

closely as we could the variable cost of the transportation of coal from the three member mines to Port Moody for export. In the case of Coleman, which is one of the mines, our calculation worked out the variable cost at \$2.80 per ton, which is the figure on the first line on page 8.

Then he said—

**Mr. Speaker:** Order. I have to interrupt the hon. member as his time has expired.

**Mr. Olson:** I wonder whether I could just finish this point, Mr. Speaker. It is the last point with which I wish to deal. I would ask the indulgence of the house to allow me to finish.

**Mr. Speaker:** Is this agreed?

**Some hon. Members:** Agreed.

**Mr. Olson:** I should like to thank the house for giving me the opportunity to finish my remarks. Mr. Dutton continued:

Now, the \$5.28 a ton rate is arithmetically 84 per cent greater than this \$2.86 a ton variable cost which we had calculated.

In the same Minutes of Proceedings and Evidence of the committee this firm, R. L. Banks and Associates, which is highly qualified, said:

For low value, heavy loading, bulk commodities, any such mark-up is unbearable and unprecedented. In the United States in 1961, the average excess of revenue over variable cost was 27 per cent. Of course, for many commodities the excess was much greater, in a few cases even exceeding 150 per cent. For coal it was 7 per cent.

If it can be established that the variable cost of moving this coal from southwestern Alberta to the west coast is \$2.86 per ton and that 84 per cent over that figure is an unreasonable mark-up, there is no justification, first of all, for the C.P.R. demanding that rate and, second, for the government acquiescing to that demand without a thorough investigation.

I close by saying that there are dozens of instances in *Hansard* where the Minister of Transport stated time and again that there would be a full inquiry into, first of all, the techniques of establishing costs and then establishing the costs in regard to specific commodities. This has not been done. I am just as much concerned about the coal mines in southwestern Alberta and their operations as I am about the public treasury, because if this coal was accepted by the Canadian Pacific Railway at the same rate that was offered by the Great Northern the coal operators would not need a subsidy. Furthermore, the coal industry has a great future but not at \$5.28 a

*Supply—Solicitor General*  
ton, which appears to be 84 per cent over the proper variable costs.

I hope that the Minister of Finance, who is responsible to the Canadian people for the public treasury, will have a conference with the Minister of Transport and perhaps the Minister of Energy, Mines and Resources (Mr. Pepin) to see that a very high priority is placed on establishing the variable costs of moving this coal. There is an enormous market for our coal in Japan and perhaps other countries as soon as we can get the Canadian Pacific Railway to haul it to the west coast at a reasonable price.

I want to thank the house for its indulgence in allowing me a few extra minutes to complete my remarks. I hope that when the Minister of Finance replies he will not overlook the fact that we want the coal mining industry in southwestern Alberta and southeastern British Columbia to be able to operate on a sound basis. These people do not need a government subsidy if they can get a reasonable rate from the one and only railroad which can serve them. I hope the techniques for establishing these costs and so on will be one of the matters the government will deal with as quickly as it is physically possible to do so.

**Mr. Pepin:** Mr. Speaker, I should just like to make sure that the hon. member is aware of the agreement reached recently by the government through the Dominion Coal Board with Coleman and I should like to ask him—

**Mr. Speaker:** Order, please. I should like to bring to the attention of the minister that the hon. member's time expired a while ago and I doubt that we should extend it further.

**Mr. MacEachen:** Mr. Speaker, in accordance with discussions that have already taken place I should like to move the adjournment of the debate.

Motion agreed to.

## SUPPLY

The House in committee of supply, Mr. Batten in the chair.

### DEPARTMENT OF THE SOLICITOR GENERAL

1. Departmental administration including administrative expenses of the Committee on Corrections plus such fees, salaries and expenses as may be approved by Treasury Board for members and the panel of consultants and staff named by the minister to advise and assist the committee, and grants as detailed in the estimates, \$1,015,400.