

Supply—Public Works

I think at this time it might be worth while having a statement of the government's position in that regard, perhaps it would be possible for the minister to make a more specific statement than the one he so kindly made several months ago, that Central Mortgage and Housing Corporation was not going to push foreclosures in view of the information that was given in the committee of the other place. I shall read his words:

The corporation did not hear of all cases where borrowers got into difficulties.

If the government, through the minister, came out with a forthright statement in this regard many of those borrowers whom Central Mortgage and Housing Corporation do not hear of would be aware that some action was being taken, and they would not have to be in the position of being foreclosed.

Another point on which I wanted to touch, because it has been brought to my attention, is this. In the interval since these estimates were last before the house several unions have intimated to me that there is no liaison between the Department of Public Works and the Department of Labour with regard to tenders and the operation of the Fair Wages and Hours of Labour Act. As I understand it, on any of the projects which are let by tender by this department the contractor must conform to the Fair Wages and Hours of Labour Act. There is a section of the Department of Labour which keeps a record of the going rates of wages of labour in a specific area.

One of the problems that come up is that the Department of Public Works does not check closely into those who bid on and may be awarded tenders, as to whether they have contracts with certain unions; and at times there is quite a conflict between the unions and the fair wage section of the Department of Labour as to just what are the prevailing rates in certain areas. The fair wage act says that prevailing rates must be paid on government contracts. This problem is also evident in Ontario as far as provincial projects are concerned, and officials of two different unions have told me that they find their relationship in the matter usually more satisfactory with the province than with the federal government.

It is almost impossible to get the federal government, the Department of Labour and the Department of Public Works, to take any action to see that when a contractor, usually a wildcat type, comes in to bid on a job in an area where he has not his base, he puts in a bid at a rate below the actual contract. Quite often he is able to get away with it because the section of the Department of Labour which keeps the record of the wage

agreements, or the going prevailing rate in those areas, is behind in its work.

We had a case not two months ago in our particular area where the prevailing rates, according to the fair wage section, were \$1.40 an hour for timbermen and \$1.80 for carpenters, whereas the actual rate in the area as far as the unions were concerned with the bona fide contractors who were signed up by them—and I might say the coverage is almost 100 per cent—was from 40 cents to 65 cents above that. To this particular case a contractor from outside came in and put in non-union labour at this lower rate. When the union protested in order to protect this prevailing rate—you cannot blame the union for that—they were able to get no action at all from the Department of Public Works or the Department of Labour. There was a passing of the buck.

The unions are under pressure from the contractors in this regard. If a contractor signs up with a union at a set of rates which are going to prevail in a certain area he knows that when he bids on a contract he has to take those wage rates into consideration, and so his tender is submitted on that basis; whereas another contractor, who usually is from outside the district and who does not have that rate to take care of, can come in and submit his tender on the basis of lower rates and by doing so can undermine the whole structure. In effect a union contractor, whom we shall call the good contractor, has no sure way of getting some of the public works tenders.

The minister and his officials should consider working out a much closer liaison with the Department of Labour, and make it more clearly understood to everyone who gets a contract that if the wages paid are below the prevailing rate instantaneous action must be taken to raise the rates, and that the contract will be adjusted accordingly. If that were done we would get away from this difficulty. If the minister would like correspondence in this regard and an explanation of why the relationship with the province of Ontario has been much more satisfactory than with the federal government I will be only too pleased to give it to him.

The minister has brought up again today the point that I asked him to make a statement on, namely the question of patronage. I think before he gets to the specific items of his estimates he should make a statement on patronage. Perhaps his previous explanation of his determination to wipe it out did please quite a number and gave a great deal