that. I, like the hon. member from Maple Creek, that wasn't exactly what I anticipated. I thought they would want it as I guess you do.

The fair wage policy, if you want to call it that, is still in . . . our thinking on this is very, very immature. We are working on a number of options and really being no more specific than that.

Perhaps I can answer the member's question by describing how a somewhat similar policy works in Manitoba. Beginning at the time of the building of a

large hydroelectric project in Northern Manitoba, the name of which escapes me right at the moment, about 20 years ago, they worked out a wage grid for the entire industry which was working on the construction of the hydro project. That resulted in union firms and non-union firms all using the same salaries and the same benefits in drawing up their bids because everybody paid the same, everybody paid wages at the agreed-upon level.

That policy still exists in Manitoba in the electrical industry. By that I mean the construction, the industry which provides electricity. I don't mean by that individual electricians, but that policy still exists. Basically it operates in Manitoba. The industry, the government, and the unions meet, negotiate a wage grid, and that's used by everybody, union and non-union alike. It puts everybody on a level playing-field.

I'll close this comment by saying that I took the opportunity last year to meet with the . . . well 1992 actually, to meet with the industry, the trades, Manitoba Hydro, and the minister -- who was actually the Minister of Agriculture, and a person who impressed me, actually, on an individual basis. Everybody agreed it worked well in Manitoba.

We are simply studying that and a number of other options to see if they might work well in Saskatchewan. We've made no decision on it -- I want to emphasize that.

The committee reported progress.

The Assembly adjourned at 8:24 p.m.