

*Routine Proceedings*

added to the congestion of ships waiting in harbour to take on Canadian grain.

While I was on a trade mission to the Pacific rim earlier this spring, I was told in no uncertain terms by our customers that their purchases of grain and oilseeds from Canada were not being delivered on time and that this was disrupting their own operations. While Canada's reputation as a quality grain producer helped the country through this year's difficulties, our customers told me that unless we improved our delivery record they would begin to look elsewhere for more reliable suppliers.

While I was in Asia the subcommittees of the agriculture and agri-food committee and the transport committee of this House were working in Ottawa to produce valuable recommendations to help alleviate several of the problems we were experiencing.

As soon as I returned from the Pacific rim I called an urgent meeting of key players in the western grain transportation sector. The meeting was held in Winnipeg on May 16. There were representatives from the grain companies, the railroads, the Canadian Wheat Board, the Canadian Grain Commission, the Grain Transportation Agency, the unions, and the maritime employers. I presented them with a list of initiatives including many of the subcommittees' recommendations. I asked that group in Winnipeg for their input and advice.

Shortly before that meeting was held, members of the Grain Workers Union and owners of the west coast grain terminals reached an agreement that allows for weekend unloading, thus reducing some of the bottleneck at the ports.

From a backlog of 41 vessels waiting for grain on the west coast when our problems were at their height late in the winter and earlier this spring, we now have that number of waiting ships down to 15 as of this week. That is the number which is considered close to reasonable for the efficient use of the ports. The railways also will have increased their fleet this month to more than 30,000 grain cars, compared to 24,600 in mid-February.

What is critical though is that we cannot afford a repeat of this past year. I want to congratulate the labour and industry representatives and the members of the two subcommittees of this House for their dedication to solving the myriad of problems that have plagued western grain transportation these past several months.

Incorporating the work of those subcommittees, the industry leaders, the labour representatives and advice from Transport Canada, Human Resources Development and my own Department of Agriculture and Agri-food, I wish to announce the following measures with the support of my colleagues the

Minister of Transport and the Minister of Human Resources Development.

First, the system of back hauling grain from Thunder Bay as far as Winnipeg just to qualify for subsidies under the Western Grain Transportation Act is going to end. This practice which has crept into our system in the last period of time is nothing more than a waste of our resources and an inefficient use of our rolling stock.

Second, a system of demurrage and storage charges for rail cars will be developed. Currently there is no system of penalties or incentives in place to encourage shippers of grain to use and return rail cars to the general fleet expeditiously.

• (1510)

These two changes require amendments to the Western Grain Transportation Act. We propose to make these changes with an implementation date of January 1, 1995. Thus those who may be entering into contracts now have notice that changes are to be expected.

Third, if the railways do not deliver sufficient rolling stock in the future to accommodate grain shipments, the government will use provisions of the Western Grain Transportation Act that apply to sanctions and hold backs where necessary.

Fourth, a policy will be developed to define the circumstances under which private cars could be added to the general grain fleet for western grain movement, if we are again faced with severe rail car shortages.

Fifth, we will end the maximum elevation tariffs at the west coast and Thunder Bay to increase competition among elevator companies and to allow them to charge at sufficient levels to cover the increased costs of weekend loading at port.

Finally, the forecasting of rail car requirements will be improved, as will be the co-ordination of inland loading and movement of rail cars with vessel arrivals at the ports.

We will be working with the group of key leaders who met in Winnipeg on May 16 to make sure that these changes are in fact implemented as quickly as possible. We will be looking beyond that group as well for input on longer term measures to prepare our western grain transportation system for future challenges.

In that spirit I have spoken today by teleconference with 34 of the senior leaders of relevant farm organizations, businesses and institutions who are the stakeholders in these processes for both the short term and the long haul.

Through the changes we are beginning to make, we fully expect Canada will be able to restore its reputation as a reliable supplier of quality grain. Nothing less is acceptable.