

*Adjournment Debate*

**Mr. Speaker:** It being after ten o'clock, in accordance with Standing Order 40 a motion to adjourn the House is deemed to have been moved and seconded. Therefore the question is: "That this House do adjourn."

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

### TRANSPORT—INCREASE IN FREIGHT RATES ON POTATOES AND PROVISION OF ADDITIONAL EQUIPMENT—REASON FOR TIMING OF ANNOUNCEMENT

**Mr. David MacDonald (Egmont):** Mr. Speaker, it has been a long day. I hope now to be able to direct the attention of the House briefly during the adjournment debate to a matter of some major concern to potato producers in eastern Canada, particularly Prince Edward Island and New Brunswick. As the minister will recognize, it concerns the problem of transportation costs and transportation equipment for the potato industry.

This has become a major question. This is roughly the fourteenth time over the past eight months that I have raised it in the House, either in the question period or adjournment debate.

There has been a developing problem of major proportions in terms of equipment that will be made available for potato producers. As the minister and his officials know, most of the potatoes were moved in carriers that were not made in this country. In fact they were rented from American rail operators and remained available to the Canadian railroads at a very inexpensive rental cost.

These refrigerated cars, some 4,000 or 5,000 in number, were normally adequate for the movement of potatoes to central Canadian markets. However, when the American railroads decided it was no longer possible to obtain existing equipment or build new equipment, these deteriorated very rapidly both in number and in quality. The situation today is that we have roughly 25 per cent of those that were normally available, something around 1,000 cars.

Some provision must be made in the very near future. In fact some would say the time is already well past when such equipment can be available on time. Otherwise we will run into a crisis situation during the peak shipping month of February or March. There will simply not be enough vehicles available to move potatoes to markets where demands are greatest.

We might have encountered the situation in the last shipping year were it not for the fact that an unusual opportunity developed for potato producers in New Brunswick and Prince Edward Island to ship a very large amount of table potatoes to

[*Mr. Speaker.*]

Europe after their own crop failed. I doubt whether that situation is likely to arise again this year or on many occasions. Indeed, with the bumper crop predicted for this year, we could well be in a very serious situation next spring when we try to move the bulk of our potatoes to market.

I raised this with the minister on June 9 because it had been announced a few days earlier, around the first of the month, that CNR was contemplating rate increases of 12 and 20 per cent. By the first of the year we will have something like a total rate increase of 34 per cent.

In addition, there was a suggestion that in place of the refrigerated cars which are no longer available or adequate for service, insulated boxcars roughly double or more the size of the present reefer cars should be provided. When the producers and retail operators heard of this, they were appalled, both at the discriminatory nature of the further rate increase which was away beyond any kind of guideline as it presumably existed with respect to cost increases under the present wage and price control program and, second, the appropriateness or adequacy of the insulated boxcars that CNR was contemplating using.

The rough experience that had been noticed over the past year, the difficulty with the substantial number of freeze-ups of potatoes that were in insulated boxcars, the problems of adequately handling them at the receiving end, as well as the problems in loading them for the producers came as extremely bad news to potato producers in eastern Canada. Therefore I was somewhat surprised when the Minister of Transport (Mr. Lang) told me the CNR had simply put this information on the table in order that they could proceed with discussions with the shippers on the subject of equipment, its availability and, presumably, its cost.

● (2230)

Since that time the special task force has worked diligently. Its report has now been circulated among potato interests in eastern Canada and it seems some break-through is being made. I believe we can expect an announcement that some cars will actually be built. The problem will, of course, be whether they will be in time or whether they will be enough. My understanding is that some 300 cars may be ordered of the size in the 90,000 lbs. range, and of the type suitable for the use of eastern potato producers, but that many of them may not be available for at least two or three years. Three hundred cars are really not adequate; they will accommodate, perhaps, less than 50 per cent of the real demand which will exist for these cars, and I hope more adequate consultation with the industry will lead to a more positive and more comprehensive plan being implemented.

In addition, I believe the plan to use insulated boxcars will not be any asset to the market or to the potato producers. I hope this proposal will be studied further. What is important, though, is to have a decision, to end this long and unsettled period in which potato producers do not know how to meet their marketing commitments. This is an industry which has tried desperately in recent years to get itself adequately organ-