

Great Slave Lake Railway

one in his department contacted any of the other four contractors in this regard. The minister and his officials, chose to ignore that part of the recommendation but conveniently chose to abide by the part of the recommendation concerning confidentiality of the report. Since the recommendation that the person making the inquiry should be agreeable to both sides was ignored by the government, I submit that completely destroys their claim for confidentiality of the report. It is my opinion, and the opinion of many others of all parties, that these contractors are still entitled to redress.

I want to give a bit of background on the Lucas Construction Company. John Lucas, who has been in the construction contracting business since 1934, did contract work for the South Saskatchewan River Dam, for the Saskatchewan Department of Highways, helped build the railway to the Kelsey Dam in Manitoba and helped build the Flin Flon highway in Manitoba. Those are a few of the projects in which he was involved. He was an experienced and competent operator in the north, knew the conditions, the weather and the terrain. He was not, I repeat not, what one could call a fly-by-night operator. Yet this contractor, Mr. Speaker, lost over \$1 million on the contract with the CNR. In fact, if one were to take into account all his losses, he lost over \$1 million on machinery, nearly half a million dollars in land, lost his bonding and refinancing to the value of \$1,200,000, lost a further \$200,000 in earnings in subsequent years—in total, the loss was in excess of \$3 million.

Two or three or all four of the other contractors suffered similar losses, Mr. Speaker. Why? I submit there were two reasons. One was the weather—abnormally bad weather for that part of Northern Canada, particularly in the matter of rainfall. The Peace River *Record Gazette* of August 2, 1962 reported that rainfall between April 28 and July 28, 1962 in that area totalled 25.3 inches. There was upwards of 50 inches of rainfall in the area in which the Great Slave Lake Railway was being constructed during that time.

The other reason for the difficulties these contractors experienced was the severe, and in my opinion unreasonable, enforcement by CNR officials of the provisions of the contract as well as the outright interference by the CNR engineering staff with the contractors in attempting to carry out the contract. There is not any question that Lucas Construction, for example, did its utmost to comply with CNR demands, despite the terrible weather in 1962, the adverse decisions of the engineering staff and the frightful working conditions in the spring of 1963.

For example, Mr. Lucas was arbitrarily required by the engineering staff of the CNR to sublet part of his contract to New West Construction Company. Whereas the CNR was paying Mr. Lucas 27 cents per cubic yard, Mr. Lucas was forced to pay 30 cents per cubic yard, in the rough construction, to the subcontractor as a result of an arbitrary and, I submit, unreasonable decision of the CNR engineering staff.

• (1710)

It is clear from the foregoing and from the many documents that many Members of Parliament have been accumulating for the last ten years that Lucas Construc-

[Mr. Benjamin.]

tion and the other contractors made every effort at considerable additional expense to complete the project as soon as possible. It is clear, too, that the CNR acted in a way, on a number of occasions, that was clearly unreasonable, especially in view of the unparalleled bad weather. This contract was unbelievably harsh, so harsh that it did not contain a "force majeure" clause, nor an arbitration clause. That contract appropriated complete control in all particulars to the CNR. My learned legal counsel, the hon. member for Winnipeg North Centre (Mr. Knowles) tells me that "force majeure" means an excuse for not fulfilling a contract.

Mr. Baldwin: That is the Prime Minister (Mr. Trudeau) in full motion.

Mr. Benjamin: It is invoked because of irresistible conditions or acts of God. This kind of unreasonable, unjustifiable contract under which the CNR calls for tenders I believe constitutes an immoral business practice. It raises the question as to whether a Crown corporation or, for that matter, any corporation can call for tenders on a public project, can sign an almost impossible contract and, in the carrying out of that contract, act in the way the CNR acted. Is there no obligation on that public concern to remedy the damage that it did to the public, of which even dirt contractors are a part? Since the government, the minister and the department failed to carry out the full recommendations of the committee that were debated in this House, the House, and particularly the contractor concerned, I submit are thereby entitled to access to the report of Mr. Justice Trites. I hope that all hon. members will agree, for the sake of fairness and for the sake of redressing the wrong that was done over ten years ago, to adopt this motion. The government I submit should give redress to both of the contractors to whom reference was made. Even an ex-gratia payment of \$200,000 or \$300,000 to Mr. Lucas would enable him to start again. He has lost his bonding. He cannot get going again. He has lost everything. The only reason he did not lose his house was that it was in his wife's name. In all fairness and justice, we must continue this fight. I know members of all parties agree with this, and I hope the House will adopt the motion before it.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I want to add my support to what has been said by the hon. member in whose name this motion stands, for two reasons. I will try to be brief, although I do not know why I should be, because I do not suppose the government intends to accept the motion. In any event, I will be brief.

My first reason for supporting the motion is that I am aware of the particular circumstances involved in this case. I know of the difficulties faced by the people involved in the construction of this railway. They worked during two or three years of the most difficult construction weather in a most difficult area building a railway. Mr. Lucas and some of the subcontractors, some of whom are still in the Peace River country and were and are involved in this matter, have sustained financial losses because of the various predicaments in which Lucas and others found themselves. They went struggling ahead in order to make sure that the railroad would be constructed on time and at very, very reasonable cost.