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W.A.C. Bennett denies BCR fraud allegations

Former premier W.A.C. Bennett spoke out for the first time today on the British Columbia Railway controversy, saying that since he left office his vision of opening up B.C.'s untapped north has become clouded, if not lost.

The vision, he said, included providing the U.S. with a vital link between the states of Washington and Alaska and "a new Yukon."

"Instead, we have witnessed a breathtaking display of misdirected politics, personal avarice, management-labor conflict, questionable railway administration, litigation and public discussions enmeshed in petty detail, not the overall objective," he went on.

In a 16-page submission to the royal commission inquiring into the BCR, Bennett — who was not present — denied strongly allegations of fraud in the letting of contracts

for the Dease Lake extension, which he said he planned to have built by 1974.

He said inflation, not deception by the railway, was the real reason for dissatisfaction by contractors working on the extension.

Bennett was one of six politicians and former railway officials invited to give evidence when the inquiry resumed today.

Only he and former Socred cabinet

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minister Ray Williston (who will appear personally Sept. 21) replied positively.

Commission counsel Martin Taylor said he had been told former NDP premier Dave Barrett and MLA Bill King (a BCR director while the NDP was in office) could not respond during September.

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Inquiry hears from W.A.C.

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Former BCR vice-president and general manager Joe Broadbent had indicated he could not prepare a submission before he leaves the country at the end of the month, Taylor added.

The lawyer said he was not aware of any response from the sixth man, former BCR executive vice-president and Socred finance minister Einar Gunderson.

In his submission, read by Taylor, Bennett blamed inflation and every government but his own for the railway's troubles and said the line to Dease Lake should be completed as soon as possible, with the government writing off the railroad's losses.

He said that while contemporary problems and losses may appear critical, they are minuscule in the perspective of the future and must be dealt with boldly.

Bennett was particularly severe in his comments on the federal government's railway policies and those of B.C.'s former NDP government.

He said the Dease Lake extension, and what was conceived to follow, constituted a bolder, more vital and more dynamic potential for B.C. than the Peace and Columbia River power projects.

Bennett told the commission it was his intention, when the extension was completed, to negotiate with Ottawa and Washington D.C. "not with a dream in mind but with hardware in hand."

His submission said also:

- Because of approaching inflation, speed in building the Fort Nelson and Dease Lake extensions would save more than all possible economies of engineering and construction.

- It was decided to rush the extensions through at minimum cost, then upgrade them later as the need arose.

- A rail line to Alaska is needed by the U.S. for both security and economic reasons.

- Some day it (the Dease Lake extension) will exist, despite the present uncertainties, which he said are, beyond doubt, the product of political vacillation and managerial ineptitude.

- The 1969 cost estimate of \$68.9 million was a ballpark figure for budgetary purposes in the allocation of initial capital, not the final cost.

- The NDP had "aimlessly stumbled along" instead of deciding to either push forward with determination or shut the extension down.

- Cost overruns are due 80 per cent to an NDP decision to upgrade construction standards.

Taylor indicated to the commission that if it has further questions for Bennett, the former premier will likely be allowed to answer in writing.

However, a letter to Bennett from commission chairman Justice Lloyd McKenzie also read into the record, said if anybody asked for the opportunity to question him on the submission, the request would be dealt with on its merits after hearing Bennett's response.

Referring to replies from others invited to give evidence, Taylor said Barrett, now Opposition leader, did not rule out the possibility of making a submission later.

He said Broadbent hopes to be able to prepare a brief while overseas on his consulting assignment and will be back in Vancouver in December.

The commission was told during its sittings earlier this year that Barrett and King both were directors of the BCR when the provincially-owned railway decided to create Railwest, the ill-fated railcar manufacturing plant at Squamish.