

in the pensions of their former employees, it is quite clear that the government is the one that took the lead in providing for the regular annual escalation of pensions under employee pension plans in Canada in line with the cost of living.

These pensions which were increased in January will be subject to a further increase in January of next year in accordance with the change in the cost of living up to September 30, 1974. The same percentage increase will apply to those who retire this year and qualify for the pension escalation for the first time on January 1 next, while those who may have retired in previous years and who qualify for the first time next January will receive pension increases at a rate commensurate with the change in the consumer price index since the year in which they retired. The same applies, of course, to the increases provided for pensions payable to surviving widows and children of former employees and of members of the other groups as well as to former members of parliament and the judiciary, their widows and children.

GRAIN—SUGGESTED RELIEF OF PRODUCERS FROM  
ADDITIONAL CHARGES BECAUSE OF TRANSPORTATION AND  
CONTRACT DIFFICULTIES

**Mr. Don Mazankowski (Vegreville):** Mr. Speaker, on April 22 I raised with the minister in charge of the Wheat Board some questions in connection with the serious charges which were levelled against Canada's transportation system by the chairman of the Canadian Wheat Board, Mr. Vogel, at the national transportation conference which was held in Ottawa on April 10. I refer specifically to the section of the chairman's statement which suggests that the farmers of western Canada, through the board, will face some exorbitant charges in costs caused by contractual default in the Wheat Board failing to meet its sales commitments caused by an insufficient supply of grain at export positions.

I want to know if this was an accurate assessment of the situation and if the minister thinks that farmers should be asked to foot the additional costs which have been incurred as a result of the failure of Canada's transportation system to meet its responsibilities. Moreover, it is fair to assume that in view of the statements which have been made by the Minister of Transport (Mr. Marchand), who admitted that the government has failed to implement an effective transportation policy, and in view of the government's failure to compel the railways to discharge their responsibility in the field of grain movement, the additional costs, and indeed the reputation of Canada as a supplier of grain on the world markets, is seriously jeopardized.

● (2220)

I do not believe that the farmers should be asked to meet these additional costs. Therefore, my question was put to the minister with a view to recommending or suggesting that the government seriously consider the advisability and feasibility of offsetting these additional charges in some way, shape or form.

The second point of my question was the fact that Mr. Vogel had stated that farmers are facing additional costs,

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running into hundreds of thousands if not millions of dollars, in vessel demurrage. At the time of this statement on April 10, 1974, it was indicated that 15 vessels were waiting at the port of Vancouver, with another 11 due. Today I find there are 11 ships waiting, 12 are loading and six more are due within the next week. It would be interesting to know what the story is on the additional cargo costs and whether any consideration is being given by the government to meeting these additional costs, or at least to offsetting them in some manner, particularly since the failure of Canada's transportation system, here again, has the result of insufficient supplies of grain to meet our export commitments.

To the present time, according to the latest James Richardson letter, something in the order of 120 million bushels less wheat have been exported this year compared with last year. The statement Mr. Vogel made indicates that during the railway strike last fall, 45,000 boxcars, representing 90,000 bushels, were lost. As of April 10, he indicated there were an additional 26,515 boxcars, representing approximately 56 million bushels, behind the railways' own minimum targets since January. The new targets of 10,300 cars per week will not be met until some time in May, if at all. He went on to indicate that even if the targets set by the railways are met, starting immediately, the west coast backlog will not be cleared away until the end of July.

The chairman of the board also indicates that this is costing producers untold millions of dollars in lost sales and, above all, the board has had to withdraw from future sales commitments. In addition, as I indicated earlier, Canada is rapidly losing its reputation as a dependable grain supplier. This is surely because of failure on the part of the government and Canada's transportation system to meet their obligations.

In surveying freight movements during the past year it is interesting to note that grain car loadings for 1973 were 20 per cent below the previous year. Looking at this year, we note that all rail car loadings are running at something in the order of 3 per cent less than during the corresponding period last year. This is a situation that simply has to be resolved, and until such time as it is resolved it seems to me fair to call on the government to take some measures to alleviate it, to offset the additional costs that have been incurred as a result of the transportation system's failure but certainly not through any fault of the farmers themselves. I do not believe it is fair to ask the farmers to pay for mistakes that have been made by the government and by the transportation system. Above all, they should not be asked to pay for government inaction and government irresponsibility.

**Hon. Otto E. Lang (Minister of Justice):** Mr. Speaker, the suggestion of inaction or any lack in the field of transportation is a strange one and falls to the ground completely. The Canadian government has taken very vigorous action to analyse and develop programs for the transportation system in the grain handling field and has been taking the time to implement them, but only because of our view that producers and the industry must be fully consulted. We have purchased 2,000 hopper cars and have arranged to acquire another 4,000 because we know that is