

Supply—Public Works

Mr. Fournier (Hull): We do not.

Mr. Diefenbaker: The minister ended his remarks by saying that if the buildings are completed the department would still have \$3,500, but after all the government has received in the way of materials that went into these buildings well over \$150,000. I am going to give the exact figures. The government has accepted the materials and the minister now says, "We accepted the affidavit of Mr. Lunam who was injured in some accident". In order to establish his case, instead of producing correspondence from the Lunam Construction Company that it was not bankrupt, he reads from the *Regina Leader-Post* to the effect that Mr. Lunam objected to an article in that newspaper written by Mr. MacKay to the effect that the Lunam Construction Company was bankrupt. Mr. Lunam said: "We are not bankrupt. We still have money coming from the dominion government".

I am going to place figures on the record and ask this committee whether or not it can absolve the Department of Public Works of failure to protect honest suppliers of material. The minister says, "Why don't you use the mechanics' lien act?" Well, if I know anything about the law of Saskatchewan, mechanics' liens are inoperative against the crown in any particular. That has been held to be so on more than one occasion.

The minister says, "We had no complaints from those suppliers up to February, 1951"—or 1952; I am not sure which year. Certainly they had no claims at that time; there was much work to be completed on those buildings, and the suppliers of materials naturally expected that before payment would be made to any contracting company they would be protected. The minister says: "We took the affidavit of Mr. Lunam. Do you think we should have gone beyond that?"

All I can say is that Mr. Lunam, having defrauded Saskatchewan suppliers to the extent of over \$150,000, cannot be proceeded against by the suppliers. No offence was committed in any declaration he made in so far as they are concerned. The declaration he made that was false, if it was false, was made to the Department of Public Works in order to secure payments. There was where the false pretence was perpetrated on the Department of Public Works. On the other hand, where were those architects and engineers? They saw this material being supplied. They were present. They signed reports from time to time. They were either watching what was going on, in which case they should not have signed those reports and approved them; or they were not watching and did not discharge their responsibilities.

Here is the record. The company contracted to build the new Indian hospital at Qu'Appelle for \$336,000. It received \$296,000 on account and there is still some \$61,000 owing to lumber yards, merchants, supplier firms and the like.

Mr. Croll: Have you got judgments?

Mr. Diefenbaker: And in order to complete that building, if the government were to pay for the materials it secured it would still cost \$80,000.

The public building at Fort Qu'Appelle was to cost \$132,000, the minister says, and that is correct. The company was paid \$103,000 and there is still some \$40,000 owing to suppliers of materials that went into that building. In order to complete the building an amount of \$37,700 would be required. The minister says, "Well, we gave the contract to Lunam Construction Company because it had the lowest tender." Why would it not have? It did not pay the suppliers. It pocketed the value of the supplies that went into the building. Why would the company not be able to tender low?

I move to the next one. It is the unemployment insurance commission office in Regina. The contract was let for \$245,000. The sum of \$180,000 was paid on account and there is still \$58,000 owing to the suppliers. That does not cover wages paid by the government, wages paid to men who worked and were properly protected. But hear what the attitude of the minister is: "Do you expect us to pay for something we did not get?" The point is that the government did get those materials, and the point is that it allowed Lunam Construction Company to receive payments that were not justified, thereby excluding the possibility of recovery by those suppliers who furnished materials because it was the Department of Public Works or some other government department for whom construction was being proceeded with.

As far as the unemployment insurance commission office in Regina is concerned, payments on the contract were made to within \$35,000 of the full amount, and it would take \$90,000 more to complete that building if the suppliers were paid. The minister says, "Well, you would not expect me to waste the people's money." No, I do not; and I do not know one of these suppliers personally.

An hon. Member: No?

Mr. Diefenbaker: The Minister of Citizenship and Immigration may laugh, but I do not know any of them. No; and I do not mix my parliamentary duties with my responsibilities as a lawyer in any way; let that be clear to him. However, I do make a plea on