

**LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
5<sup>TH</sup> COUNCIL, 30<sup>TH</sup> SESSION**

**TABLED DOCUMENT NO. 2-30**

**TABLED ON JUNE 23, 1965**



**NORTHWEST TERRITORIES**

**TABLED DOCUMENT NO. 2.**

Attached is a brief on Territorial Labour Legislation addressed to the Commissioner and the Council of the Northwest Territories. It is submitted by the Yellowknife Board of Trade.

**B.G.Sivortz,  
Commissioner**

Subject: Territorial Labour Legislation

YELLOWKNIFE BOARD OF TRADE

Box 340

Yellowknife, N.W.T.

May 17th, 1965

Mr. Commissioner and Members  
of the Territorial Council:

Re: Territorial Labour Legislation

The Yellowknife Board of Trade, being a group of Business and Professional men with a membership encompassing approximately fifty-three (53) Yellowknife and district businesses, hereby tenders to you this Board's submission on the question of the proposed Labour Legislation.

It has been suggested that Territorial Labour Legislation will likely be patterned on the provisions of Federal Bill C-126, "an Act respecting hours of work, minimum wages, annual vacations and holidays with pay. . .". An examination of that Federal legislation shows clearly, in Section 3, that any work, undertaking or business of a local or private nature in the Yukon Territory and the Northwest Territories is exempted from the application of this legislation. One can never be sure of the reasons for this exemption. One reason, however, may be that the Parliament of Canada recognizes that business and industry in the North is still very much the struggling child of Canadian business and industry. Because of the all round higher costs borne

by business and industry in the North it may very well be that the Parliament of Canada does not wish to legislatively strangle this struggling child before it reaches and obtains the same maturity which industry in the rest of Canada enjoys. If legislation were to impose further cost burdens on us in the North such legislation may very well, not only deter new business and mining ventures from starting, but may also cause a shut down of some of the presently existing, yet marginal, infants of Northern industry.

If the foregoing then be part of the reasoning of the senior legislative body in Canada, the Parliament of Canada, then it would appear, we submit, to be entirely inconsistent to do by way of Territorial legislation that which the Parliament of Canada has refused to do by way of Federal legislation.

This Board notes that the question of Territorial Labour Legislation was considered by the members of the Council in the 1960 Summer Session. At that time the Council decided "that due to the seasonal and marginal nature of so much of the employment in the Northwest Territories, it would be difficult to arrive at realistic standards; that the relatively small labour force scattered over a wide area made enforcement of legislation costly and difficult; and finally, since there were no flagrant abuses new legislation should be deferred until the areas requiring attention become

more apparent." The above appears in a Reference for Advice on Labour Legislation, N.W.T., prepared for the Commissioner of the Northwest Territories, and bears the date 29 April, 1964. We submit that the aforementioned view taken by Council in 1960 was a realistic and accurate approach then, and is one which equally applies today. Nothing very much appears to have changed. Employment in the N.W.T., we submit, is still mostly of a seasonal and marginal nature. It is still difficult, we submit, to arrive at equitable standards. There is still a relatively small labour force scattered over a wide area, making enforcement of any such legislation costly and difficult. There are, we submit, no flagrant abuses committed upon employees by insensitive employers. In fact, two of the large mining companies in the N.W.T. have entered into rather full and comprehensive agreements with their unions which for the most part, not only fully comply with but surpass the minimum requirements of Federal Bill C-126.

Generally speaking then, this Board submits that because of the seasonal and marginal basis of most businesses, elaborate labour legislation, requiring minimum wages and maximum hours with provision for overtime pay, is entirely impractical if we desire business and industry to mature instead of collapse. The aforementioned deals with small businesses and small mining companies. With regard to the larger mining companies, of which there are only two in the Yellowknife area, and one at Pine Point, regarding the former

the agreements between union and employer would appear, upon examination, to be entirely satisfactory. Labour legislation is therefore not necessary in the case of large mining companies and is entirely impractical as regards small mining companies and businesses in the Northwest Territories at this time, we respectfully submit.

Should it be the feeling of the Territorial Council and the Commissioner that, since the 1960 sitting of this Council, there has been sufficient change (though we submit that this is not the case) to warrant the enactment of some limited Labour Legislation, then we would make the following submissions:

(1) MINIMUM WAGES

No one can surely make a valid objection to a minimum wage of \$1.25 per hour. However, in determining just what wage or salary any particular person is receiving, a fair value should be set on such items as subsidized housing or room and board if same is supplied (as it normally is in the catering business). In other words, the fringe benefits which nearly every employer in the North supplies to each of his employees, should be evaluated and should be considered in the establishing of wage figures for each employee. With regard to fringe benefits, it is probably safe to say that few employers in Canada are compelled to provide to their employees fringe benefits which, in the aggregate, cost as much as they do in the Northwest Territories to employers.

