The Canadian Labor Scene

Canada’s Minister of Labour, Gerald A. Regan, looks at labor’s major issues in this exclusive CONSTRUCTION DIMENSIONS interview.

Canada’s labor chief Gerald A. Regan, with the unique combined positions of Minister of Labour and Minister of State for Sports, met with CONSTRUCTION DIMENSIONS editor Donald L. Thompson at Parliament offices in Ottawa to discuss the Canadian labor scene and to compare some of today’s issues with those faced by contractors in the United States.

A tall, personable cigar smoker, Regan candidly discussed Canada’s building slump, OSHA, minimum wage legislation, asbestos abatement and government’s relation with small business.

The fifty-two year old Regan was first elected to Parliament in 1963 and served in the House of Commons until 1965, when he assumed leadership of the Nova Scotia Liberal Party. He was elected to the Nova Scotia House of Assembly in 1967, and became premier of the province in 1970. He served as premier until October 1978.

He was re-elected to the House of Commons in the general election of 1980 and in March was named Minister of Labour in the Trudeau Liberal Government.

DIMENSIONS: While reviewing your biography we were somewhat intrigued that you are both Minister of Labour and Minister of State for Sports and thought that a rather odd combination.

REGAN: It’s really Minister of Labour and Minister responsible for fitness and amateur sports because you can’t in reality be a Minister and a Minister of State at the same time. In other words, I do not by choice have a junior minister to fill the position—I’m doing it myself. There’s no rhyme or reason whatsoever why it should be associated with labor—it’s just because of the fact that they thought I could handle the two responsibilities—very separate responsibilities, but those associated with fitness and amateur sports are not heavy ones. I guess maybe I was chosen because I’m somewhat of an old “jock.”

DIMENSIONS: We understand that your background has been both in Nova Scotia and on the national level as a member of the House of Commons. Although we know most political figures do not like labels applied to their political philosophy, would you say most Canadians consider you pro-labor or pro-business?

REGAN: That’s a tough question. In the early days in my law practice most of my clients were trade unions. In my years as Premier of Nova Scotia, my public life could be compared to that of a chief executive officer of a large corporation—one with a tremendous number of employees involving many collective bargaining situations. So really my orientation in public life has been on the management side.

I think that I have very many close
friends among the leading businessmen of this country and while I have good friends from the trade union movement from long ago, I would think that I have been more in touch with the business community than with the trade movement in recent years. As a matter of fact, I was somewhat surprised to be offered the Labour Ministry.

**DIMENSIONS:** An article in a Canadian magazine said at the beginning of your ministry: “His skills in government are considerable, and he will need them all in the Labour Ministry because 1980 threatens to be a year of labour turmoil.” The year is about to close and with that year behind you, did that statement prove true?

**REGAN:** I haven’t had a major strike—we’ve managed them all. We’ve had a magnificent year in that regard. We’ve had a couple of bad bargaining situations, but I have been pleased with the relationship I have been able to establish with both the trade union movement and with business. I suppose it’s too much to hope that 1981 will be as good as 1980.

**DIMENSIONS:** Your first major policy move as Labour Minister was to announce a two-step increase in the Federal minimum wage. What has been the reaction from business groups?

**REGAN:** I find that most of the business community recognizes the inevitability of the minimum wage being changed from time to time, especially with the rise in the cost of living. The minimum wage should be at a level to provide some incentive for people to go to work rather than not work and collect welfare and unemployment benefits. It is on that basis that the minimum wage has to be as high as it is. The Federal government is not the leader in minimum wage legislation however. Many of the provinces have a higher rate.

**DIMENSIONS:** Senator Orrin Hatch, who will be Chairman of the Senate Labor and Human Resources Committee in the 97th Congress, has proposed a lower minimum wage for teenagers. Has this approach been attempted in Canada?

**REGAN:** We have had some experience with a lower minimum wage for workers between the ages of 16 and 18 and also for workers who are learning a trade. I believe the program is successful and has quite a bit of merit.

**DIMENSIONS:** We understand that Canada’s housing industry, which accounts for 4½ percent of the country’s output and about 3 percent of all jobs, has gone into a severe slump with housing starts the lowest in 14 years. Can you address why you believe this situation exists?

