

Western Grain Transportation Act

are not in a position, because of the complexity of the accounting system of the railways, to question it. They really had no alternative but to say that this was a ballpark figure. I can tell the Minister that if he talks to farm organizations and to individuals, he will find there is always the suspicion in their minds that the figure of compensation which the railways are asking for is far in excess of what they are entitled to. But how you get down to determining the figure is beyond me.

Mr. Pepin: Mr. Speaker, my hon. friend looks at it from the point of view of the Crow rate benefit, and there was indeed at the Gilson hearings a discussion of this matter. The railways came in, if I remember, with a figure of \$770 million, or something of that kind. I understand, and this is rather important, that the pools had a study made on their own. I understand the study projected a figure of about \$600 million. Gilson came in at \$640 million at the time, a figure which was then raised to \$651 million.

I think it would be wrong to give the impression that there was not a high degree of consensus of the estimation of the value of the Crow benefit. Those are very important things. There was a great amount of discussion of this subject at the Gilson exercise. I tend, contrary to what was implied, to believe that people taking part in the Gilson exercise were motivated by more than their immediate interests. A good amount of consensus was developed there. There was consensus on the value of the Crow rate benefit. I think this was one of the acquired advantages of the Gilson exercise.

Mr. Neil: Mr. Speaker, the Minister has talked about the railway's figure of \$700 million and the pools figure of \$600 million. There is a \$100 million difference. I would suspect that the pools did not have the expertise that the railways or anyone had to understand the accounting system.

Mr. Pepin: The consultants they used had that experience.

Mr. Neil: There is a feeling in the West that the railway figures are much higher than they should be. Mr. Snavely has talked about that.

In so far as the Gilson hearings are concerned, I was not privy to those hearings. Members of Parliament were not privy to those hearings. It may be that there was a great deal of compromise, but if there was this compromise and Mr. Gilson's report was based on the compromise, that compromise has more or less fallen apart. I think the Minister would agree with me in that regard.

Mr. Pepin: To some extent, Mr. Speaker.

Mr. Lewycky: Mr. Speaker, I found a couple of the points which the Hon. Member for Moose Jaw (Mr. Neil) made to be very interesting. One was the railway costs and the suspicion in the West that the railway accounting is certainly not open—not above board. There is really a lack of trust. Perhaps the place where I found this lack of trust coming out most was in railway line abandonment hearings. Constituents have raised with me the depreciation costs that are being charged to various lines, for example off-line costs being charged to on-line costs. Can the Hon. Member for Moose Jaw explain a

little further about some of the concerns that have been expressed by farmers or producers with regard to these railways costs and if that is the type of thing he is referring to, or is he referring just to the additional things he was mentioning?

Mr. Neil: Mr. Speaker, if you talk to farmers who live alongside lines that are in receipt of branch line subsidies, you will find that this has caused them some concern. I recall a community that was quite concerned because there was a branch line where a train had not travelled across the line for some nine or ten years. Trees were growing between the ties and the rails. Yet the railways were being paid for that line. That caused some concern.

There are other matters with respect to costing. I think the problem is that costing of railway roads is such a complex issue that really no one, except for a few specialists perhaps from the United States, is able to understand it. It is because of that complexity that the suspicion is there. When you find a difference of \$100 million between the railways' figures and the figures the pools were able to come up with, that creates even more suspicion.

Mr. Lewycky: Mr. Speaker, the Hon. Member was involved in a study. I liked the suggestion—I do not know whether he put it in these exact words—but it was about removing the Bill, as it were, and having it studied by the agricultural committee. Would his suggestion include the idea of having the books opened up, of CN and CP as well, so that we have re-examination of the formulas being used? Would this not be a much more profitable exercise of looking at those formulas again and re-examining them and all the unfounded assumptions? Would the Hon. Member be prepared to make use of all his background notes in his study and have them made available to the committee so that we could make additional comparisons of material to examine the basic problem that underlies the whole costing that CN and other companies are bringing to the Government of Canada?

Mr. Neil: Mr. Speaker, I can see nothing wrong with that. I would welcome representations from the railways before the committee. However, I think perhaps it might be an exercise in futility. I do not think there would be anyone on that committee who understands accounting to the extent that it is necessary to ask probing questions. Maybe the committee should set up a special research group to investigate the matter. However, I doubt very much whether the Minister or the Government would agree to that. They will say that there has been the Snavely report, and that we have the railways' figures and the pools figures. I would be agreeable to making any information available that arose as a result of my study. But I was not so much concerned about the costing as I was about the viability of the lines at which I was looking.

Mr. Pepin: Mr. Speaker, would the Hon. Member for Moose Jaw (Mr. Neil) answer a question which the Hon. Member for Dauphin-Swan Lake (Mr. Lewycky) asked me yesterday? He was wondering why so few branch lines being reviewed by the CTC now are being maintained. I answered