

Supply—Resources and Development

[Later:]

Mr. Winters: I thank the committee for this opportunity to give this information. The hon. member for Lake Centre asked that I supply certain information arising from the discussion that took place on item 408.

The hon. member asks the amount of interim advances to the Booth Construction Company Limited for the purpose of the meeting of payroll accounts between the time there was first indication of financial difficulty and the time the prime contractor left the job. The answer is \$66,479.

The hon. member asks for the wording of that portion of the contract relating to monthly progress payments to the contractor. The wording of the contract is:

Subject to the holdback provisions in this clause stated, cash payments of the value of the work done, approximately estimated from progress measurements, and computed at the price or prices agreed upon or determined under the provisions of this contract, will be made to the contractor monthly, if practicable, on the written certificate of the engineer, stating that the work for or on account of which the certificate is granted has been done, and stating the value of such work completed, as above mentioned, and the said certificate shall be a condition precedent to the right of the contractor to be so paid.

There shall be retained from the amount specified in each certificate a holdback of ten per centum thereof. The contractor agrees to furnish to the company receipts in a form satisfactory to the company from all subcontractors and suppliers of materials certifying that all work done or materials supplied to the date of the last previous advance have been paid, and upon such receipts being so furnished the said holdback shall be limited to two hundred and fifty dollars (\$250.00) per dwelling unit exclusive of the security deposit in the contract provided for.

The hon. member asks for the value of the materials on site but not put in place at the time the contract was taken over from Booth Construction Limited. The answer is \$86,961.22.

Finally, the hon. member asks for details of similar instances where subcontractors and suppliers have not been paid in full by the prime contractor. Although I stated this morning, subject to correction, that there might be three such cases, on examination I find there are but two which are parallel to the case of the Booth Construction Company Limited.

The first took place in Moncton, where the corporation had a contract with Frank Matthews. The contractor encountered difficulties and work ceased. There was owing to subcontractors and suppliers \$111,597, of which most but not all of the accounts applied to the work which he was doing for Central Mortgage. From the holdback, security deposit, and final progress payment the creditors received \$57,605, involving a loss to them of \$53,992. I would emphasize again,

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however, that included in the creditors accounts were items not applicable to the contract entered into with Central Mortgage.

The second case involves Massicotte Construction Limited of Montreal who had a contract with Central Mortgage for about \$1 million and substantial private contracts in other parts of the province. This contractor found himself unable to carry on and he asked that his creditors take advantage of the Companies Creditors Arrangement Act. The total amount owing to subcontractors and suppliers was \$329,076, of which only part was on account of the contract with Central Mortgage. The creditors received 30 cents on the dollar, or \$98,722, involving a loss to them of \$230,354. I am unable to tell the hon. member what portion of this loss was attributable to the contract with Central Mortgage.

At one o'clock the committee took recess.

The committee resumed at two o'clock.

DEPARTMENT OF JUSTICE

The Chairman: Hon. members will find these votes commencing on page 27 of the blue book, and the details commence at page 217.

162. Departmental administration, \$391,601.

Mr. Diefenbaker: Does the minister intend to make some preliminary remarks?

Mr. Garson: No.

Mr. Knowles: He does not trust himself.

Mr. Diefenbaker: Mr. Chairman, I would first like to refer to a matter that was left over this morning. My hon. friend the Minister of Resources and Development was to produce certain information this afternoon. By your leave, sir, it being not yet available, it can be introduced at any time—when the information comes to my hon. friend.

The Chairman: Is that agreed?

Mr. Winters: That is quite satisfactory, Mr. Chairman. The information is being compiled and I will make it available this day.

Mr. Diefenbaker: Mr. Chairman, I have only a very few remarks that I intend to make at this time in reference to the Department of Justice. I think, however, that one who was a member of the committee, if for only a matter of a few days when I found it impossible to my great regret to continue on that committee, it would not be amiss if I were to express personally and also on behalf

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of the opposition commendation to that committee on amendments to the Criminal Code. It was an outstanding committee. It was an example of the way in which a committee should operate. The committee was composed of men who were well able to discuss the subject under consideration and I think it will remain a model for a very long time to come of the means and methods whereby committees may operate for the benefit of the country and for the preservation of the rule of law.

It is a matter of regret that at this session it has been impossible to deal with the recommendations made by that committee, but the voluminous nature of the bill and the many controversial questions which it would have been necessary to discuss had the bill been brought before the house, demanded that it be set over to the next parliament. I am sure that the work that was done by the committee will be made available to any committee set up in the next parliament. It will be of great assistance and will go a long way toward reducing the time required for further consideration in the committee.

There are some phases of criminal law that cannot be satisfactorily dealt with by that committee in the short time at its disposal. There are many phases of criminal law that are outdated and that will require a job to be done by either parliament or a committee recommending amendments that will have to be made to the Criminal Code in order to bring it up to the present advances in psychology and also to the general philosophy of law and of life itself. However, I do want to say a word for the committee and, at the same time, to say to the minister that his assistance in the committee and the contribution that he made to the committee were worthy of the high traditions of the office which he occupies.

Having said that, there are one or two matters that I wish to deal with particularly, reserving of course the right to discuss some of the items when they come before the committee. I think one matter deserves special consideration and that is the question of combines investigation. It is a subject that in ever-increasing measure finds itself before parliament, and I think the time has come for a committee similar to the one on criminal law to be set up in order to canvass the whole concept regarding combines.

There are two different viewpoints. There is the American viewpoint which generally is founded on the premise that bigness is of itself inherently bad. There is the British concept that bigness of itself is not necessarily bad and that primarily what has to be considered is not the size of corporations, in the

modern world of large corporations, but whether or not the actions they take and their conduct are detrimental to public welfare. Our combines act is a product of judicial decisions, changes made by parliament in a rather haphazard manner, and other changes that are based on the experience of those who administer the act.

It is quite easy to pass legislation, but sometimes it is difficult to carry it into effect. I have in mind particularly the debates that took place, Mr. Chairman, in December of 1951 when the question of price fixing was before the house. Resale price maintenance was a dangerous course of action, according to the minister, and the government legislation was passed.

At that time, we pointed out that the legislation would be ineffectual unless something was done in order to prevent the practice of loss leaders. I think the events of the last year have proven the correctness of our viewpoint. I understand that the officers in charge of the administration of the combines act have devoted themselves to an endeavour to secure a definition for "loss leader". I think the search has been a lost cause. In order to establish such a definition, as everyone knows, it must cover every possibility within the realm of comprehension, and as such is impossible of attainment.

One of the most interesting things in connection with price fixing was that recently the queen's printer, in the annual catalogue that was issued, stated that the prices that were fixed by the queen's printer were subject to a discount of 25 per cent to those who maintained the price set and fixed by the queen's printer as the resale price. This was an interesting sidelight. One department of government was making it an offence to fix the retail price at which a commodity is to be sold, and another department of government, the queen's printer, by public declaration was averring the need for this power to fix such prices in anticipation and also denying to those who fail to sell at the price fixed the right to secure the reduction or discount. As an aside, it might be suggested that possibly all the departments of government might be made aware of the change in the law and the amendments passed in December, 1952.

Mr. Garson: I am sure the hon. member does not intend to leave any wrong impression, so perhaps he would accept a few words of correction. We checked, when we saw it, the statement that was put out over the signature of the queen's printer. His purpose was to do something which was entirely in