

trying to move more in some months and less in other months which are natural to a selling and delivery system. We were told by the railroads that with their equipment and with the elevator system running on a five-day week in certain areas rather than on a seven-day week, the maximum of the handling and turnaround volume might be just above the 800 million bushel figure which we had achieved in the 1971-72 crop year.

This was true even after we had done a few things to improve the system. We put a block shipping system into effect which allowed for far faster use of equipment. We put a co-ordinating system into effect at the terminals, and a pooling of cars at the terminals, which allowed a far faster turnaround of equipment at that point. In every way we were getting the maximum use out of equipment. However, we were in a dilemma when we said to the railways that the Wheat Board might want to move so much wheat and barley so that along with the volume of other grains including rapeseed we may have the challenge of moving 900 or 950 million bushels, or even a billion bushels of grain in a crop year.

In such a case, what about the equipment to do it? We were talking to the railways in terms of our view that it is their basic obligation to have in place equipment to handle grain in an ordinary way; not necessarily to handle an extra 100 million bushels suddenly in a month or a week but their ability to do so in a regular way. The railroads did not deny, in this confrontation, that this was a basic obligation on their part. What they did say was that they had no natural obligation to have equipment to handle that grain from the elevators on a five-day week basis. If they had enough equipment so that if the elevators would operate on a seven-day week basis, they could easily handle it.

The dilemma is that in this particular area you do not have ordinary negotiations between the shipper of a product and the railways. As difficult as those negotiations may be at the best of times, you do not have ordinary kinds of negotiations between the two parties about the price at which they will handle the product and, therefore, the manner in which they will handle it, because there is the Crowsnest pass rate, a fixed rate at which grain is handled. Therefore agreement could not be achieved between the railways and the elevator companies.

It was not a case of the railways saying, "We will handle it at such and such a rate if you work on a seven-day week, and at a higher rate if you work on a five-day week." There was no such bargaining nor willingness on the part of elevator companies to accept the challenge of the railways. I asked the elevator companies to accept that challenge and to operate on a seven-day week and then tell the railways that they should handle the grain. It may be that we could have sorted out that question after a year or so of arguing, but I was not sure of it and I therefore asked my colleagues to provide money from the general revenue to put the hopper cars into place so we could be sure we would be able to move the grain which the Wheat Board may want to move.

The hon. member for Marquette said—completely erroneously; and he was wrong in a number of respects—that I said something before the committee. But I was not there at all. He also made reference to some comments

### Supply

which he and his colleagues, he suggested, had made a year or so ago when hopper cars were being bought. If he will check that, he will find that they did not say that either. It was well known to us that the existing rail lines could not, to a very large extent, carry the hopper cars. We were also aware of the fact that a significant number of the most important lines, those which carry the largest part of the grain, could in fact handle the hopper cars.

Hon. members seem to be aghast at the fact that the lines cannot carry the hopper cars. Again, what a strange mentality! They were surprised that we suddenly needed the hopper cars to start moving 900 million bushels of grain, when no one thought of more than 700 million or 800 million bushels of grain until two years ago. Now they somehow think that the lines should have been able to carry the hopper cars, when until that point no one had in fact thought in terms of running hopper cars over those lines.

**Mr. Knight:** Mr. Chairman, since the minister has pointed out to the committee that we are discussing a serious matter, would he like to fill us in with any information he may have that would be of service to those of us who have asked very serious questions related to this matter? Since he said that the hopper cars were there to facilitate the movement of up to 900 million bushels, I wonder whether he could give us an outline or table in the House an outline of when those cars came into operation at different intervals, and how much grain they have moved until now.

• (1550)

**Mr. Lang:** Mr. Chairman, I would be very glad to supply the information to the hon. member personally, or indeed to table it if that is his wish. There are now about 1,700 hopper cars in use. They are coming into use during the winter months, which is not the key period in terms of their operational use, but they are quite a help in getting grain to Vancouver, for instance, in a given time if difficulties arise there. So already they are acting as a reserve.

The real opportunity to prove themselves will come with the peak movement of grain in the summer months. I say again that if the Wheat Board chooses to sell that amount of grain that will require a peak movement, then we want to be in possession of a transportation system that will allow it to move all the grain necessary.

**Mr. Korchinski:** On another question—

**Mr. Lang:** I shall accept questions afterwards, if the hon. member doesn't mind. Hon. members expressed surprise that some lines could not carry the hopper cars. We have had discussions with the Wheat Board and the railways about putting the hopper cars on lines which can easily carry them and have the cars turned around as quickly as possible so that we can achieve maximum movement of grain more easily, and indeed test some new things in the movement of grain.

Hon. members have asked, what about upgrading the lines? This question did not really arise until we got to the point where we were going to have the hopper cars. In fact, the elevator companies had not raised all of the spouts to deal with hopper cars, but now they are raising