

Oral Questions

ing with the fact that the wool was pulled over Treasury Board's eyes, that decisions were made too quickly, that there was an unnecessary expenditure of public funds because of the mistakes of ministers, not because of politics intruding. We all know that politics is government.

In view of these circumstances, and the fact that the minister and his predecessors have been blamed for this situation, what action does he propose to take?

Mr. Lang: Mr. Speaker, the hon. member for St. John's West is using reasoning by which he would urge me to follow some bureaucratic advice in favour of closing down the railway in Newfoundland. We are not intending to do so. We are following, instead, political judgment based on an inquiry among people in Newfoundland and consultation with the provincial government and my colleague who quite ably represents Newfoundland.

Mr. Jamieson: Right.

Mr. Lang: We intend to follow a political route, not an economic one.

Some hon. Members: Hear, hear!

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GRAIN

MOVEMENT OF GRAIN—PURCHASE OF HOPPER CARS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Minister of Transport in his capacity as minister in charge of the Canadian Wheat Board.

As the minister knows, on Thursday the Wheat Board announced that they wanted to purchase some 500 to 2,000 hopper cars to move prairie grain. In light of the fact that the railways had an obligation to provide the rolling-stock, that the Wheat Board is apparently being blackballed by the railways into purchasing the cars themselves, and that this is a dangerous precedent where the user is actually purchasing his own hopper cars to move his own product, I would ask the minister if he authorized the calling of tenders and, if he did, would he tell this House how he rationalizes and defends his decision against the historical obligation of the railways to provide boxcars or hopper cars to move grain?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am sure the hon. member knows that it is not at all unusual for people who ship products to in fact acquire cars and make them available to the railways in connection with the shipment of the product. That would not ordinarily take place in this particular situation, simply because the user is only having to pay a very low rate for moving the product and there is really no room for that kind of flexibility in rate negotiations.

I was aware of the intention of the Canadian Wheat Board to acquire hopper cars, or to go to tender for them. My authorization was not required. I believe that what the Wheat Board is doing is making a judgment that it is better to have

the extra cars available to avoid charges like demurrage which may lie on its doorstep if at a peak period it cannot move all the grain that it would like to move, or cannot move it as effectively.

The railroads have put forward certain arguments about when they would need additional cars and whether they have enough cars for next year. The Wheat Board, I believe, was not content to take a risk with regard to those arguments, even though some could make a case that with a better turnaround time we would not need the cars until perhaps a year later. Without doubt, we will need them soon and the Wheat Board felt it wise to have those cars and to proceed with a call for bids.

● (1427)

Mr. Nystrom: As we all know, Mr. Speaker, the Wheat Board said we need about 4,000 extra hopper cars and we need to repair about 5,000 boxcars. They also said that because of the fact we do not have adequate cars to move grain, we lost about \$350 million in sales last year.

My question to the minister is: why does he not require the railroads to purchase the cars? It is the first time that the Wheat Board has done it. Why does he not require the railways to purchase those cars? Does he not have enough political clout to do so?

Mr. Lang: It is hardly a question of political clout. I am not at all sure that I have the legal authority to require the purchase of equipment unless I can make an iron-clad case about equipment being required at a specific time. I have indicated to the railways that I am prepared to look at the power I have under the various pieces of legislation having to do with the Canadian transportation system, and I put them on notice that I will not countenance an inadequate supply of equipment to move grain. Their case is that for the immediate period ahead, they have that equipment. I have my own judgment about that.

It is a very tough question to argue in total, that the Wheat Board, instead of waiting for that argument, felt it was wise to have the cars, as they say, partly to guard against things such as demurrage charges which are a normal part of carrying grain and thereby to ensure they can move that grain to the market.

Mr. Nystrom: If the minister feels he cannot persuade the railways to purchase the additional cars, why does his department, as a last resort not convince the government to purchase the hopper cars as it has in the past? I believe the House was told by the minister a few weeks ago that if it were not for the government's restraint program, it might be easier to do that.

Will the minister now undertake to fulfil his obligation to western farmers to try to persuade the government to purchase those cars, so that this cost is not on the backs of the farmers?

Mr. Lang: Mr. Speaker, even with restraint, we looked very carefully at the question of purchase of cars and when it would be desirable to purchase additional cars. I have indicated that