

Supply—Public Works

behalf of those merchants who believed that the government would be as efficient as one would expect a private contractor or builder to be, and that they would be protected.

The minister has taken the stand that for them to be protected would be wasting the taxpayers' money; but they having been defrauded and lost what was rightfully theirs, there is a moral obligation upon the government of Canada to pay them. They are defrauded because of the fact that some people in the Department of Public Works did not do their job—some officials, architects and engineers—and goodness knows we have enough architects. I think there are 80 in the various departments of government, and in addition hundreds of thousands of dollars are being spent for architects outside the government service. There are enough architects and there are enough engineers. The expenditure last year for special services was approximately \$7 million in addition to the cost of those architects and engineers in the government service. There are enough of them to assure that ordinary business practices are applied.

The Lunam Construction Company, without assets, has been a great favourite of the government for the last several years. The story of the company in the province of Saskatchewan is no tribute to the Department of Public Works in so far as its officials in Regina or the western provinces are concerned, nor in so far as those in authority in Ottawa are concerned. One would think that they would not pay a contractor so far in advance of the work performed. It should have been apparent that the work had not been completed to the extent that the progress reports showed. Nevertheless the payments were made, and I will say no more at this time. I repeat, however, that one expects a higher degree of responsibility on the part of officials in the minister's department. One could be an amateur and see that the work had not been completed to the extent of the progress payments.

This work for the Department of Public Works was just a segment of the building activities of this company, because it was a favourite of some other departments as well. To complete these projects the following amounts would have to be spent: For one job, \$99,000; for the second, \$37,000; and for the third, \$80,000. Those are the figures if the materials that went into the buildings were in fact paid for. I am not going outside the minister's department but this company also built for the Indian affairs branch.

Mr. Fournier (Hull): Would you wait until that department is called?

[Mr. Diefenbaker.]

Mr. Diefenbaker: This has nothing to do with the minister, but in the Indian affairs branch this company had the same magnificent record of waste in so far as the rights of the individuals to be paid are concerned.

The excuse given by one member of the company, that Mr. Lunam was injured, has little reference to the responsibilities of a limited company that had available to it, and always had available, a group of servants and officials to carry out the work that Mr. Lunam was not carrying out even before he suffered the accident referred to. I think the minister should give consideration to the issuing of orders to his department that payment should not be made to contractors until every assurance has been provided by the contractor that the suppliers who honestly supplied the materials have been paid. Only then should the contractor be permitted to get his hands on the money. In reality the money should be held in trust by the department for the benefit of the suppliers. With that, I have nothing more to say.

Mr. Fournier (Hull): Even if I am anxious to see this item go through, there was one sentence I would not allow to go by without challenge. It was that we are wasting the people's money.

Mr. Diefenbaker: I never said that at any time. I said the result is waste to the individual who supplied the material.

Mr. Fournier (Hull): Now, the way you would act as Minister of Public Works would be that on every project you would have men follow this contractor when he purchased materials for the building, then follow up and ask the merchants or suppliers if they had received their money. You would do that, but we do not do that. I will admit it. I have not the staff to do that with all our contractors. I ask parliament for an amount of money, and I follow the statute to the letter; that is my responsibility. If it is not followed, then it is done without my knowledge and as yet I have not found instances of that.

In this case I was advised some months ago that three jobs were uncompleted. I said, "Have you got the security deposits? Have you got the 10 per cent drawback? Have you got enough money to complete the job?" The report I made this afternoon was the one that came to me. Now, am I going to go around changing the system, and saying that it should be the way the hon. gentleman suggests? What I find peculiar is this. If there are so many claims against this contractor, and he says he is solvent, then why come to me? He has the money. He says he has. He is not broke. He is not