

*Supply*

• (1620)

Who is responsible for the repairs to and maintenance of the cars? Who pays for it? Is the Canadian Wheat Board being charged now, or will they be later, or have they been charged in the past for any item such as cleaning of cars, switching charges or any other items that normally go as extra charges in the handling of railway equipment, both loaded and unloaded? Will the minister inform us whether an agreement has been reached with the railroads on all of these details? What is the division of responsibilities? Who gets the revenue from the freight charges? Who pays for the leasing of them? Is any recovery being made toward the capital cost of these by the Canadian Wheat Board? These are questions the minister needs to answer.

**Mr. Lang:** Mr. Chairman, if I may briefly refer to some of these questions, the Wheat Board and the railways have entered into an interim agreement which for the time being has the railways in fact taking care of the maintenance of the cars. No lease or rental charge is involved. The final agreement is being drafted at the present time. It is not yet finalized. It will be made available to members of the House when it is finalized. The exact point or problem that is involved here is a basic agreement between the railways and, if you like, the Wheat Board or, more correctly, now the government, about the appropriate arrangement which genuinely shows what the proper obligation of the railway is in this arrangement and what is properly the obligation of other parties within the system.

One thing that I can say is that throughout, it has been the understanding on all sides that no costs of the cars will be borne by the producer, the farmer or the Canadian Wheat Board on his behalf. The only cost the farmer or the Wheat Board will bear will be the regular Crowsnest rate in connection with the shipment of grain in these cars, as with other cars. That part is clear. The question of the exact final arrangement between the railways on the one hand and the government on the other remains to be settled. It may well be settled with another agreement for a fairly short period of time which allows us to do further analysis of the very complex questions the hon. member asks about the proper relationship.

**Mr. Benjamin:** Mr. Chairman, I take it from the minister's answer that the railways are collecting the normal freight charges. Are they collecting the full rates, or have they agreed to a lesser rate since they are not supplying any equipment for that grain?

**Mr. Lang:** Mr. Chairman, at the present time they are collecting the full rate, that is to say, the Crowsnest rate which, of course, the railways claim is less than their full cost.

**Mr. Mazankowski:** Mr. Chairman, I wish to direct a question to the minister in charge of the Wheat Board. The minister pointed out at some length that the capacity or throughput of our present handling and transportation system has increased, but not much, through upgrading the basic concept of the system.

[Mr. Benjamin.]

Can the minister advise whether we are achieving maximum throughput under the present system? Also, can he enlighten us as to what he sees in the future for maximizing the throughput without extraordinary changes in the basic concept of our handling and transportation system? In other words, is it really necessary to have extraordinary changes in the system to meet our throughput for the next ten years?

**Mr. Lang:** Mr. Chairman, the question of any changes in the system is not really related to the question of throughput. The existing system could be modified and improvements made to it which would allow for more grain being continually handled through it. The key question is the cost of handling it in that way. If 200,000 bushels of grain are handled at ten elevators when they could be effectively handled at one, you have to compare the cost of handling it in those two ways as well as the cost of the additional trucking involved, and so on, in handling it in a more consolidated way. The question of the kind of system is more one of cost than throughput.

With regard to the other question, what is required to improve the throughput, there is a very long and complicated list of things each of which can help a bit to improve that throughput. For example, I believe that additional storage facilities on the west coast and perhaps some additional handling facilities there are at the top of anybody's list for increasing the throughput. The number of things that can be done is virtually unlimited.

**Mr. Mazankowski:** Am I to understand that what the minister is really saying is that we are looking forward to a modification of the present system over a period of time, rather than any fundamental or radical change in the system in the future?

**Mr. Lang:** Mr. Chairman, I have rather pointedly avoided making a personal conclusion on the studies of the handling and transportation group, simply because I am fearful that if I take a position some people might, politically, take an opposing position. Instead, I hope they will make a sensible analysis of the situation. I am willing to say to the hon. member that my view of the proposals studied, and my view of what is likely to come about is that we will have a system which retains what is basically our present system, but with fewer delivery points. That possibility, as examined in the studies, is likely to be the most sensible step at the present time. I do not say what may be true many years from now; that is a little too complicated an issue.

**Mr. Mazankowski:** This gives rise to a further question, that is, the question of fewer delivery points. Is the minister in a position to elaborate on what he means by fewer delivery points? Does he mean a reduction of 10 per cent, 25 per cent or 50 per cent? Can he give us some indication?

**Mr. Lang:** No, Mr. Chairman. I do not want to pretend that I have a final answer to that question. When I was talking about fewer delivery points, I was talking about the model which was studied by the handling and transportation group, namely, an examination of the cost of the system if we had two-thirds of the present delivery points. There is nothing magical about that number. It was a