

St. Lawrence Seaway Authority Act

to nine and unless I am given the permission of the committee to continue I shall resume my seat.

Some hon. Members: Carry on.

Mr. Chevrier: A great deal has been said about these claims by the contractors. The minister has made the position clear. I certainly have no fault to find with what he had to say. Perhaps I may be allowed to say something more on these claims.

When I left the St. Lawrence seaway authority, no contractors' claims had been filed. I had been advised that some were coming. Indeed, I would not be truthful if I were not to say that some contractors had already become anxious about what was happening and had spoken to me about the problem. However, I state unequivocally to this committee that there is nothing abnormal about contractors' claims. On the contrary, I think it is a normal thing for contractors to be claiming, particularly when prices are low. If the costs and the prices had been high the authority probably would not have had contractors' claims. It is because the contractors said that the prices were low—and they were low, because the bids were very competitive—that we have claims.

The contractors formed ventures of three or four companies and went into a corporation and those ventures were composed of the best experts of their kind in their respective fields and they went on to do this work. I say that many of those contractors were anxious to get the glamour of a seaway contract and because they were anxious to get the glamour of a seaway contract they bid low. They bid low, too, because they were in those joint ventures to guard against this competition which was heavy. I cannot remember of any of the major contracts which were not bid by the larger corporations and here I have no hesitation in saying that the major part of the work on the St. Lawrence seaway was well done. It was done by the best contractors in this country at fairly low prices.

It is true that some of the work was not well done. That is likely to happen in any great project and certainly it happened in a project of this magnitude which involved the expenditure, as the committee well knows, of over \$300 million. It is therefore no surprise to me that there are claims. There are claims against the power authority of the state of New York, large claims. There are claims against the United States seaway development corporation; there are claims against the Ontario hydro power commission. Why should there not be claims against the St. Lawrence seaway authority?

[Mr. Chevrier.]

The contract entered into with the St. Lawrence seaway authority was a pretty tough contract. It was a contract which had been prepared by our solicitors and contained very stringent clauses, clauses which would justify us when we saw a claim coming in taking the position that in so far as we, the St. Lawrence seaway authority, were concerned, the contractors must abide by the terms of the contract and we would not recommend changes in the terms unless there was a legal claim, and as far we could see there were few if any substantial legal claims. There may be—and I have learned since that there appear to be—some valid legal claims. I can think of one or two at the moment.

I can think of a contractor who had built a coffer dam and who, because of the ice in the Montreal area—and the members from Montreal know full well that in the Laprairie basin the ice is apt to shove and rise—found that the top of his coffer dam had been cut off and he had to rebuild it. Is that a legal claim or not? I am not in a position to say, now, nor was I in a position to say at that time. That, I said, was a matter of law. Surely the question of contractors' claims is not one for the seaway authority to determine but rather one of government policy. It is up to the government to determine whether or not there is a valid claim. I conclude that part of my remarks by saying that so far as the terms of the contract were concerned there was little in it whereby the contractor could obtain, in my opinion, the amounts which I have heard about.

However, there is another aspect to this matter, the equitable or moral aspect. I have heard it said, and I know this to be the case, that contractors claim that they encountered very difficult soil conditions. For instance, I know of two contractors in the United States who went into bankruptcy because of glacial till. One hon. member called it granite this afternoon. It is glacial till. I am informed that glacial till is as hard as concrete and that it is not easy to remove. Many of the contractors claimed that they had some of this to remove and that they should be paid higher amounts.

So I say that the contracts entered into by the seaway authority and the contractors, who in my opinion were among the best in the country, were on the whole properly carried out in a workmanlike manner with but few exceptions. The basic clauses of the contract were pretty stringent. There had to be, as I have said, some delays. There were delays. Look at the report of the 1947 board of engineers for the Lachine section. It is stated in that report and in other reports