(2) MAXIMUM HOURS

A forty (40) hour week, with a maximum of a forty-eight (48) hour week (the extra 8 hours being at a rate of not less than one and one-half times the regular rate) is again one of those provisions with which it is difficult to argue if the industries in the area concerned are well established, are not either seasonal or marginal and are located in low cost areas. As previously stated, however, much of the industry in the Northwest Territories is seasonal and marginal and is located in probably the highest cost area in Canada. These industries we deal with as follows:

(i) MINING

The industry through which the economic salvation of the North must lie, surely is mining. It may be interesting to note that in the period 1951-1965 the producing mines in the Northwest Territories were/and some still are: Con Mine at Yellowknife, Giant Mine at Yellowknife, Discovery just out of Yellowknife, Megus Mine at Yellowknife, Tundra Mine just out of Yellowknife, Rayrock Mine just out of Yellowknife, Pine Point Mine, Eldorado on Great Bear Lake, Echo Bay silver mine on Great Bear Lake, North Rankin Nickel Mines at Rankin Inlet, and Canada Tungsten at Plat River. Of these, the following are no longer in production:

Negus Mine, Ravrock Mine, Eldorado, and North Rankin, Nickel Mines. In other words, throughout the last 14 years there have been a total of 11 mines in production in the Northwest Territories of which 7 are still in production. It may be a matter of speculation as to what the effect would have been on those mines which have closed down had labour legislation, restricting hours of work, been in effect when they initially went into production. It is not a matter of speculation, however, as to what will happen to at least 3 of the remaining 7 producing mines should restrictive hours of work be imposed.

It is probably opportune, at this time, to deal with the most common fallacy: labour surplus. In the Northwest Territories, as regards skilled or semi-skilled workers such as are required in the mines as miners, carpenters, electricians, mechanics, etc., there is not a labour surplus but rather a labour shortage. The only reason some of the existing mining properties are able to produce at all, particularly the small operators such as Canada Tungsten, Discovery



and Tundra, is because of the attraction of long work hours and consequential larger monthly pay cheques. A legislatively enforced 40 to 48 hour week would undoubtedly cause a shut-down of such mines for they would be unable to obtain the skilled and semi-skilled labour necessary at reasonable rates. This becomes more pointed when we acknowledge human behaviour to be what it is. Why sit out in the "barren lands" and work 40 hours per week, receiving the same pay as persons do who are employed in the larger more comfortably populated areas. The answer is not merely to glibly say "pay more per hour" for these operations are marginal to begin with.

Even as regards the larger mines, a 40 hour week is impractical for, where there is a 24 hour operation, simple mathematics dictate that if 4 men are employed on a particular round the clock job with 1 man relieving the other three, the hours of work for each of the 4 men must be 42 hours per week for the total number of hours per week is 168.

In summary then, a 40 hour week is entirely impractical as regards small isolated mines for, due to the labour shortage of skilled and semi-skilled workers, the only inducement of large month end pay cheques is removed. As regards large mines (and small mines for that matter) a 40 hour week is impractical when one has regard to mills and other necessary 24 hour operations. A 42 hour week, in such cases, is the only workable minimum number of hours.

(ii) EXPLORATION AND DEVELOPMENT

As this type of work is essentially "field" work and quite naturally seasonal in character, it is entirely unreasonable to restrict working hours. There is no desire by the skilled worker who is required for this type of work to have only 8 hours of each day for work, 8 hours for sleep and 8 hours (plus all Saturday and Sunday) for recreation. What does one do for recreation out in the barren lands?

(iii) CONSTRUCTION

The construction industry, quite naturally, has no objection to the minimum wage of \$1.25 per hour for most employees

in this industry are skilled or semi-skilled (being carpenters, electricians, plumbers, masons, etc.) and due to the economics of supply and demand, command wages far in excess of the proposed minimum wage. This again is because tradesmen are not in a surplus, but instead are in a shortage.

