

*Unemployment*

deficits are paid by the government; yet when it comes to enforcing the fair wage clause in a contract for goods that were being used by the Canadian National Railways we have here a letter, under the signature of the Minister of Labour, dated February 24, 1936, wherein he claims that the contract is between two private corporations.

Mr. ROGERS: On examination we found, as stated in that letter, that the fair wage clause applied to contracts entered into between the dominion government and any private industry or individual employer. It would not apply in the case of a contract between the Canadian National Railways and another industrial corporation or private employer. If I remember correctly, some dispute arose as to the terms under which labour was employed upon that work. If I have the particulars of the case clearly in mind, the Department of Labour called upon one of its own investigators to look into that situation. I would remind my hon. friend that the contract to which he refers was entered into about a year ago whereas the Fair Wages and Hours of Labour Act will not come into effective operation until May 1 of this year. Under that act as it now stands, if the dominion government makes a contribution to an industrial corporation, a province or a municipality, it provides for the insertion of a fair wage clause.

Mr. HEAPS: What redress have we when a private corporation does not observe that provision in the act which comes into effect on May 1?

Mr. POOLE: If a contract was sublet, would the government still have control over the payment of fair wages? This has been done before, and I should like to know what will happen under this legislation.

Mr. ROGERS: The point raised by my hon. friend has been brought to my attention before. I think there are some grounds for believing that in certain cases those who obtain contracts from the dominion government let them out to subcontractors and in that way endeavour to escape the fair wage provision. I am sure hon. members will realize the great difficulty in getting continuous inspection of the conditions under which government contracts are performed. However, whenever a complaint is made a fair wage officer of the Department of Labour is sent to make an investigation. We try at all times to see that the fair wage clause is carried out faithfully by those who have contracts with the dominion government. I cannot say, as

[Mr. Heaps.]

I would wish to be able to say, that the facilities for investigation are such as to ensure as satisfactory a compliance with the fair wage clause as I myself would desire.

Mr. WOODSWORTH: Does the minister assert that under the act to come into effect on May 1 the fair wage provision and the provision for decent working conditions will be maintained, say in connection with a railway or a steel corporation or any other corporation receiving help from the government? Is that his interpretation of the act to come into force on May 1?

Mr. ROGERS: That is my interpretation of it as I read it. It provides that whenever the dominion government makes a grant to a municipality or a province or in aid of the construction, remodelling, repair or demolition of any work, otherwise than for the government of Canada, the fair wage clause shall apply.

Mr. WOODSWORTH: Would that apply in the case of a factory undertaking?

Mr. BENNETT: When a grant in aid is made.

Mr. ROGERS: Section 5 of the Fair Wages and Hours of Labour Act reads:

Whenever the grant or payment of any public moneys of Canada is authorized or made by way of contribution, subsidy, loan, advance or guarantee, for or in aid of the construction, remodelling, repair or demolition of any work, otherwise than for the government of Canada, the party intended to receive such grant or payment (whether the government of any province or any municipal or other body or any person or agency whatever) shall, unless the grant or payment is by statutory authority or by agreement with the government of Canada excepted from the operation of this section, be required to enter into an agreement with the government of Canada in which there shall be set forth the terms and conditions upon which such grant or payment is to be made.

It then goes on to state that in every such agreement there shall be inserted stipulations in such form and terms as the governor in council may approve.

Mr. HEAPS: Supposing there is no fair wage legislation in any province in connection with a certain industry, how is a fair wage to be determined if all wages are low? In that case the prevailing rate would not apply.

Mr. BENNETT: It must always apply.

Mr. ROGERS: In the case of previous agreements entered into between the Dominion of Canada and the provinces with respect to relief, certain clauses were inserted designed to provide for the payment of fair