

Proceedings on Adjournment Motion

I personally visited some of those hostels and I wonder whether the hon. member has had that privilege. In fact, when I went up North, I visited a hostel in Inuvik, one night, and young people were dancing there just as they would in any hall here.

I know that in such circumstances, rules may sometimes appear strict, but they are enforced leniently. That is why I asked the commissioner to inquire, to try and find a solution to the problem and conciliate the interests of the institution, those of the parents and those of the students concerned.

[English]

PUBLIC BUILDINGS—BATH-MILLHAVEN
FEDERAL PRISON COMPLEX

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my reason for rising tonight is the result of a question I asked the Parliamentary Secretary to the Minister of Public Works (Mr. Langlois) in this house this afternoon during the question period. This question pertained to certain financial irregularities relevant to a subcontract on the Bath-Millhaven federal prison complex situated in my constituency of Frontenac-Lennox and Addington, in the County of Lennox and Addington.

Let me remind the house that this project will call for a financial expenditure of over \$20 million. The present contract, which was awarded to Argo Incorporated of Montreal, is part of the total and amounts to over \$10 million.

The subcontract in question here tonight was awarded to D. Leblanc Incorporated of 750 Boulevard Labelle, Chomedey, Laval, Province of Quebec. This latter firm is reported to be in receivership as of approximately February 13, and I believe their management and staff have returned to the Province of Quebec. I am sorry to report to the house that before doing so they left thousands of dollars in worthless cheques, refused and declared n.s.f. by the bank they were issued on, namely La Banque Provinciale du Canada, 5990 West Boulevard Gouin, Montreal, Quebec.

• (10:20 p.m.)

The estimated total liability of this firm's cheques in Lennox and Addington County and the Bay of Quinte district is reported to be many thousands of dollars. As one constituent said to me, it seems that they went back to Montreal one week end and forgot to

come back. When I questioned the representative of the prime contractor, Argo Inc., at their office on the job near Bath, they told me that unfortunately this subcontractor was not bonded. I call on the government and the minister to explain this situation and the dire lack of management on the part of the government for not ensuring that all subcontractors on the job were bonded with a pay and performance bond the same as Argo, the prime contractor.

Like any other job of this size being performed in any local community, the labouring men on the job worked with implicit confidence that the cheques they received would be honoured. This is a huge government project. In turn, the local businessmen and the banks, all part of our economy, cashed the contractor's cheques without any doubt as to their validity. These cheques were for the most part issued to cover the wages of labourers. For example, the owner of the closest grocery store to this project, the Millhaven grocery at R. R. 3, Bath, is holding about 16 cheques totalling \$1,180. These cheques are not worth the paper they are written on. I hold in my hand photostat copies of them.

The Royal Bank in Odessa has seven cheques totalling over \$400, and their branch in Bath holds 37 payroll cheques totalling \$3,003.50. This has been a very costly affair for the working men, businessmen and the financial institutions in my riding. The damage goes even beyond my area, because I am informed that several business places in the city of Kingston hold some of this worthless paper.

I declare that this situation indicates that someone, including the government, is not looking after business. Why was this contractor not bonded? Surely, it is a statutory requirement that all contractors working on federal government jobs must be bonded as to pay and performance. I have mentioned that people in a typical Canadian community such as ours co-operate with confidence in accepting and cashing a federal contractors' cheques, especially from such a multi-million dollar job as this. In this case, they all received a slap in the face or, I should say, a kick in the pants from the rear.

Some lawyer might tell me that the way to solve this vexing problem would be for each holder of a worthless cheque to ask the man who gave it to him to make restitution, and so on all the way down the line. But this company is now reported to be in receivership,