

*Transportation*

commodities and services where truck can displace rail. It has not been necessary for these parties to know rail costs. All that is needed is a truck rate and truck service which is better than the rail rate and rail service. That a more perfect knowledge of rail costs would cause additional loss of traffic to the truck is a hypothetical statement without empirical foundation.

I should like to continue quoting from this submission, Mr. Chairman, if you will allow me that freedom for one more moment. Professor Borts said:

It will not be possible to carry out the costing activities required in this act if rail costs are to be kept confidential. For the costing activities required in this act will necessitate the determination of system average cost scales for the railways, as well as the determination of long-run variable cost for particular items of traffic and branch lines. How can the commission make such information publicly available without revealing rail cost information? How can it carry out its mandate without making such information publicly available? Is the commission to operate in secret?

On the subject of costs that was the position taken by this witness when he appeared before the standing committee. It was echoed and re-echoed, lined and underlined, intensified and re-intensified a score of times as the standing committee met last autumn to consider this proposed legislation. Everywhere the nub of our questioning was for some information about the precise and actual costs data and costing procedures of the railroads, and at every turn we were frustrated in our search; so we were never able to bring any sort of costing or accounting expertise to our deliberations on this subject.

Therefore I suggest that when we consider section 329(1) and (2) and the fact that the commission in carrying out this suggested review will be dealing with revenues and costs in so far as they are available from the railway companies which are handling export grain, there is indeed a legalistic and semantical patch of quicksand contained in that language into which we do not intend to be led blindfold again.

**Mr. Pickersgill:** Mr. Chairman, I wonder whether I could ask the hon. gentleman a question?

**Mr. Sherman:** Yes, sir.

**Mr. Pickersgill:** Is the hon. gentleman suggesting for one moment that any of the costs of moving grain or any of the revenues which derive from moving grain given in this review would be in any way confidential, because certainly that is not the intent of the bill, nor will it be possible. This bill provides, not merely in this clause but in every other case

where there is any possibility envisaged of any payment out of the treasury, that all the figures must be public and subject to examination by any person interested.

• (7:00 p.m.)

**Mr. Sherman:** I am grateful for that assurance and I am sure the minister speaks with all conscience and all responsibility when he makes that statement but the fact remains that time and time again we in the standing committee on transportation have run up against this problem of the lack of costing information. Frankly I would have to say that it will have to be demonstrated to us that precise and specific costing information will be available to the commission. If it is available to the commission I would ask why it cannot be made available to the standing committee on transportation?

**Mr. Pickersgill:** There would have been no difficulty in securing costing figures in the standing committee on the movement of grain by the railways. The cost figures that were in question in the standing committee regarded specific types of traffic on which no subsidy of any kind was proposed to be paid. But the moment the treasury comes into the picture it would be preposterous to suggest that the figures could be kept secret.

**Mr. Sherman:** I appreciate that, but there is considerable anxiety and mistrust in certain parts of the country, notably in western Canada, and in certain corners of this house, notably among some members of the standing committee on transportation, as far as the cost figures are concerned. It arises from the difficulty the committee has in that area of investigation.

There are some further remarks I should like to make on this clause, and I should like to continue my speech after the adjournment period. May I call it seven o'clock?

**Mr. Pickersgill:** Mr. Chairman, I am not sure that there was an express understanding about an adjournment but perhaps there was an implied one. I am perfectly agreeable to having the sitting suspended until eight o'clock.

**The Deputy Chairman:** Shall I rise, report progress and request leave to sit again later this day?

**Some hon. Members:** Agreed.  
Progress reported.