

Supply—Labour

As I understand the situation, it is that the contractors who are doing the work on this project have not abided by the minimum standards of wages and working conditions provided under the Saskatchewan law. They have failed to comply with the Saskatchewan law because they have said that in working on this project they are subject to federal law. The trade unions in Saskatchewan, and the people of Saskatchewan generally, do not support the position taken by the contractors, namely that they should be paying sub-standard wage rates in Saskatchewan and imposing working conditions that are not similar to working conditions provided by contractors who come under provincial jurisdiction. If this is the case, and I have every reason to believe it is, if it has not been corrected, then I think it is a reflection on the federal government and the federal government's policy.

Another point that is made is that the people employing the labour at Outlook are endeavouring to employ labour based upon non-union wages, based upon wages in rural areas that are not and cannot be subject to a general labour act and are, therefore, tending to pull down the general level of wages in the province. I ask the minister what action has been taken as a result of the submissions that have been made to him.

Mr. Starr: Mr. Chairman, the hon. member has brought up the matter of the South Saskatchewan river dam project and the wage policies applying to that project. I should like, in answer to his question, to make this statement. My department, that is the Department of Labour, has received a number of representations respecting wage rates on contracts let by the Department of Agriculture for various phases in the construction of the South Saskatchewan river dam. Most of these representations have stemmed from the Saskatoon building trades council, in an attempt to have the wage rates recognized by that council and which apply in Saskatoon, applied also to various contracts let for the construction of the South Saskatchewan river dam.

The Saskatoon construction industry wage rates are generally the highest in the province. There is no justification for applying these rates on the Saskatchewan dam unless it is necessary to bring labour from Saskatoon in order to proceed with the project. But, in fact, the inquiries that we have made show that only 3 per cent of the labour supply comes from Saskatoon, and the great bulk of it comes from many locations in the province outside the four major cities of Saskatoon, Regina, Moose Jaw and Prince Albert.

What we have done has been to establish on this project minimum rate schedules which

are based upon collective agreement rates where they are applicable in the area, and on wage surveys of private industry construction rates where there are no collective agreements. Such survey areas comprise the secondary cities and the larger towns of the province. With respect to our minimum wage rates applied at the Saskatchewan dam, three rates are collective agreement rates applicable on projects anywhere in Saskatchewan and one rate is that established by a collective agreement on the site of the work. The other rates compare favourably with quite a few of the rates that we use on contract projects in the four larger cities.

I wish to make it clear that the wage rates contained in the wage schedules issued are the minimum wage rates which the contractors are required to pay for the several occupational classifications of employees employed on the projects. The contractor may find it necessary to pay higher rates than those provided in the schedule, either by reason of having to recruit his employees from higher wage centres or as a result of collective bargaining. If we applied Saskatoon rates on the dam projects, it would mean also that the Saskatoon rates would have to be applied on all other federal government contract works in the province, including the extensive work done by P.F.R.A. It would have the effect of raising construction rates generally and thus increasing construction costs all over the province without good cause.

We are making another wage survey this summer of the private industry construction wage rates in Saskatchewan and if the general level of wages has risen, then corresponding increases will be made in the minimum wage rates used on these federal contract projects. The method of determining fair wages to apply on federal government contracts is based upon the fair wages legislation and is in line with the policy that has been applied for over 50 years.

Mr. Argue: I do not think the reply of the minister is satisfactory. A little later on I wish to quote from a letter that was sent by Premier T. C. Douglas to the minister on January 21, 1959. I placed a motion on the order paper under date of May 1, 1959, and the motion reads as follows:

A copy of all correspondence, telegrams and other documents or agreements exchanged between the federal government or any agency thereof and any provincial government, trade union or other organization, regarding the wage rates which are to apply in connection with the construction of the south Saskatchewan dam.