

Transportation

capital structure or computing the interest rate? No, not on your life.

The lawyers appearing before the MacPherson commission for the Canadian Pacific argued that the hauling of grain or the hauling of any particular commodity should rest upon its own feet. It should not be considered a part of that great transportation system. They wanted to calculate the interest rate and capitalization of the particular equipment the Canadian Pacific used in transporting that grain or that particular commodity. Now, those are the fallacies basic in this legislation, and the minister should know these things if he knows anything about costing.

I will tell the minister what is going to happen. The commission will get a great many figures which neither they nor anybody else will understand and, in the end, they will have to guess. This is what will happen in connection with the abandonment of lines. They will not fool anybody. This legislation is going to force the commission to do just that. I say that it is bad legislation when you place any honest, government workers in a position of trying to bring together these figures. They can prove what they have done in the way of costing, and you can see it all. Somebody else can make the same calculations but the answers will be vastly different. In all probability, with different costing the railway might pay. It depends on what their pre-conceived notion is.

I have done costing studies on the cost-benefit ratios connected with flood control on some of the big projects across the line. Congress used these studies to decide whether or not the projects would be undertaken. The cost-benefit ratio means a consideration of the costs that go into the project as related to the benefits that would come out of it. I have done lots of these studies and I can say to the Minister of Transport that you can make these studies biased in any way you want.

Mr. Pickersgill: Is that what the hon. gentleman did?

Mr. Kindt: Never mind what the hon. gentleman did. I followed the basic pattern. I will tell you this, that when they were finished I do not care what member of parliament or what congressman looked at them, he could not understand them. I am honest about that. It is too complicated for the minister to understand or he would not laugh. It is too complicated for the average citizen to understand. Unless you are a

trained accountant, unless you are schooled in costing, you would not be able to get the basis of the criticism of the figures which the commission would put forward. The minister can say that these are the best we can possibly get and that we will base our decisions upon them; but those who are familiar with the situation know full well that the results which have been produced are not worth the paper they are written on.

● (9:30 p.m.)

I say this, Mr. Speaker, in all seriousness. There is a place for cost accounting. Let it not be said that I am throwing cold water on cost accountants. But the cost accounting required for the railroads is very elaborate; and even though you do the best you can it will satisfy no one—unless, perhaps, the minister.

This particular legislation permits greater freedom to the railroads to set rates, a matter which is worrying the people of western Canada. I have just come from there, and those who have not been harvesting and have been reading the newspapers realize the problem. They see that something is hidden behind the smile of the Minister of Transport. He can shake his head in denial, but we have seen that head shake before and are not fooled.

In all seriousness, Mr. Speaker, this legislation will permit the railroads to set rates in competitive areas. In this regard the wording of the bill is vague. I was not satisfied by the answer given me by the minister the other night on the question of coal shipments. No competition exists in rates between the Crownest pass and Port Moody. The C.P.R. charges \$5.30 a ton to transport coal from the Crownest pass to Port Moody, from where it goes to Japan. That, incidentally, was a recommendation of mine which was followed by the government and put into effect. Initially it cost \$4.50 a ton subvention to send coal to Japan. Since then, because of a change in the value of the dollar the subsidy is down to \$2.73. The coal miners and operators in the Crownest pass want that subsidy removed, whenever economically possible. If it were removed they could step up production of coal from 800,000 tons to a couple of million tons and export it to Japan; and the Japanese would buy it.

When these coal shipments to Japan were negotiated and a subvention placed on the shipments, our original thought was that perhaps after one year, two years or even five or six years the C.P.R. would run a commuter train from the Crownest pass to Port Moody, in a similar fashion to the commuter trains in