

Transportation

Mr. Deachman: The bill is in the hands of the government, Mr. Chairman. If the government moves an amendment to strike out the words "for export", which it is within its power to do, then I will support it.

I have had indications from the hon. member's side of the house that he and his colleagues are not too well disposed toward granting the people of British Columbia the same privileges they themselves enjoy on the prairies. I would not want to move an amendment which I know would only embarrass my hon. friends opposite. I just want to assure the people of British Columbia that justice will be done to farmers in the Fraser valley.

Mr. Churchill: No courage.

• (6:50 p.m.)

Mr. Sherman: Mr. Chairman, I wish to support some of the preceding speakers from this side of the house, notably the hon. member for Acadia, the hon. member for Moose Jaw-Lake Centre and the hon. member for Jasper-Edson in the position they have taken with respect to new sections 328 and 329 of this legislation, particularly in so far as the proposed review of the Crowsnest pass rates is concerned.

Section 329 contains a good many flaws. I think some of them were expertly outlined in detail by the province of Manitoba in its brief to the standing committee on transportation. For example the Manitoba brief pointed out that section 329 (1) and section 329A (3) lack a certain consistency in that section 329A (3), to which we will shortly be moving, deals with the movement of grain in bulk for export and the movement of flour for export, by railway to an eastern port from an inland point at levels of rates consistent with section 334, and provides that such rates shall be published in the *Canada Gazette*.

New section 334 states that rates shall be compensatory and defines what should be considered in determining variable costs for the movement of traffic. Sections 329 (1) and 329A (3) should be consistent, as the Manitoba brief points out. The Manitoba submission goes on to recommend that section 329 (1) be amended in order to supply this missing element of consistency. I am not going into that level of the argument at this point, Mr. Chairman, but I make reference to it to buttress my contention that section 329 of this legislation contains a great many flaws. Of all the flaws the greatest is the reference in the section to costs and to the attention that would be paid that subject in any review. As hon. members of the

[Mr. Churchill.]

house are now well aware, section 329 (1) provides as follows:

Not later than three years after the coming into force of this section, the commission shall inquire into the revenues and costs of railway companies subject to the jurisdiction of parliament that are attributable to the carriage of grain and grain products at the level of rates established or maintained pursuant to section 328—

This section further provides that the commission shall report such revenues and costs to the governor in council and the amount of payments necessary, in the opinion of the commission, to assist such railway companies to meet the costs of operations, etc. This reference to costs is a trap into which some members of the standing committee on transportation are not disposed to fall again. We heard a good deal about costs in the standing committee, particularly railway costs, and many of us have come to the conclusion that at this stage of the game a reference such as that made in section 329 (1) is little short of legalistic quicksand for us, because we have fallen again and again into this trap, where costs in the operation of the railway companies of this country are concerned. The warning signals being up, our personal radar is attuned to the danger this time and we are not disposed to fall into that trap again.

The committee heard a great deal about railway costs, how they would be arrived at and to what extent they would be available in our consideration of this legislation. With your indulgence, sir, I would refer to a specific dissertation on this subject by Professor George H. Borts who was one of the witnesses who appeared before the standing committee on behalf of the provinces of Manitoba, Alberta and the Maritimes Transportation Commission. At this juncture I should like to quote from the submission of Professor Borts to the standing committee:

Much has been made in the past of the need to protect the confidential nature of operating cost data of the railways. The railways have argued that public knowledge of such information would place them at a competitive disadvantage with respect to other modes, namely truckers. The competitive position of the railways vis-à-vis the trucks is supposedly defended by a general ignorance of rail variable costs. The railways feel that if the trucks had such knowledge, they would know which areas of rail traffic are vulnerable to rate competition. Following this argument, the trucks would speedily act to cut rates on such traffic and drive the rail service out.

Professor Borts went on to say:

I find this to be a ludicrous and coloured picture of competition in the marketplace. The rails over time have lost high-rated traffic to the trucks because of the constant pressure of competition pushing both shippers and truckers to find those