In the area of maximum hours, there would be very serious problems which, in our opinion, would cause irreparable damage to the construction industry and higher cost to the building public in the Northwest Territories should a forty (40) hour week (with a maximum of a further 8 hours with overtime pay) be legislatively applied. The reasons for this are as follows:

- (a) Construction at this latitude is probably the most seasonal of all industries because, for the most part, construction cannot commence until the frost is out of the ground (late June or early July) and must be completed, in terms of out door work, by November or December.
- (b) Because the construction season is re-

stricted to 5 or 6 months of each year as outlined in (a) above, construction firms in the North remain employers of large crews throughout the summer and fall construction period whereas in the winter months they keep on only skeleton staffs.

(c) To attract the large number of skilled tradesmen for the 5 to 6 month construction period there must be some inducement for them to leave southern Canada. There just are not, resident in the N.W.T., the large numbers of skilled tradesmen necessary nor will there probably ever be due to the seasonal nature of construction as outlined in (a) above.

(d) The only inducement that the construction industry in the Northwest Territories can afford to offer is long straight-time hours of work throughout this 6 month period. This enables men to work, in terms of hours, just about as many hours in six months as 40 hour week year round tradesmen work in the "outside" in 12 months. For the rest of the year these tradesmen who come North for this seasonal employment either take extensive holidays or return to the more settled southern parts of Canada to a forty (40) hour week and consequential smaller monthly pay cheques.

What then would be the effect both upon the construction industry and the building public in the Northwest Territories if this maximum hour legislation were to be enacted and become applicable to this industry? In our opinion the effect would be as follows:

(a) Re the construction employer:

Tradesmen would be impossible to attract for the only inducement of long hours of work would be removed. Looking at employment from the tradesman's point of view, why come North for 6 months, leaving your friends and family in the South, to earn about the same hourly salary and to work the same number of hours per week as one can work in Southern Canada where the cost of living is lower?

(b) Re the building public:

If we are so naive as to suggest that the answer is simply, instead of the construction employer offering as an inducement long hours, offer as an inducement the highest hourly rate for tradesmen, then what is the effect. The effect is obviously that we the building public who require buildings to be built, must pay for these higher hourly wages and overtime charges. The cost of

building to both the home owner and to the businessman must go up a minimum of 15%, in our opinion. Looking at this matter from the home owner's point of view, as matters presently stand, building costs in the North are already at a level such that only a small percentage of the wage earners can entertain any thought of privately building decent accommodation. An additional 15% labour cost per house further restricts the number of those who are able to afford a house.

(iv) TRANSPORTATION

It is an indisputable fact that the cost of living in the Northwest Territories is higher than anywhere else in southern Canada. There are many factors which contribute to this but undoubtedly the most important are transportation and freight costs. If maximum hour legislation is to apply to the transportation industry, causing employers in that industry to pay more money because of overtime, then this higher cost to the employer must be reflected in higher freight charges to local businessmen. In turn, the consuming public must pay more for food, clothing, drugs, hardware supplies, building material etc.

As a result, our cost of living in the North takes a further jump.

We suggest, therefore, that in the interest of not only local businessmen but also the consuming public, the transportation industry might be exempt from maximum hour legislation.

(3) HOLIDAYS

No argument can be made with regard to the provisions as to annual vacations set out in Bill C-126. Statutory holidays, however, should be restricted to seven (7) in number rather than eight (8).

CONCLUSION

In conclusion, it is the submission of the Yellowknife Board of Trade that labour legislation by the Territorial Council is not necessary for those reasons expressed by the Council itself in its 1960 Summer Session. However, if Council feels that some limited legislation is necessary then this Board can see no objection to a minimum wage of \$1.25 per hour such as that set out in Bill C-126. As regards vacations and holidays, this Board can see no objection to those set out in Bill C-126, with the exception of limiting statutory holidays to seven (7) rather than eight (8). With regard to maximum hour legislation, however, this Board cannot emphasize too strongly the need for caution. If maximum hour legislation is contemplated then it is this Board's considered recommendation that the mining industry,

including the relatively new oil industry, the construction industry and the transportation industry must be exempt from such maximum hour provisions.

This Board appreciates the heavy burden of responsibility which rests with the Council. We appreciate that the interests of the employee and employer together with the interests of the balance of the public must be reconciled when such legislation is considered. Our evaluation suggests that an exemption of the industries of mining, exploration and development, construction and transportation from any maximum hour legislation is in the best interest of the employee, the employer and the general public and consumer.

Yours faithfully,

YELLOWKNIFE BOARD OF TRADE

Per: 

D. Delaporte, President