

Transportation

revenues and costs of a railway company under the jurisdiction of parliament. This particular subclause reads:

Where in any proceedings before the commission under this act the matter of the revenues or costs of a railway company under the jurisdiction of parliament is under investigation, any minister of the crown in right of Canada may cause representations to be made thereon to the commission by persons having knowledge or costing principles or matters that appear to such minister to be relevant to the determination of railway revenues and costs.

It seems to me that it would be appropriate to include this wording as subsection 4 of section 470 in clause 74. At present section 470 contains three subsections and I do not think that the fourth subsection as proposed would be in contradiction of them. In fact it would replace the provision in which the Minister of Transport, and I presume the Minister of Finance or even the Minister of Agriculture may have a keen interest, to ensure that the cost formula used could be adequately investigated. There have been far too many cases in the past when the only really competent cost accountants and analysts who appeared before the Board of Transport Commissioners were from the railways. There have been only one or two important exceptions when experts in this field have been brought in to challenge the costing formula and other factors advanced by the railway. The Crowsnest pass rates, and revenues from those rates, are examples that come to my mind. The minister knows that these rates were challenged before the MacPherson Royal Commission and that the provinces of Manitoba and Alberta went to a great deal of effort and expense to challenge the shortfall claimed by the railways out of the Crowsnest pass rate agreement. I do not know exactly how much it cost these two provinces, but I know that it cost them many thousands of dollars because it involved a study which went on for well over a year.

In this study in depth, the word of the railway cost accountants was not taken but in many cases a survey was undertaken on the spot to determine the various factors which were included in the cost of grain. I am sure that the minister will recall that the \$17 million shortfall claimed by the railways was changed, even in the opinion of the commission, to something around \$2 million. When such a claim is made, not only with regard to the Crowsnest pass rates but with any other statutory or fixed rates, that is rates fixed by the commission, who will challenge the railways? The other day I said in the house that

to challenge the railways can be a formidable undertaking, and sometimes a very expensive one which involves hiring counsel and cost analysts and, as it is said in the clause—

—persons having knowledge of costing principles or matters that appear to such minister to be relevant to the determination of railway revenues and costs.

It is far too great an undertaking for a municipality, even for a large one.

It was a little too expensive even for the provinces, considering that it is the responsibility of the federal government to defend the public interest in the examination of such costs. And yet, if the provinces of Manitoba and Alberta had not taken on this responsibility on behalf of their farm sector I suppose that it is fair to suggest that the \$17 million shortfall claimed by the railways would have been partially if not totally accepted. I suggest that if the figures of the C.P.R. and of the other railways had not been challenged, and a study which had been conducted with a great deal of effort and at a great expense had not been carried out, the railways' contention would have been far stronger.

● (8:10 p.m.)

That is all I want to say at this time, Mr. Chairman. There are one or two other things I want to talk about under clause 1 of the bill, but I do not think it would be appropriate to raise them now. I have the amendment ready in both English and French, and if the minister would accept it perhaps I could move it, or perhaps I should move it first.

Mr. Pickersgill: Mr. Chairman, I am going to ask the indulgence of the hon. gentleman not to move it at all, but to let me have a copy of it. I have no objection at all to including this provision. Quite the contrary; I would like to have it in clause 74. But I do not think it could very well be related to the amendment moved by the Minister of National Defence. I think it should be in clause 74 generally. The hon. gentleman said he wanted it related, not just to the subject matter of new sections 470 and 471 but to all hearings. This is the way I would like to have it, so we would have a provision that in any hearing of this character this could be done. Certainly, as far as I am concerned I would be very glad to include it. I think it would be an additional safeguard to the treasury and an additional protection to everyone.

As far as I am concerned, I would be very happy to include it in this section. I put it in,