**REGAN:** I certainly can. It exists because of the high level of interest rates in your country! It’s as simple as that. The Canadian interest rates are lower than those in the United States, but they have to follow the American rates upward. If you get too wide a difference in the rates of the two countries, you get an incredible outflow of funds from Canada so that you just can’t get investment or do anything in the future.

Our economies are so interwoven that our interest rates are very high as a consequence of the American interest rates. The best thing that could be done to help housing starts in this country is for you people to overcome your problems. Then our interest rates will come down.

**DIMENSIONS:** The Trudeau government has reinstated a program called MURBS to encourage investment. This program was dropped by the Clark government. Can you explain the MURBS program and why this type of incentive program is considered controversial?

**REGAN:** MURBS program is capital-cost allowances on multiple-unit residential buildings. The program is considered controversial because of...
the fact that it gives a good write-off position to people who have funds to invest. It gives them particular tax advantages. We think the program suits the present situation. It’s attacked by Mr. Clark on the basis that he says that we are giving too much to the wealthy by allowing this sort of write-off. But, we are in favor of anything that works, and this does appear to bring about a greater amount of construction. **DIMENSIONS:** Right-to-Work groups have recently moved into Canada. Labour Canada says that it believes that the real intention of these groups is to enact legislation that prohibit union shops. Do you have a comment?

**REGAN:** They haven’t had much influence in this country as yet. In any event, we haven’t paid much attention to the Right-to-Work groups. **DIMENSIONS:** Has there been effective organization of small business groups into lobbying organizations as there has been in the United States during the past few years?

**REGAN:** Oh yes, John Bullock, the head of the Association for Small Business in Canada, is a most effective voice for small businesses. He has done a magnificent job. I tend to personify the small business movement in Bullock. Certainly there are other people who have made major contributions to small business which has become very well organized just recently—only in the past four or five years.

**DIMENSIONS:** The United States has what is known as the Davis-Bacon Act, under which the Department of Labor sets the wage rates for Federally assisted construction projects. Does this type of act exist in Canada? AWCI has labeled the Act inflationary and has called for its repeal.

**REGAN:** We have something similar—a wage rate provision. But this provision is applied only to certain Federal contracts, including construction. **DIMENSIONS:** Canada has an Occupational Safety and Health Administration. Is this under your jurisdiction?

**REGAN:** It’s a separate corporation but it is under Labour’s responsibility. An OSHA center has been established in Hamilton. We seem to be finding a great many situations where working conditions have not been healthy. Society continues to lose a million and a half dollars a year as a result of industrial accidents. There is a substantial amount of work to be done in this area. Our OSHA rules are made with management and labor working together in safety committees as a bargaining unit. **DIMENSIONS:** In other words, management has been brought into the planning and implementation of OSHA.

**REGAN:** Oh yes. Both parties are involved. That is why our system is working better than yours in the U.S. **DIMENSIONS:** Workers in our industry are constantly coming into contact with asbestos in insulation. Three agencies, including our Department of Labor and Occupational Safety and Health, are issuing warnings and regulations on asbestos exposure. Current plans are to make these regulations even more stringent. What has the Canadian government done in the field of asbestos abatement?

**REGAN:** Our regulation is made in relation to the amount of exposure that is allowed. There is a constant general review of the entire subject. There seems to be new concern and new knowledge as to the dangers of asbestos. Our people are monitoring very carefully what is being done in your country and other jurisdictions. There is some research on the incidents of danger but we are trying not to duplicate the research that is being done in the United States and elsewhere. Rather, we are trying to monitor this research and take advantage of it. **DIMENSIONS:** What reaction has there been in Canada to the recent elections in the United States and the conservative mood spreading across the country?

**REGAN:** We were surprised at the extent of the Reagan victory. I guess I best not speak for Canada, but only for myself. I have been somewhat concerned that a Reagan government might be pretty inward looking, and also, we have that general concern that all people have about unknown change. I do have to say that the more I look at Reagan’s potential cabinet, I’m inclined to think that a Reagan government may be more knowledgeable and understanding of Canada than the Carter government. I’m really a bit excited about the new initiatives the Reagan people will be undertaking. We hope that Bill Casey will be included in the government. He is quite knowledgeable and a long time friend of Canada. So I’m really very encouraged about the future.