

being jeopardized. Some people think that the Canadian government or the taxpayer bears the cost of demurrage while the ships sit and wait but it comes out of the pockets of the prairie grain producer. Last year \$18 million was lost because of the lackadaisical handling of ships in Vancouver.

There are several other things I would like to mention, Mr. Speaker, but I shall close with some remarks about the Neil report because I know my hon. friend to my left would like to have a little time to speak on this. The Neil report saved many branch lines. To some degree, these branch lines had been built with public money. They should not simply be torn up. I come from a coal mining area. I have seen a coal mine where the tracks were removed three times and built over again, each adding to the price of coal. When we have these rail lines built, surely we can leave them there even if they are not used at present to full capacity because they will likely be required in the future. We need some stability with regard to our branch lines so that we will not be driving industry away and almost forcing grain companies to close their elevators.

● (1750)

The prairie farmers are tired of studies. They are tired of putting money in other people's pockets. I hope the changes made by this government will put a few more dollars into the farmers' pockets, the people on whom we depend to grow food for this nation and for many other hungry people.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I understand from the intent of the motion that the mover is proposing to make public the Booze, Allen and Hamilton report prepared by a firm from Bethesda, Maryland, U.S.A.

I think the point was made by the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) that the report is in effect public. Certainly all of the farm organization leaders that I know of and a great many private individuals now have the report, though, granted, it is not printed in French. I think the report was published, as it says on the front page, in June, 1979. The reasons for the report go back to the crop year of 1977-1978. At that time the system appeared to find it impossible to move all the grain for which there were sales. The wheat board in a conservative estimate estimated they had forgone over half a billion dollars worth of grain sales because of the inability of the railways and the system to move the grain. What was even more galling to farmers was that after having seen that half billion dollars in sales, so to speak, go down the tube, they were asked to pay an additional \$18.4 million in demurrage payments because the system was unable to perform according to requirements, and the ships were waiting.

It is interesting that the report itself was very action-oriented, and in spite of what was said in the House today, the rate structure and the compensation issue was specifically left out of the terms of reference of the Booze-Allen report. The recommendations of the report were recommendations that would be effective whether or not the rate problem, if it is a problem, was addressed. I also find the report interesting because a number of the recommendations, along with the key

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areas where the board saw problems, were being acted upon even before the report was published. A number of the findings of the report were fairly general knowledge to those who were interested in watching the operations of the grain trade before the report came down.

It was public knowledge that the system was not producing enough grain cars; that there would be an annual shortfall of 2,000 hopper cars until the year 1985 and that a shortfall on this scale would still continue if it were not for the intervention of some of the provincial governments, the federal government and indeed the wheat board on behalf of the producers themselves.

The report deals with a situation that has arisen because the direction of the grain trade has reversed in this country of ours. The bulk of the trade no longer moves from west to east but to where the markets are in 1980 and 1990, that is to the west, the Orient. Because of this shift we have seen the phasing out of some of the facilities at Thunder Bay because the volume of storage no longer is required. We see that the railway capacity to the west is perhaps not always adequate for the amount of traffic required of it. We are seeing very clearly that the terminal capacity at the west coast is not adequate to handle the amount of grain now available for shipment through those ports in order to meet existing markets.

Consequently, it was no surprise that the Booze, Allen and Hamilton report suggested that Prince Rupert be developed further. It pointed out the fairly obvious problems that exist in Vancouver with regard to space and the possibility of expanding the storage facility there. It pointed out there is still a very real need for terminal space at the ports. The reasons, I thought, were fairly obvious reasons. You cannot rely on ships always arriving in port on time. We have early arrivals. We have bunching of ships around the Christmas season. Captains try to get their crews to Vancouver, or any port for that matter, for the Christmas holiday, so they arrive ahead of the supposed loading time. As a result we get this bunching effect at the port of Vancouver on occasion. It is usually reported in January, but sometimes it carries over to the early part of February. The situation is exacerbated because this is also the time of year when the railways have trouble getting through the mountain passes. The report seems to be cognizant of those facts.

I think most people in the grain business are cognizant of the fact that the railway line which goes to Prince Rupert is not so subject to weather disruptions during winter. That is another of the reasons for expanding facilities at the port of Prince Rupert.

Because I have only two or three minutes before the debate is interrupted and I am not sure whether it will carry on for a full 90 minutes, I will bring my remarks to a conclusion, temporarily, and make a few points about the over-all system since we do not have time to analyse the seven or eight points in the system where problems can occur. I simply say that the report finds no problem with capacity in the country. The country elevator system has plenty of capacity. The railways are short of cars. That is a known situation and it is being